

FISCAL YEAR 2011–2012 REPORT

MINORITY BUSINESS ENTERPRISE PROGRAM

Procurement opportunities for
minority-owned business enterprise

www.dot.wisconsin.gov/business/mbe

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Denise Solie, Administrator,
WisDOT Division of Business Management

From the Administrator

To the Citizens of Wisconsin:

Our mission at the Wisconsin Department of Transportation (WisDOT) is to provide leadership in the development of a safe and efficient transportation system. This can only be achieved through partnership with private sector businesses for the purchase of the goods and services.

Among our valued business partners are minority owned businesses, which provide many of the goods and services that we purchase. WisDOT does outreach to minority business communities, providing instruction on how to become a state-certified Minority Business Enterprise (MBE) and information on how to compete for business with WisDOT and other state agencies.

We're proud of the relationships that we've been able to build throughout the years. We welcome the opportunity to partner with all businesses that have products and services that we need. And we encourage all potential vendors to consider doing business with WisDOT.

Denise Solie, Administrator
WisDOT Division of Business Management

Executive Summary

In 1983, the Legislature passed Wisconsin Act 390, forming the State Minority Business Enterprise (MBE) Program. This set a goal for state agencies and departments to ensure that, at a minimum, five percent of the amounts expended under §16.74 Statutes is spent with MBE vendors certified in the State of Wisconsin. State Statutes allow agencies the option to accept a minority business bid if it is no more than five percent of the apparent low bidder, in an effort to achieve this goal.

- ▶ The Wisconsin Department of Transportation (WisDOT) developed and launched the WisDOT Minority Business Enterprise Program in fiscal year 2006. To provide information to the public and help WisDOT expand its MBE vendor supplier base, the department distributed brochures and created an MBE Web site www.dot.wisconsin.gov/business/mbe.
- ▶ WisDOT established an MBE Program Advisory Committee (MBE PAC). It meets regularly to discuss MBE issues and consult with the WisDOT Purchasing Unit, advising management and staff on ways the department can increase its procurement spending with MBE firms. Additionally, the Purchasing Unit and the MBE Program work together on 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, to identify any existing impediments and to recommend and implement corrective actions.
- ▶ WisDOT's commitment to do business with Wisconsin certified minority vendors is well documented. The department has exceeded the state goal of five percent MBE spending for nine consecutive fiscal years. Early indicators for fiscal year 2013 show that it is likely WisDOT will exceed 7% MBE participation yet again.

- ▶ The program works with self-identified minority owned businesses to promote MBE certification with the goal of expanding the WisDOT MBE vendor database.
- ▶ WisDOT continues to collaborate with external networks to grow and enhance its MBE Program.

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%
2009	\$3,770,050	6.66%
2010	\$5,434,875	9.06%
2011	\$6,100,286	10.03%
2012**	\$5,309,398	8.27%

*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.

**The fiscal year 2012 percentage was lower due to the closing of an MBE prime contractor and the de-certification of an MBE firm.

WisDOT MBE Program Description

The Wisconsin Department of Transportation is committed to the development of significant and mutually beneficial relationships with minority-owned businesses. These relationships 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.”

The objective of WisDOT’s MBE Program is to identify qualified, certified minority-owned businesses from which to purchase needed products and services. 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 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.

The success of the WisDOT MBE program over the last 10 years is due to the collaborative effort of the Purchasing Unit and the MBE Program Coordinator working to ensure that the five percent goal is surpassed annually. WisDOT MBE registrants are notified through the mail of solicitation opportunities. You can familiarize yourself with WisDOT Purchasing and the MBE Program, at our web site: <http://www.dot.wisconsin.gov/business/purchase/index.htm>.

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 above 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 Administration under §16.75(3m) s.560.036 (2).” Such businesses can be sole proprietorships, partnerships, corporations or joint ventures, which meet these requirements:

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

WisDOT MBE Program Achievements: Fiscal Years 2011-2012

The MBE Program actively participated in a variety of outreach activities to minority suppliers through workshops, conferences, business forums and training programs to promote program initiatives and to build and strengthen the MBE Program.

Some specific activities undertaken by the Program during Fiscal Year (FY) 2011 and FY 2012 include:

Workshops

2011

- ▶ Developed and conducted a new training workshop called, “Intro to Doing Business with WisDOT” to assist interested and newly-certified firms in the Milwaukee, Waukesha and Madison areas. The workshop assisted MBE and interested MBE firms to gain a better understanding of the procurement process and WisDOT requirements. The Purchasing Unit assisted with six training workshops. A total of 34 firms registered, and 51 representatives attended.
- ▶ Partnered with the Wisconsin Procurement Institute (WPI) to provide a workshop entitled “Certification and Small Business Program Updates”. Over 100 firms attended.

