

2013 Annual Report

Allegheny County Department of Minority,
Women & Disadvantaged Business Enterprise

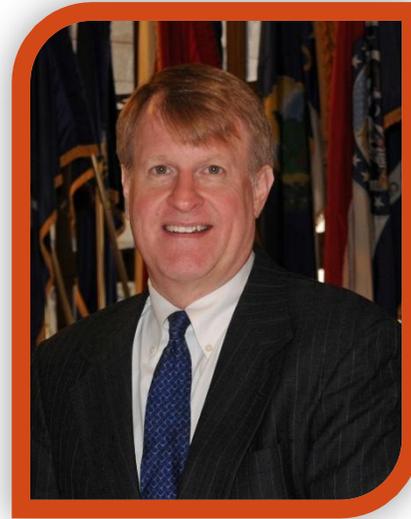


COUNTY OF ALLEGHENY

RICH FITZGERALD
COUNTY EXECUTIVE

A Greeting from the County Executive

There are many similarities between what the County does on a daily basis and what the Minority, Women and Disadvantaged Business Enterprise (MWDBE) Department does. We strive to create an environment that promotes meaningful business opportunities, builds productive partnerships and exercises effective program management to ensure that all people are given the maximum opportunity to participate in business with, and in, Allegheny County.



The Department has worked alongside minority, women and disadvantaged businesses since 1981. In addition to providing access to information on potential contracts with the county, the Department also conducts training and seminars for small businesses, certifies businesses as MWDBE, provides technical assistance, and acts as a repository for information related to MWDBE participation for County authorities and agencies.

Henry Ford once said that “Coming together is a beginning; keeping together is progress; working together is success.” Our region and our community benefit because of the partnerships that we have here. Those partnerships also play a significant role in promoting and moving MWDBE businesses forward. The Department acts as a liaison between internal and external entities, coordinating efforts. Together, we can develop mutually beneficial business relationships that help these companies succeed and, in turn, can help the County succeed.

There is always a process in which we should evaluate what we have done and what we can do to increase our success, and that of the businesses that we serve. The Annual Report is just one of the pieces that can allow us to create a report card for the Department and to strategically plan to move forward. I believe that you will see that we continue to meet our goals and objectives, as do the authorities and agencies with which we work.

We look forward to the opportunity to improve and encourage additional opportunities, demonstrate our continued commitment to the program, and employ a cutting-edge approach to program implementation and management. Together, we can improve upon our success.

A handwritten signature in blue ink that reads "Rich Fitzgerald". The signature is written in a cursive, flowing style.

Rich Fitzgerald
Allegheny County Executive

A Letter from the Director

During 2013, the Allegheny County Department of Minority, Women and Disadvantaged Business Enterprise has continued to advocate for the inclusion of women and minorities in contracting opportunities in Allegheny County. I'm proud to represent the Department and to have the opportunity to set and advance the goals of the organization by communicating our vision to others in our community.

The objective of our program is to ensure that MBEs, WBEs, and DBEs are given the maximum opportunity to obtain and perform on contracts. In order to accomplish and monitor this effort, goals have been established for all contracts and other business activities entered into by Allegheny County having overall goals of 13% for MBEs and 2% for WBEs. These goals remain in effect throughout the life of each contract.

This past year has been an active one for the Department. I have the honor of representing the Department and the County on a number of boards and committees including the Western Regional National Association of Minority Contractors, the PA Women's Hall of Achievement, the Diversity Business Resource Center, the Western PA Minority Supplier Development Council, and many more. In addition to my active role in those organizations, I have also represented the Department at a number of tradeshow, workshops, networking opportunities, and speaking engagements. This includes Pittsburgh Immigrant Entrepreneur events, seminars for minority-owned businesses, National Association of Women Business Owners networking events and retreats, as well as events with a number of our partner organizations including the University of Pittsburgh, Seton Hill University, Duquesne University, Chatham University and the African American Chamber and Hispanic Chamber. Each interaction provides an opportunity to share our vision while also identifying opportunities from which our MWDBEs can benefit.

