



Governor Doyle's Business Opportunity Advisory Commission

State Senator Spencer Coggs, Co-Chair

Milwaukee Urban League President Ralph Hollmon, Co-Chair

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SECTION A – COMMISSION CREATION AND OBJECTIVE

On October 16, 2006, Wisconsin Governor Jim Doyle announced the creation of the Business Opportunity Advisory Commission (BOAC). The Governor formed the commission to identify new ways for the state to procure more products from minority businesses and meet a statutory goal of 5% state purchases from certified Minority Business Enterprise (MBE) firms. In his announcement, Governor Doyle stated, "The Commission will be integral to advancing opportunities for new businesses and to helping minority entrepreneurs grow and succeed."

The Governor appointed two chairs and fifteen commissioners to BOAC (listed in alphabetical order):

- Co-Chair Senator Spencer Coggs, Wisconsin State Senate
- Co-Chair Ralph Hollmon, President, Milwaukee Urban League
- Tina Beckett, Executive Director, Urban Entrepreneur Partnership
- Gloria Cobb, Deputy Director, Great Lakes Inter-Tribal Council
- Bobby Dhir, President, Wisconsin Coalition of Asian Indian Organizations
- Tyrone Dumas, Community Engagement Project Coordinator, Milwaukee Public Schools
- Enrique Figueroa, Ph. D., Director of Roberto Hernandez Center and Assistant to the Provost for Latino Affairs, University of Wisconsin – Milwaukee
- Henry Hamilton III, Chair, NAACP Milwaukee Branch Economic Development Committee
- Geoff Hurtado, Senior Vice President, Irgens Development Partners, LLC
- Luis Montoto, Program Director, La Movida Radio
- Dr. Floyd Rose, President, Wisconsin Supplier Development Council
- Deloris Sims, President & CEO, Legacy Bank
- Christopher Swan, President & CEO, Swan Corporation / Swan House Project
- Jane Swan, President, Entrepreneurs of Color Council
- Representative Barbara Toles, Wisconsin State Assembly
- Charles Vang, President, Hmong Wisconsin Chamber of Commerce
- Olivia Villarreal, Corporate Secretary, El-Rey Mexican Products

Background on state MBE purchasing

In 1983, the Wisconsin Legislature enacted Act 390 to define and establish goals and practices for state government purchasing from MBE firms. The act established a 5% goal for state MBE purchasing each fiscal year for general procurement, construction and architectural / engineering services. In addition, the act provided for permissive language to allow state agencies to accept a bid from an MBE firm if within 5% of the lowest bid. Finally, the bill established eligibility and procedures to certify MBE firms and sought to help grow and develop MBE businesses.

Unfortunately, the state has never achieved the 5% MBE purchasing goal. Since State Fiscal Year (SFY) 2003, MBE expenditures have increased by approximately 14%. However, while the state spent \$48.4 million with MBE firms in SFY 2006, this figure represents only 2.8% of overall state spending (see Appendix 1). This is the impetus for the commission in establishing aggressive strategies for MBE purchasing.

More information on Wisconsin's MBE purchasing is available in the State of Wisconsin Minority Business Report – Fiscal Year 2006 Annual Report from the Department of Administration. The report is available on-line at www.doa.state.wi.us/docview.asp?docid=6145.

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SECTION B – COMMISSION ACTIVITIES

At the first BOAC meeting, co-chairs Coggs and Hollmon both noted that the primary objective for the commission would be to recommend actions and processes for the state to meet and exceed the 5% MBE purchasing goal as expeditiously as possible. The initial focus for the commission was on general procurement, also known as Chapter 16 spending, based on state statutes. In SFY 2006, the state spent about \$1.04 billion on Chapter 16 expenditures. In future deliberations, BOAC will examine construction and architectural / engineering services.

The commission held eight commission meetings and four public listening sessions from October of 2006 through January of 2008 throughout the state to gain input and research data on a variety of issues and to deliberate on its findings and recommendations. Below is a summary of the meetings, listening sessions and invited guests.