2012

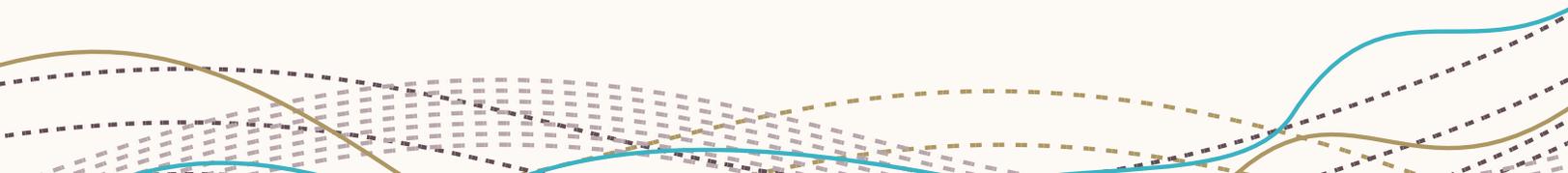
- ▶ Partnered with the Madison Area Technical College (MATC) Business Procurement Assistance Center (BPAC) to provide seminars across the state on “Selling to the State of Wisconsin”. Held at campuses in Milwaukee, West Bend, Portage and Oak Creek, Wisconsin, a total of 28 businesses attended the seminars.

- ▶ Shared booth space with the DBE Program at the 30th Annual Marketplace event at the Potawatomi Casino in Milwaukee, WI. Approximately 500 firms attended the two-day workshop. The host, Wisconsin Economic Development Corp (WEDC), reported this to be the largest number of attendees in Marketplace’s history.
- ▶ Partnered with Multi-Cultural Entrepreneurial Institute (MEI), a business that provides training, business coaching and technical assistance primarily to low-income entrepreneurs, to build awareness in the Greater Milwaukee area—particularly with Hispanic firms. In 2011, the WisDOT MBE Program purchased ad space in the MEI Latino Entrepreneurial Network, Inc. Exito 2011–2012 Directory. It is circulated to more than 500 entrepreneurs. The MBE Program also conducted two workshops and booth presentations on doing business with WisDOT. These resulted in an additional workshop in the Madison area with 20 Hispanic firms in attendance.

Conferences

2011

- ▶ Embarked on a new collaborative effort with Wisconsin’s Native American Tribal Nations by serving on the Native American Tribal Transportation Committee comprised of 11 Native American Tribes. This outreach helps identify Native American firms for certification, inclusion and notification of procurement opportunities.
- ▶ Participated in the two-day Tribal Transportation Conference serving on a breakout panel discussion with several state agencies about program requirements and



doing business with the WisDOT. WisDOT also had a booth, and approximately 10 Native American firms requested follow-up information on the MBE Program. There were 114 participants in attendance.

2012

- ▶ Served on a panel with several other state and government agencies at the Success-A Group Effort (SAGE) Conference hosted by the Small Business Administration (SBA). There were 116 firms in attendance. As a result of this outreach, an MBE firm pursued and achieved MBE certification.

Business Forums

Began the Fireside Chat, an “open door” concept held on the second Tuesday of each month. This provides individualized technical guidance, program information and marketing strategies to self-identified minority firms wanting to do business with WisDOT. In addition, MBEs obtain information on how to begin the Wisconsin

Department of Administration (DOA) MBE certification process. The Fireside Chat offers another opportunity for MBE firms to better understand the procurement process. This expands the WisDOT MBE supplier base.

- ▶ For FY 2011, 10 minority firms took advantage of this opportunity.
- ▶ In FY 2012, 7 minority firms took advantage of this opportunity.

Training Programs

In 2011, the MBE Program embarked on a new initiative to support outreach with youth: an internship with the UW Pre-College Enrichment Opportunity for Learning EXCELLENCE (PEOPLE) Program. The internship provides a positive and beneficial real-world work experience for the high school intern. Through mentoring, it helps the intern develop work skills in Research and Development, Marketing, and Outreach. Ma Kai Vang was selected to work part-time for six-weeks to assist the WisDOT MBE program.

- ▶ As a participant of the PEOPLE Program, an intern may be eligible to come back through one of WisDOT’s internship programs: Summer Diversity Internship Program; Incentive Grant Program; Student Engineer Training (SET) Program; and the UW–Internship Program.

In 2012, WisDOT further demonstrated its support of youth by serving on a panel to discuss future career opportunities available within WisDOT with students.

2012 People internship program panel and interns

Standing in the back (left to right)

Naquisa Davis, Dre’ Bryant, Stephany Tercero, Ari Davis, Andy Truong, Daniel Perez-Rico, Nyagoah Biel, Sadarius Wesley, Kristine Nguyen, Francisca Corona, Alex Rodriguez, Allie Turner, WisDOT Staff Danielle Yancey and Maya Rudd.