I have also had the privilege of hosting "Taking Care of Business," a radio show on WGBN 1150 that talks about business opportunity and entrepreneurship in our County and region. The format allows for a variety of guests to talk about what has made them a success, how they have overcome challenges, and what possibilities exist for other similar businesses. Guests during 2013 included Ralph Watson of Classic Events, Denise Jones of Jones Printing, Riley Davis of Star Optical, Rhonda Carson Leach of the Institute for Entrepreneurial Excellence, Chaz Kellam of the Pittsburgh Pirates, and Neil Dorsey of Dorsey's Records, to name a few.

As we continue to share our mission and work cooperatively towards our goals, it is always good to review where we have been and to use that opportunity to further improve what we do and how we do it. I hope you will review and enjoy the information and data we have offered in this 2013 Annual Report with that in mind.

Ruth Byrd-Smith

Ruth Byrd-Smith, Director
Allegheny County Department of Minority, Women
& Disadvantaged Business Enterprise

Introduction

In 1981, the Allegheny County Commissioners established a county-wide Minority Business Enterprise Program because they recognized that minority and women business enterprises (MBEs and WBEs) had not participated in County contracts for supplies and services to the extent that was desirable. The Commissioners also recognized that there were certain impediments to achieving greater participation. That program evolved into today's Minority, Women and Disadvantaged Business Enterprise (MWDBE) Department.



The objective of the MWDBE Department is to ensure that MBEs, WBEs, and disadvantaged business enterprises (DBEs) are given the maximum opportunity to obtain and perform on contracts. In order to accomplish and monitor this effort, goals have been established for all contracts and other business activities entered into by Allegheny County. The overall goals are 13% for MBEs and 2% for WBEs and remain in effect throughout the life of each contract.

MWDBE Department Services

Pennsylvania Unified Certification Program

The MWDBE Department operates as a certifying participant under the Pennsylvania Unified Certification Program. The program was created in response to federal action that revamped the U.S. Department of Transportation's DBE Program and imposed requirements on states to narrowly tailor their own DBE Programs and establish Unified Certification Programs.

In Pennsylvania, the Unified Certification Program (UCP) provides a one-stop-shop for DBEs so that businesses need to only file one application and go through one certification review to achieve DBE Certification that will be recognized by all recipients of federal funds in the state. There are five organizations, including the Allegheny County MWDBE Department, that certify DBEs in Pennsylvania.

Participation in the UCP ensures mandatory reciprocity, a customer-friendly process and a unified DBE Directory for use by prime contractors wishing to participate in the program. A total of 524 firms were certified by the MWDBE Department during 2013. This is an increase over 2012, during which 511 firms were certified.

Of the 524 firms certified, 333 firms or 64%, were located within Allegheny County. A total of 85 firms were from outside the state with the remaining 106 firms domiciled in other counties in Pennsylvania.

Allegheny County Firms			
Gross Receipts	No. of Businesses	Total Gross Receipts	Average Gross Receipts
\$0 - \$100,000	149	\$21,940,389	\$147,251
\$100,001 - \$500,000	84	\$20,661,774	\$245,974
\$500,001 - \$1,000,000	37	\$26,573,148	\$718,193
\$1,000,001 + Up	63	\$235,379,124	\$3,736,177

Businesses interested in being certified must submit an application to one of the certifying participants. Instructions and applications are available online at www.paucp.com/DownloadForm.aspx, or may be obtained by contacting the MWDBE Department. The application must be mailed or physically delivered to one of the certifying participants and must be signed and notarized. It should also be complete and include all of the supportive documentation. Once received, the information in the application will be reviewed and verified. Additional information may be requested and an on-site interview will be conducted prior to a final decision being made. Certification is free.

Once certified, DBEs will be recognized by all recipients of funds from the Federal Aviation Administration, Federal Highway Administration, and Federal Transit Administration. Certified DBEs are also listed in the web-based Online Directory, which is used by prime contractors to identify appropriate partners. The Online Directory can be accessed at www.paucp.com.

