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**FINAL REPORT**

**Sept 5, 2023**

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# **CITY OF SYRACUSE PROCUREMENT TRANSFORMATION PROJECT**

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Produced by the Center for Policy Design and Governance,  
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## PROJECT OVERVIEW

In May 2023, the City of Syracuse (hereafter “the City”) contracted with Syracuse University’s Center for Policy Design and Governance (hereafter “the Center”) to support the City in assessing the design and implementation of its Minority- and Women-Owned Business Enterprise (MWBE) Participation initiative. This partnership is part of a broader endeavor undertaken by the City [to reform its purchasing process](#), for which the City has received support from [Bloomberg Philanthropies](#).

In partnership with a team from the City, the Center project team performed a set of activities motivated by the following goals: (i) assist the City in understanding the opportunity for engaging MWBE vendors in Syracuse and the surrounding region; (ii) collect feedback from current and potential MWBE vendors and City personnel to better understand factors enabling and hindering MWBE engagement efforts; and (iii) assist the City in evaluating the appropriateness of its MWBE procurement targets and engagement strategies, drawing on an understanding of local opportunity, feedback from vendors and City personnel, and a review of MWBE programs and initiatives of other jurisdictions. In accordance with these goals, the Center project team conducted the following three activities:

- 1) **Vendor Landscape:** The Center team constructed a searchable database containing information regarding state and city certified MWBE vendors.
- 2) **Stakeholder Engagement:** The Center team conducted focus groups with current and potential MWBE vendors to better understand their perceptions of, experiences with, and evaluation of the City of Syracuse’s procurement process, specifically as it relates to MWBE contracting. To complement this activity, interviews were conducted with City personnel who have experience with and knowledge of MWBE contracting.
- 3) **Review of Existing Practices:** The Center team conducted an assessment of MWBE programs and initiatives in comparable and neighboring cities to understand key design features thereof that may be applicable in the City context. Additionally, Center personnel also reviewed the design of MWBE programs and initiatives in cities recognized for innovation, improvement, and practice leadership in MWBE contracting.

This report summarizes key findings from each of the three activities described above. Additionally, the report offers a set of recommendations for the City to consider as it reconsiders the design of existing MWBE engagement and procurement initiatives. Project recommendations are summarized below:

### **MWBE Vendor Communications and Engagement**

- Conduct a comprehensive review of content and approach to communicating with MWBE vendors, with an eye toward ensuring vendors receive actionable information regarding:
  - Certification
  - Training

- Contracting opportunities
- Capital access
- Other resources

### **MWBE Vendor Program Application and Certification**

- Review and revise application to reduce length, eliminate redundant questions and document requirements, and tailor to product categories
- Work to digitize application process to the extent possible
- Consider adopting reciprocity arrangements to streamline the certification process
- Consider rapid recertification process
- Review and communicate public records law in the context of contracting

### **MWBE Vendor Utilization and Procurement Process Improvement**

- Assess annual 30% aspirational goal for continued relevance and fit with local circumstances
- Where feasible, consider product- or project-specific MWBE vendor % participation targets based on city needs and vendor availability
- Review bid/proposal, source selection, and related policies to ensure they are effectively promoting MWBE participation and project involvement
- Consider offering feedback to vendors whose bids are not accepted
- Institute system for measuring, monitoring, and reporting progress in MWBE certification and contract participation

### **MWBE Vendor Compensation**

- Review vendor compensation process and procedures to identify steps most associated with delays and take actions that make the process timelier and more consistent

### **MWBE Resources and Support**

- Consider centralizing key procurement information in one-stop resource guide and webpage
  - Incorporate information and education relevant to MWBEs, such as how to access area procurement technical assistance centers, relevant county or state offices and agencies, training opportunities, financing, insurance, etc.
- Review existing entrepreneurship and small business training offerings to ensure incorporation of guidance on navigating procurement process
- Consider providing training to City personnel, and to prime vendors, on working with and supporting MWBEs
- Consider training and equipping personnel in applicable equity, purchasing, or other related roles to serve as navigators who can assist MWBE vendors interested in certification and city business opportunities
- Devise and hold a series of in-person and virtual vendor networking events, with adequate support

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## VENDOR LANDSCAPE

The Center team assessed the minority and women-owned business landscape in the Syracuse area to fully understand the procurement opportunity by type of business and services offered. The assessment of the vendor landscape focused on identifying what MWBE vendors are available in the City and the types of services they offer.

The Center team relied on a variety of resources to develop their vendor landscape, including but not limited to the following:

- The New York State contract system (<https://ny.newnycontracts.com/>)
- The City of Syracuse MWBE Business Directory
- The Upstate Minority Economic Alliance (<https://www.upstatemea.com/>)
- Neighborhood and Business Development (<https://www.syr.gov/Departments/NBD>)
- Business websites

Based on the data gathered from our various resources, the Center team came to **three primary conclusions** regarding the MWBE vendor landscape in Syracuse and Onondaga County more broadly:

- 1. The majority of MWBE vendors are service vendors, followed by construction vendors.** Service Consultants comprise 52.1% of Onondaga County MWBEs and 51.4% of MWBEs with an active City certification. Construction vendors (Construction + Construction Consultants) are 34.9% of Onondaga County MWBEs and 35.3% of active City-certified MWBEs.
- 2. MWBE vendors are small businesses.** 68.5% of Onondaga County MWBEs have an annual revenue of \$500,000 or less.
- 3. Women-owned businesses are overrepresented among MWBEs.** Of the 292 state-certified firms, 202 are certified as either WBEs only or MWBEs.

### State and City Directories

The New York State contract system was especially useful in developing the vendor landscape, as it includes all New York State-certified MWBE firms along with specific information about those firms, including:

- Business name
- Physical address and phone number
- Ownership status (i.e., whether each business was minority-owned or woman-owned)
- Certification status
- Primary lines of work
- Business size

The Center team cross-referenced the businesses in the New York State contract system with [Onondaga County zip codes](#) to identify all New York State-certified MWBEs in the county.

Currently, there are **292 state-certified firms** located in Onondaga County. Of these, **153** are certified as WBEs only, **90** as MBEs only, and **49** as MWBEs.

**Figure 1. Onondaga County MWBEs by Industry Category in 2023**

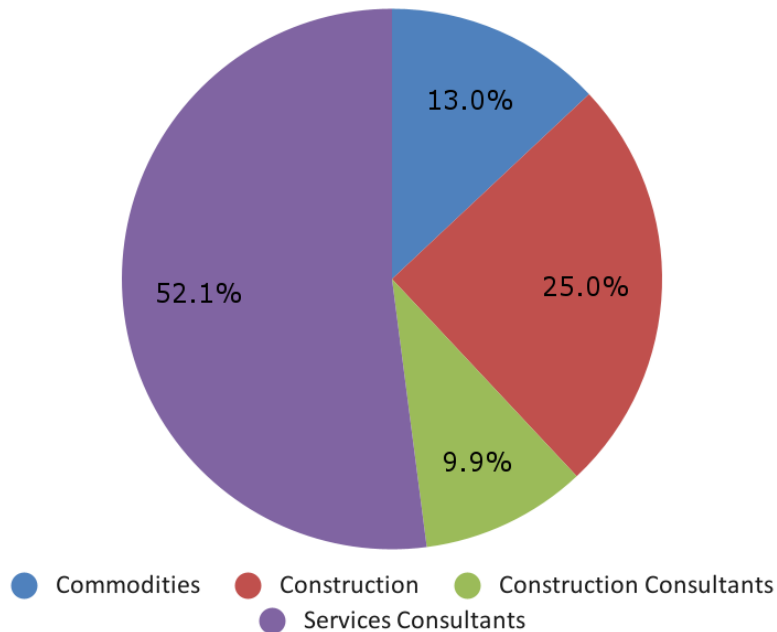


Figure 1 (above) shows the breakdown of Onondaga County MWBEs by the four industry categories used in the New York State contract system: Commodities, Construction, Construction Consultants, and Services Consultants. The largest proportion of state-certified MWBEs in Onondaga County (52.1%) are classified as **Service Consultants** vendors. Twenty-five percent of state-certified county MWBEs are in **Construction**, while 9.9% are classified as **Construction Consultants**. The remaining 13% are **Commodities vendors**.

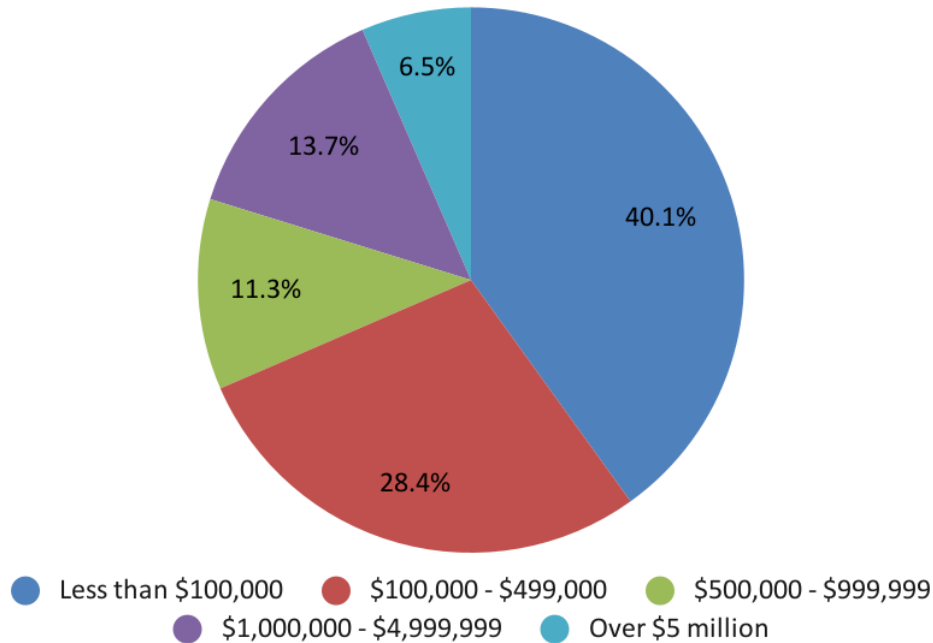
In addition to the industry categories, each MWBE has one or more associated **commodity codes** that offer a more fine-grained classification of their business activities. Table 1 (below) shows examples of commodity codes associated with each industry category.

