

ORDINANCE REAUTHORIZATION

Division of Small Business Opportunity (DSBO)

Business, Arts, Workforce &
Aviation Services Committee

December 4, 2019



DENVER
ECONOMIC DEVELOPMENT
& OPPORTUNITY

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BACKGROUND

- **DSBO's authority is created by Executive Order, the Construction Ordinance, and the Goods & Services Ordinance, and both ordinances are re-authorized at five-year intervals.**
- **The Construction Ordinance is found in D.R.M.C. Chapter 28 Article III; the Goods & Services Ordinance in Article V; and Small Business Enterprise in Article VII.**
- **The purpose of D.R.M.C Chapter 28 Article III, V, and VII is to enable the city, through the departments and agencies of the city, to undertake specific activities to prevent discrimination and its effects against business enterprises that have been certified as M/WBEs AND SBEs.**

WE ARE REQUESTING A SIX-MONTH EXTENSION

EXTENSION requested now to ensure a robust, comprehensive reauthorization that includes both Ordinance changes and rules & regulations.

Current sunset: 12/31/19

Proposed sunset: 7/1/20



ROBUST STAKEHOLDER INVOLVEMENT

Over the last 2.5 years, DSBO has worked with city agencies, local stakeholder groups, large and small business resource partners, and S/M/WBE business owners for recommendations and input on DSBO Ordinances

Recurring March 2017-- August 2018

CEI Ordinance Subcommittee Workgroup

Recurring March 2019 – Present

Goods & Services and Construction Ordinance Workgroup

Recurring June 2019 -- Present

DSBO Ordinance Senior Leadership Update

Recurring August 2019 – Present

DSBO Ordinance 1-1s with City Agency Leadership

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|------|----------------------------------|------|----------------------------------|
| 2/2 | CEI Ordinance Subcommittee | 5/14 | Presentation to CCAF |
| 2/27 | CEI Monthly Meeting | 7/9 | BELT Monthly Meeting |
| 3/26 | CEI Monthly Meeting | 8/30 | Presentation to PRC on Article 5 |
| 4/09 | External Stakeholder Focus Group | 9/20 | Presentation to CCAF |
| 4/30 | External Stakeholder Focus Group | 9/20 | CEI Ordinance Subcommittee |
| 4/30 | Presentation to CEI | 9/24 | Presentation to CEI |



1 To Expand Opportunities

- Significant expansion of goods & services categories and thresholds applied to the Purchasing Program
- Ability to assign goals to individual task orders and work orders for on-call contracts
- Ensuring equity and utilization language in contract and procurement language

2 To Increase Oversight

- Preparing, approving, and ensuring quality control for M/WBE language in procurement and contract
- Prevent termination of a subcontractor without good cause
- Defining compliant vs. non-compliant processes with more ability to apply corrective actions and/or sanctions
- Added protections for whistleblowers

3 To Ensure Transparency and Fairness

- M/WBE utilization plans are due at time of bid opening (not three days later)
- “Commercially useful function” is further defined to ensure that small businesses are responsible for performing and controlling the work as stipulated in the contract – eliminating pass-throughs and conduits
- Internal goal-setting process informed by data analysis, availability

4 To Provide Clarification

- What counts toward goal (i.e., regular supplier)
- Defined “good faith effort” and the process by which it is evaluated
- Re-organized the Ordinances in a more logical manner for better readability

5 To Respond to the Changing Marketplace

- Defining parameters for public/private partnerships, integrated contracts
- Putting in place systems to address complex projects, including creative strategies to advance M/WBEs as primes
- Allowing flexibility and consistency with small biz certification size standards for changes in the industry, market and business practices

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To Streamline Processes and Timing

- Move to three-year certification (from annual)
- Modifying and advancing information required during contract procurements and throughout the life of the contract
- Refining guidelines through improved inter-agency coordination

7 To Remove Barriers

- **Strengthen prompt pay for all M/WBE subcontractor tiers working on City projects**
- **Formalize engagement by Business Equity Leadership Team (BELT) advisory committee to focus concerted efforts towards equity and maximizing opportunities**
- **Establishment of Citywide Utilization Plans – to create accountability and promote the responsibility of all city agencies . . . and not just DSBO**

