

# Memorandum



**City of Dallas**

DATE: September 28, 2007

TO: Honorable Mayor and Members of the City Council

SUBJECT: Good Faith Effort Program

On Wednesday, October 3, 2007, you will be briefed on the City of Dallas' Good Faith Effort Program. A copy of the briefing is attached.

If you have any questions please call me.

A handwritten signature in black ink, appearing to read 'D. Cook'.

David Cook  
Chief Financial Officer

Attachment

c: Mary K. Suhm, City Manager  
Ryan S. Evans, First Assistant City Manager  
Deborah Watkins, City Secretary  
Thomas Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
Judge Jay Robinson, Judiciary  
Ramon F. Miguez, P.E., Assistant City Manager  
Charles W. Daniels, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
A.C. Gonzalez, Assistant City Manager  
Chandra Marshall-Henson, Assistant to the City Manager  
Ade Williams, Director, Business Development and Procurement Services

# Good Faith Effort Program



**City Council Briefing**

**October 3, 2007**

# Purpose

- Outline overview/ history of Good Faith Effort (GFE) Plan
- Outline results and recommendations of Availability & Disparity Study
- Outline GFE Plan
- Discuss BDPS' role in the implementation of the GFE policy

# Background

## City of Dallas M/WBE Program

- Purpose of GFE Plan is to involve qualified minority and women owned business enterprises (M/WBEs) to the greatest extent feasible on the City's construction, procurement and professional services contracts
- In October 1984, Dallas City Council adopted the City's first Good Faith Effort (GFE) Plan which included race specific goals

# Background

## Legal Framework

- In 1989, Supreme Court review of M/WBE programs in public contracting determined:
  - Government institutions may adopt race-conscious goal programs only to remedy identified discrimination
  - Race-conscious goal programs must be narrowly tailored to remedy an identified discrimination
  - Court decisions ruled that both availability and disparity was needed to justify a goals based program
- Immediately following Supreme Court decisions, the City of Dallas began a review process of the City's existing race specific goals

# Background

- In FY 89-90 and 90-91, the City of Dallas performed an in-house Availability & Disparity Study (A&D)
  - Analyzed the **availability** of M/WBE businesses within City of Dallas vendor database
  - Statistically determined **disparity** of M/WBE participation in awarded contracts
  - Analysis was based solely on vendor database and did not analyze availability of M/WBEs within the larger market; more developed sophisticated methods of analyzing availability within a designated market area were used in 2001 A&D Study
- After the 2 subsequent A&D Studies, the City of Dallas continued the race specific goals based program as established by council

# Background

- In 1994, the City of Dallas commissioned another A&D Study to determine the City's continued need for M/WBE program
- Upon review of the 1994 A&D Study findings and with community input, Dallas City Council voted to continue City's M/WBE program
  - Adopted GFE Plan and established current goals without consideration for a specific ethnicity or gender defined through Supreme Court Rulings (Resolution Number 97-1605)

# Background

Current GFE Plan goals are not distinguished by race or ethnicity of primes and subcontractors

- Established M/WBE Goals:
  - Construction: 25.00%
  - Architectural & Engineering : 25.66%
  - Professional Services: 36.30%
  - Other Services: 23.80%
  - Goods: 18.00%
- Goals were to be met by utilizing local (inside City of Dallas boundaries) M/WBE businesses
  - A State Law, which has been sunseted, required municipalities to utilize municipal boundaries for M/WBE programs



# Background

- Goals could be met by a combination of locally-owned M/WBE prime contractors and/or M/WBE subcontractors
- Non local M/WBE primes and subs do not count towards the GFE goal but are considered as evidence of compliance with the GFE plan
- Compliance with the City's GFE policy is demonstrated on the good-faith effort by the prime contractor to utilize M/WBEs subcontractors

# Background

## 2001 A&D Study

- Recognizing that market forces and factors change, in January 2001 the Dallas City Council commissioned an A&D Study to be completed by Mason-Tillman
  - Reviewed City's contracting & purchasing policies from October 1997 to September 2000
  - Assessed the total number of contract awards & contract dollars expended during this time period
  - Analyzed number of contracts and dollar amount of awards to M/WBEs
  - Researched availability of M/WBEs within market area
  - Redefined market area from City of Dallas to Dallas County (will also include areas of City of Dallas that are not located within Dallas County)
  - Conducted statistical analysis of disparity

# Background

- Prior to 2001 A&D Study, analysis was limited to City's vendor database and did not consider overall availability of M/WBE businesses within a designated market area
- Identifying the local market area is a key component to an availability analysis because it establishes the parameters for the study as defined through Supreme Court rulings
- During study period, City of Dallas awarded 42,906 prime contracts
  - 77.1% of contracts awarded were awarded to primes located within the City and County of Dallas
  - 72.9% of awarded dollars were awarded to primes located within the City and County of Dallas
- Based on the percentages of awards and dollars spent, the market area was defined as both the City and County of Dallas

# Availability and Disparity Study Results

- Disparity existed in the Prime contracting categories for all M/WBEs
  - State law does not allow bids to be awarded to prime contractors on basis of ethnicity, so M/WBE Good Faith Effort goals are geared toward use of M/WBE subcontractors
- Disparity existed in the Subcontracting Construction category for African Americans and Asian American only

# Availability and Disparity Study Results (by ethnic groups)

	African Americans	Asian Americans	Hispanic Americans	Native Americans	White Females
<b>PRIMES</b>					
Construction	X	X	X	X	X
A&E	X	X			X
Professional Services	X	X	X	X	X
Goods & Other Services	X		X		X
<b>SUB CONTRACTING</b>					
Construction	X	X			
A&E					

**X=Disparity**

**Disparity exists in subcontracting construction category for African Americans and Asian Americans only**

# Additional Analysis

- Since subcontracting disparity existed in only 2 ethnic categories, another study was needed to determine if utilization of M/WBEs was a result of market conditions or the impact of City's GFE Policy
- City contracted with Mason Tillman for an additional study
  - A But/For Study was commissioned February 2003 to determine **but for the City's M/WBE program, utilization of M/WBEs would not be at existing levels**

# Additional Analysis

- Methodology:
  - Utilized prime contractor data
    - Compared subcontractor usage on work completed for the City of Dallas to work completed in the private sector or other governing bodies without a goals based M/WBE program
- Findings:
  - While there were not enough responses to survey information to determine statistical evidence, anecdotal findings indicated But/For for the City's M/WBE program, utilization of M/WBEs would be significantly less
  - The City's M/WBE program, and not natural market forces is what influences M/WBE participation in City contracts

# Overall Study Results

- A&D and But/For Studies indicated a continuation of the GFE race neutral goals based program and will continue use of M/WBEs in City contracting and procurement awards
- To address areas of disparity, the City of Dallas would continue to conduct overall outreach programs that include bidding workshops, financial assistance programs and one-on-one vendor awareness sessions



# Good Faith Effort plan

- Upon review of the 2001 A&D Study findings and with community input, Dallas City Council voted to continue City's M/WBE program on March 2004 (Resolution Number 04-1033)
- GFE Plan includes the following:
  - **Policy Statement**
    - Involve qualified M/WBEs to the greatest extent feasible in City's contracting opportunities
    - Prevent discrimination based on race color, religion, national origin or sex in the award and performance of contracts
  - **Scope of Plan**
    - Applies to all contracts above \$25K (but we monitor, track, and report all expenditures) with a special emphasis on subcontracting opportunities
    - Applies to first-tier subcontractors
  - **Administration of Plan**
    - Establishes City Manager as responsible for administration and implementation of Plan
    - Designates Assistant City Manager as M/WBE Liaison Officer

