

ANNUAL REPORT FISCAL YEAR 2008



Minority Business Enterprise Program

Procurement opportunities for
minority-owned business enterprises



WISCONSIN DEPARTMENT OF TRANSPORTATION
MINORITY BUSINESS ENTERPRISE PROGRAM
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www.dot.wisconsin.gov/business/mbe

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From the Deputy Secretary

To the Citizens of Wisconsin:

I am pleased to present to you the 2008 Minority Business Enterprise (MBE) Program Annual Report on the activities of the Wisconsin Department of Transportation (WisDOT). The report provides information on fiscal year 2008 purchasing and outreach activities made with Wisconsin certified minority businesses. Furthermore, the report describes partnership efforts across the department and other agency stakeholders in providing full and fair procurement opportunities for the business community.

In fiscal year 2008, WisDOT spent over \$3 million with certified minority-owned firms for products and services for the department. We continually made progress in improving the participation of MBEs in our contracts. As a result, WisDOT has surpassed the state's five percent MBE purchasing goal for the past six fiscal years.

WisDOT will continue to develop better and more effective ways to open access to minority-owned businesses who are interested in doing business with us. We appreciate our partnership with MBEs and welcome all potential vendors who can fulfill the department's purchasing and technology requirements on a competitive basis.

Sincerely,



Ruben L. Anthony, Jr.
Deputy Secretary



Deputy Secretary
Ruben Anthony, Jr.

Executive Summary

IN 1983, THE LEGISLATURE PASSED WISCONSIN ACT 390, forming the State Minority Business Enterprise (MBE) Program. The Act set a goal for state agencies and departments to ensure that five percent of the amounts expended under §16.74 Statutes is spent with MBE vendors certified in the State of Wisconsin. State Statutes also provide an incentive to meet the state's minority business goal by allowing agencies the option of accepting a minority business bid if it is no more than five percent of the apparent low bidder.

- The Wisconsin Department of Transportation (WisDOT) built and launched the WisDOT Minority Business Enterprise Program in fiscal year 2006. Brochures were designed and an MBE Web site was created to provide information to the public and aid WisDOT in expanding its MBE vendor supplier base. www.dot.wisconsin.gov/business/mbe
- Established an MBE Program Advisory Committee (MBE PAC) to meet regularly to discuss MBE issues and to consult with the WisDOT Purchasing Unit to advise management and staff on ways the department can increase its procurement spending with MBEs. Additionally, the Purchasing Unit and the MBE Program work together in discussing specific solicitations to explore MBE opportunities prior to advertising them. The MBE PAC and Purchasing Unit collaborate in a debriefing at the end of each fiscal year to determine what purchasing practices worked, identify any impediments and recommend and implement corrective actions.
- Significant results were achieved in procurement spending with MBEs, thus demonstrating WisDOT's commitment to do business with Wisconsin certified minority vendors. WisDOT has exceeded the state goal of five percent MBE spending for six fiscal years in a row.

Fiscal Year	MBE Dollars	Percentage
2003	\$4,767,036	6.63%
2004	\$4,021,699	7.54%
2005*	\$3,053,777	5.06%
2006	\$2,874,352	5.29%
2007	\$2,987,118	5.71%
2008	\$3,049,296	5.48%

*The fiscal year 2005 percentage was lower due to change in ownership of an MBE prime contractor that was bought out by a non-MBE company.

Note: Early indications for fiscal year 2009 is that WisDOT will exceed 7% MBE participation.

- During fiscal year 2008, WisDOT conducted an electronic MBE Vendor Survey. Vendors were asked questions about doing business with WisDOT including if they had faced any obstacles while trying to secure contracts. If so, vendors were given the option to be contacted by staff for assistance. Approximately 291 vendors responded to the survey and 140 requested assistance. The program coordinator made contact with these vendors to address their concerns and remove any impediments to doing business with WisDOT.
- The program engages with self-identified minority owned businesses to promote MBE certification thereby expanding the WisDOT MBE vendor database.
- WisDOT continues to collaborate with external networks in order to grow and enhance its MBE Program.

WisDOT MBE Program Description

THE WISCONSIN DEPARTMENT OF TRANSPORTATION is committed to the development of significant and mutually beneficial relationships with minority-owned businesses that can add value to the department and help achieve our mission to “provide leadership in the development and operation of a safe and efficient transportation system.”

WisDOT objective is to identify and include qualified minority-owned businesses in the purchases of products and services required by WisDOT and its staff. Minority-owned businesses not only provide economic and social vitality to our communities, they help us accomplish our purchasing objectives. In keeping with this commitment, the WisDOT Minority Business Enterprise (MBE) Program is designed to provide new or expanded opportunities for qualified minority-owned businesses to sell their goods and services to the department.