A Business Catalyst

Throughout the year, the MWDBE Department offers, or partners on, a variety of workshops, seminars, tradeshow and other business opportunities. These trainings provide capacity building, business technical assistance, and other support to its certified firms and other small businesses. A sampling of the programs is listed below:

2013 Events: Department Sponsored or Partnered

*Annual SPEO Opportunities Forum ♦ 12th Annual Conference for MWDBE
 Roundtable Business Forum with Governor of Osun State, Nigeria
 GACAAA Seminar for Minority-Owned Business ♦ MWDBE Annual Open House
 WPMSDC Business Opportunity Fair ♦ 5th Annual AALA Summit
 DBRC Responsive & Responsible Bidding Workshop ♦ NAWBO Retreat
 ACCA National Training Institute ♦ GACO Annual Procurement Opportunities Fair*

MWDBE Business Advocate

As part of its responsibility, the Department advocates for MWDBE firms by being involved in the business processes of Allegheny County, and by working with other agencies, non-profits, and corporations in our region.

In 2013, the Department attended:



Construction Status Meetings

A construction status meeting is a periodic meeting that brings together the owner and the prime contractors. If an issue arises in which the MWDBE firm(s) performing work on a project is unable to complete the work, the MWDBE Department can assist in addressing those issues or identifying another MWDBE firm to complete the project. The Department also attends to monitor the milestones of a project in which there should be MWDBE participation according to the Participation Plan submitted prior to the contract beginning.

Pre-Bid & Bid Opening Meetings

A pre-bid meeting is a meeting that is held prior to acceptance of bids to clarify what is required by Allegheny County in the information a firm submits for consideration as a contractor/vendor. At these meetings, the Department explains the goals regarding MWDBE participation, how to find MWDBE firms and answers any questions on what the Department will need to review prior to the recommendation to award the contract.

Contracts Vetted

In determining whether a good faith effort has been made by a prime contractor or vendor to meet the MWDBE goals of the County, the Department reviews the contract throughout the process to ensure that the services or supplies in the contract which have been committed as MWDBE are being met.

Specifications Vetted

In determining whether a good faith effort has been made by a prime contractor or vendor to meet the MWDBE goals of the County, the Department reviews the bid specs or proposal to identify the kind of services or supplies in the contract, and to work with the bidder/proposer on its MWDBE commitment, or a waiver, if appropriate.

Notification of Business Opportunities

Allegheny County MWDBE distributes information on business opportunities with the County through procurement solution software that government and school agencies utilize to post, distribute, and to electronically accept bids that are solicited through our Purchasing Division. Allegheny County is part of the Pennsylvania Purchasing Group, and the software is made available to us by Interactive Procurement Technologies by BidNet.

This regional system services various agencies throughout Pennsylvania. Suppliers can now visit this one centralized site to have instant access to bid opportunities throughout the region. For Allegheny County, suppliers can also see, in real time, the bid results as the Purchasing Division electronically accepts bids through the site (www.PaBidSystems.com). In addition to Allegheny County's Division of Purchasing and Supplies and the Allegheny County Department of Public Works, the following entities can also post bids on the site:



The cost to government agencies to utilize this software is free. The business opportunities are available to view by the public after free registration on the website.

Should a business want to take advantage of automatic e-mail notification, there is a nominal charge for a year's subscription. This service will automatically forward notices to subscribers that have chosen descriptive identifiers regarding the types of notices in which they have an interest. Allegheny County's MWDBE Department makes this subscription available free of charge to the certified MWDBE firms which have offices domiciled in Allegheny County. This offering is made once a year. In 2013, 74 firms took advantage of the services provided by the MWDBE Department.



Ensure Meaningful Business Opportunities in Allegheny County

The Allegheny County Administrative Code (§435-10) requires that prime contractors must submit an MBE plan, and identifies the selection criteria for projects. Specifically, at the time a bid or proposal is submitted, the contractor must identify the MBEs that will participate in the work. A description of the work that the MBE will perform, and the dollar value of the services or goods to be provided by the MBE, is to be included along with a written assurance that the MBE plan submitted will be met.

The written assurance provided must also state that the MBE is not prohibited from providing quotes to other prime contractors, and should also make assurances that if the MBE is unable to perform successfully that the prime contractors will make every effort to replace that business with another MBE.

Once a participation plan is submitted with the bid documents, the MWDBE Department reviews the plan to ensure that a "good faith effort" has been made to identify and offer business opportunities to MWDBE firms that are available in the marketplace.

In the event that the prime contractor/vendor is an MWDBE firm, this information must still be submitted. In the case of a minority firm that is owned by a woman, at the onset of the contract, they must declare which designation they are using to fulfill the County's MWDBE goal, and seek participation for the other designation. For example, if a minority woman designates that she wishes to perform under the MBE designation, then she must seek a WBE to fulfill the goals of Allegheny County.