# Good Faith Effort plan

- Appoints Business Development and Procurement Services (BDPS) as responsible department for administration of the GFE Plan
  - Conduct outreach functions
  - Provide bonding, financing and technical assistance services
  - Communicate procedures for compliance & distribute City's M/WBE goals and requirements
  - Maintain and distribute a directory of certified and registered M/WBEs
  - Review submitted GFE documentation
- **Certification Requirements**
  - Outlines North Central Texas Regional Certification Agency (NCTRCA) certification
  - Allows for acceptance of certification from other organizations using same essential criteria
    - DFW Minority Business Council
    - Women's Business Council – Southwest

# Good Faith Effort Plan

- Goals
  - Maintains current goals in all categories:
    - Construction: 25.00%
    - Architectural and Engineering: 25.66%
    - Professional Services: 36.30%
    - Other Services: 23.80%
    - Goods: 18.00%

# Good Faith Effort Plan

- Acts of Good Faith Efforts
  - Determination of good faith efforts is based on the apparent awardee:
    - Submitting GFE affidavit in which vendors submit prior to award confirming compliance with the GFE policy
    - Contacting the BDPS RLT for assistance in identifying potential M/WBE subcontractors
    - Communicating with and attempting to get quotes from at least 5% of M/WBE companies listed on the City's M/WBE list provided by the RLT
  - Failure to comply with GFE requirements will result with vendor being deemed non responsive and bid awarded to the next lowest bidder or advantageous proposer

# Good Faith Effort Plan

- GFE goals met
  - Goals approved by City Council on \$25K contracts and above are monitored throughout the term of the contract by the City's Good Faith Effort (GFE) group (a group of contract compliance specialist responsible for tracking and monitoring and reporting M/WBE performance)
  - Any changes made in the use of minority of firms must be approved by the City's GFE group. Failure to document changes in M/WBE usage may be considered in future awards
- GFE goals not met
  - If the goals are not met, the vendors can still be in compliance with the GFE policy through adequate documentation of their good faith efforts to meet the goal, which is reviewed for compliance and approval by the GFE group

# Administration of GFE Plan

- As part of FY 03-04 budget process, the administration of the GFE Plan was consolidated to BDPS
  - General Fund savings of \$200K
  - Allows project managers to focus on progress of project
  - Provides single location for primes and subs to obtain assistance in complying with the GFE policy
  - Provides location for subcontractors to obtain information on payment issues or other questions regarding progression of project
- Efficiencies of consolidation
  - Provide centralized location for contractors and subcontractors to obtain and report GFE information and resolve GFE-related issues
  - Provide administrative services to contracting departments, alleviating the need for project managers to perform administrative duties related to implementation of the GFE policy

# Administration of GFE Plan

- Consolidation also allowed for implementation of other program improvements recommended by Mason -Tillman:
  - Use citywide tracking system to track awards, change orders and subcontractor payments
  - Ensure appropriate lead time for bid notifications
  - Improve payment turnaround time
  - Provide bonding assistance for small contracts through contract with SSP Consulting Inc.

# Administration of GFE Plan

- Implementation of A&D Study recommendations:
  - Citywide tracking system (CityBOTS) was a big change in the monitoring, tracking and reporting of GFE performance that links to the City’s financial system which was not available in the past
    - Captures actual payments from primes to subcontractors on a department and citywide basis; providing a more exact picture of citywide GFE performance
    - Centralized, accurate, user friendly and timely reporting of “GFE performance quarterly report
    - Allows us to:
      - track subcontractor participation and subcontractor changes through life of project which requires approval by the GFE group so as to ascertain that approved GFE goals are met
      - assist subcontractors with information regarding payments made to primes and project status
      - identify M/WBE that have successfully participated as primes and/or subs
      - be able to monitor the growth of M/WBEs from subs to primes



# Administration of GFE Plan

- Ensure appropriate lead time for bid notifications
  - BDPS hosts quarterly construction and Architecture & Engineering roundtables to promote awareness of upcoming projects
  - Bid notices sent electronically through the City's web base procurement system
  - Advertise all formal bids in The Dallas Morning News
  - Bid notifications are forwarded via e-mail to 29 Community Outreach Liaison Program (COLP) partners (see page 33 &34) to inform their membership of upcoming opportunities
- Improve payment turnaround time
  - Consolidated process separates payment for work completed from submission of GFE forms
  - The City pays primes within 30 days from completion of work
  - State law requires primes to pay subs within 10 days from receipt of payment from the City
- Provide bonding assistance
  - Continue to provide financial training seminars and continue partnership with surety-support consultant

# Local Workforce Program

- State law does not allow:
  - Consideration of minority composition of bidder's workforce in consideration of award
  - Consideration of workforce location in consideration of award
- **However:**
  1. City Code 15 B requires awardees of contracts to take affirmative action steps to insure applicants are employed and treated equally during employment without regard to race, age, color, religion, sex, national origin or handicap status (this requirement is stated in all bid documents and contract language that each awardee signs)
  2. To encourage both workforce diversity and local hiring preference, the City:
    - City reserves the right to request a company's affirmative action plan or equal opportunity plan from potential contract awardees
    - City reserves the right to request potential awardees' local hiring plan if performance of contract will require prime to hire more staff

# BDPS' role in the implementation of the GFE policy

- BDPS has high visibility in the business community, as well as within our organization
- BDPS is a facilitator – cultivating relationships with:
  - City Departments
  - Local organizations to promote business opportunities
  - Local/ minority vendors – both prime and subs, to identify partnering opportunities beneficial to vendors and the City
- Business Development and Procurement Services (BDPS) includes the following divisions:
  - Procurement
  - Resource**LINK** Team (RLT)
  - Good Faith Effort (GFE Group)

# Procurement

- Focus on buying goods and services for the City, ensuring compliance with all regulations by administering the City's centralized purchasing process
- Develop specifications jointly with City departments, obtain bids through online bid solicitation, establish and monitor price agreement contracts, as well as issuing purchase orders
- Work in conjunction with the Resource**LINK** Team and Good Faith Effort group to increase M/WBE participation in the City's contracting process

# ResourceLINK Team

- The ResourceLINK Team (RLT) is a group of business development and procurement specialists who connect businesses with the resources and information needed to do business with the City of Dallas
- To build mechanisms to improve information dissemination relative to opportunities the RLT:
  - Conducts vendor training sessions to educate vendors on the City of Dallas' procurement process
    - 52 workshops and roundtables conducted in FY 05-06 were consistently well attended showing a need for vendor training
      - approximately 4,680 vendors attended
    - 49 workshops, roundtables, and forums conducted in FY 06/07
      - Approximately 4,410 vendors attended (see exhibit A)
  - Provide one-on-one support to vendors to address real or perceived barriers
    - 3,600 vendors for FY 06-07

# ResourceLINK Team (cont.)

- Participate in chambers, advocacy and industry groups' events and mixers to network with potential vendors and makes them aware of upcoming opportunities with the City
  - 203 events for FY 05-06
  - 196 events for FY 06-07 (see exhibit A)
- Coordinate meetings between vendors and departments to inform the departments of goods / services they provide
- Coordinate introductions between prime and sub contractors / consultants to increase minority participation
- Link business with other public agencies, chambers, industry, and advocacy groups
- Provides access to capital resources, and bonding / insurance support through relationships with local lending institutions

# ResourceLINK Team (cont.)

- BDPS has marketed the ResourceLINK Team to be the “sales force” for the City with the goal of :
  - Recruiting vendors to participate on City contracts
  - Educating the vending community on the City’s processes which will ultimately result in more competition and better pricing on City Contracts
- Focusing on vendor development increases vendor knowledge, their ability to bid, and we are:
  - Promoting business growth and development
  - Putting tax dollars back into the local economy
  - Building economic climate of Dallas