**Table 1. Examples of Commodity Codes**

<b>Commodities</b>	<b>Construction</b>	<b>Construction Consultants</b>	<b>Services Consultants</b>
425120 - Wholesale Trade Agents and Brokers	484220 - Dump trucking (e.g., gravel, sand, top-soil)	541320 - Landscape architectural services	561110 - Office Administrative Services
96219 - Cafeteria and Restaurant Services	237310 - Concrete paving (i.e., highway, road, street, public sidewalk)	541410 - Interior Design Services	611430 - Professional and Management Development Training
314999 - Embroidering contractors on apparel	238210 - Electrical Contractors and Other Wiring Installation Contractors	541370 - Land surveying services	561311 - Employment agencies
423120 - Automobile service station equipment merchant wholesalers	236118 - Home improvement (e.g., adding on, remodeling, renovating)	95826 - Construction Management Services	611710 - Educational consultants

Figure 2 (below) sorts Onondaga County MWBEs according to business size, defined as annual revenue. The plurality of Onondaga County MWBEs (40.1%) have an annual revenue of less than \$100,000, while an additional 28.4% earn between \$100,000 and \$499,000 in a year.

**Figure 2. Onondaga County MWBEs by Business Size in 2023**



In addition to New York State, the City undertakes its own MWBE certification. Consequently, some City-certified firms may not be included in the state directory, and vice-versa. To enrich the vendor landscape, the Center team acquired the City's directory and compared it with the state's to identify vendors certified only with the City as well as those certified only with the state.

The City's directory provided the following information:

- Business name
- Physical address, email and phone number
- Ownership status (i.e., whether each business was minority-owned or woman-owned)
- Certification status
- Primary lines of work
- Certification date and renewal/expiration date

Currently, there are **331 vendors** in the City's directory. Of these, **164 vendors** are certified as MBEs, **122 vendors** are certified as WBEs, and **45 vendors** are certified as MWBEs. City certification renews every three years. Accordingly, if the renewal/expiration date is over 3 years old, we can treat the certification as inactive. Removing those businesses with a renewal/expiration date prior to August 2020 leaves **174 vendors** with active certifications. Among those, **91 vendors** are certified as MBEs, **50 vendors** are certified as WBEs and **33 vendors** are certified as MWBEs.

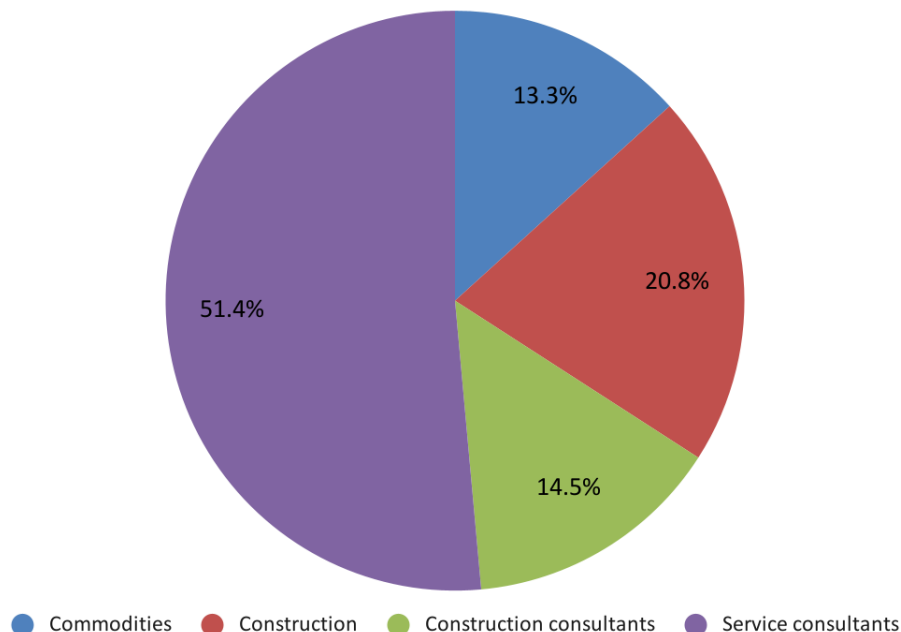
In contrast to the New York State directory, the City's directory does not list business size. In addition, the directory does not sort according to industry



categories, though it does indicate the services that each vendor provides. The Center team used the services information to label each vendor as **Construction**, **Construction Consultant**, **Service Consultant**, or **Commodities**, to establish consistency with the state's directory.

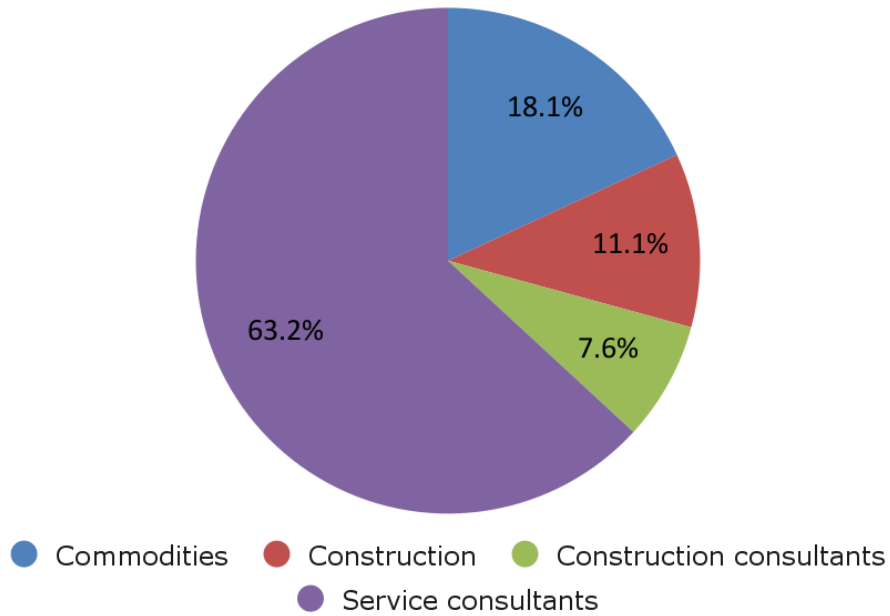
Figure 3 (below) shows these results. The breakdown of active City-certified MWBEs along industry categories aligns closely with the New York State directory of MWBEs in Onondaga County. **Service Consultants** remain the largest group at 51.4%, with **Construction** and **Construction Consultants** accounting for a combined 35.3%. **Commodities** represent the remaining 13.3%.

**Figure 3. MWBEs with Active City Certifications by Industry Category in 2023**

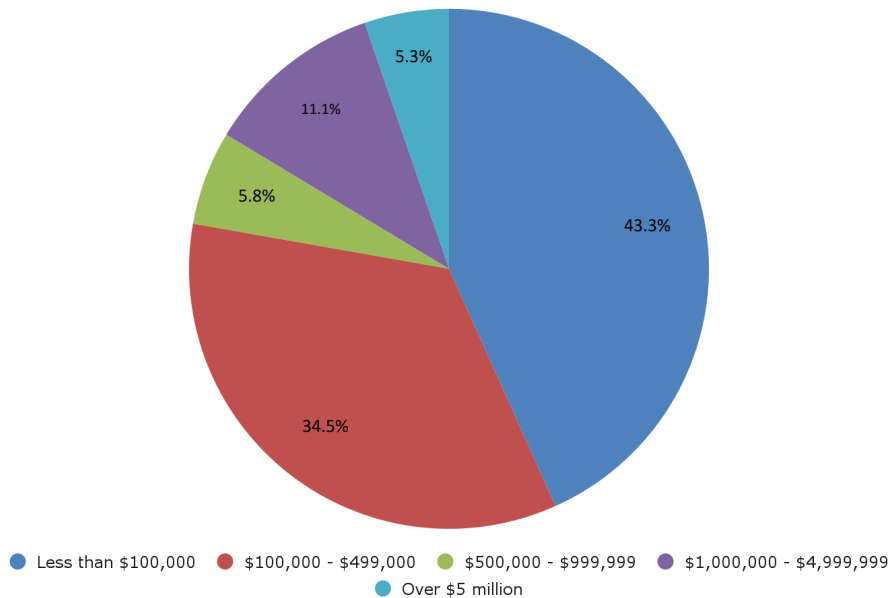


The Center team was particularly interested in the population of vendors that are state certified but not City certified. Engaging this demographic is crucial for the City to expand the base of vendors with which it contracts. To identify these vendors, the Center team compared the State's and City's directories and removed the state-certified vendors that are also in the City's directory. This left **171 vendors**. Of those, **29** are certified as MBEs, **111** as WBEs, and **31** as both.

**Figure 4. Onondaga County MWBEs by Industry Category in 2023 (State-certified only)**



**Figure 5. Onondaga County MWBEs by Business Size in 2023 (State-certified only)**



Figures 4 and 5 (above) show state-certified MWBEs in Onondaga County according to industry category and business size, respectively. Though the percentage

breakdowns vary, the takeaways remain the same: most Onondaga County MWBEs with state certification only are **Service Consultants** (63.2%) and are **small businesses** (43.3% earn less than \$100,000 per year).

### **UMEA, Neighborhood and Business Development, and Business Websites**

A final category is those businesses owned by minorities and/or women but not certified by either the City or New York State. The Center team used the member directory of the Upstate Minority Economic Alliance (UMEA) to identify these businesses. They focused on four industry categories that are most directly relevant to City procurement needs: **Construction, Construction Consultants, Service Consultants, and Commodities**. They also focused on vendors with publicly available websites, from which they were able to collect ownership status. Through this method, they identified **22 minority- and/or woman-owned businesses** in Syracuse not certified with either the City or New York State. The UMEA directory and individual businesses websites are not as thorough as the New York State contract system as far as providing specifics regarding each business.

Neighborhood and Business Development also maintains a list of vendors eligible for MWBE certification, which consists of **17 vendors**. Of these, **15** are not certified with the City, including **2** with expired City certification.