Meeting #1

The commission held its inaugural meeting on October 25, 2006, at the Milwaukee Urban League headquarters. Thirteen commissioners attended the meeting. The primary goal of the meeting was to provide background on the state's overall MBE purchasing program and hear reports from individual state agencies on MBE purchasing efforts. The meeting included three presentations:

- Helen McCain and JoAnn Moore represented the Department of Administration (DOA) Division of Enterprise operations and gave a presentation on state purchasing procedures and options available for MBE purchases.
- Godwin Amegashie, currently of DOA's Division of State Facilities but formerly the state's MBE program coordinator, spoke about the history of the program and the ongoing challenges in meeting the 5% purchasing goal.
- Brenda Brown, Administrator of the Department of Transportation (DOT) Division of Business Management, spoke about DOT's efforts to institutionalize certain efforts to encourage MBE purchasing (due to time constraints, the chairs asked her to complete her presentation at the next meeting). DOT is one of the agencies that met the MBE purchasing goal in SFY 2006.

Meeting #2

BOAC held its second business meeting on December 7, 2006, at the Department of Natural Resources (DNR) southeast headquarters building in Milwaukee. Thirteen commissioners attended the meeting and/or the public listening session that followed. Lieutenant Governor Barbara Lawton attended to talk about her initiative to streamline state certification processes for minority and women-owned businesses.

This meeting continued the presentations by state agencies with the following speakers:

- Brenda Brown, Administrator of the Department of Transportation's Division of Business Management, continued her presentation and took questions about DOT's MBE purchasing initiatives. DOT Deputy Secretary Ruben Anthony also participated in the discussion.
- Earl Fischer, Administrator of the Department of Corrections Division of Management Services talked about that agency's issues and challenges in meeting the 5% MBE goal. The agency spent \$159.6 million in Chapter 16 expenditures in SFY 2005, with an MBE share of 1.5%.

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- Ruth Anderson, Assistant Vice President for Procurement at the University of Wisconsin System, talked about the MBE purchasing efforts at all of the campuses. The UW System spent \$339.5 million in Chapter 16 costs in SFY 2005, with an MBE achievement of 2.7%.

Public listening session #1

Following the business meeting of December 7, 2006, BOAC held its first public listening session, also at the DNR building in Milwaukee. Five speakers presented testimony to the commission:

- Ruby Brooks, then Director of the Department of Commerce Bureau of Minority Business Development, talked about issues relating to certification of MBE firms and efforts to create capacity and opportunities for minority firms.
- James Carter, owner of Carter Christian Education Center, spoke to the need for state support of childcare centers as a method to create economic development opportunities.
- Elmer Anderson, board member of the NAACP Milwaukee chapter, spoke to the importance of economic opportunities for the urban community.
- Brenda Brown of DOT made additional remarks to the commission about possible methods to improve the state's overall MBE program.
- Godwin Amegashie of DOA also provided information about past MBE efforts for the state.

Meeting #3

The commission's third meeting took place on January 10, 2007, at the State Capitol in Madison. Ten commissioners attended this session. The only invited speaker was Ruby Brooks of the Department of Commerce. The commission asked her to provide details on the MBE certification processes and rules and talked to the challenges in certifying businesses.

The commissioners also reviewed a variety of data provided by various agencies in response to previous inquiries and requests:

- Staff presented two papers prepared by DOT that talked about MBE or similar programs in Connecticut, Illinois, Indiana, Iowa, Maryland, Michigan, Minnesota, Missouri, New York, Ohio and Pima County, Arizona.
- BOAC reviewed a large amount of data provided by DOA in response to the requests made in the second commission meeting. The data includes MBE purchases by ethnicity, MBE firms and purchases by location (state), information on statutory purchasing programs like Badger State Industries, and a 2003 summary of an MBE program survey conducted by the National Association of State Purchasing Officials. See Appendix 2 for data.

Meeting #4

The fourth commission meeting took place at the DOT Disadvantaged Business Enterprise Support Services office in Milwaukee on February 19, 2007. Twelve commissioners attended the meeting. There were no external speakers invited to the meeting.

The commission received data from the Department of Commerce providing the ethnic categories of certified MBE firms in Wisconsin. Ruby Brooks noted that she compiled this data manually.

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BOAC had asked for additional data from DOA on spending by industry sector. DOA was unable to comply with the request without a procurement system that tracks spending on the commodity level. This led to a discussion among commissioners about the need for timely and accurate information on all types of purchasing, including MBE expenditures.

The commission also spent time talking about timelines, structure and reporting for the group. Initially, there had been some discussion as to whether the commission's recommendations could be incorporated into the biennial budget deliberations that were expected to occur in May and June of 2007.