# ResourceLINK Team (cont.)

- Strong partnerships and proactive communication with the business community supplement the City's BDPS Department's outreach efforts and include:
  - Developing initiatives that support the City's Good Faith Effort policy in partnership with our Community Outreach Liaison Program (COLP) partners focusing on:
    - Educating vendors about the city's contracting process
    - Awareness of city's contracting opportunities
    - Joint sponsored events and workshops
    - M/WBE certification assistance
    - Participate on partners:
      - business expos to identify potential vendors that can participate on the City's contracting opportunities
      - committee meetings to educate business partners on City's contracting opportunities



## ResourceLINK Team (cont.)

- **The Business of Design Conference Series with HKS, Inc.**
  - Designed April 2003 to enhance the technical and management skills of local, minority and women-owned architectural and engineering consultants, while allowing their businesses to increase profit and continuing to build a solid reputation in the community
  - Professionals in their respective fields discuss effectively pursuing work in various sectors, planning and setting up a project management program, managing quality and controlling risk, and successfully closing out projects
  - 95 MWBE participants to date

# Community Outreach Liaison Program (COLP) Partners

## Chambers of Commerce

- All Asian American Chamber of Commerce (Mid Cities)
- American Indian Chamber of Commerce
- American Chinese Asian Chamber of Commerce
- Bangladesh Chamber of Commerce
- Dallas Black Chamber of Commerce
- Dallas Northeast Chamber of Commerce
- DFW African Chamber of Commerce
- DFW Native American Chamber of Commerce
- DFW Taiwanese Chamber of Commerce
- Greater Dallas Hispanic Chamber
- Greater Dallas Asian American Chamber
- Greater Dallas Korean Chamber of Commerce
- Greater Dallas Chamber
- Greater Dallas Indo-American Chamber of Commerce
- North Dallas Chamber of Commerce
- North Texas GLBT Chamber of Commerce
- Oak Cliff Chamber of Commerce
- Pan Asian American Chamber of Commerce
- Philippine American Chamber of Commerce of North Texas
- Southeast Dallas Chamber of Commerce
- Taiwanese Chamber of Commerce
- West Dallas Chamber of Commerce

# Community Outreach Liaison Program (COLP) Partners (cont.)

## Industry Groups

- Asian Contractors Association
- Black Contractors Association
- DFW Hispanic Contractors Association
- QUOIN (Association of General Contractors)

## Advocacy Groups

- DFW Minority Business Council
- North Central Regional Certification Agency
- Women's Business Council- Southwest

# How outreach works

- The following steps are performed for all bids by the City's Resource**LINK** Team:
  - **Before the bid submittal**
    - Identifies potential Minority and Women-Owned Business Enterprises (M/WBEs) to participate in the City's bidding process
      - A list of certified M/WBEs is developed from our certification agency's data base and are sent notice of the bid and pre bid
      - Ten percent of the list is called to ensure direct contact is made and that they are prepared to respond to the solicitation
    - Works closely with the buyer and/ or project manager to identify potential scopes of work that can be sub contracted to a minority firm

# How outreach works (cont.)

- Recruits vendors through the City's Community Outreach Liaison Program (COLP) partners (see page 29 & 30)
  - Bid notifications are forwarded via e-mail to COLP partners to inform their membership of upcoming opportunities
- Contacts businesses utilizing various sources such as yellow pages, chamber directories, "Blue Book" (Building and Construction Industry book), internet, and minority certification agencies' database to make them aware of the upcoming bid solicitation and encourage them to participate
- Attends pre-bid meetings to explain the City's Good Faith Effort policy, and assist vendors with:
  - the City's contracting process
  - online bidding process
  - minority certification
  - offer one-on-one assistance through out the process

# GFE Administration step by step process

## Pre-Award Process

- Departments and buyers:
  - Work with RLT to identify possible subcontracting opportunities
  - Select prime for projects
  - Notify prime of intended award
  - Notify GFE Group of intended award by emailing a Project Information Sheet to the GFE group
    - Includes responsible project manager, proposed agenda date, amount of contract and prime contact information

# GFE Administration step by step process

## Pre-Award Process (cont'd)

- GFE Group:
  - Contacts prime to communicate GFE Policy and assist with completion of GFE forms
  - GFE Forms
    - GFE Affidavit
    - Schedule of Work
    - Subcontractor Intent Form
    - Good Faith Effort Documentation Form
    - Change of M/WBE subcontractor/supplier form

# GFE Administration step by step process

## Pre-Award Process (cont'd)

- GFE Group:
  - Reviews GFE submission and determines if GFE has been met
  - Communicates with project manager / buyers and initiates joint departmental reviews if good faith effort has not been met
  - Once completed and reviewed, electronically forwards GFE information to Departments / Buyers for placement on Council Agenda
  - Process takes 10 days



# GFE Administration step by step process

## Post Award Process

- Department / GFE group:
  - Project manager and GFE group oversees progression of project
  - Project manager submits signed M/WBE Change Form to GFE group
    - Form must be signed by project manager and approved by GFE group prior to changes being made
      - Purpose is to ensure primes do not make unauthorized changes to a contract once approved by City Council

# GFE Administration step by step process

## Post Award Process (cont'd)

- GFE Group:
  - Tracks payments to primes and both M/WBE and non-M/WBE subs with City BOTS software
  - Communicates with Department project manager when discrepancies arise
  - Reports City-wide actual participation to City Council on a quarterly basis

# GFE Administration step by step process

## Project Close-Out Process

- Department:
  - Project manager reviews final pay application and notifies GFE Group of final pay request
- GFE Group:
  - Reviews GFE participation to ensure project participation levels were maintained to completion of project

# Recognitions

- Excellence Award (E-Award) Public Sector Agency of the year from the Dallas Fort Worth Minority Business Council
- Unidos Award from the Greater Dallas Hispanic Chamber of Commerce
- Summit Award for the American Airlines Center from QUOIN
- Pacesetter Award presented by the Dallas Together Forum
- Public Sector of the Year Award from the Dallas Black Chamber of Commerce
- Partnership Award from the Greater Dallas Hispanic Chamber of Commerce
- Black Contractors Association Public Entity Award
- Hispanic Contractors Partner Award
- Black Contractors Association “Chairman’s Award”
- Partnership Award from the Greater Dallas American Chamber

# GFE performance

## See exhibit B

- For FY 06 - June 07:
  - Total local dollars spent : \$276,545,429.
  - Dollars awarded to M/WBEs: \$84,967,401 or 30.7%
  - **Exceeded M/WBE goals by \$17,502,626**
  
- For FY '05-'06
  - Total local dollars spent: \$289,385,599
  - Dollars awarded to M/WBEs: \$83,900,992 or 29.0%
  - **Exceeded M/WBE goals by \$16,868,668**
  
- For FY '04-'05
  - Total local dollars spent: \$331,131,691
  - Dollars awarded to M/WBEs: \$136,105,105 or 41.1%
  - **Exceeded M/WBE goals by \$56,000,313**
  
- For FY '03-'04
  - Total local dollars spent: \$102,870,628
  - Dollars awarded to M/WBEs: \$102,870,628 or 36.5%
  - **Exceeded M/WBE goals by \$35,611,058**

# GFE performance (cont.)

- We have consistently met goals in the following categories:
  - Construction
  - Architectural and Engineering
  - Other Services
- Although we have not met goals in Professional Services and Goods, these categories have a much smaller impact on overall performance than Construction, Architectural and Engineering, and Other Services where the City is exceeding goals