WisDOT’s MBE program is different from the Disadvantaged Business Enterprise (DBE) Program in that the federal DBE program targets highway construction spending to minority and women-owned businesses, while the MBE program relates to the procurement of supplies and services with state funding.

Statutory Background

WISCONSIN STATUTES §16.75 (3M) (B) PROVIDES that state agencies shall attempt to ensure that five percent of the total amount expended under this subchapter in each fiscal year is paid to minority businesses.

The Statutes also state that as an incentive to meet the state minority business goal, agencies are allowed to accept a minority business bid if it is no more than five percent of the apparent low bidder. The permissive five percent low bid preference is applicable to all state purchases except printing and stationery.

MBE Certification

STATUTES DEFINE THE TERM “MINORITY BUSINESS” as a “business certified by the Department of Commerce under §560.036 (2).” Such businesses can be sole proprietorships, partnerships, corporations or joint ventures, which meet these requirements:

1. It is at least 51% owned, controlled and actively managed by minority group members as defined by statutes.
“Minority group member” means any of the following:
Black, Hispanic, Indian, Eskimo, Aleut, Hawaiian and Asian.
2. Currently performing a useful business function.

WisDOT MBE Program Activities

THE ROLE OF THE WISDOT MBE PROGRAM is to partake in activities that identify procurement opportunities for MBEs in accordance with the state's goal. Some specific activities undertaken by the program during fiscal year 2008 include:

1. Actively participated in a variety of outreach activities to minority and diverse suppliers through workshops, business forums and opportunity fairs such as Marketplace, Success A Group Effort (SAGE) and the Wisconsin Supplier Development Council supplier diversity forums to promote program initiatives and to build and strengthen the program.
2. Provided technical guidance to self-identified minority firms wanting to do business with WisDOT on applying for and obtaining MBE certification from the Wisconsin Department of Commerce. The program believes that such interaction with potential firms is the best way to help them understand the state procurement process and expand the WisDOT MBE supplier base.
3. Collaborated with the WisDOT Purchasing Unit to monitor and track contract solicitations and MBE activity reports from prime vendors. Researched and ensured MBEs that are not registered on VendorNet continue to receive mailed hard copies of bid solicitations and RFPs to ensure that they are not omitted from the process.
4. Educated WisDOT management, new supervisors and program staff about the program to promote awareness and encourage MBE involvement in its contracts.
5. Chaired monthly meetings of the Minority Business Enterprise Program Advisory Committee (MBE PAC) to discuss strategies on improving minority participation in procurement solicitations for all WisDOT Divisions.
6. Conducted follow-up meetings with prime vendors and subcontractors wanting to do business with WisDOT.
7. Assisted divisions in achieving their MBE purchasing goals by researching qualified minority vendors in various business industries to choose from.
8. Collaborated with internal and external networks to grow and enhance the WisDOT MBE Program. The success of the program in providing opportunities to Wisconsin certified MBEs has been largely due to collaboration with other agencies that are involved in ensuring business opportunities for minority owned businesses. Such activities include joint outreach and participation in workshops with the Wisconsin Department of Administration, Wisconsin Department of Commerce, and U. S. Small Business Administration. Internal networks include the Minority Business Enterprise Program Advisory Committee, WisDOT Purchasing Unit and the Disadvantaged Business Enterprise Program Strategy Committee.



Brenda Brown, Administrator
WisDOT Division of
Business Management

WisDOT MBE Program Achievements Fiscal Years 2006–2008

1. As a result of needed oversight of continuing MBE efforts, a new position was created in the Division of Business Management Services in fiscal year 2006 to manage the WisDOT MBE Program. Aggo Akyea was hired as Equal Opportunity Specialist to take on that task. New brochures were designed and a new MBE Web page was created on the WisDOT Web site located at www.dot.wisconsin.gov/business/mbe that contains detailed information about the program and a listing of Wisconsin certified minority vendors. Jo-Ann Moore was hired in 2008 to replace Aggo Akyea who was promoted to Director of the Bureau of Minority Business Development at the Wisconsin Department of Commerce.
2. The establishment of the MBE Program Advisory Committee to provide oversight and assist in the development and implementation of WisDOT's MBE program. Represented WisDOT divisions and programs include the: Division of Business Management, Division of Transportation System Development, Division of State Patrol, Office of the Secretary, Division of Transportation Investment Management, Division of Motor Vehicles, Disadvantage Business Enterprise Program and the Affirmative Action Advisory Committee.



Standing L-R: Phil Rangsuebsin, John Uhler, Steve Martinelli, Jo-Ann Moore, Shiva Sathasivam and Jenny Jirschele
Sitting L-R: Don Hagen, Daniel Yeh, Kathy Gifford and Katherine Miller

- The creation of the WisDOT MBE Program Web site is an essential tool that gives a broad range of information to the public about the program, valuable resources available and how to do business with WisDOT. The enhanced Web site has been translated into Hmong and Spanish in order to serve a broader base of clients with ease.