## STAKEHOLDER ENGAGEMENT

Stakeholder engagement proceeded through two avenues: focus groups and interviews.

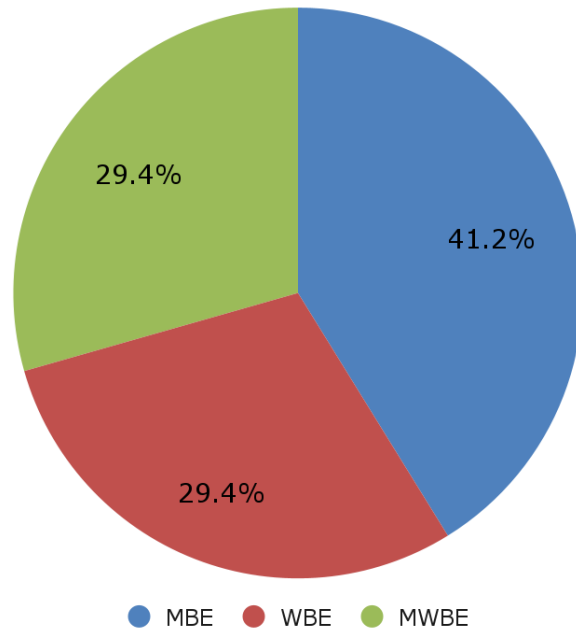
The Center team conducted two separate focus groups for current and potential vendors to understand experiences with the contracting process and factors enabling or hindering participation in contracting, as well as perceived and/or experienced benefits associated with City partnerships (e.g., economic mobility). Current vendors were defined as those with an active MWBE City certification (i.e., a certification with an expiration date of August 2020 or later), while potential vendors had no active MWBE City certification.

The Center team conducted two rounds of outreach for each focus group. For each round, they selected a purposive sample of 28-29 current and potential vendors each. Vendors were selected at random, and the samples were then adjusted to ensure representation across gender, industry, and business size. Vendors were contacted by email and asked to indicate willingness to participate in the project. The focus group for current vendors took place on the evening of **Tuesday, August 8th, 2023**, while the potential vendor focus group took place on the evening of **Wednesday, August 9th, 2023**. (Please see appendices 2 and 3 for a list of questions posed to current and potential vendors, respectively.)

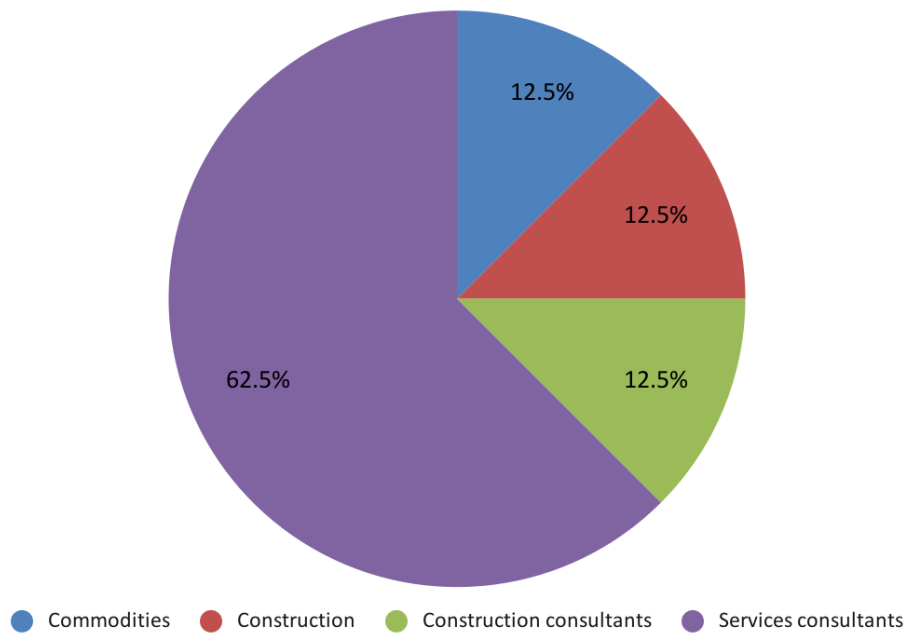
Over the course of the outreach, a handful of vendors indicated that they wanted to participate but were unable to attend. These vendors were offered the option of scheduling a one-on-one virtual interview with project personnel. Ultimately **8 current vendors** and **8 potential vendors** agreed to participate. Each group had **one** vendor that elected to be interviewed in lieu of attending the focus group.

Figures 6, 7, and 9 (below) summarize the characteristics of the vendors who agreed to participate in the focus groups. A combined 58.8% were either WBEs or MWBEs, reflecting the overrepresentation of women-owned businesses discussed in the vendor landscape review. Additionally, 62.5% of those who agreed to participate were **Service Consultants**, in line with the dominance of that industry in the City and county more broadly. Small, medium, and large businesses were more or less equally represented.

**Figure 6. Focus Group Vendors by Business Classification**

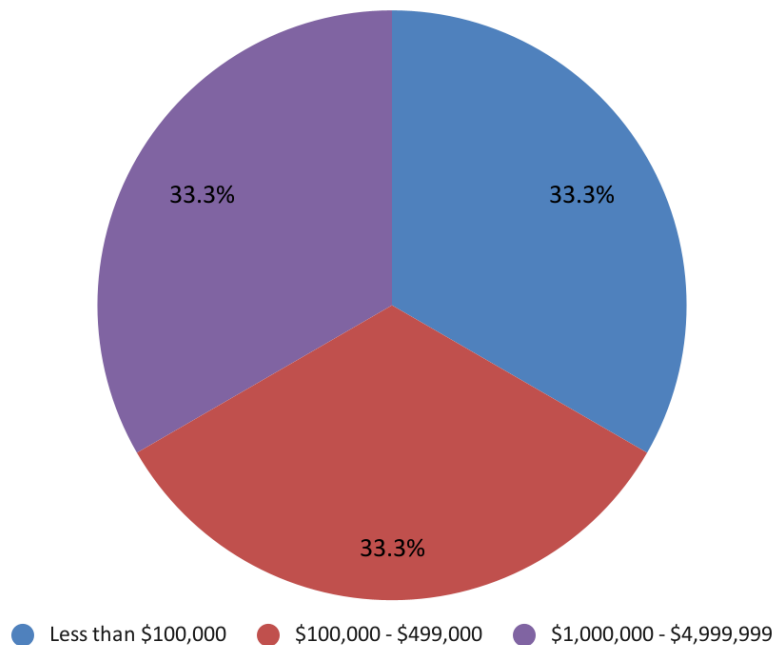


**Figure 7. Focus Group Vendors by Industry Category**



\*This excludes one vendor whose industry is unknown.

**Figure 8. Focus Group Vendors by Business Size**



\*This encompasses potential vendors only as the City directory does not indicate business size.

Along with focus groups, the Center team also interviewed select City government personnel who work in departments, offices, and roles with contracting duties to understand their views on factors facilitating or hindering MWBE contracting, as well as perceived and/or observed benefits of MWBE contracting to the City. City partners identified relevant individuals in a number of City departments, to whom the Center team reached out by email. Interviews lasted approximately 30 minutes and were conducted virtually. **5 City personnel** were interviewed. (Please see Appendix 4 for a list of questions posed to City officials).

Numerous observations and insights related to opportunities and barriers regarding MWBE contracting emerged from both the focus groups and interviews. The Center team has clustered them into the following themes:

- MWBE Program Awareness, Knowledge, & Perceived Value
- MWBE Application, Certification, and Program Participation
- Vendor Engagement & Inclusion
- Procurement Process Experience, Perceptions, & Barriers
- Vendor Compensation
- Professional Development & Resource Support
- Policy Design Flaws & Gaps

## **MWBE Program Awareness, Knowledge, & Perceived Value**

A large barrier to further MWBE involvement in city procurement is not lack of interest – the Center team found that every participant in the potential vendor focus group wanted to be City-certified. Rather, there is a lack of understanding and awareness of when opportunities arise, as well as of the existence of City-level certification more generally. According to one official in Neighborhood and Business Development, “it is not a question of interest, but lack of a clear roadmap for how to participate” (personal communication, city official, July 10, 2023).

A business vendor echoed these concerns, stating:

*Despite serving on multiple boards and commissions, and otherwise being familiar with the City, I was not aware of the certification program (interview, business vendor, August 8, 2023).*

Meanwhile, another vendor indicated:

*I wasn't aware of City certification, but I am adding it to my list of things to do (interview, business vendor, August 9, 2023).*

Vendors do see value in MWBE certifications, however. As one vendor put it regarding their perceived value of certification, “I wasn't aware of the City MWBE, but as a state MWBE, [the certification] has brought us a significant amount of business” (focus group, business vendor, August 9, 2023).

In this regard, vendors conveyed that state MWBE certification put them on the radar of prime contractors looking to fulfill MWBE participation requirements on new contracts. As one vendor put it, “you're not necessarily going to get [government contracts yourself] because you're an MBWE, but it is another way to benefit your customers...by sheer existence, it makes [the lives of primes' requiring diverse business participation] easier” (focus group, business vendor, August 9, 2023).

## **MWBE Application, Certification, and & Program Participation**

Vendors voiced concern about MWBE certification processes, generally, as well as specifically about state and local processes. For example, many see the state certification process as long, cumbersome, and intrusive. According to one, “in a group of people who've been challenged their whole lives, the level of intrusion...I don't understand why this is so difficult. Fraud is an issue, [of course], but there are still companies getting certified where you can't even find the woman [or minority] owner. So, the [intrusive] process is not really preventing it” (focus group, business vendor, August 9, 2023). This vendor further explained that:

*[O]ne of the things that's off-putting about MWBE applications is that it's all public record...you're putting your entire company out there for public consumption...that's somewhat unnerving. I shouldn't have to make [all] that*

*public record [just] to get certified” (focus group, business vendor, August 9, 2023).*

One reform the City is considering is expediting the current certification process (which can take anywhere between 90 to 120 days) by shortening it for MWBE vendors that already have a state certification; this could also be extended to other certifications (e.g., national associations or the federal government). A key precondition to this is ensuring consistency across different certification benchmarks. According to an official in Neighborhood and Business Development, “one way or another, we just want to ensure the [other certifying authority’s] criteria meet our standards” (interview, city official, July 10, 2023).