# 2006 Bond Program

- To develop strategies to strengthen the Community through increased minority participation in the approved City's 2006 Bond Program, the City worked with community groups to address the M/WBE challenges and opportunities of the 2006 Bond Program
- The recommendations from this group (see exhibit C) as well as City initiatives are presented below:
  - **Recommendation:** Build mechanisms to improve information dissemination relative to opportunities
  - **Initiatives:**
    - Conduct vendor training sessions to educate vendors on the City of Dallas' procurement process
    - Provide one-on-one support to vendors to address real or perceived barriers
    - Participate in chambers, advocacy and industry groups' events and mixers to network with potential vendors and makes them aware of upcoming opportunities with the City
    - Coordinate meetings between vendors and departments to inform the departments of goods / services the vendors provide
    - Coordinate introductions between prime and sub contractors / consultants to increase minority participation
    - Link businesses with other public agencies, chambers, industry, and advocacy groups
    - Provide access to capital resources, and bonding / insurance support through relationships with local lending institutions
    - Informational 2006 bond program forums will include City executives and project managers from the major contracting departments

# 2006 Bond Program

- **Recommendation:**

Tactics to improve the contracting process to meet the identified objective by:

- Formulated bid packages to allow smaller firms to participate in the process of contracting
- Encourage senior City Officials to participate and reinforce the importance of a joint venture relationship

- **Initiatives:**

- Review specifications to make determination that if by unbundling bids, where feasible, would allow for M/WBE opportunities
- Quarterly construction and A&E roundtables that promote building relationships between primes and subs which could lead to joint venture opportunities
- Recommend Small Council task force to meet quarterly to monitor the M/WBE participation for the 2006 Bond Program because these are large capital projects
- For eligible types of projects, strongly encourage joint ventures utilizing M/WBE partners
  - Facilities construction
  - Design/Engineering
  - Other projects allowed by State Law to be awarded through alternative delivery methods



# 2006 Bond Program

- **Recommendation:**

Create programs or steps to meet working capital needs

- **Initiatives:**

- Exploring funding opportunities with City departments and lending institutions to facilitate mobilization funding for small and emerging businesses
- Continue to find new ways to facilitate insurance/bonding

# 2006 Bond Program

- **Recommendation:**

Support educational programs, including mentoring/protégé programs

- **Initiatives:**

- Implementing City Connections - Dallas' Mentor-Protégé program
- Establishing working relationship with Educational institutions

# 2006 Bond Program

- **Recommendation:**  
Identify processes for monitoring success and establish oversight of M/WBE compliance
- **Initiatives:**
  - Bond program activities will be tracked separately for the 2006 bond program. Minority participation for the bond program will be included in the quarterly GFE performance report presented to City Council
  - Compliance of the 2006 bond program minority participation will be monitored through the City's GFE tracking system (CityBots)
  - Implemented CityBots tracking system to monitor and report GFE performance
  - Consolidated the GFE process to have a centralized location to facilitate the administration of the GFE policy
  - Establishing working relationship with Educational institutions

# Next Steps

- Recommend a small Council task force to meet quarterly to monitor the M/WBE participation for the 2006 Bond Program because these are large capital projects
- Issues under consideration:
  - Encourage senior City Officials to participate and reinforce the importance of joint venture relationships
  - Create a pool of working capital
  - Continue to find new ways to facilitate insurance/ bonding
  - Establish working relationship with Educational institutions (Cedar Valley College and UNT of Dallas) to provide necessary skills sets, such as adding logistics to their curriculum, that facilitates available workforce to support projects
    - i.e. International Inland Port of Dallas event

## Next Steps (cont.)

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- Continue to explore ways to promote M/WBE participation in the City's contracting process

## Exhibit A

### RLT Events Calendar

Date	Event Name
<b>October 2006</b>	
10/2	Joint Sponsorship - DFW Minority Business Council Annual Golf & Tennis Classic
10/3	DFW Minority Business Council New Member Orientation
10/4	Central & South Texas Minority Bus Council, UT System, TX Bldg & Procurement Commission "Let's Build Together"
10/4	Greater Dallas Hispanic Chamber of Commerce New Member Orientation
10/4	African Chamber of Commerce DFW Economic Forum
10/4	Hispanic Contractors Association & Turner Construction Subcontractor Open House
10/5	Hispanic Contractors Association of DFW Business Conference & Awards Luncheon
10/6	Greater Dallas Asian American Chamber of Commerce Seminar Series
10/7	Multi-Ethnic Education Economic Development Center & United Central Bank "Money Smart" Seminar
10/10	Greater Dallas Chamber of Commerce 11th Annual International Business Achievement Awards
10/10	Black Contractors Association Monthly Meeting
10/10	Dallas Black Chamber of Commerce Business/Economic Development Monthly Meeting
10/11	African Chamber of Commerce DFW Economic Forum
10/12	Greater Dallas Asian American Chamber of Commerce Awards Banquet
10/13	Dallas Black Chamber of Commerce 80th Annual Banquet
10/16	Joint Sponsorship - Oak Cliff Chamber of Commerce 23rd Annual Golf Tournament
10/16	Joint Sponsorship - Greater Dallas Hispanic Chamber of Commerce Annual Golf Tournament
10/18	African Chamber of Commerce DFW Economic Forum
10/19	Black Contractors Association Monthly Meeting
10/19	Dallas Minority Business Development Monthly Breakfast
10/21	Multi-Ethnic Education Economic Development Center & United Central Bank "Money Smart" Seminar
10/24	Greater Dallas Hispanic Chamber of Commerce Annual Membership Meeting
10/25	Greater Dallas Chamber of Commerce BusinessPlace Expo
10/25	African Chamber of Commerce DFW Economic Forum
10/26	Hispanic Contractors Association of DFW Monthly Luncheon
10/27	Black Contractors Association Inaugural Chairman's Reception
10/28	Dallas Executive Airport Breakfast Fly In
10/31	Oak Cliff Chamber of Commerce Membership Luncheon
Date	Event Name
<b>November 2006</b>	
11/1	Greater Dallas Hispanic Chamber of Commerce New Member Orientation
11/1	Oak Cliff Chamber of Commerce Membership Committee Meeting
11/1	African Chamber of Commerce DFW Economic Forum
11/1	2nd Annual Noche de Navidad Charity Silent Auction
11/2	City of Dallas' All Chambers of Commerce Summit

## Exhibit A

### RLT Events Calendar

11/4	Multi-Ethnic Education Economic Development Center & United Central Bank "Money Smart" Seminar
11/4	Multi-Ethnic Education Economic Development Center Multi-Cultural Festival in East Dallas
11/6	Joint Sponsorship - Greater Dallas Hispanic Chamber of Commerce Annual Golf Tournament
11/7	DFW Minority Business Council New Member Orientation
11/7	Black Contractors Association Monthly Meeting
11/7	Women's Business Council - Southwest "Power to Potential" Business Forum
11/7	Dallas Black Chamber of Commerce Business/Economic Development Monthly Meeting
11/8	African Chamber of Commerce DFW Economic Forum
11/9 - 11/11	Hispanic Contractors Association of Texas State Conference & Expo
11/9	Greater Dallas Hispanic Chamber of Commerce Quality & Excellence Press Conference
11/9	Greater Dallas Hispanic Chamber of Commerce Quality & Excellence Patron's Reception
11/10	Greater Dallas Hispanic Chamber of Commerce Quality & Excellence Procurement Roundtables & Gala
11/14	Dallas Black Chamber of Commerce Business/Economic Development Monthly Meeting
11/15	African Chamber of Commerce DFW Economic Forum
11/16	Hispanic Contractors Association of DFW Monthly Luncheon
11/16	Oak Cliff Chamber of Commerce Rise & Shine Networker
11/16	Dallas Minority Business Development Monthly Breakfast
11/16	City of Dallas Stakeholders Open House
11/16	CultureLab Agency Launch Party
11/16	North TX Hispanic Summit
11/17	Japan-America Society of Dallas/Fort Worth Speaker Series 2006-2007 "The Asian Triumvirate: Japan, China & Korea
11/17	DFW Minority Business Council E Awards Gala
11/18	Christian Chamber of Commerce Inaugural Christian Business Expo
11/18	Multi-Ethnic Education Economic Development Center & United Central Bank "Money Smart" Seminar
11/20	City of Dallas "Learning the Ropes" Workshop
11/21	Black Contractors Association Monthly Meeting
11/21	Greater Dallas Hispanic Chamber of Commerce Thanksgiving Potluck Luncheon
11/22	African Chamber of Commerce DFW Economic Forum
11/29	African Chamber of Commerce DFW Economic Forum
11/30	Hispanic Contractors Association of DFW Annual Meeting & Elections
11/30	Greater Dallas Hispanic Chamber of Commerce, Greater Dallas Asian American Chamber of Commerce & Dallas Black Chamber of Commerce Tri-Ethnic Roundtable
<b>Date</b>	<b>Event Name</b>
<b>December 2006</b>	
12/1	DFW Minority Business Council "Door to Asia: Developing Business Relationships in Asia"