Meeting #5

The commission held its next meeting at the DOT Disadvantaged Business Enterprise Support Services office in Milwaukee on April 5, 2007. Eight commissioners attended the meeting. The commission invited Secretary Michael Morgan of the Department of Administration to address the group. Prior to his presentation, Carol Bedford of Lena's Food Market / Martin Distributors addressed the commission at the invitation of Senator Coggs.

Secretary Morgan spoke to his personal commitment and confidence in meeting the state's 5% MBE purchasing goal by SFY 2008. He talked about several key actions to uphold the commitment:

- The department is hiring a director for MBE purchasing to work aggressively with state agencies to identify opportunities and market them to businesses.
- The Secretary and director will also work with the cabinet Secretaries to create and implement strategies to achieve goals in the agencies and develop quarterly MBE achievement reports.
- DOA will also create an audit function (using existing personnel) to examine each agency's purchasing, identify issues and help address challenges.
- The department will remind agencies to solicit at least one MBE bid for all contracts under \$25,000. No contract will be let without meeting this requirement.
- DOA will remind MBE firms and agencies of the 5% price preference afforded to MBE firms.
- The Secretary also noted the need to certify more MBE firms in the state and noted the Lieutenant Governor's effort to streamline the certification process. He also discussed the potential to use suitably rigorous certifications provided by local or other state agencies to comply with state certification.
- Secretary Morgan indicated that he has only taken a cursory look yet at the UW System and its MBE purchasing challenges.

Following Secretary Morgan's presentation, commissioners reviewed additional purchasing data collected from the state agencies. The Department of Commerce provided additional breakout of certified MBE firms by ethnicity and industry sector. DOA provided two month's worth of sample agency MBE spending reports, detailing the MBE purchases made by the more than 40 state agencies for December 2006 and January 2007.

Listening session #2

BOAC hosted its second public listening session on April 19, 2007, at the Monona Terrace Convention Center in Madison. The session was incorporated into the Business Opportunities in the Government



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Sector (BOGS) annual conference. Seven commissioners attended the session that was chaired by vice-chair Rep. Barbara Toles. The commission heard oral testimony from seven participants and received written testimony from four other individuals (see Appendix 3):

Oral testimony

- Daphne Wilson, President of Zoe Engineering talked about the need to establish better ties between prime contractors and MBE firms.
- Teresa Brandbur of Seymour Environmental Services talked about the difficulty for MBE and small businesses to compete strictly on low-bid contracts.
- Charles King of C-Wear Company spoke to the difficulty for new firms to understand state processes and the potential for MBE firms to compete successfully for smaller contracts.
- Milele Chikasa Anana of UMOJA magazine talked to confusing RFP language and the mismatch between the capabilities of small MBE firms and the large consolidated state contracts.
- Joel Lifschutz of Blackhawk Furniture Company discussed the devastating impact that the state consolidation of contracts has taken on his company.
- Joe Price of RaDA / INDOFF, a furniture company, echoed the concerns over difficulties in small firms competing based solely on price in the larger government market.
- Barbara Behlke, President of Belke Consulting expressed frustration at being a new business that has faced several roadblocks in setting up her technical writing business.

Written testimony

- Shiva Sathasivam (no business represented) recommended the state mandate that 20% of all procurement dollars go to MBE firms, similar to the federal 8A program.
- Fannie LeFlore, President of LeFlore Communications called for more opportunities for professional service companies to gain work.
- Christy Wade, President of Arbor Green landscaping praised DOT's Disadvantaged Business Enterprise program.
- Leo Talsky of KPH Construction provided a written proposal to assist joint ventures to be created to help build success for MBE firms.

Listening session #3

BOAC held another public listening session on May 21, 2007 at the Northside YMCA in Milwaukee. Eight commissioners attended the hearing and heard testimony from nine individuals:

- Charlene Dwyer of DWD spoke of the agency's good track record in MBE purchasing (7.2% in fiscal 2006) and the plans they have in place looking toward a 10% MBE goal for future years.
- Marty Payne and Bob Gonzalez of the National Association of Minority Contractors talked about how contracts for MBEs and DBEs lead to employment for people of color, and also talked about



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contracting goals and practices that could increase overall MBE numbers. The commission noted that many of their ideas dealt with the construction / architecture / engineering sector and they would want to discuss some of the issues in future deliberations.

