ORDINANCE REAUTHORIZATION

Division of Small Business Opportunity (DSBO)

Business, Arts, Workforce & Aviation Services Committee

March 25, 2020



Eric Hiraga Executive Director, DEDO

> Adrina Gibson Director, DSBO

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 Articles 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.





DIVISION OF SMALL BUSINESS OPPORTUNITY

Creates and expands contract opportunities for small, minority, and women-owned businesses





January – March 2020

☑ Contractor Prompt Pay – citywide implementation work team

☑ Targeted public outreach involving ~550 unique attendees

Black Roundtable, American Council of Engineering, Conference of Minority Transportation Officials, Black Construction Group, HCC Colorado's Diversity Leader, Construction Empowerment Initiative, Committee for City and Airport Fairness (CCAF)

Utilization Plan requirements added to RFPs to date

Proposers must develop independently and submit with proposal for: NWC Livestock, NWC Triangle, Great Hall, Campus Energy, Central Library, DEN Janitorial, Downtown Janitorial

Four additional citywide implementation work teams Procurement/Contract Language, General Services, Rules & Regulations, Standard Operating Procedures



Contractor Prompt Pay

Prompt payment to certified subcontractors

Effective with contracts advertised by the city for procurement on or after May 2, 2020, each contractor on a city contract with certified subcontractors shall pay the respective subcontractors any invoiced and undisputed amounts for accepted and completed work within thirty-five (35) days of the contractor's receipt of the subcontractor's invoice. Payment to the subcontractor shall be timely made as required under this section regardless of whether the contractor has been paid for the same work or payment period.

IMPLEMENTATION

☑ Complaint-based monitoring

- Streamlined dispute process
- Streamlined internal processes (both for city prompt pay and subcontractor prompt
 - pay)
- ☑ Training
- ☑ Technology solutions





- 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

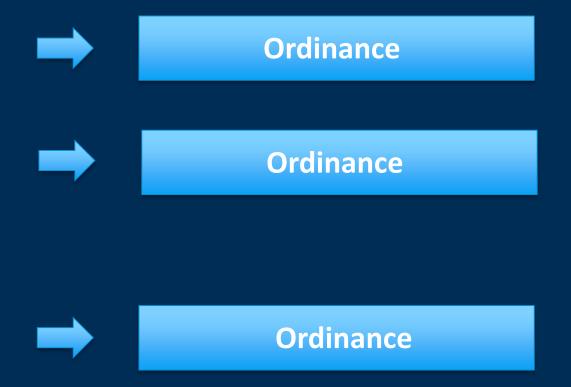
- Preparing, approving, and ensuring quality control for M/WBE language in procurement and contract
- Prevent termination of a subcontractor without good cause
- Defining compliant vs. non-compliant processes with more ability to apply corrective actions and/or sanctions
- Added protections for whistleblowers





To Ensure Transparency and Fairness

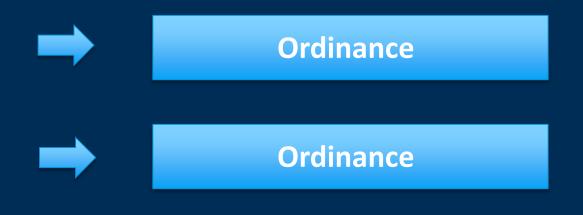
- M/WBE utilization plans are due at time of bid opening (not after award)
- "Commercially useful function" is defined so that small businesses are responsible for performing and controlling the work – eliminating pass-throughs and conduits
- Internal goal-setting process informed by data analysis, availability







- 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

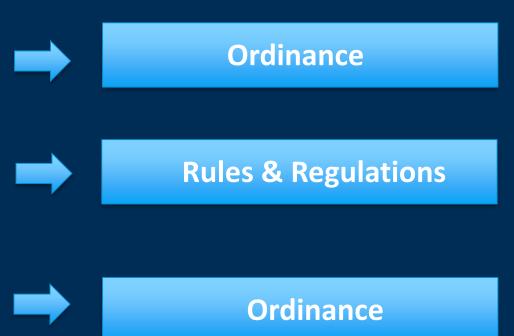
- Defining parameters for public/private partnerships, integrated contracts
- Putting in place systems to address complex projects, including creative strategies to advance subs into primes (Mentor-Protégé)
- Allowing flexibility and consistency with small biz certification size standards for changes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





6) 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

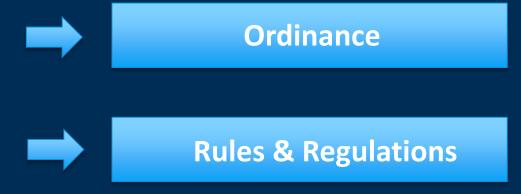




7 To Remove Barriers

- Strengthen prompt pay for all M/WBE subcontractor tiers working on city projects
- Formalize engagement by BELT 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





Timeline

MAR	APR	MAY
File Ordinance Request (March 16)	1 st and 2 nd Readings – Council (April 6 & 13)	REAUTHORIZATION OF ORDINANCE
Council 1:1s	DSBO Staff Training	(May 2, 2020)
BIZ Committee (March 25)	Rules and Regs Public Comment (20 day)	Rules and Regs Finalized
		Agency Partners Training
	Rules and Regs – Public Mtg (tbd)	Certified Firms & Primes Training
		Community Outreach & Education (opportunities)
		New Projects Released with Ordinance Requirements
ECONOMIC DEVELOPMENT & OPPORTUNITY		

Thank You & Discussion