- The collaborative partnership effort between the WisDOT MBE Program and the Purchasing Unit has been instrumental in the overall success of meeting the state's five percent MBE purchasing goal, which WisDOT has surpassed for 6 years in a row. The unit, through its vigilance, ensures that MBEs not registered on VendorNet are made aware of contract opportunities by mailing bid solicitations to all within the industry so they are not omitted from the process.



Standing L-R: Steve Martinelli, LeAnne Puntney, Jane DeRosia, Kathy Gifford, Diane Sachse and Jo-Ann Moore
Sitting L-R: Ellen Hario, Sue Handrich-Herr, Mary Hensler and Jenny Jirschele

5. Conducted follow-up meetings with prime vendors and subcontractors including the identification of new MBE firms wishing to enroll in the State MBE Program. Newly recruited firms are forwarded to the Wisconsin Department of Commerce for final certification.
6. Served as leader, educator and consultant on supplier diversity related issues for management and staff.
7. Provided one-on-one consultation services to MBEs on the procurement process and non-MBE firms doing business with the state on how to recruit MBEs to their teams.
8. Managed the one-on-one sales meetings between MBEs and procurement agents at the Wisconsin Department of Commerce, Bureau of Minority Business Development annual Marketplace event. This event showcases minority business achievements in Wisconsin and also provides interaction between government purchasing agents/corporate buyers and minority vendors, forming lasting relationships that would assist the State's supplier diversity goals.



Marketplace Conference: One-on-one Sales Meeting



Standing: Suki Han Sitting L-R: Rochelle Codlyn and Jenny Jirschele

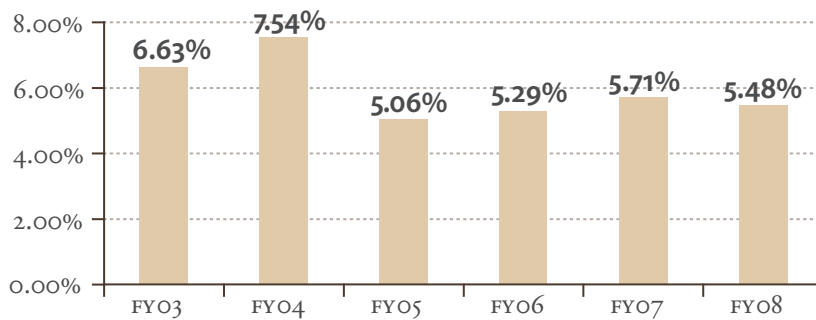
WisDOT MBE Program Spend Reports

MBE Spend Annual Comparisons

WisDOT has surpassed the state goal of five percent MBE participation for six years in a row. Substantial changes in MBE spending were achieved due to the Purchasing Unit's commitment to involve MBEs in their contracts. The MBEs were contacted by direct mail in various industries to ensure that they were aware of the bid opportunities available. This process has significantly increased the number of bids received from MBEs. Furthermore, division managers and program staff are committed to purchasing from MBEs whenever possible for their division needs.

FISCAL YEARS	BASE NUMBERS	MBE DOLLARS	MBE PERCENTAGES
FY03	71,872,957	4,767,036	6.63%
FY04	53,306,085	4,021,699	7.54%
FY05	60,380,149	3,053,777	5.06%
FY06	55,533,374	2,874,352	5.29%
FY07	52,456,483	2,987,118	5.71%
FY08	55,684,452	3,049,296	5.48%

MBE Spend Historical Analysis



Fiscal Year 2008: Purchasing Card and Second Tier MBE Spend

MONTH	PURCHASING CARD SPEND ¹	SECOND TIER SPEND ²	GRAND TOTAL
July 2007	4,806	82	4,888
August	5,812	51,620	57,432
September	9,764	112,170	121,934
October	13,745	63,686	77,431
November	10,931	78,817	89,748
December	14,220	151,448	165,668
January 2008	14,048	95,124	109,172
February	30,718	94,156	124,874
March	16,897	76,438	93,335
April	24,826	74,058	98,884
May	7,013	115,449	122,462
June	32,162	153,229	185,391
July Throwback Period ³	0	35,400	35,400
GRAND TOTAL	184,942	1,101,677	1,286,619

¹WisDOT usage of purchasing cards (Visa credit cards), allows vendors to receive faster payments for small dollar purchases of goods and services.

²Second tier providers are suppliers to the prime contractors that are not providing direct fulfillment of the contract.

³The July Throwback Period are payments made for purchases that occurred in fiscal year 2008.



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