- Carol Bedford of Martin Distributors discussed her firm's loss of a state food service contract due to the recent ACE contract consolidation initiative.
- Ed Salinas of Alliance Enterprises reviewed a 12-point plan to help MBE firms earn more state contracts through training, monitoring and accountability.
- Dester Martin of the African American Chamber of Commerce would like to see the Governor offer an Executive Order for SE Wisconsin to create a \$20 million support initiative in conjunction with the chamber to build MBE opportunities and support business growth. He also noted that instituting this program could raise the state MBE level to 4.7%.
- Howard Kingman of Kingman Custom Contractors expressed concern about dubious business practices by prime contractors when dealing with MBEs and called for more accountability to ensure that MBEs are receiving the dollars called for in contracts.
- Charles Goins of Precise Underground Marking also spoke about concerns with the relationship between prime contractors and MBE subs, especially relating to utility firms.
- Ruby Brooks, currently of the Business Educational Consortium talked about the need to build capacity and capabilities among MBE firms through training and other means.

Listening session #4

The commission held its final public listening session for its initial work on June 22, 2007 at the SC Grand Convention Center in De Pere, near Green Bay. Three commissioners attended the hearing and heard testimony from the following individuals:

- Dr. Daniel Nerad, Superintendent of Green Bay Public Schools, noted that the long-term success of meeting the 5% MBE goal was grounded in the education of today's students.
- Duane Coenen, sole proprietor of Pro-Jack Suspension Systems, spoke about his business development as a disabled veteran needing additional capital to develop his product.
- Eugene Caldwell of the Menominee Tribe called for the state to consider a tax credit incentive to encourage lenders to provide capital funds to firms located on tribal lands.
- Leni Siker, President of Cascade Springs LLC, called for specific measures for the state to meet the MBE 5% purchasing goal, including (a) a local business preference program; (b) Unbundling of large contracts; and (c) facilitation of MBE networking with larger primes.
- Nhiacha Yang, President of Nhiacha Enterprises, spoke on behalf of the Hmong business community and the need for additional start-up capital to help minority firms grow and develop.
- Jody Bruley, President of LP Mooradian Flooring, spoke about specific business practices and requirements that may be hurting small and MBE firms. These include prevailing wage rate requirements, the need for local business preferences, unbundling of contracts and stricter guidelines on how manufacturers offer pricing to contractors in the bidding process.



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- Isaac Laaro, Executive Director of Global Janitors, talked about the difficulty for MBE firms to earn a portion of the ongoing operation and maintenance of Lambeau Field.
- Frances Miller, owner of Dust Busters Cleaning, expressed frustration with the ability of her and other companies to get public contracts on projects like the Lambeau Field renovation.

Meeting #6

The commission held its sixth meeting on October 10, 2007, at the Ho-Chunk Hotel & Conference Center in Baraboo. BOAC held its meeting in conjunction with the Marketplace 2007 minority business conference sponsored by the Department of Commerce. Nine commissioners attended the meeting. The primary purpose of the meeting was to review draft findings and recommendations for the commission. The group reviewed the initial drafts and established a tentative timeline for additional comment and input to the documents.

Meeting #7

BOAC held a meeting on December 18, 2007 at the State Capitol in Madison. Eight commissioners attended the session. The group continued its review of the latest draft recommendations for the commission and established a timeline to submit a report to the Governor in early 2008.

Meeting #8

The commission held its last meeting on January 29, 2008, at the Wisconsin DOT's Statewide Traffic Operations Center Community Room. Eleven commissioners attended the session to review the latest draft recommendations.

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SECTION C – COMMISSION RECOMMENDATIONS

1. Recommendations regarding the commitment of state leadership to meeting MBE purchasing goals

In its deliberations, BOAC recognized there have been several administrations in place since the 5% goal was established in 1983, and the commission recognizes a stronger commitment from the current administration of Governor Doyle to achieve the level. Historically, however, there has been a lack of commitment within state government as a whole and within individual agencies to meet the 5% MBE purchasing level.

The commission makes these recommendations to specifically assign responsibility for MBE levels to agency leaders and to establish stronger accountability to meeting these goals.

