



Community Business Development Partners

MILWAUKEE COUNTY

RICK NORRIS, PE • Director, DBE Liaison Officer, ACDBE Liaison Officer

INTER-OFFICE COMMUNICATION

DATE: February 7, 2018

TO: Supervisor Theodore Lipscomb Sr., Chair, Milwaukee County Board of Supervisors
Supervisor Steve Taylor, Chair, Economic and Community Development Committee
Supervisor Michael Mayo, Sr., Chair, Transportation, Public Works and Transit Committee

FROM: Rick Norris, PE, Director, Community Business Development Partners

SUBJECT: 2017 DBE/TBE Participation Report

DIRECTIVE

At the request of the Transit, Public Works, and Transportation Committee and Committee on Economic and Community Development, the Community Business Development Partners Department (CBDP) provides a bi-monthly update on the Disadvantaged Business Enterprise (DBE)/ Targeted Business Enterprise (TBE) utilization.

PURPOSE

Determine the economic impact the procurement activity has on small businesses and communities within Milwaukee County; through goals settings of 17 percent professional services and 25 percent construction services. Specifically, the impact the Disadvantage Business Enterprise/Targeted Business Enterprise (DBE/TBE) program has on the local economy.

THE PROCESS

CBDP gathered contract information from Milwaukee County departments through various sources; such as but not limited to: DocuSign, hardcopies of contracts and 1684 forms. Contract information was gathered on all known contracts regardless if the contract had participation or not.

DATA SOURCES

Primary sources of data collection are DocuSign and 1684 forms. It's important to note that not all contracts are routed through a single procurement process. CBDP recognizes that the information used does not represent the total procurement dollars Milwaukee County contract for. Therefore, this report is based on the best available information and it does not represent the totality of contracts. This report does not include participation associated with the Milwaukee Bucks or Airport Concessions.



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FINDINGS

Chart 1 For the reporting period January 1 through December 31, 2017, total contract dollars awarded were approximately \$213 million. Of that amount \$104.1 Million (48.9%) had DBE/TBE participation; \$108.9 million (51.1%) had no participation. Shown on the pie chart the \$104.1 million is broken down by \$80.9 million (48.8%) of committed dollars to Prime Contractors, with the remaining \$23 million (28%) committed to DBE/TBE subcontractors. The average overall Milwaukee County participation goal is 21 percent; which is the average of 17% professional services and 25% construction services.

Chart 2 shows Milwaukee County procurement activity regarding contracts. For 2017 total contracting dollars were approximately \$213 million compared to approximately \$131 million in 2016. The difference represents a 63%, or approximately \$82 million increase. Total difference in contracts with participation 42%, or approximately \$30.6 million, the difference between \$104 million and \$73.6 million, for 2017 and 2016 respectively. However, total DBE/TBE contract amount drop by 26%, or approximately \$8.3 million, from \$31.5 million to \$23.2 million, for 2016 and 2017 respectively. During that same period overall participation drop from 37% to 28 percent. Still above the 21% minimum. There isn't a clear explanation for the drop. Several reasons might be associated the number of waivers, multi-year contracts, de-certification of DBE firms once counted are no longer, the impact of the new insurance requirements, etc.

Chart 3 Shows total dollar value with participation. For 2017 total contracting dollars without participation were approximately \$22.5 million compared to approximately \$11.8 million in 2016. The difference represents a 91%, or approximately \$10.7 million increase. Table 1 shows the dollar amounts by departments that has no participation. The largest is with HOC for approximately \$16.5 million. Ineligible contracts increased from \$45.6 million to \$131.1 million in 2017. CBDP started tracking ineligible contracts in mid-2016. Not all contract information was obtained during that period. Therefore, the estimated \$131 million might be a true indicator. The dollar value of contracts not reviewed by CBDP drop by 26 %, or \$1.85 million, from \$7.1 million to \$5.3 million, for 2016 and 2017 respectively.

Table 1 shows Milwaukee County departments with total contract values without participation for approximately \$22.4 million. Approximately \$15.7 million is associated with the court order "Healthcare for Detainees and Inmates" contract. Based on an average 21% participation goals the economic lost is estimated at \$8.8 million of additional contracting opportunity to DBE/TBE companies.

Rick Norris, PE
Director, CBDP
CC:Chris Abele, Milwaukee County Executive