Vendors’ comments in the focus groups signal receptivity to this reform. Vendors expressed interest in electronic applications that can be processed quickly and that account for existing certification granted by another jurisdiction. Relating to the latter, vendors expressed receptivity to the idea of “reciprocity” agreements. One explained how this helped them get certified with New York City, stating:

*[W]hen I certified with NYC, it took about an hour. They [just] sent me an email [and asked if I wanted to be City-certified] based on knowing I was certified with the state (focus group, business vendor, August 9, 2023).*

As state recertification can take some time, vendors also expressed interest in the City extending reciprocity to those previously certified with the state and actively working through the recertification process.

Vendors further expressed a desire for certification applications tailored to different business types. One focus group participant noted that the current application is designed for construction firms, in particular, making some parts of the application irrelevant but nevertheless time consuming to navigate. Several vendors offered some specific comments in this regard, indicating how a construction-centric application diminished the experience of completing the application and certification process. In their words, “on certification, make the questions relevant. It asks similar questions multiple times, and the application talked about things related to construction. For me [a non-construction vendor], [answers to those questions are] just ‘N/A, N/A,’ ‘N/A,’” (focus group, business vendor, August 8, 2023).

Vendors further noted that the administrative burden of the certification process may be high relative to the amount of business they could capture at the City level. Moreover, in individual business opportunities, certification may not alleviate many of the burdens that still come with preparing and submitting a bid or response to an RFP (focus group, business vendor, August 8 and 9, 2023). Below, the Center team offers additional observations from vendors (as well as City personnel) regarding their experiences with the procurement process.



## Vendor Engagement & Inclusion

Vendors in the focus groups expressed a desire to be meaningfully engaged in contractual relationships with the City and by prime contractors. This was expressed in two ways. First, vendors are looking for elements of program design that signal a strong commitment to the economic prosperity of MWBEs, as indicated by being selected to receive contracts as well as through concerted efforts undertaken by the City to help MWBEs develop and grow their businesses. Examples of the latter would be professional development training and education for potential and current vendors.

Second, vendors shared that they sometimes feel they are being engaged simply to “check a box,” without a fuller appreciation of the businesses and what they do. Vendors would like to be treated as “valued” partners in contractual relationships. Beyond receiving a payment for services provided, vendors would like to be treated well and appreciated. These sentiments communicated by vendors in the focus group further reinforce the recommendation to offer professional development activities and resources for potential and current vendors. They also suggest a need for training among other contractors (e.g., primes) and City officials on how to effectively engage and work with diverse stakeholders (e.g., MWBEs).

In some cases, of course, it may simply not be possible to engage MWBEs in procurement, or engage these vendors at expected thresholds, because there is a lack of available local or regional vendors to provide the products and services the City needs. According to one City official working in urban forestry management, in certain areas of their work they do “next to zero business” with MWBEs because of this problem (interview, City official, August 8, 2023). A City official in Neighborhood and Business Development characterized the issue similarly, stating,

*In areas like lead remediation, most [of the vendors] are not M [i.e., not minority], not City-based, and are screaming for cash because they are out a lot of money. [In that situation], how [does the vendor] live? How do they write proposals for new work? (interview, city official, August 9, 2023).*

A City official in human resources observed something similar, indicating that while there is a preference for working with local vendors, at least some of the HR-related services the City requires cannot be “covered by the local community;” vendor searches need to be national to get the right products, such as insurance or other employee benefits (interview, City official, August 15, 2023). Moreover, the HR official noted that while national searches do open up possibilities to work with more vendors, HR purchases typically do not involve MWBEs. “This is an industry-wide problem with representation” (interview, City official, August 15, 2023).

Even in construction, an area where local governments may otherwise contract regularly, finding available vendors can be challenging. As one focus group participant explained, “in construction, there is a large network of MWBEs, but it’s

still hard...if you're just paving streets, it's pretty easy, but [for] other projects it's more challenging" (focus group, business vendor, August 9, 2023).

While desiring to be engaged, both new and established MWBE vendors that are available for projects struggle to overcome strong incumbency advantages enjoyed by businesses that have worked with the City for a long time. According to one vendor:

*There are also other barriers you may not be aware of...some contracts are not competitive, or there are longer-term relationships [between government and an incumbent contractor] that are hard to disrupt* (interview, business vendor, August 8, 2023).

Another vendor echoed these sentiments, explaining that, "It's the problem with the relationships - you [just] go with who you know. And that's how we keep reinforcing [the] problems instead of [fixing] them" (focus group, business vendor, August 9, 2023). Similarly, one vendor said, "I hear companies - primes - saying 'we typically use the same sub.' But if you typically use the same sub, how do new vendors get business?" (focus group, business vendor, August 8, 2023). A City human resources official spoke in part to this issue, too, indicating that "the costs of switching vendors and providers can be very, very high, as, e.g., in the case of insurance, moving to a new provider requires a lot of communication and engagement with the City employees" (interview, City official, August 15, 2023). This can perpetuate incumbency advantages.

## **Procurement Process Experience, Perceptions, & Barriers**

Additional challenges MWBEs experience when trying to do business with the City, according to a Neighborhood and Business Development official, include that the procurement process is challenging to navigate (interview, City official, July 10, 2023). For available companies that may want to participate in the procurement process, or participate after they become more established in the future, the City must, according to an official in urban forestry management, "reduce every barrier to understanding [of the procurement process]. It's a mystery, even to me" (interview, City official, August 8, 2023).

Comprehension of the procurement process was a topic that came up in the focus groups as well. It was noted that some MWBEs may be unaware of how to effectively engage in the procurement process, from reaching out to government agencies to market the services they offer, to learning about available procurement opportunities (as noted above), to knowing how to respond to invitations for bids and RFIs/RFPs.

Vendors also expressed concern over excessive reliance on paper applications and forms for routine business. As one vendor said, "when I [originally] did an MWBE certification with the City, the [City] person said 'here's the form'...and it was paper! Why not put it online!?" (focus group, business vendor, August 8, 2023). Getting set

up for payment also required a lot of reliance on paper forms, according to one vendor, who said, “[I had to file] a lot of hard copies, to different departments. It was definitely more painful than the MWBE application” (focus group, business vendor, August 8, 2023).

Prospective MWBE vendors also confront other issues when trying to navigate the procurement process. According to one vendor, there are a lot of administrative burdens relative to the amount of potential work available:

*Government tends to require more paperwork and hoops to jump through...and there’s not a lot of [business] there. Depending on the scope of work [on a given project], I am willing to jump through lots of hoops...but [often] there’s too much waiting and it takes too long to get paid* (interview, business vendor, August 8, 2023).

Along these lines, this vendor also observed that “there isn’t much consistency in City government, too often vendors have to go through hoops repeatedly, completing the same forms or steps that they already have completed before. [Even] the federal government sometimes has less paperwork than munis [i.e., municipal governments], [and working with the latter] means having to do things in an antiquated way” (interview, business vendor, August 8, 2023).

Similarly, MWBE vendors may be challenged in the procurement process if, at the source selection stage, there is too much emphasis on price. As one vendor observed, “the City tends to go with the lowest bid, and we’ll never be cheapest. If chances are miniscule we’ll get the work, there’s no reason to spend days putting together a bid. People come to our business because they are mandated [to do so], want to be compliant, [but] don’t actually want good service. So, they’ll just pay the lowest price” (interview, business vendor, August 8, 2023). Vendors also said excessive focus on price could result in primes paying MWBE subcontractors poorly. One vendor characterized these arrangements as “borderline unethical...low pricing means the MWBEs are paid almost nothing [as subs]” (focus group, business vendor, August 9, 2023).

MWBE vendors may also be challenged to get business given that, in their view, the procurement process is excessively relationship-driven, making it seem less transparent and objective. According to one vendor, getting business is “oftentimes a matter of who you know” (interview, business vendor, August 8, 2023). Similarly, according to one Neighborhood and Business Development official, “a lot of lending and business opportunities are from your social circles – it’s about who you know” (interview, City official, August 9, 2023).

## **Vendor Compensation**

Payment delays are also a barrier; for example, if there’s a 30-60 day delay on reimbursement for even a small project, a vendor may not be able to front the money and cannot get a line of credit from their bank. The City is currently looking at other ways to assist with upfront funding, as well as to expedite back-end

reimbursement (interview, City official, July 10, 2023). A Neighborhood and Business Development official spoke further to this, explaining that,

*PeopleSoft [payment software] is a platform we use; it's unfriendly, unworkable, has so many steps along the way for approvals that payment may risk sitting instead of being processed* (interview, City official, August 9, 2023).

According to this official, a lengthy payment process with too many steps makes delays inevitable if/as City personnel involved in payments administration turnover, move to new jobs, or are even just ill or taking paid time-off. Such concerns may warrant a fuller review of the existing payments process and supporting resources, to identify areas where the process is especially delay-prone and make adjustments in software, training, and applicable procedures.

Payment delays are also an issue in areas like HR, though, according to City officials, the nature and requirements of select providers with whom the City HR office works necessitates making weekly payments, such as by a wire transfer rather than through typical vendor payment processes. In other words, City officials have had to set up an entirely different process to meet a payment requirement for a vendor (interview, City official, August 15, 2023).

### **Professional Development & Resource Support**

One way to meet MWBE imperatives is workforce development, and having a clearer process and a more diverse workforce would be helpful in this regard. According to one City official working in urban forestry management, "Tree equity is important - a map of income is a map of tree canopy," (interview, City official, August 8, 2023), and workforce development really needs to start with young people and generate interest in this area as a career field. According to this official, "[t]he best thing to do is to cultivate a worker pipeline, some of whom will eventually say, 'I can do this on my own'" (interview, City official, August 8, 2023).

In this regard, harnessing opportunity through youth programs like the conservation corps can generate economic opportunity and mobility. As one of the City's urban forest management officials explained, "one tree care company took a conservation corps member, taught them to drive, and helped them get further into the tree care business" (interview, City official, August 8, 2023).