The commission recommends the following:

- a. The Governor shall issue an annual directive to department secretaries and agency heads concerning the importance of meeting the 5% annual MBE purchasing goal and evaluate each agency's secretary or head on the progress made toward achieving these goals. The 5% minimum goal for purchases from MBE firms shall also be emphasized as a minimum "floor" for state purchasing, with agencies actively seeking to exceed the goal.
- b. Secretaries / agency heads shall issue a clear directive to their administrative and purchasing staff to establish the importance of the 5% annual MBE purchasing level and establish a process to evaluate results at least on an annual basis. The MBE purchasing goal shall be established as a factor in performance evaluations for agency employees involved in procurement functions.
- c. MBE purchasing issues shall be discussed and progress evaluated at least quarterly and be reported by the Secretary of the Department of Administration at Governor's cabinet meetings attended by all departments / agencies. The 5% MBE purchasing level shall be established as a factor in performance evaluations for secretaries / agency heads.
- d. The Governor should specifically recognize those state agencies that meet or exceed the 5% annual MBE purchasing level at an appropriate event, such as the Marketplace conference or Business Opportunities in Government conference.

2. Recommendations to establish a permanent Minority Business Oversight Commission

The commission has determined there is a need for a permanent external body to provide leadership, oversight, technical assistance and other guidance to all state MBE purchasing programs, including professional services contracts and construction / architecture / engineering services. The new commission would help hold the state and agency leaders to higher accountability for MBE purchasing and serve as a liaison to the private MBE business community.

- a. The Governor shall create a permanent commission to provide leadership, oversight, technical assistance and other guidance to all state MBE purchasing programs. The commission shall monitor state purchasing practices and contracts to ensure a commitment to MBE levels, advise the Governor on MBE issues, work with the Governor to establish stronger accountability for agencies on MBE purchasing, examine business practices involving MBE firms, serve as a liaison to the MBE community and help to implement the recommendations of this Business Opportunities Advisory Commission.

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- b. The Governor shall appoint the leadership and members of the commission. The commission should include at least nine members representing public, private, education and community sectors. At least one member shall be appointed from established chambers of commerce or other associations in the state representing each of the following racial / ethnic groups: African-American, American Indian, Hispanic, and Asian / Pacific Islander. The Secretary of the Department of Administration or his/her designee shall be a permanent member of the commission.
- c. With the exception of the Secretary of the Department of Administration, commissioners shall serve two-year terms and no more than two consecutive terms. The commission shall meet at least quarterly. The commission shall be established by June 1, 2009.
- d. The commission will be staffed and resourced through the Department of Administration with additional support from the Department of Commerce and other state agencies as needed.

3. Recommendations on tracking and monitoring of state government MBE purchasing activity

In its deliberations, BOAC researched and requested a great deal of data on MBE purchasing activity in Wisconsin state government from a variety of agencies. Unfortunately, state purchasing systems do not exist that provide relevant data that was meaningful or accessible to the public, or in formats that would provide for easy comparisons across agencies or timelines.

There are two primary agencies responsible for developing and maintaining data on MBE businesses in Wisconsin. The Department of Commerce is responsible for certifying MBE firms and maintains a variety of programs to help grow and develop all minority businesses. The Department of Administration is responsible to support and track MBE purchasing by state agencies and to market state contracting opportunities to MBE firms. BOAC recommends a number of action items for these two agencies to better support MBE purchasing in state government.

- a. By September 1, 2009, the Department of Commerce shall establish and maintain a comprehensive, electronic and publicly accessible database of all certified MBE firms. The system should identify the firms by services and products provided through established commodity codes. The database shall be updated at least quarterly to account to for any newly certified firms.
- b. By October 1, 2009, the Department of Commerce shall complete an underutilized business identification study to identify the products and services purchased by the state for which there is a lack of certified MBE firms. Upon completion of the study and subsequent reporting to the Minority Business Oversight Commission, the department shall then implement actions to identify qualified minority firms that provide these underutilized products and services and undertake marketing, training, and other efforts to certify these firms in the MBE program. The department shall focus its certification efforts on firms based in Wisconsin. The department shall repeat this analysis and business certification effort at least every two years and report results to the Minority Business Oversight Commission.
- c. The Department of Administration shall develop a purchasing tracking system to allow for active and real-time reporting of MBE purchasing and utilization, either through a larger purchasing monitoring system such as the Integrated Business Information System (IBIS) currently being developed, or through a stand-alone system if necessary. The Department shall present the system structure and implementation plan to the Minority Business Oversight Commission by

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August 1, 2009. The system shall be put into use by the department and other state agencies to support SFY 2010 purchasing activities.