## Exhibit A

### RLT Events Calendar

12/1	QUOIN, Association of Building Contractors & CFMA 2005 Construction Industry Holiday Gala
12/1	Black Contractors Association 2006 Awards Banquet
12/2	Dallas Black Chamber of Commerce Holiday Gala
12/2	Multi-Ethnic Education Economic Development Center & United Central Bank "Money Smart" Seminar
12/5	Oak Cliff Chamber of Commerce Membership Luncheon
12/5	DFW Minority Business Council New Member Orientation
12/5	DFW Minority Business Council 5th Annual Construction MBE Showcase
12/5	Greater Dallas Hispanic Chamber of Commerce & New York Life Insurance's "Personal and Business Basics"
12/6	Greater Dallas Hispanic Chamber of Commerce New Member Orientation
12/6	Greater Dallas Asian American Chamber of Commerce Women's Business Forum - Holiday Luncheon
12/6	African Chamber of Commerce DFW Economic Forum
12/6	City of Dallas' Construction & Architectural/Engineering Roundtable
12/6	10th Annual MCompany Awards
12/7	Hispanic Contractors Association of DFW Holiday Celebration & Toy Drive
12/7	Greater Dallas Hispanic Chamber of Commerce 4Q Corporate Advisory Council Meeting
12/7	Hispanic Contractors Association of DFW Bonding & Insurance Workshop
12/8	Dallas/Fort Worth Minority Business Council Marketing Plus "Afternoon of Pairings"
12/9	Friendship West Baptist Church's UJAMAA Festival
12/11	City of Dallas' Goods, Professional & Other Services Forum
12/11	Greater Dallas Asian American Chamber of Commerce Year End Mixer & Holiday Party
12/12	Irving Hispanic Chamber of Commerce 2006 Holiday Mixer
12/12	DFW Minority Business Council Annual Meeting
12/12	Dallas Black Chamber of Commerce Business/Economic Development Monthly Meeting
12/13	African Chamber of Commerce DFW Economic Forum
12/14	Greater Dallas Hispanic Chamber of Commerce Holiday Open House & New Member Orientation
12/14	Kwame Building Group Inc.
12/15	US Pan Asian American Chamber of Commerce-SW Christmas Luncheon & Networking Mixer
12/16	Multi-Ethnic Education Economic Development Center & United Central Bank "Money Smart" Seminar
12/19	Black Contractors Association Monthly Meeting
12/20	African Chamber of Commerce DFW Economic Forum
12/21	Dallas Minority Business Development Monthly Breakfast
12/27	African Chamber of Commerce DFW Economic Forum
<b>Date</b>	<b>Event Name</b>
<b>January 2007</b>	
1/3	African Chamber of Commerce DFW Economic Forum
1/9	Black Contractors Association Monthly Meeting
1/9	Dallas Black Chamber of Commerce Business/Economic Development Monthly Meeting



## Exhibit A

### RLT Events Calendar

1/10	African Chamber of Commerce DFW Economic Forum
1/17	African Chamber of Commerce DFW Economic Forum
1/20	Hispanic Contractors Association of DFW 2007 Safety Training Kick-Off
1/23	Women's Business Council - Southwest "11th Annual Parade of Stars Awards Gala"
1/24	African Chamber of Commerce DFW Economic Forum
1/25	Greater Dallas Hispanic Chamber of Commerce & Texas Rangers Baseball Club Business After Hours
1/26	Oak Cliff Chamber of Commerce Networking Happy Hour
1/31	African Chamber of Commerce DFW Economic Forum
Date	Event Name
<b>February 2007</b>	
2/1	City of Dallas Workshop III - Construction & Architectural/Engineering Roundtable
2/2	Women's Business Council -- Southwest New Member Orientation Luncheon
2/6 - 2/10	African Chamber of Commerce DFW Economic Forum
2/7	African Chamber of Commerce DFW Economic Forum
2/9	Dallas Black Chamber of Commerce "Quest for Success" Awards Luncheon
2/13	Black Contractors Association Monthly Meeting
2/13	Dallas Black Chamber of Commerce Business/Economic Development Monthly Meeting
2/13	QUOIN's "The Basics"
2/14	African Chamber of Commerce DFW Economic Forum
2/19	Friendship West Baptist Church "So You Want to be an Entrepreneur?"
2/20	Dallas Northeast Chamber of Commerce Annual Banquet
2/20	QUOIN's "The Basics"
2/20	Dallas Branch NAACP Membership Mixer
2/21	African Chamber of Commerce DFW Economic Forum
2/21	Vascular Screening Event
2/22	City of Dallas First Annual Housing Fair
2/22	Greater Dallas Chamber of Commerce Business After Hours
2/27	Greater Dallas Asian American Chamber of Commerce Vendor Roundtable
2/27	QUOIN's "The Basics"
2/28	African Chamber of Commerce DFW Economic Forum
Date	Event Name
<b>March 2007</b>	
3/2	Greater Dallas Hispanic Chamber of Commerce 17th Annual Partners Appreciation Breakfast
3/6	QUOIN's "The Basics"
3/7	Greater Dallas Chamber of Commerce "We Don't Do Breakfast" Networking Luncheon
3/7	African Chamber of Commerce DFW Economic Forum
3/8	Greater Dallas Asian American Chamber of Commerce 2007 Installation Luncheon
3/13	West Dallas Chamber of Commerce Monthly Membership Meeting
3/13	Black Contractors Association Monthly Meeting