Other City-sponsored and supported training could also be useful to supporting MWBE vendors. For example, according to one Neighborhood and Business Development official, the City's Business Growth Accelerator (BGA) training could incorporate modules on how to get MWBE-certified and do business with the City. This is just one example of how the City could take broader, more substantive advantage of existing training and engagement programs, initiatives, and outreach efforts through which it and its partners *already* engage the business community, so as to further support MWBEs and promote the MWBE vendor program (interview, City official, July 10, 2023).

One vendor echoed this sentiment, indicating that, "Entrepreneurship trainings, such as from SBA [Small Business Administration], are [useful], and are another area to share information" (interview, business vendor, August 8, 2023).

Beyond contracting, procurement and general entrepreneurship, there is also a need for other kinds of training, such as on the particulars of running certain businesses in certain industries or sectors. One City official in urban forestry management spoke to this issue in their sector and line of work, saying,

*[Y]ou could train to that [to running a tree care business]...a two day training on what it means to have this kind of business...someone could break that down, could help someone understand what [the] day costs [are], what's needed to make a profit, knows equipment...that [knowledge] could be shared" (interview, City official, August 8, 2023).*

Vendors also expressed interest in mentoring, and described examples of mentor-protege programs where a prime would agree to coach and mentor a sub-contracting partner in a particular business area, perhaps in exchange for some additional support or preference from the jurisdictions with which they contract. While helpful, one concern to overcome in designing and implementing these programs is what a vendor called the "scarcity mentality," where primes are reluctant to take on subs out of fear the latter will "steal business" (focus group, business vendor, August 9, 2023).

That said, this vendor emphasized mentoring would be valuable, especially in helping subs make the transition to prime-level work responsibly and sustainably. In their words "Well done, [a mentor-protege] program is financially useful for everyone involved. [Otherwise], I've seen small businesses win \$50 million federal contracts that destroyed their business [because they weren't ready], didn't have a contract manager, didn't know what they didn't know until they were [in the contract and it was too late]" (focus group, business vendor, August 9, 2023).

The City could also look at encouraging partnering and teaming. As an official in urban forestry management put it, "If an Earthcorps member teamed up with someone who has the equipment, they could bid [on City contracts] and win" (interview, City official, August 8, 2023).

Access to capital and assistance with pricing would also be helpful. According to one professional services vendor interviewed for the project:

*As a woman-owned business trying to break into these areas, we're up against the 'big boys.' We are never going to be the cheapest. Real barriers arise for MWBEs because of who [they're] up against. It's hard to beat [bigger players'] prices, [it's hard] to compete on [service] quality, and fighting bigger players that are cheaper and don't pay as much attention to quality. It's impossible to get a loan (interview, business vendor, August 8, 2023).*

One Neighborhood and Business Development professional echoed this sentiment, indicating that, “capital is a huge barrier to MWBE contracting. In construction, your first 60% is usually covered, the other 40% will eventually come. We pay the whole thing at the end” (interview, City official, August 9, 2023).

Assistance with insurance requirements would also be helpful. As one vendor put it, “I’ve been in business so long, I have the necessary insurance. Others can’t get all they need, so they are boxed out. They don’t have the funds to have insurance. If there’s a program that can pay some upfront, that would be helpful” (focus group, business vendor, August 8, 2023).

Likewise, vendors would benefit from more substantive and easier-to-access information. While there are many channels to disseminate it, according to one vendor, procurement technical assistance centers (PTACs, or their equivalents) are a good place “to support businesses in getting certified, finding opportunities, and writing RFPs” (interview, business vendor, August 8, 2023).

Vendors also stressed that making information about business opportunities easier to access and review is important. One vendor said that “[a] website of opportunities, along with [access to information about] the correct people...the contracting people, the accounts payable people...knowing who to interface with [would be helpful]” (focus group, business vendor, August 9, 2023). Another vendor conveyed these points particularly frankly, saying “I’ve been on the City website...I like websites that are user-friendly. If I work with a site that isn’t user-friendly the odds of me going down the rabbit hole are low. Why waste two hours trying to figure something out?” (focus group, business vendor, August 8, 2023) According to this vendor, it would be helpful to access the website and have simplified sections, such as “For Information on Opportunities...click,” and “To do business with the City...click” (focus group, business vendor, August 9, 2023).

Of RFPs and bids, another vendor stressed that further education on the nature and content of RFPs would be helpful, saying, “I work with the City a ton...I know they are just winging it, there are like 10 sections that are just duplicates. I can navigate it, but it’s hard to teach” (focus group, business vendor, August 8, 2023). Vendors also indicated contract debriefings would be helpful, as one vendor put it, “if you didn’t get it, [it would be helpful to explain] why you didn’t get it” (focus group, business vendor, August 9, 2023).

Networking is another resource stakeholders identified as valuable, though the nature of the engagements and who attends is critical. According to one vendor, “having something hosted virtually would be better than traditional networking; getting city procurement personnel in front of vendors would help, too” (interview, business vendor, August 8, 2023). Vendors indicated they found state networking events helpful, as state agencies ensured appropriate parties - those involved in agency-level procurement processes - attended the engagements (focus group, business vendor, August 9, 2023).

Regarding networking and vendor gathering engagements, vendors expressed that follow-up is important. According to one,

*I attended an SU event with the chancellor, and received no follow-up. The idea of a vendor fair is good in theory, but if there is no circle back, [it's not helpful] (focus group, August 8, 2023).*

Vendors may also find other City gatherings as opportunities to network and build relationships, and the City may wish to consider embedding procurement personnel at different kinds of gatherings and convenings. As one vendor put it, "I go to a lot of community meetings...they are not networking, but you get to know City personnel" (focus group communication, business vendor, August 8, 2023).

Sociocultural competence and understanding in resource provision would also be helpful. As one vendor put it, "offering childcare at networking events [and engagements] is hugely helpful...for women especially, these types of [support] are significant to get things done" (focus group, business vendor, August 9, 2023).

### **Policy Design Flaws & Gaps**

While many appreciate the intent behind the MWBE program and a policy for supporting MWBEs, they also find that aspects of the current program are rigid and insufficiently flexible. According to one official in urban forestry management, "We have an equipment-intensive business. It can [at times] be more dangerous than fire fighting or policing...now we have [to layer] an MWBE requirement on top of [that work]? That doesn't make sense" (interview, City official, August 8, 2023). Similarly, one Neighborhood and Business Development official observed that the program is overly tailored to construction firms at the expense of other types of businesses, stating, "It grew out of construction, which [for vendors] is a great place to start, there is a lot of money going through [contracts], and start-up and access to capital are not as hard. But, [the MWBE rules, processes, and procedures] for construction do not translate to consulting or other things the city looks to procure" (personal communication, City official, August 8, 2023).

City officials also noted challenges related to meeting legal thresholds. According to a City engineer, "the mandates - MWBE, EEO, and 20% local - make it challenging for primes, and the City does not adjust goals like MWBE sub percentage participation based on the type of contract" (interview, City official, August 9, 2023). This official further observed that "the City is just asking a lot of its primes - EEO, MWBE, 20% local. When the goals are too high, it's a detriment to bidding and procurement" (interview, City official, August 9, 2023).

A vendor stressed, however, that having meaningful goals remains important, even if they are a stretch. In their words:

*It's absolutely critical that we continue with the goals. Construction has, historically, been a male-dominated field. MWBE [rules and goals] helped diversity it (focus group, business vendor, August 9, 2023).*

Geographic mandates may also represent an obstacle to MWBE engagement in certain circumstances. According to a Neighborhood and Business Development official, City certification requires being in Onondaga County, though a number of already state-certified vendors outside the county boundaries participate in Business Growth Accelerator and, depending upon the circumstances, could still be engaged in City business.

For example, according to this official, on an approximately \$29 million project supported with state grant funding, the City could sub-award through its procurement process. This funding has no strict requirements that vendors be within the City of Syracuse or Onondaga County per se, meaning the City has flexibility to engage MWBE vendors outside these geographic areas. This is, however, a function of the funding being from the state – these minority and women business enterprises could not otherwise be engaged given the current City MWBE program rules (interview, City official, July 10, 2023).

In addition to inflexible rules, there is inadequate monitoring and reporting of compliance and performance in the MWBE program. According to one City official working in engineering and transportation, MWBEs are “a part of almost all their projects,” but “we also need to ask, [bigger picture], are we achieving compliance? Are we even monitoring?” (interview, City official, August 9, 2023).

Even where vendors attempt to comply with the rules, compliance behavior may be perfunctory or even counterproductive. For example, vendors described how primes might attempt to demonstrate Good Faith Effort (GFE) in engaging MWBEs by taking simplistic or unhelpful steps, such as sending out illegible faxes, junk emails, or other non-actionable communications to MWBE vendors. One vendor said, “I get 5-15 emails per week from primes asking about being partners on contracts for stuff we never do” (focus group communication, August 9, 2023). Yet, in certain instances, this communication alone is sufficient to demonstrate GFE and get waivers for MWBE participation.

Regarding performance monitoring and reporting, vendors called for more transparency in communicating results. As one vendor put it, the City needs “true transparency...to be very transparent about [performance] metrics” (focus group, business vendor, August 9, 2023).

Vendors also expressed concerns about inconsistency in implementation of existing policy and rules. According to one vendor, “it’s choppy, it’s not consistent. Nothing is consistent with the City...so if you’re going to make [City contracting] a primary part of your business, it would be good to know a check will be coming regularly” (focus group, business vendor, August 8, 2023).



## REVIEW OF EXISTING MWBE PRACTICES

The Center team gathered information on how other U.S. cities and counties (hereafter, “jurisdictions”) are designing and implementing their MWBE programs. For analysis purposes, the team selected a set of demographically and socioeconomically comparable jurisdictions to Syracuse, NY, as well as neighboring jurisdictions (i.e., other local governments in upstate New York) and jurisdictions that have received national and/or regional attention for their MWBE programming, for further review. Initially, the team screened approximately 40 cities, reviewing applicable primary source policy documents (e.g., program manuals, procurement ordinances, etc.), web platforms, and other information as available, and reviewed 12 MWBE programs in total.