Throughout the life of the contract, the prime contractor/vendor is required to report the MWDBE participation through web-based software. On a monthly basis, the payment progress of these contracts is submitted through the system. Utilizing this business process, the MWDBE has contract payment information in 30-day intervals. It can also verify the information submitted electronically by requesting the canceled check(s) or check images, as well as invoices, to the prime contractor/vendor from the MWDBE firms. Should a firm not report this information as requested, corrective action may be taken. If the problem is still not corrected, the Purchasing Division will be notified, in writing, of the deficiencies and a recommendation will be made that the contract should be terminated for breach of the reporting responsibilities.

A “Good Faith Effort”

Using Guidance from CFR 49 Appendix A to Part 26

- Soliciting the interest of certified DBEs who have the capability to perform the work of the contract through all reasonable and available means***
 - Selecting portions of the work to be performed by DBEs in order to increase the likelihood that the DBE goals will be achieved***
 - Providing interested DBEs with adequate information about the plans, specifications and requirements of the contract in a timely manner to assist them in responding to a solicitation***
 - Negotiating in good faith with interested DBEs***
 - Not rejecting DBEs as being unqualified without sound reasons based on a thorough investigation of their capabilities***
 - Making efforts to assist interested DBEs in obtaining bonding, lines of credit, or insurance as required by the recipient or contractor***
 - Effectively using the services of available minority/women community organizations, contractors’ groups, business assistance offices and other organizations to provide assistance in the recruitment and placement of DBEs***
 - Monitoring the performance of other bidders in meeting the contract***
-

MBE Advisory Committee

Pursuant to the Allegheny County Administrative Code (§435-3), an MBE Advisory Committee was established to recommend specific MBE goals for construction contracts, supplies, development, and services (including professional services). Additionally, the Committee monitors the County's MBE efforts on a quarterly basis and may make recommendations to the County Executive and County Council on specific activities for improved MBE participation.

2013 MBE Advisory Committee	
Larry Brinker Brinker Group	Austin Davis Office of the County Executive
Victor Diaz VideoTek Construction, LLC	Ola Jackson Onyx Woman Network (OWN)
Abass Kamara The Carey Group	Marc Little MWELA
Iftikhar Malik Shawn Malik, Inc.	M. Gayle Moss (Chair) Past President, NAACP – Pittsburgh Chapter
James Overton Pittsburgh Equal Opportunity Review Commission	Barbara Parees Office of the County Manager
Roxanne Sewell LJS Publishing/Talk Magazine	Toni Silva UPMC
Gregory Spencer Randall Industries, LLC	Tim Stevens B-PEP

MWDBE Contractor Working Capital Loan Program

The MWDBE Contractor Working Capital Loan Program (WCLP) is designed to provide accounts receivable financing for small contractors executing public agency contracts in Allegheny County. The WCLP provides market rate gap financing to small contractors based on the applicant's need for the public agency contract.

Through the Redevelopment Authority of Allegheny County (RAAC), the WCLP provides opportunity to businesses which may not have ready access to contract financing. Funds for the program are provided by RAAC's Economic Development in partnership with the local banking community. Loan amounts are limited to 80% of the contract securing the loan with a minimum amount of \$10,000 and maximum of \$100,000. The WCLP will provide no more than 50% of the total loan. The term is up to one year or the term of the contract, whichever is less.

In 2013, the WCLP provided seven loans totaling \$326,200 for businesses within Allegheny County. More information on the program, including guidelines and a list of partner organizations, can be found at www.alleghenycounty.us/economic/businesses/busfin.aspx.

By The Numbers

Department of Administrative Services Division of Purchasing and Supplies

The Department of Administrative Services, Division of Purchasing and Supplies, procures supplies, equipment and services for Allegheny County. Its mission is to bring value to the procurement process while reducing cost, creating efficiency and providing high quality customer service.