Panel participants seated from (left to right)

Erica Young, Intern-Lauren Hoeft, Luis A. Laracuenta, Joseph Roy and June Robinson. (Aggo Akyea and Tondra Davis not present for photo)



Ongoing MBE outreach efforts

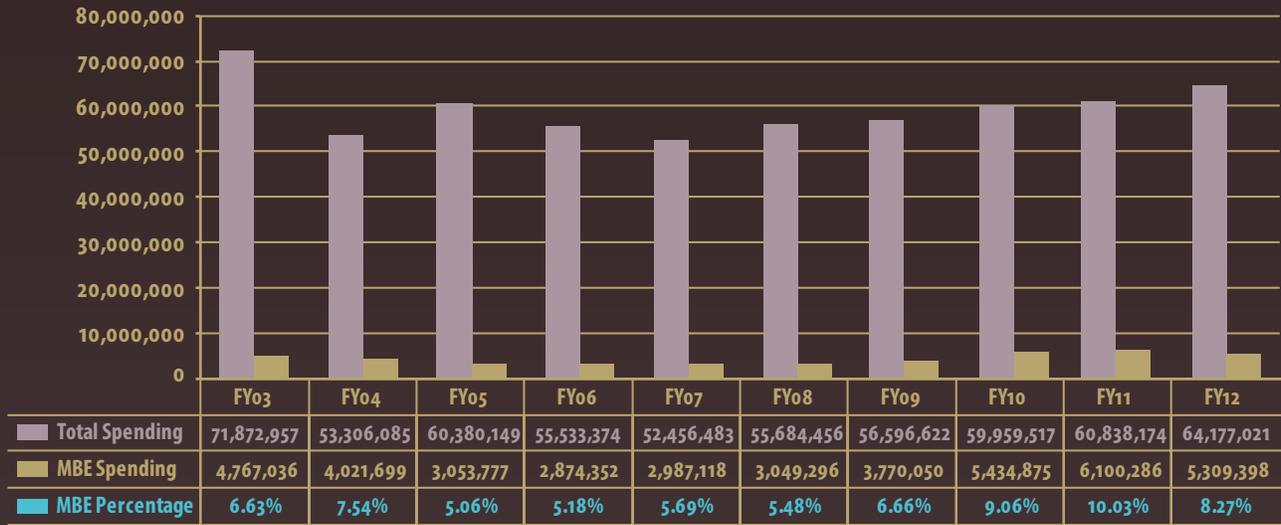
1. Collaborates with the Purchasing Unit to monitor and track contract solicitations and MBE Program activity reports from prime vendors to track 2nd Tier spending on WisDOT projects.
2. Educates WisDOT management, new supervisors and program staff about the MBE Program to promote awareness and encourage MBE involvement in Department contracts.
3. Chairs monthly meetings of the MBE PAC to discuss strategies to improve minority participation in procurement solicitations for all WisDOT Divisions.
4. Conducts follow-up meetings with prime vendors and subcontractors showing interest in doing business with WisDOT.
5. In FY 2011, there were 69 certified MBE firms doing business with WisDOT. In FY 2012, there were 75 MBE firms doing business with WisDOT. The WisDOT MBE Program Coordinator assists divisions in achieving their MBE purchasing goals by identifying qualified minority vendors via the DOA State Supplier Diversity Business Certification website <http://wisdp.wi.gov/search.aspx>.

MBE Spending: Annual Comparisons

WisDOT has surpassed the state goal of five percent MBE participation for 10 consecutive years. This is due to the Purchasing Unit's continued commitment to involve MBE firms in their contracts. MBE firms are contacted by direct mail, based on the WisDOT MBE registration information, to ensure that they are aware of the solicitation opportunities available. Furthermore, division managers and program staff are committed to purchasing from MBE firms whenever possible for their division needs.

Fiscal Years	WisDOT Spend, excluding MBE Dollars	MBE Dollars	MBE Percentages
FY 03	\$71,872,957	\$4,767,036	6.63%
FY 04	\$53,306,085	\$4,021,699	7.54%
FY 05	\$60,380,149	\$3,053,777	5.06%
FY 06	\$55,533,374	\$2,874,352	5.18%
FY 07	\$52,456,483	\$2,987,118	5.69%
FY 08	\$55,684,452	\$3,049,296	5.48%
FY 09	\$56,596,622	\$3,770,050	6.66%
FY 10	\$59,959,517	\$5,434,875	9.06%
FY 11	\$60,838,174	\$6,100,286	10.03%
FY 12	\$64,177,021	\$5,309,398	8.27%

WisDOT Historical Spending



www.dot.wisconsin.gov/business/mbe

Wisconsin Department of Transportation, Minority Business Enterprise Program
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