NEXT STEPS: RULES & REGULATIONS

Proposed Timeline

- Reoccurring Weekly Inter-agency Workgroups (DPW, DPR, DEN, DSBO)
These groups launched the week of October 28, 2019
Anticipated End Date: January 31, 2020
- 20 Day Public Comment Period: tentatively May 10-30, 2020
- Public Meeting on Rule & Reg: tentatively May 15, 2020
- Rule & Reg Finalized: June 15, 2020

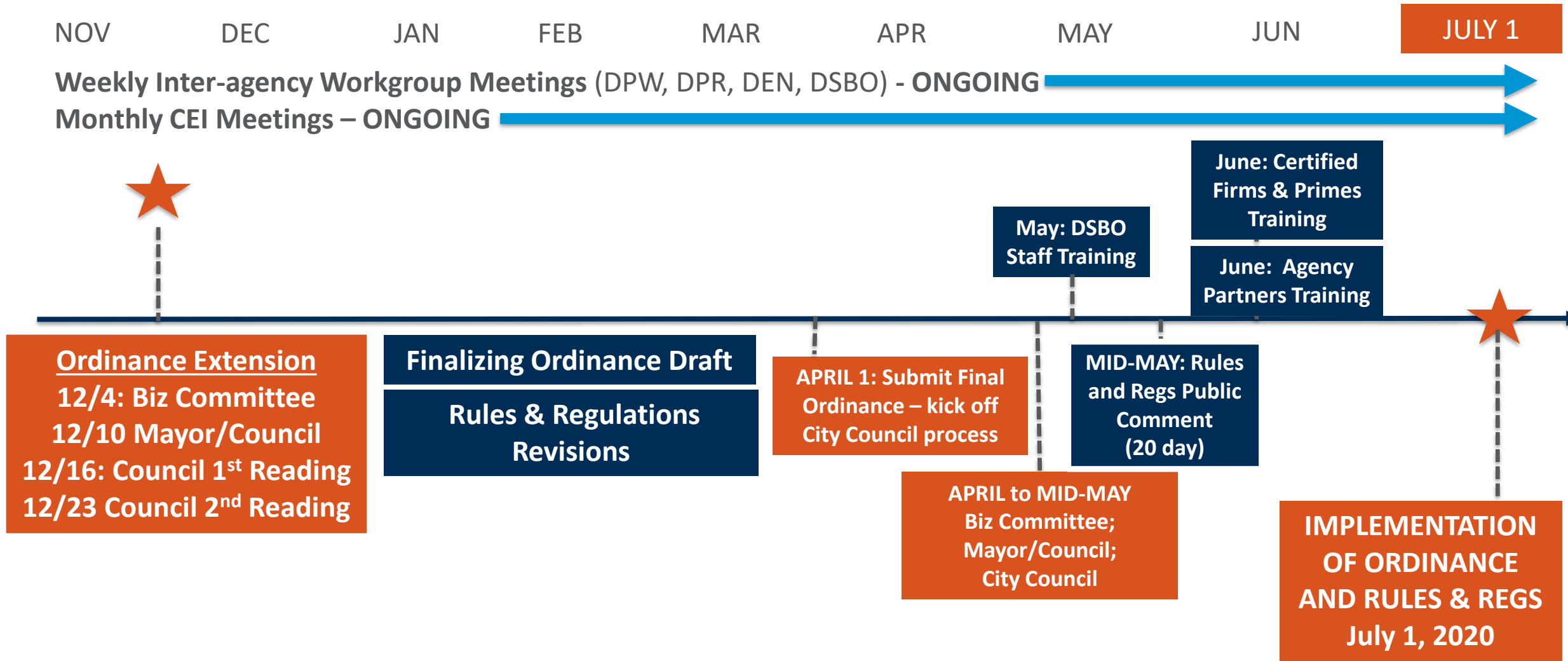
Approach

- Internal Agency Collaborative Weekly Workgroups
- External CEI R&R Subcommittee Monthly Reviews

Priorities of R&R Workgroups

- Establish the process and procedures between the user agencies and DSBO
- Integrate and align changes from the Ordinance and R&R into the agency procurement template libraries
- Identify streamline efficiencies and tailored approaches

OVERALL TIMELINE



QUESTIONS/DISCUSSION