Purchasing Contracts			
	Total Value of Contracts	MWDBE Commitment	Percentage of Participation
2013 Contracts	\$26,411,429.22	\$10,483,007.28	39.7%
2012 Contracts	\$37,563,077.00	\$6,060,321.00	16.4%

Staples Contract			
	Total Value of Contracts	MWDBE Commitment	Percentage of Participation
2013 Contracts	\$1,695,674.50	\$318,555.52	18.79%
2012 Contracts	\$1,724,064.69	\$328,866.57	19.1%



Department of Public Works

The Department of Public Works is charged with the provision of the County's infrastructure, maintenance and engineering services. Its mission is to provide those services in an efficient, effective, responsive and responsible manner in order to enhance the quality of life, economic prosperity and mobility of the citizens of Allegheny County.

Public Works Contracts*

* For materials and supplies purchased from MWDBEs, 60% of the commitment amount is credited toward the MWDBE goal

	Total Value of Contracts	MWDBE Commitment	Percentage of Participation
2013 Contracts	\$13,426,295.10	\$4,052,487.36	30.18%
2012 Contracts	\$7,366,985.00	\$4,400,857.00	59.7%

Department of Human Services

The Department of Human Services (DHS) is responsible for providing and administering publicly-funded human services to Allegheny County residents. DHS is dedicated to meeting those needs through an extensive range of information exchange, prevention, early intervention, case management, crisis intervention and after-care services. Many of these services are provided through community partners that hold contracts to service the County's most vulnerable populations.

DHS services includes services for older adults; mental health and drug and alcohol services (including 24-hour crisis counseling); child protective services; at-risk child development and education; hunger services; emergency shelters and housing for the homeless; energy assistance; non-emergency medical transportation; job training and placement for transition age youth, public assistance recipients and older adults; and services for individuals with intellectual and/or developmental disabilities.



Department of Human Services (continued)

Although its partners are not certified as MWDBEs, DHS does provide information relative to its services providers that have self-identified as African-American, Faith-Based, or both. Additionally, new contracts are submitted to the MWDBE Department to assist in identifying new service providers as appropriate. DHS provides services to eligible individuals without regard to race, color, sex, gender identity or expression, sexual orientation, age, religion, national origin, political affiliation, disability, familial status, military service, or religious, community or social affiliations.

Human Services Contracts*

* The total value of contracts excludes a contract with an agency that serves as the medical claims organization for the delivery of mental health services; only a large provider could provide this service and so its cost has been subtracted from the total value.

	Total Value of Contracts	Type of Contract	Number of Contracts	Contract Value	Percentage of Participation
2013 Contracts	\$398,290,134	Faith Based	73	\$72,227,461	18.1 %
		African-American	52	\$59,371,736	14.9 %
		Faith Based and African-American	19	\$9,903,245	2.5 %
		TOTALS	106	\$121,695,952	30.6 %
2012 Contracts	\$396,108,618	Faith Based	71	\$71,316,248	18 %
		African-American	48	\$64,198,187	16.2 %
		Faith Based and African-American	17	\$8,170,632	2.1 %
		TOTALS	102	\$127,343,803	32.1 %

Department of Economic Development

The Allegheny County Economic Development (ACED) Department is the lead economic and residential development agency for Allegheny County and coordinates development initiatives. ACED includes eight divisions that are designed for collaboration, impact and success. They include authorities, business development, development, housing and human services, municipal, operations, planning and special projects, and finance. In order to provide the vast array of services, and to assist with development, the Department enters into various contracts throughout the year.

ACED's report includes all divisions, as well as the Community Infrastructure & Tourism Fund (CITF) and the Home Improvement Loan Program.

Economic Development Contracts

	Total Value of Contracts	MWDBE Expenditure	Percentage of Participation
2013 Contracts	\$26,781,342.00	\$5,881,489.00	22%
2012 Contracts	\$32,344,967.00	\$4,851,746.00	15%



By The Numbers

Allegheny County Authorities

Pursuant to the Allegheny County Administrative Code (§203-08), each County Authority must also develop policies to ensure the participation of MWDBEs and is required to report that information to the MWDBE Department. That information is also contained here for reference purposes.

Allegheny County Airport Authority



The Allegheny County Airport Authority was created in 1999 to operate the Pittsburgh International and Allegheny County airports. The Authority oversees all aspects of airport operations including new development, environmental issues, airline and tenant management, as well as airfield operations.