The Center team divided their final sample of jurisdictions into three categories: **Peers** (jurisdictions with a mix of demographic, socioeconomic, and institutional characteristics comparable to Syracuse), **Neighbors** (jurisdictions in geographic proximity to Syracuse), and **Spotlights** (jurisdictions across the country that have been recognized for innovation, improvement, and/or practice leadership in MWBE programming). The following table lists the jurisdictions in each category:

<b>Peers</b>	<b>Neighbors</b>	<b>Spotlights</b>
Columbia, South Carolina	Rochester, New York	Los Angeles, California
Dayton, Ohio	Monroe County, New York	Chicago, Illinois
New Haven, Connecticut	Albany, New York	Memphis, Tennessee
Rockford, Illinois	New York, New York	Charlotte, North Carolina

The Center team assessed individual MWBE programs along the following dimensions (please see Appendix 4 for a full list of questions that guided the analysis of selected programs):

**MWBE Identification and Engagement:** How different jurisdictions define eligible target populations and industry categories (e.g., construction, professional services) for MWBE programming.

**MWBE Certification and Compliance Processes:** How different jurisdictions administer MWBE certification, and, generally, the process vendors must navigate to obtain and maintain a certification.

**MWBE Utilization and Procurement Process Implementation:** How different jurisdictions set goals for MWBE utilization in prime contracting and/or subcontracting, as well as examples of different utilization targets, and MWBE-relevant rules and procedures implemented at various points in the procurement process (e.g., soliciting bids and RFPs, selecting sources, and so on) to promote MWBE inclusion and use.

**MWBE Ecosystem Cultivation and Support:** Other kinds of resources and services (e.g., training, access to capital, and networking) jurisdictions offer to support the MWBE Vendor Base.

While the Center team devoted extensive time to the practices review, the below is not intended to be an exhaustive examination of each program's many individual features and provisions. Rather, it is intended to capture and illustrate variation in select key design features the City may wish to consider as it expands and updates its own MWBE program. A supplementary document capturing additional information on each program reviewed for the study, along with links to applicable policy manuals, city ordinances, web-accessible certification application materials, and lists of additional resources the programs offer vendors will be provided separately.

## **MWBE Identification and Engagement**

Programs selected for further review define MWBE target populations similarly, focusing on socio-economically marginalized and disadvantaged groups subject to discrimination, prejudice, and various forms of unfair treatment. In addition, programs typically incorporate geography, targeting MWBE vendors within particular jurisdictional boundaries or statistical areas. Likewise, every program incorporates an ownership and control requirement - typically 51% ownership and evidence of day-to-day involvement in management and operations (demonstrated in a number of ways, e.g., by payroll approval). More specifically:

- All 12 jurisdictions define or incorporate women and minority groups into their definition of MWBE target populations. In addition, at least 4 also (Dayton, OH, New Haven, CT, Memphis, TN, and Charlotte, NC) also define program targets with respect to small business ownership, more generally (which could include MBE or WBE small business owners, but also others that meet the applicable small business definition set by the jurisdiction in question), and select other programs also reference additional targets, such as disabled military veterans.
- At least one (1) program, Charlotte, NC, further differentiates between an MWBE business "registered" to participate in its program, and a Small Business Enterprise (SBE) "certified" to participate in its program. "Registered" MWBE vendors enroll in the program by virtue of holding an applicable state certification, while "certified SBEs" are subject to an additional, locally-administered certification process. A registered MWBE might also be a certified SBE, depending on the circumstances, and the latter

may (as described further below) enjoy some additional benefits to program participation by virtue of having gone through a formal certification process at the local level.

Scope of industries covered varies more widely. Whereas some programs focus more exclusively on construction and construction-related industries, most of the programs incorporate construction, professional services, other services, and goods/commodities in some way. More specifically:

- At least 2 of the 12 programs, New Haven, CT, and Albany, NY, focus more exclusively on construction and construction-related industries in their MWBE programs.
- The remaining 10 of 12 programs considered in the practices review have a broader product scope, incorporating some combination of construction, professional services, other services, and goods/commodities. As further described below, MBWE certification processes, utilization goals/targets, and procurement process implementation may vary by product category. This is especially the case for larger programs.

Program communication and engagement approaches vary considerably. Most programs feature a dedicated webpage incorporating basic program information, though the nature, extent, and ease-of-navigation varies quite widely across individual cases.

As one example, the website of the Small Contractor Development Program in New Haven, CT articulates clearly the mission of the program (emphasis added):

*The Small Contractor Development Program (SCD) is part of the City of New Haven's Department of Economic Development, which promotes **creating jobs, improving quality of life and driving economic growth.***

*The SCD **helps small, minority and women-owned construction businesses** grow and **overcome challenges that may make it more difficult to win contracts and work on City of New Haven projects.***

The website also provides a bullet list of benefits that contractors will see if they participate in the SCD Program (emphasis added):

*Benefits for Contractors:*

- *Registration in the SCD Program – see [application](#)*
- ***Weekly construction opportunities***
- ***Sheltered Market** – All construction and construction related bids <\$150,000 are bid only to contractors in the SCD Program*
- ***Minority Subcontractor Utilization** – All construction and*

*construction related contracts over \$150,000 shall subcontract with a 25% MBE goal*

- **Networking**
- Free/low-cost **trainings** and **industry certifications**

## **MWBE Certification and Compliance Processes**

Program certification and compliance processes vary by jurisdiction, with differences in application format, length, document requirements, certification reciprocity arrangements, and other features. Select jurisdictions use simpler processes with shorter applications and faster estimated or promised turnaround times, whereas others provide for a longer, more involved process with more in-depth application and certification procedures, as well as compliance requirements that include both documentation and additional steps such as site visits.

Certification and application processes vary by, among other features, application length, format, supplementary document requirements, and opportunities for certification reciprocity. More specifically:

- At least five (5) of the 12 jurisdictions (Monroe County, NY, Los Angeles, CA, New York, NY, Chicago, IL, and Memphis, TN) examined provide for a fully online application process. In these cases, vendors do not need to fill in .pdf forms electronically, or download them and fill them in by hand. Instead, they can create an account (typically in two steps - registration on the applicable website, and input of an email-distributed password or account key) and then complete application "sections" (in lieu of individual pages) one at a time in an online environment. These processes may be more seamless for vendors accustomed to using technology, as well as provide for more tailoring options in the application process. For instance, through appropriate design of the online application interface, vendors could select their industry or sector from a drop-down menu, then get a tailored set of questions and documentation requirements based on their choice (instead of having to work through an entire application and repeatedly skip, enter "N/A," or offer incorrect or unnecessary information into fields that are not applicable in their circumstances). Tailoring could be done by industry or sector, for example, and exclude some questions or documentation requirements if the information a vendor applicant provides indicates or suggests it is not relevant (e.g., a small professional services vendor might not lease large equipment, and through an appropriately configured online process, could bypass a section requiring documents pertaining to large equipment leases or other related information).
- Remaining jurisdictions typically include a web-accessible application, though it may be either a .pdf that has to be downloaded, printed, and returned by email, or by mail or hand delivery rather than a fully online system for application completion and submission. Some jurisdictions, such as Columbia,

SC, Charlotte, NC, and Rochester, NY, may make particular use of other certifications to aid in expediting their own processes. As described further below, Columbia, SC, for example, uses reciprocity arrangements to provide MWBE vendors a one page form, and only asks that they provide documented proof of certification from another entity as part of their application. Charlotte, NC, provides both a "registration" option for vendors that wish to leverage a state certification to enroll in the city's program, but also provides a "certification" in earnest using its own longer application form (approximately 15 pages) and a process that it administers locally. Some registered MWBEs may thus elect to also become certified SBEs, especially if SBE certification affords additional advantages.

- Some jurisdictions may also aim to incorporate MWBE vendors while they are still in the midst of a formal certification process, and thus be afforded opportunities to participate in at least certain aspects of MWBE support programming. New Haven, CT, for example, incorporates a "pre-certification" option that allows vendors eligible for the city's certification to become pre-certified - and thus eligible to benefit from training and sheltered business opportunities (e.g., projects under \$150,000 that limit competition to smaller contractors) - provided they meet the applicable city eligibility criteria and are in the midst of a Connecticut state certification process.
- Finally, at least 10 of 12 jurisdictions (Columbia, SC, Dayton, OH, New Haven, CT, Rochester, NY, Monroe County, NY, New York, NY, Los Angeles, CA, Chicago, IL, Memphis, TN, and Charlotte, NC) are party to some kind of arrangement where certification with another jurisdiction promote expedited certification or recognition locally. As indicated above, Columbia, SC, considerably shortens its application and certification process by recognizing a variety of other certifications. Indeed, on its one page application for the Columbia Disadvantaged Business Enterprise (CDBE) Program, it includes a single line where vendors can indicate other authorities from which they have already received Disadvantaged Business Enterprise (DBE) status. According to city policy documents, at least nine (9) such authorities are recognized, and the 9-member list is not exhaustive (meaning, presumably, still other authorities' certifications might also be recognized). While recognizing a smaller number of authorities (three in particular, including the state), Dayton, OH, offers a similar feature (called "cross-certification") as part of its program, and use of this provision could shorten the certification timeline from approximately 90 days to as little as 30 days, according to city information. New York, NY, offers a similar feature, called "Fast Track," and interestingly, indicates that vendors seeking an NYC certification can provide additional application materials that will help them secure other jurisdictions' certifications (such as from the New York Port Authority or New York State) as well. Finally, Monroe County, NY offers perhaps the largest number of recognized external certifications as part of its "Rapid Certification" approach, outlined below.

- Initial certifications vary in time for which they remain valid, from, e.g., two years (2) to upwards of five (5) years, though information on this part of the programs is not as readily available. Likewise, information on compliance and re-certification procedures is not as widely available. Select jurisdictions require site visits for compliance purposes, though those offering reciprocity arrangements or expedited initial certification may waive this requirement, or simply not incorporate it into applicable program rules. Similarly, programs may require certified vendors file an affidavit each year during which their certification is valid indicating that they continue to meet program eligibility criteria. Finally, applications for re-certification tend to be shorter than the original forms. For instance, under its Procurement Enhancement Plan (PEP), Dayton, OH requires an initial application of 27 pages, though the renewal is roughly half that length (13 pages). Likewise, the Rockford, IL, initial application is 6 pages, whereas the renewal application is just 3 pages.