## Exhibit A

### RLT Events Calendar

3/13	Dallas Northeast Chamber of Commerce Happy Hour
3/13	Dallas Black Chamber of Commerce Business/Economic Development Monthly Meeting
3/13	QUOIN's "The Basics"
3/14	African Chamber of Commerce DFW Economic Forum
3/14	MBE Public Policy Day
3/15	Oak Cliff Chamber of Commerce 4th Annual Procurement Fair
3/20	Greater Dallas Hispanic Chamber of Commerce Procurement Roundtable Sessions with Public Entities
3/20	Women and Minority Small Business Forum
3/20	Black Contractors Association Business Briefing Luncheon
3/20	QUOIN's "The Basics"
3/21	African Chamber of Commerce DFW Economic Forum
3/21	Greater Dallas Chamber of Commerce Wednesday Wine Night
3/22	Greater Dallas Chamber of Commerce Women's Business Issues & Information Series
3/22	Cedar Valley College & Texas Department of Transportation Kick Off Ceremony For the Texas Business Opportunity Workforce Development Center
3/22	Reeves Construction Pre-Opening of Dallas Police Quartermaster Facility
3/23	Tri-Ethnic Chamber of Commerce Roundtable with the City of Dallas
3/27	Dallas Northeast Chamber of Commerce Monthly Luncheon
3/27	DFW Minority Business Council "Hard Hat 2007"
3/27	QUOIN's "The Basics"
3/28	Greater Dallas Chamber of Commerce Business "Jumpstart" Breakfast
3/28	African Chamber of Commerce DFW Economic Forum
3/28	Greater Dallas Hispanic Chamber of Commerce, Greater Dallas Asian American Chamber of Commerce, Dallas Convention & Visitors Bureau, North Texas GLBT Chamber of Commerce Business After Hours
3/29	Greater Dallas Hispanic Chamber of Commerce 2007 Board of Directors Inaugural Ceremony & Luncheon
<b>Date</b>	<b>Event Name</b>
<b>April 2007</b>	
4/3	City of Dallas "Getting Started" Workshop
4/3	QUOIN's "The Basics"
4/4	African Chamber of Commerce DFW Economic Forum
4/6	Dallas Independent School District "Knowledge is Power" Conference
4/10	Black Contractors Association Monthly Meeting
4/10 - 4/11	Women's Business Round-Up Trade Fair
4/10	QUOIN's "The Basics"
4/10	Dallas Black Chamber of Commerce Business/Economic Development Monthly Meeting
4/11	African Chamber of Commerce DFW Economic Forum
4/11	Greater Dallas Chamber of Commerce "We Don't Breakfast" Networking Luncheon
4/12	Greater Dallas Chamber of Commerce Procurement Lunch
4/13	Dallas Black Chamber of Commerce Annual Excellence in Education Scholarship Luncheon
4/14	West Dallas Wellness Expo

## Exhibit A

### RLT Events Calendar

4/17	Greater Dallas Chamber of Commerce Women's Business - It's Who You Know: Creating Results Through Relationships
4/17	City of Dallas "Learning the Ropes" Workshop
4/17	QUOIN's "The Basics"
4/18	African Chamber of Commerce DFW "Going Global: A Workshop About Investment Opportunities in Africa for Minority and Women Owned Businesses"
4/18	North American Electrical Contractors, Inc. Open House
4/23 - 4/24	DFW Minority Business Council ACCESS 2007
4/25	African Chamber of Commerce DFW Economic Forum
4/26	DART General Engineering Consultant Pre-Proposal & Networking Forum
4/27	City of Dallas Workshop I - "How to Do Business with the City of Dallas"
<b>Date</b>	<b>Event Name</b>
<b>May 2007</b>	
5/2	African Chamber of Commerce DFW Economic Forum
5/3	DFW Native American Chamber of Commerce College Fund Salute
5/7	Joint Sponsorship - Greater Dallas Chamber of Commerce 13th Annual Chamber Golf Classic
5/7	Dallas Black Chamber of Commerce 2006 Bond Outreach Presentation
5/7	D/FW Minority Business Council & Lockheed Martin Aeronautics Scholarship Invitational
5/8	Dallas Black Chamber of Commerce Business/Economic Development Monthly Meeting
5/9	African Chamber of Commerce DFW Economic Forum
5/15	Black Contractors Association Monthly Meeting
5/16	African Chamber of Commerce DFW Economic Forum
5/16	Craddock Lumber Company 60th Anniversary Celebration
5/16	African Chamber of Commerce DFW Economic Forum
5/17	Minority Business Development Agency Procurement Agency
5/17	City of Dallas Workshop III - Construction & Architectural/Engineering Roundtable
5/23	African Chamber of Commerce DFW Economic Forum
5/24	Greater Dallas Chamber of Commerce & Bank of Texas 2007 Latina Style Business Series VIP Opening Reception
5/29	Greater Dallas Hispanic Chamber of Commerce International Trade Seminar
5/30	African Chamber of Commerce DFW Economic Forum
5/31	Greater Dallas Hispanic Chamber of Commerce & The Latino Cultural Center "Business After Hours"
<b>Date</b>	<b>Event Name</b>
<b>June 2007</b>	
6/1	Greater Dallas Hispanic Chamber of Commerce International Lunch Networker
6/5	Hispanic Contractors Association 2007 Construction Safety Awards Luncheon
6/6	African Chamber of Commerce DFW Economic Forum
6/6	All Chambers Summit
6/7	Crawfish Boil and "No Limit Texas Hold em" Poker Tournament

## Exhibit A

### RLT Events Calendar

6/7 - 6/10	Joint Sponsorship - Prince & Associates' 5th Annual Executive Networking Charity Golf Tournament & Events
6/8	HCADFW Women's Business Conference and Luna Awards
6/11	D/FW Minority Business Council "Buy Those That Buy Us" Program Press Conference
6/12	Black Contractors Association Monthly Meeting
6/12	Dallas Black Chamber of Commerce Business/Economic Development Monthly Meeting
6/13	Dallas/Fort Worth Minority Business Council Quarterly Buyer's Appreciation & MBEIC Luncheon
6/13	African Chamber of Commerce DFW Economic Forum
6/14	Dallas Hispanic Chamber of Commerce Foundation & Greater Dallas Hispanic Chamber of Commerce "Stars on the Rise" Awards Banquet
6/19	Women and Minority Small Business Forum
6/20	African Chamber of Commerce DFW Economic Forum
6/21	Ground Breaking for The Bexar Street Corridor Redevelopment Project
6/21	United States-Mexico Chamber of Commerce - Southwest Chapter
6/21	Greater Dallas Asian American Chamber of Commerce & Trust I Advertising Launch Party
6/22	Heart of a Warrior Charitable Foundation & City of Dallas PKR Special Gift Presentation
6/25	Joint Sponsorship - Dallas Black Chamber of Commerce 18th Annual Golf Tournament
6/25	City of Dallas Goods, Professional & Other Services Forum
6/26	Greater Dallas Hispanic Chamber of Commerce Franchising Seminar: The Way to Go
6/27	African Chamber of Commerce DFW Economic Forum
6/28	DFW International Airport Disadvantaged Business Enterprise Public Meeting
<b>Date</b>	<b>Event Name</b>
<b>July 2007</b>	
7/3	Alliance Texas 2007
7/10	Black Contractors Association Monthly Meeting
7/10	Dallas Black Chamber of Commerce Business/Economic Development Monthly Meeting
7/11	African Chamber of Commerce DFW Economic Forum
7/18	African Chamber of Commerce DFW Economic Forum
7/24	Granite Park Private Client Group Open House
7/25	African Chamber of Commerce DFW Economic Forum
<b>Date</b>	<b>Event Name</b>
<b>August 2007</b>	
8/1	African Chamber of Commerce DFW Economic Forum
8/1	Dallas Asian American Chamber of Commerce, Dallas Black Chamber of Commerce & Greater Dallas Hispanic Chamber of Commerce an Evening for Summer Musicals Networking Reception
8/8	African Chamber of Commerce DFW Economic Forum
8/8	11th Annual Government Procurement Conference
8/10	Washington Mutual Breakfast Series
8/10	DFW Minority Business Council "Win-Win Negotiations"