The Airport Authority reports by its fiscal year, which runs from October through September. The Authority also categorizes all MBE and WBE as DBEs for reporting purposes.

Airport Authority Contracts			
	Total Value of Contracts	MWDBE Expenditure	Percentage of Participation
2013 Contracts	\$19,272,545.84	\$3,021,006.02	15.68%
2012 Contracts	\$32,170,658.89	\$5,886,970.00	18.30%

Allegheny County Housing Authority



The Allegheny County Housing authority was created to provide decent, safe and sanitary housing for eligible low-income families and senior citizens in Allegheny County. The Authority owns and manages 3,300 units, administers over 5,000 vouchers, has three HOPE VI developments, and 22 mixed-finance properties.

Housing Authority Contracts			
	Total Value of Contracts	MWDBE Expenditure	Percentage of Participation
2013 Contracts	\$5,243,463	\$580,774	11 %
2012 Contracts	\$6,630,643	\$1,114,712	16.8 %

Allegheny County Sanitary Authority (ALCOSAN)



The Allegheny County Sanitary Authority was formed in 1946 to provide wastewater treatment services to 83 communities within Allegheny County, including the City of Pittsburgh. Its principal treatment plant is along the Ohio River, downstream from Pittsburgh's downtown, and processes up to 250 million gallons of wastewater daily.

ALCOSAN has a goal of awarding 10-25% of contract dollars to MWDBE. The Authority also encourages this same goal among contractors and subcontractors.

ALCOSAN Contracts					
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2013 Contracts	\$1,300,699	\$664,095	\$163,733	\$489,939	\$2,618,466
2012 Contracts	\$1,532,522	\$2,026,762	\$1,123,738	\$835,168	\$5,518,190

Port Authority of Allegheny County



Formed in 1959 by the Pennsylvania Legislature, the Port Authority of Allegheny County began serving the community in March 1964. The agency operates, maintains and supports bus, light rail, incline and paratransit services for approximately 230,000 daily riders. The Authority operates on a fiscal year of October through September and its statistics are provided on a biannual basis.

The Port Authority spends millions of dollars each year on the purchase of parts, supplies and services in support of its daily operations. In addition, regular contracts for major construction projects, as well as renovation and expansion of existing facilities are also available. The Authority's Disadvantaged Business Enterprise Program is committed to creating opportunity for those owners. Goals have been established in support of the program and available purchasing opportunities.

Port Authority Contracts					
	Total Value of Contracts	DBE Prime	DBE Subprime	Total DBE Spend	Percentage of Participation
October 2012-September 2013	\$10,999,390	\$559,423	\$1,625,485	\$2,182,908	19.8%
October 2011-September 2012	\$19,767,969	\$604,780	\$685,757	\$1,290,537	6.5%

Allegheny County & City of Pittsburgh Sports & Exhibition Authority (SEA)



The Sports & Exhibition Authority (SEA) was created in 1954 and was charged with the construction and support of sports and exhibition facilities. Facilities include the Lower Hill Redevelopment Site, the Consol Energy Center, PNC Park, Heinz Field, David L. Lawrence Convention Center, Convention Center Riverfront Plaza, North Shore Riverfront Park, and the North Shore Garage. The SEA also provides administrative and other staff support to the Stadium Authority of the City of Pittsburgh.

The Authority requires that all contractors and subcontractors shall demonstrate a good faith effort to obtain the participation of MBEs and WBEs in work to be performed for the Authority. The goals of the Authority are 25% MBE and 10% WBE. Participation of both is subject to the review of the Equal Opportunity Review Commission of Pittsburgh.

SEA Contracts					
	Total Value of Contracts	MBE Spend	WBE Spend	Total MWDBE Spend	Percentage of Participation
2013 Contracts	\$17,034,172	\$2,808,100	\$3,269,641	\$6,077,741	35.7 %
2012 Contracts	\$4,671,818	\$831,906	\$625,585	\$1,457,491	31.2 %

*Allegheny County Department of Minority, Women & Disadvantaged Business
Enterprise*

Ruth Byrd-Smith, Director

*204 County Office Building, 542 Forbes Avenue
Pittsburgh, PA 15219*

Phone: 412-350-4309 Fax: 412-350-4915

*mwdb@alleghenycounty.us
www.alleghenycounty.us/mwdb*