As referenced above, Monroe County, NY maintains a list of programs and organizations whose certifications it will recognize as part of a fast track certification process. These include:

- New York State M/WBE Certification Program
- Small Business Administration 8(a) Business Development Program
- US Small Business Administration WOSB Program
- New York State Disadvantaged Business Enterprise Program
- Buffalo Erie County/Joint Commission M/WBE Program
- New York Port Authority M/WBE Program
- City of Albany M/WBE Program
- City of Syracuse M/WBE Program
- City of New York M/WBE Program
- New York Power Authority M/WBE Program
- MTA M/WBE Program
- National Minority Supplier Diversity Council
- NY/NJ Minority Supplier Development Council
- Women’s Business Enterprise National Council
- US Women’s Chamber of Commerce
- National Women’s Business Owners Corporation
- The El Paso Hispanic Chamber of Commerce

### **MWBE Vendor Utilization and Procurement Process Implementation**

MWBE programs vary widely in utilization goals and accompanying practices to achieve them in the procurement process, though virtually every jurisdiction the Center team reviewed uses a mix of annual aspirational goals – often by major industry or procurement spending category (e.g., construction, professional services, etc.) – and various methods and thresholds to set goals for MWBE inclusion in individual projects. Likewise, inclusive procurement practices vary in the particulars, but where MWBE participation goals apply, most jurisdictions will incorporate the stated goals into solicitation documents and require that vendors

demonstrate how they will achieve the goals in order for their bids or proposals (hereafter, "offers") to be deemed responsive. More specifically:

- Eleven (11) of 12 jurisdictions incorporate some kind of broad, annual aspirational goals for promoting MWBE participation in procurement. These goals may apply to prime contracting, to subcontracting, or may be measured across both, and may be set for the whole procurement enterprise, or for individual procurement spending categories.
- Of these 11, one (1) jurisdiction, Rockford, IL, references a broad annual aspirational goal, though the publicly accessible information the Center team reviewed did not indicate the specific percentage, nor whether it varies by spending category.
- Of the other ten (10) jurisdictions that reference broad annual aspirational goals, eight (8) incorporate goals across multiple industry categories, while two (2) (New Haven, CT, and Albany, NY) focus exclusively on construction, as the programs are construction-only in scope. The other eight (8) set varying goals for construction, professional services, other services, and/or goods/commodities. At least one (1) of these 8, New York, NY, further disaggregates industry-specific goals by each disadvantaged group covered in its policy (so, e.g., it includes construction-specific spending goals for African-American vendors, Hispanic vendors, and so on).
- In the 10 jurisdictions with broad annual aspirational goals, progress toward goals is in some cases measured by spending at both the prime and subcontracting level, whereas in other cases, such as Memphis, TN, separate goals are set at the prime and subcontracting level in each category.
- In most of the 8 jurisdictions that set annual aspirational goals by multiple spending categories (rather than only construction) the spending targets (whether measured across the prime and subcontracting level, or separately at each level) also vary. In others, though, the same target is applied to each category (e.g., while Monroe County, NY, sets annual aspirational goals for different industry categories, in each case it reports a goal of 12% MBE and 3% WBE).
- As described further below, one (1) jurisdiction, Columbia, South Carolina, describes in detail how it uses a formulaic method to set MWBE inclusion goals at the individual project level, though the publicly accessible program documentation the Center team gathered did not appear to reference broad annual aspirational goals - either overall or by procurement spending category.

The Columbia, SC program includes project-specific goals (rather than, e.g., an overall annual aspirational goal, or a set of annual aspirational goals by purchasing for MWBE subcontracting participation on prime contracts estimated at \$200,000 or more. For instance, as laid out in its program documentation, suppose a project

costs \$100,000, with \$80,000 in construction and \$20,000 in trucking cost. Further suppose there are 29 disadvantaged construction vendors, with 300 construction vendors total, and there are 30 trucking disadvantaged trucking vendors, with 60 trucking vendors total. The cost weights for the project are 80% construction ( $\$80,000/\$100,000$ ), 20% trucking ( $\$20,000/\$100,000$ ), and the relative availability figures are 8.8% construction (29/300) and 50% trucking (30/60). Multiplying each cost weight by its respective availability figure – i.e., 80% times 8.8%, and 20% times 50% – and then adding the two products gives a target disadvantaged vendor percentage goal of 17%.

As this example illustrates, the exact nature of the project goal is driven by the relative weight of key project activities (here, construction and trucking), along with the relative availability of MWBE vendors as a proportion of overall vendors in the local or regional area that perform the activity. While most other programs did not describe the project-specific goal setting methods in such detail, a number reference, generally, that they rely on similar factors when setting project-specific MWBE participation targets.

To promote goal achievement in MWBE utilization, programs implement a variety of different practices in the procurement process. More specifically:

- Virtually every studied program that applies MWBE participation goals will include that information in the solicitation documents for projects where an MWBE participation target is set.
- Similarly, in virtually every studied program, vendors responding to requests for bids or proposals on projects with an MWBE target must (as an attachment to their offer) incorporate an MWBE utilization plan.

Whereas these practices are common, the programs the Center team analyzed vary more in their requirements for planning and communicating MWBE participation, as well as documenting Good Faith Effort (GFE) to engage MWBEs in cases where a prime-level offer does not meet a planned participation target. More specifically:

- Most, though not all, the studied programs make MWBE utilization documents publicly accessible to the prime vendor community, assisting prime vendors in understanding what documents they must include when submitting offers on projects that have an MWBE participation requirement.
- Some programs aim to provide extensive flexibility in what constitutes MWBE participation, including working with MWBEs as subcontractors, but also through other avenues, such as joint ventures with MWBE vendors. Chicago,



IL, for example, offers vendors flexibility in what constitutes MWBE participation by counting subcontracting, joint venturing, and materials purchases each as ways to incorporate MBWE participation into a project.

- Most programs also include some language that defines the specific roles MWBE vendors may play in projects, and how that participation will count toward utilization goals and the strength of prime vendors' offers. Policy language in Rochester, NY, for example, includes definitions of what constitutes a commercially useful function by an MWBE, and defines MWBE roles to include prime-level participation, joint venturing, subcontract participation, and other contributions at a sub-level, such as supplying, packaging, brokering, hauling, and manufacturing. Provided they involve labor, for example, a manufacturer's contributions will count 100% toward MWBE participation goals. Contributions from suppliers, on the other hand, will count 60% toward the goal. Programs use this language to afford MWBE participation in areas where it may not otherwise be deemed viable or measurable relative to traditional public works projects (e.g., when a locality is going out to buy a product rather than execute construction or services contract where MWBE participation may be more customary).

To assist primes and promote viable project execution, select programs will also embed some flexibility in the nature of MWBEs that can be utilized project-by-project. More specifically:

- Some programs will include tiering or geographic ranking systems that privilege participation from MWBEs certified in the jurisdiction where the project will take place, but also permit a broader set of MWBEs where this is not feasible. Columbia, SC, for example, administers a three-tier system that first preferences inclusion of city-certified MWBEs as subcontractors, then non-city-certified MWBEs that still work within the applicable statistical area and have another type of certification, then non-city-certified MWBEs that still work in the state of South Carolina and have another type of certification. Rochester, NY, administers a similar provision in its MWBE program, permitting use of MWBEs outside the Finger Lakes region when capable vendors are otherwise not available locally or regionally for a project the city wishes to undertake.
- Finally, virtually every program includes a provision for demonstrating Good Faith Effort (GFE) to engage MWBEs in instances where a prime vendor's offer will not fully meet the MWBE utilization goal. Some programs specify examples of GFE effort in general terms, such as attending pre-bid

workshops with MWBEs, contacting MWBEs, and so on. Others are more specific in this regard, and, further, will tailor GFE requirements according to how much of an MWBE target a given proposal envisions meeting. In Columbia, SC, for example, prime vendors with offers that meet between 50% and 100% of MWBE utilization targets may not (in certain circumstances) need to provide any GFE documentation in their initial offer, but just need to keep it available. Primes with offers that portend meeting less than 50% of the MWBE target, on the other hand, must provide GFE documentation in their initial offer in order to be deemed responsive and remain in consideration for a contract award.

In addition to these practices, programs the Center team examined also design their policies to promote meaningful MWBE participation at the prime and subcontract level, including, in select cases, through set-asides or sheltered business opportunities. More specifically:

- A few programs, such as New Haven, CT, include “sheltered” business opportunities that are reserved exclusively for small contractors (including MWBEs) in cases where a construction project is below a \$150,000 value.
- At least one program, Charlotte, NC, maintains under its two-track system (registered MWBEs, and certified SBEs) a provision that affords locally-certified vendors (SBEs - or those disadvantaged vendors that have submitted to the city certification process) subcontracting participation on professional services contracts.

### **MWBE Vendor Ecosystem Cultivation and Support**

Beyond establishing disadvantaged target populations and providing for certification, utilization targets, and specific implementation practices in key parts of the procurement process, the examined jurisdictions deploy or provide information on a variety of other resources for MWBE vendors. Documenting the sheer variety and extent of available supports is beyond the scope of the report, though the above-referenced supplementary information document will include links to and descriptions of individual examples. Here, however, the Center team would highlight the following as commonly provided sources of additional support:

- Dedicated MWBE program managers, equity compliance officers, councils, or other personnel intended to support MWBEs in their engagement with local jurisdictions. Monroe County, for instance, employs a dedicated MWBE program manager to play a leadership role in administering its MWBE program, as well as field vendor inquiries, help support the certification

process, liaise with other city, county, state, and federal partners, and otherwise promote MWBE utilization and advancement in the community.