## Exhibit A

### RLT Events Calendar

8/10- 8/12	Greater Dallas Hispanic Chamber of Commerce Viva! Dallas Hispanic Expo
8/14	Dallas Northeast Chamber of Commerce Monthly Luncheon
8/14	Black Contractors Association Monthly Meeting
8/14	Dallas Black Chamber of Commerce Business/Economic Development Monthly Meeting
8/15	African Chamber of Commerce DFW Economic Forum
8/21	City of Dallas' 2006 Bond Take-Off
8/22	African Chamber of Commerce DFW Economic Forum
8/23	US Pan Asian American Chamber of Commerce – Southwest 6th Annual Asian Business EXPO
8/28	MED Week 2007
8/29	African Chamber of Commerce DFW Economic Forum
Date	Event Name
<b>September 2007</b>	
9/5	African Chamber of Commerce DFW Economic Forum
9/7	African Chamber of Commerce DFW "Doing Business in Kenya"
9/11	Dallas Northeast Chamber of Commerce Monthly Luncheon
9/11	Black Contractors Association Monthly Meeting
9/11	Dallas Black Chamber of Commerce Business/Economic Development Monthly Meeting
9/12	African Chamber of Commerce DFW Economic Forum
9/18	International Inland Port of Dallas Event
9/19	African Chamber of Commerce DFW Economic Forum
9/21	Joint Sponsorship - CH2M HILL 1st Annual Bikes for Kids Golf Tournament
9/24	Greater Dallas Hispanic Chamber of Commerce "Eggs & Issues"
9/26	DFW Minority Business Council "Networking Finesse or Failure" Seminar
9/26	African Chamber of Commerce DFW Economic Forum
9/27	Greater Dallas Hispanic Chamber of Commerce Breakfast & Business
9/28	Greater Dallas Hispanic Chamber of Commerce, the Urban League of Greater Dallas & North Central TX Miller Urban Entrepreneurs Series

## Exhibit B

### Business Development and Procurement Services Good Faith Effort Performance Report (October 2003 - June 2007)

#### October 2006 - June 2007

Category	GFE Goal	GFE Actual	Actual dollars awarded to M/WBEs	Actual dollars awarded to M/WBEs above/below
Construction	25.00%	38.70%	\$53,938,015	\$19,074,663
Architectural and Engineering	25.66%	36.10%	\$17,498,433	\$5,069,998
Professional Services	36.30%	8.40%	\$1,065,141	(\$3,533,017)
Other Services	23.80%	33.00%	\$10,658,990	\$2,950,031
Goods	18.00%	4.10%	\$1,806,822	(\$6,059,048)
<b>Total</b>			<b>\$84,967,401</b>	<b>\$17,502,626</b>

#### October 2005 - September 2006

Category	GFE Goal	GFE Actual	Actual dollars awarded to M/WBEs	Actual dollars awarded to M/WBEs above/below
Construction	25.00%	35.40%	\$53,460,181	\$15,747,200
Architectural and Engineering	25.66%	37.00%	\$13,473,294	\$4,139,584
Professional Services	36.30%	4.00%	\$345,535	(\$2,822,266)
Other Services	23.80%	29.70%	\$13,724,903	\$5,395,720
Goods	18.00%	6.10%	\$2,897,079	(\$5,591,570)
<b>Total</b>			<b>\$83,900,992</b>	<b>\$16,868,668</b>

#### (October 2004 - September 2005)

Category	GFE Goal	GFE Actual	Actual dollars awarded to M/WBEs	Actual dollars awarded to M/WBEs above/below
Construction	25.00%	56.30%	\$86,799,560	\$48,267,276
Architectural and Engineering	25.66%	50.90%	\$27,879,616	\$13,818,020
Professional Services	36.30%	11.10%	\$1,692,603	(\$3,820,208)
Other Services	23.80%	30.50%	\$14,394,917	\$3,171,134
Goods	18.00%	8.90%	\$5,338,409	(\$5,435,910)
<b>Total</b>			<b>\$136,105,105</b>	<b>\$56,000,313</b>

#### (October 2003 - September 2004)

Category	GFE Goal	GFE Actual	Actual dollars awarded to M/WBEs	Actual dollars awarded to M/WBEs above/below
Construction	25.00%	40.80%	\$47,467,035	\$18,500,420
Architectural and Engineering	25.66%	42.60%	\$14,636,484	\$5,814,131
Professional Services	36.30%	8.80%	\$1,119,369	(\$3,474,782)
Other Services	23.80%	51.90%	\$31,548,309	\$17,089,800
Goods	18.00%	14.00%	\$8,099,431	(\$2,318,510)
<b>Total</b>			<b>\$102,870,628</b>	<b>\$35,611,058</b>

## Exhibit C

### DRAFT: FOR DISCUSSION PURPOSES ONLY

#### ***A Framework for Strengthening the Community through Increased Minority Participation in the Approved City Bond Program***

Dallas city voters recently approved a significant bond program totaling more than \$1.5 billion in projects over the next few years. This program, if properly structured, should have a significant impact on a wide range of needs for our City.

Over the last few months, a working group has been established to explore ways this program can have a positive impact on our community by effectively “investing” contracting dollars. Previous bond programs to support both public and private sector development have used a “Good Faith Effort” (GFE) approach, structured to reach targeted percentages (15% to 20%) of participation for minority contractors. The GFE approach is usually accomplished by minority suppliers sub-contracting to large contractors or by the minority contractors receiving very small contracts. This approach also results in minority vendors “splitting” the dollars appointed to meet GFE participation levels. While the total dollars awarded to minority firms may reach GFE numerical goals, this method does little, if anything, to grow smaller, minority firms into thriving, sustainable businesses that can have a meaningful impact on their communities or on the City at large.

The group has specifically focused on strengthening economic development in the southern part of our city and on strategies and tactics to better engage minority firms and ensure they are participating fully in these Bond projects. This outline identifies a framework for accomplishing this.

#### ***Establishing a Clear Direction and Objective***

In all discussions to date, however, it is apparent that a “repositioning” of the underlying purpose of the bond program is needed. For most constituencies, the perceived objective would revolve around the successful completion of the individual projects, on-time and on-budget. While each project is important and it is understood that budget and schedules be met, the bond program can have an impact far greater than the simple sum of the projects. To achieve this, the fundamental purpose of the bond program needs to be recast from simply successfully completing each project to a much broader objective, such as:

***The fundamental objective of the Bond program is to build a stronger, more cohesive and sustainable community in the future.***

In other words, the bond program should create strong, vibrant firms which then are in a position to create ownership, wealth, jobs and community participation. Unfortunately, to date, the strength and number of minority contractors in Dallas are limited. Consequently, the focus needs to be on a broad approach which both produces minority participation AND an environment that will, say five years down the line, make for a much stronger economy in the southern part of our City.

With such an understanding, the goal of increasing minority participation takes on a much broader and deeper meaning. And, importantly, the context for taking individual actions and steps to this goal have a much more important and, for many constituencies, more meaningful context. In essence, it raises the discussion to a level that addresses community wide needs, focusing on broad objectives rather than debating individual tactics.

As mentioned, discussions to date have focused on increasing minority participation in the bond program to achieve this much broader objective. While traditional thinking would then place a numerical goal on minority participation (e.g. 15% minority participation in bond program expenditures), it is just as important to have a deeper, more meaningful objective for minority participation. Rather than view bond dollars as an end point, discussion should be on defining objectives which more go to the core of how this could significantly impact the community. In other words, the dollars from the bond program directed at the minority community are a *means* to a greater *end*. Rather than just dollars that get expensed, they are viewed as an investment that produces return far into the future.

This broader perspective also necessitates encouraging strong participation by minority firms at the “prime” or “general contracting” level. Compared to other markets, joint ventures between larger firms and minority firms at this level are limited in the metroplex. To date, minority participation is usually only prevalent at the sub-contracting level in this market.

To achieve this, the framework needs to address at least four broad areas:

1. Actions in the Political Arena to Build Consensus around the Identified Objective
2. Mechanisms to Improve Information Dissemination Relative to Opportunities
3. Tactics to Improve the Contracting Process to Meet the Identified Objective
4. Programs or steps to meet working capital needs
5. Educational Programs, including mentor/protégé programs
6. Processes for Monitoring Success

Each of these will be discussed in turn.