- One-stop web platforms and resource guides that aggregate MWBE-relevant information. These may include, but are not limited to, clearly marked access to certification applications administered by a local jurisdiction, links to other certification opportunities, city or county procurement opportunities, and additional resources providing access to capital, information, training, and networking. Large programs, such as New York, NY, and Chicago, IL, aim to provide such “one-stop” functionality in their programs.
- Dedicated networking, awareness-raising, and information sharing events. Rochester, NY, for example, has held an annual MWBE summit to advance both its own MWBE vendor base but also to build knowledge, capacity, relationships, and connections among and between local businesses and their partners across the community, state, and other areas.
- Mentor-protege programs that pair a prime vendor with an aspiring MWBE for purposes of coaching, collaboration, and successful navigation of the procurement process. Some programs, such as Chicago, IL, may even grant prime vendors additional weight in source selection decisions if they serve as mentors to protege MWBEs.
- Access to capital, information sharing, and insurance resources, among other sources of support. Finally, most programs either deliver or provide referrals and information on further support with access to capital, information about business opportunities, and resources to assist with insurance and other business matters.

## **RECOMMENDATIONS**

Based on insights gleaned from the construction of the vendor landscape, stakeholder engagement, and review of existing practices, the following recommendations are offered to support the development and modification of the City's MWBE procurement efforts.

### **1. MWBE Vendor Communications and Engagement**

- a.** The City should conduct a comprehensive review of its approaches to communicating with MWBE vendors and apprising them of available resources, including certification but also training, information, capital access, and other support.

### **2. MWBE Vendor Program Application and Certification**

- a.** The City should review, and where possible and appropriate, revise, its existing MWBE program application to reduce overall length, as well as eliminate redundant questions and documentation requirements, and tailor the application to vendors of different types (e.g., construction versus professional services vendors). Further, the City should work to fully digitize the application process, if possible, while retaining a hard copy option where needed.
- b.** The City should consider adopting reciprocity arrangements to waive or streamline the certification process for vendors already certified by other trusted authorities, such as New York state, other local governments, the federal government, or regional or national nonprofit associations.
- c.** The City should consider a "rapid recertification" process, with minimal requirements necessary to verify essential vendor status and information, so as to prevent large recertification backlogs and prevent loss of relationships and connections with MWBE vendor partners.
- d.** The City should review how applicable public records law, policy, and rules apply to vendor certification and documentation provided as part of the certification process, fully explain the public records implications of the certification process to vendors, and periodically revisit which documents are essential to the certification process.

### **3. MWBE Vendor Utilization and Procurement Process Improvement**

- a.** The City should revisit its annual, 30% aspirational goal for relevance and fit with current and anticipated contracting activities, as well as the nature and composition of the local MWBE vendor base. As part of this process, the City should further consider setting either category- or project-specific MWBE participation percentages, based on City

needs and vendor availability.

- b.** The City should review its source selection policies and rules to ensure that selecting vendors based on the lowest qualified offer is not systematically excluding MWBE vendors. If deemed appropriate, the City should further consider revising its source selection criteria to balance price, product value, and inclusiveness.
- c.** The City should consider offering feedback sessions for MWBE vendors not selected in contract competitions, communicating reasons and rationale for source selection decisions so as to help vendors prepare future offers.
- d.** The City should, if necessary, revisit and revise applicable procurement and purchasing policy language to ensure MWBE vendors working in subcontracting capacities are given economically meaningful opportunities to contribute to projects.
- e.** The City should institute a system for measuring, monitoring, and publicly reporting progress toward MWBE certification and contract participation goals.

#### **4. MWBE Vendor Compensation**

- a.** The City should review its existing vendor compensation process and procedures, identify individual steps, rules, or requirements that are prone to creating delays and, where possible, take actions to make the payment process timelier and more consistent.

#### **5. MWBE Resources and Support**

- a.** The City should review its currently available, public-facing sources of information to MWBE vendors, and consider centralizing key information in a one-stop resource guide – including a dedicated webpage – that provides vendors with essential guidance on how to get certified, where to find business opportunities, and how to do business with the city. Further, the City should consider training and equipping personnel in applicable equity, purchasing, or other related roles to serve as navigators who can assist MWBE vendors interested in certification and City business opportunities.
- b.** The City should also incorporate information on other local, regional, and national sources of information and education relevant to MWBEs, such as how to access area procurement technical assistance centers, relevant county or state offices and agencies, additional certification opportunities, training opportunities, financing, insurance, and other matters.
- c.** The City should review its existing entrepreneurship and small

business training offerings, and consider incorporating content on public procurement, including training and education on how to become a City-certified vendor, how to locate City business opportunities, and how to respond to invitations for bids and RFPs.

- d.** The City should also consider providing training to its own personnel, and to prime vendors, on the nature and potential benefits of working with MWBEs, so as to build additional knowledge and cultural competence, signal its commitment to MWBE vendors, and prevent instances of bias and tokenization.
- e.** The City should devise and hold a series of in-person and virtual vendor networking events, with particular attention to recruiting, engaging, and introducing MWBE vendors to one another, to prime vendor partners, and, where appropriate, to relevant City purchasing and procurement personnel with whom the vendors would engage when doing business with the City. Further, as appropriate and permissible, the City should ensure it maintains meaningful follow-up communication with vendors that attend its networking events and engagements.
- f.** As part of its networking and engagement efforts, the City should, where possible, provide MWBE vendors with resources necessary to participate, such as directions, assistance with transportation, ease-of-access to facilities, and childcare.

## **APPENDICES**

### **Appendix 1. Focus Group Questions - Current Vendors**

- 1.** How would you describe the current status of your business? What are your business goals at this time?
- 2.** How (if at all) does public procurement support your business goals? Which (if any) government customers (for example, local, state, or federal) do you typically work with? Which (if any) would you like to work with going forward?
- 3.** What, if any, is your current business relationship with the City of Syracuse?
- 4.** Are there specific ways that working with the City of Syracuse benefits or would benefit your business?
- 5.** What factors motivated you to pursue (or would further motivate you to pursue) a business relationship with the City of Syracuse? On what basis do you (or would you decide) to pursue individual business opportunities (e.g., bids, RFPs, or subcontracting opportunities)?
- 6.** What are your perceptions of the City of Syracuse as a business partner? What makes it easy to work with the City? What is challenging about working with the City?
- 7.** What motivated you to become an MWBE certified vendor with the City of Syracuse? Are you certified elsewhere?
- 8.** Do you have any specific recommendations for how the City of Syracuse could improve its MWBE certification process?
- 9.** Do you have any recommendations for how the City of Syracuse could improve its procurement process?
- 10.** What resources do you most need to navigate the City of Syracuse procurement process?

### **Appendix 2. Focus Group Questions - Potential Vendors**

- 1.** How would you describe the current status of your business? Given this, what are your business goals at this time?
- 2.** How (if at all) does public procurement support your business goals? Which (if any) government customers (for example, local, state, or federal) do you typically work with? Which (if any) would you like to work with going forward?
- 3.** What, if any, is your current business relationship with the City of

Syracuse?

4. Are there specific ways that working with the City benefits or would benefit your business?
5. What factors would motivate you to pursue (or further pursue) a business relationship with the city of Syracuse? On what basis do you (or would you decide) to pursue individual business opportunities (e.g., bids, RFPs, or subcontracting opportunities)?
6. What are your perceptions of the City of Syracuse as a business partner? What makes it easy to work with the City? What is challenging about working with the City?
7. Why are you not currently MWBE certified with the City of Syracuse? What would motivate you to do so? Are you certified elsewhere?
8. What resources would you most need to navigate the City of Syracuse procurement process?

### **Appendix 3. Interview Questions - City Officials**

1. Can you describe your current role and responsibilities, and how they relate to the City of Syracuse procurement process?
2. What goods and services does your organization typically procure to support its missions? With what kinds of vendors does your organization typically do business?
3. To what extent, roughly, does your organization do business with minority and women business enterprises (MWBEs), and in what ways?
4. What are the benefits and challenges to your organization from doing business with MWBEs? More generally, what are the benefits and challenges to the City of Syracuse from doing business with MWBEs?
5. What do you see as the barriers MWBEs face when trying to do business with your organization? With the City of Syracuse, more generally?
6. How (if at all) could your organization further support MWBEs? More generally, how could the City of Syracuse further support MWBEs?
7. What, more, broadly, do you see as the economic value and impact of MWBE vendors to the community?
8. Is there anything we did not ask that would be valuable to know?



## **Appendix 4. Questions Guiding City MWBE Case Studies**

### **1. MWBE Identification and Engagement**

How do cities define MBWE program target populations? For instance, what demographics do programs cover, and over what geographic areas? How do cities conduct outreach to applicable targets and communities?

Additionally, in what purchasing areas are MWBE policies, procedures, and rules applicable? Are they typically limited to large purchasing categories like construction, or also include professional services, administrative services, goods/supplies and equipment, etc.?

### **2. MWBE Certification and Compliance Processes**

What certification requirements (e.g., over ownership and control) do cities use to designate vendors as MWBE program participants?

What, generally, is the nature of the application and enrollment process (e.g., application length, timeline, number of steps, documentation requirements, and so on)?

How long do initial certifications last? What is the recertification process? Do cities offer certification reciprocity or otherwise streamline the initial certification or recertification processes for vendors that have already been certified by another jurisdiction (e.g., the federal government, state government, or a recognized nonprofit association)?

### **3. MWBE Utilization and Procurement Process Implementation**

In applicable purchasing categories, what (if any) goals do cities set for MWBE utilization, over what time periods, and at what levels? For example, do cities maintain an annual, aspirational MWBE subcontracting utilization goal in a large purchasing category like construction, or do they also set such goals for other purchasing categories? Or, do they set project specific goals (rather than annual, portfolio-level ones)? Who approves, monitors, and reports on relevant goals, and in what ways?

How is MWBE support implemented across the various steps in the procurement process? For example, are requirements developed with MWBE participation in mind? What are the applicable bid and proposal requirements? How, if at all, do MWBE considerations affect decision-making about contract awards?

### **4. MWBE Ecosystem Cultivation and Support**

What other kinds of resources, services, and support do cities offer MWBE vendors? Resource guides or directories? Information and training? Networking? Access to capital?