### *Actions in the Political Arena to Build Consensus around the Identified Objective*

There are two broad needs in this area. First, we need to gain a wide consensus on the importance of the fundamental objective identified and an inclusive approach that encourages wide minority participation. Clearly, the first step in this process is enlisting City leadership, creating an overall environment directed toward this goal. It will also be important to have business in Dallas embrace this. In this regards, organizations like the Citizen's Council, Greater Dallas Chamber, other geographic chambers, minority chambers and other such organizations can be instrumental. The step would be to have each of these actively support a wide ranging program of minority participation in the bond program, consistent with the community objective. It will also be beneficial to have industry groups, both leading construction firms and industry associations, support this direction. It is anticipated that each group would be approached by the working group in a methodical manner to lend their support -- again around the need to use the bond program to ensure full participation in contracting opportunities by all constituencies and strengthen economic development in the southern part of our City which then makes for a stronger Dallas in total.

In addition, any steps to gain commitment from other governmental officials at the county or state level are advantageous. However, the emphasis needs to be on leadership beginning at the City level, both the public and private sector. These leaders will be instrumental in garnering the support of county and state officials that can lend support at higher levels.

Second, there may need to be legislation allowing more freedom in the selection process. If we are to encourage strong minority participation, especially at the prime or GC level in the form of joint ventures, consortiums, etc., the granting authority must be able to reflect objectives and needs beyond simply price. This will be essential. Currently, a granting authority has discretion in awarding contracts for vertical construction (e.g. buildings, structures, etc.). It can establish various contracting methodologies and can identify selection criteria, which goes beyond simply price.

It is believed by the working group that options for horizontal construction (e.g. roads, etc.) are much more limited. If additional research does not identify options to broaden selection criteria, then legislation at the state level would be needed. This would require a coordinated effort enlisting legislators and various steps to communicate the importance of this to them.

### *Mechanisms to Improve Information Dissemination Relative to Opportunities*

The discussions to date have highlighted opportunities (and needs) to better coordinate early dissemination of information. There are two broad actions necessary to achieve this:

1. Proactive communication of opportunities

For minority firms to participate in the contracting process, they need to receive more detailed information earlier in the process. This necessitates more informal avenues for the City to publicize upcoming bid packages and the use of non-traditional communication means to reach the minority contractors. Although nothing “new” a methodical process of getting the information out far beyond the actual RFP or bid using both existing associations/trade groups and new vehicles could be beneficial.

2. Building industry relationships

Given the goal of engaging minority contractors as minority partners at the “prime” or GC” level and the more limited use of this vehicle, steps need to be taken to bring large contractors together with minority contractors at this level. This can be done through steps such as:

- Early communication of opportunities and selection criteria
- Industry “mixers”, used currently
- City publication of past participants in projects
- Industry association involvements and functions
- City and industry association introductions of firms
- Planned introductions and interviews for primes and several potential joint venture partners

*Tactics to Improve the Contracting Process to Meet the Identified Objective*

While it is hoped that all constituencies understand the desirability of participation, it is also understood that selection criteria will need to actively encourage minority participation, be it at the prime/GC level or for subcontracting opportunities. By gaining a consensus around the fundamental objective, the importance of this can be communicated.

While it is assumed that the selection criteria will *reward* the inclusion of minority firms, several steps will reinforce this.

1. In the process of contracting, the bid packages need to be formulated to allow smaller firms to participate. This means subcontracts need to be of a size where small firms have the capacity and general contracts are large enough to encourage joint venturing. By dividing the scope of work into smaller working portions,

minority firms can better handle the work, yet increase their capacity at a steady/productive rate.

2. In the case of joint ventures, it is crucial to understand the working relationship between a larger contractor and a minority firm. Simply having a minority firm involved is not acceptable. To be successful (and consistent with the Fundamental Objective), the relationships have to produce real experience and knowledge for the minority firm, which strengthens the resume and future capabilities of the firm. In other words, the selection process needs to ensure that the minority firm is a true working partner on the project.

This can be accomplished by structuring the interview within the selection process to:

- a. Ensure senior City officials (e.g. highest elected) to participate and reinforce the importance of the relationship
- b. Assess past experience and commitment
- c. Ensure the interview drills deep into the proposed working relationship (e.g. team composition on preconstruction, estimating, etc.)
- d. Communicate on-going monitoring and ensure that the team presents goals for development that can, and will be tracked throughout the duration of the work

Bonding also becomes a significant issue for small firms. Possible solutions and actions which could be evaluated include soliciting commitments from large bonding agents (who may have the flexibility to handle 'at-risk' firms) for early involvement within the planning of bond fund implementation and training of firms in consideration. This might be attractive to bonding agents due to their ability to build their base and strengthen relationships with existing client base. It may also be feasible to utilize the "umbrella method" to solicit large "mentoring" entities to structure their bonding capacities to accommodate the "protégé" firms in consideration.

#### Programs or steps to meet working capital needs

For small firms, the lack of working capital can be a major issue. Limited working capital prevents firms from pursuing initial opportunities or from increasing their base of business and size of opportunities. While there may be a number of options, two specific actions have been identified:

1. Introduce an advanced pay program

With the traditional pay method of paying only when work has been performed, smaller firms without access to working capital are often precluded from

opportunities. They do not have the monetary capabilities to cover mobilization costs, increase their labor pool or finance the acquisition of needed tools and equipment to begin a given project.

Although there will clearly be risks (and losses), advancing payments on certain contracts, meeting specific requirements and with appropriate controls will increase the available pool of minority contractors and provide an ability for firms to build their base of business and achieve the identified objective of the program to create strong, stable companies.

2. Create a pool of working capital at the bond program level

Although there may be options for smaller minority firms (in the form of certain types of CDA financing or small business loans), in reality, these are very difficult to access for an individual minority firm in the early stages of development. By having the “program” (or a related entity set up for this purpose), access this type of lending and create a pool (to be administered by the lending firm or other structure), this would make it more accessible and focused on this particular group of participants.

*Educational Programs, including mentor/protégé programs*

The process also should incorporate formal and *required* education programs. The programs need to focus on business training, contracting methods and other functional business skill areas. If the firms are to survive and grow (the Objective), we need to use this as a means to provide the skills that are needed to become a stronger, larger and more viable firm. Small firms usually do not focus on these areas and later suffer irreparable harm. Such education programs are available within the industry.

*Processes for Monitoring Success*

The overall effort needs to have a process for monitoring progress against identified goals. It is suggested that a group, perhaps the already established working group supplemented by public officials, business leaders in the community and industry participants be chartered with such responsibility.

The focus would be both on monitoring City performance and the individual progress of the joint ventures and firms receiving contracts. The role would not be of “policing” but rather establishing a process where all parties were aware that, given the importance to the community, the community would be continually monitoring to ensure success. This could be accomplished by regular bi-annual reviews with the City and selected contracting ventures. Hopefully, these reviews would identify “best practices” that could be incorporated into future efforts.

The City should also provide oversight that includes reviews of joint ventures to ensure contracts are being carried out in the true spirit of its commitment to joint venturing.

This includes majority firms demonstrating adequate participation by minority firms in contracting dollars and that minority firms are progressing on their growth track and also widening the circle of minority participation by too using minority subcontractors.

\* \* \* \* \*

The preceding framework is designed to not only involve minority firms in the City bond program, but also ensure that the community of Dallas prospers long into the future from the contributions of well established and sustaining minority contractors. Hopefully, this can be a framework for not only establishing such success through this bond program but a model for programs in the entire region going forward.