- d. By November 1, 2009, the Department of Administration shall complete an analysis of state MBE purchasing activity in SFY 2009 for specific categories of products and services, and identify those products and services where MBE goals were not met. The department shall further identify whether there are certified MBE firms available to provide those products and services. Upon completion of the study and subsequent reporting to the Minority Business Oversight Commission, for those types of products and services for which there are certified MBE firms, the department shall develop plans and procedures to actively promote and market purchasing opportunities to MBE firms. The department should repeat this analysis at least every two years and report results to the Minority Business Oversight Commission.
- e. During the development of these initiatives, the Departments of Administration and Commerce shall report at least quarterly on the progress of each program to the Minority Business Oversight Commission. Once the systems have been established, the departments shall continue to provide reports from each initiative at least quarterly to the commission. The Department of Administration shall issue an initial final report by July 31, 2010, specifying the MBE purchasing level for SFY 2010.
- f. The Minority Business Oversight Commission shall work with the Governor's office and the Departments of Administration and Commerce to identify and procure additional staff or financial resources required to undertake these analyses and create and maintain these systems.

4. Recommendations on institutionalizing best practices among state agencies

Prior to SFY 2008, neither the state nor most individual agencies had achieved the 5% MBE purchasing levels since enactment of Act 390. However, a handful of agencies have met the goal and have done so by implementing practices that could be copied across other state agencies.

BOAC heard testimony from administrators in the Department of Transportation and the Department of Workforce Development, two of the largest agencies that met the MBE purchasing goal in SFY 2006 with shares of 5.61% and 7.27%, respectively. Additionally, BOAC also heard testimony from the Secretary who headed the Department of Revenue in SFY 2006 when that agency achieved a 5.77% MBE purchasing share. Each of these agencies had strong leadership commitment and specific plans in place to support and develop MBE purchasing. BOAC recommends that similar strategies and actions be implemented across all state agencies.

- a. Each department secretary / agency head shall designate at least one staff as the responsible agent to monitor and implement MBE purchasing efforts within the agency. The employee's position description shall reflect this role and subsequent performance evaluations shall include consideration of whether the agency achieved the 5% MBE purchasing level.
- b. By August 1, 2009, each state agency shall submit in writing to the Minority Business Oversight Commission a set of plans and procedures to meet the 5% MBE purchasing goal. These plans shall include setting procedures to utilize the 5% low bid preference in accordance with Act 390. These plans shall be implemented in SFY 2010 and renewed every year thereafter.
- c. The Minority Business Oversight Commission will review the progress of each agency towards the 5% annual MBE purchasing level through quarterly reports submitted by the Department of Administration. At the commission's discretion, those agencies that are not making significant

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progress towards the annual goal may be required to appear before the commission to reestablish their strategies for meeting or exceeding the goal.

- d. At the end of each fiscal year, responsible staff from those state agencies that have not met the 5% annual MBE purchasing goal will be required to appear before the commission to review and evaluate their agency's MBE purchasing plans. They may also be required to participate in training or other activities as established by the commission.
- e. The Minority Business Oversight Commission shall work with the Governor's office and the Departments of Administration and Commerce to identify and procure additional staff or financial resources required to provide adequate support of MBE purchasing activities for state agencies. This analysis may include a complete examination of the MBE purchasing support systems and the need for stable leadership of MBE activities within these two and other agencies.

5. Recommendations on general state purchasing practices and processing systems

At the public listening sessions and in presentations at its general meetings, the commission heard from several businesses and agencies about recent state contract consolidation efforts. While such initiatives may produce volume savings, BOAC heard testimony from agencies and small businesses that the initiatives may greatly reduce opportunities for MBE firms and other small businesses to bid on contracts.

- a. By November 1, 2009, the Department of Administration shall prepare for the Minority Business Oversight Commission an analysis of all statewide purchasing and contracting initiatives that were active in SFY 2009, especially contract consolidation projects. The analysis shall examine the MBE purchasing shares achieved for contracts covered by these initiatives in SFY 2009.
- b. The Minority Business Oversight Commission shall review the analysis and develop specific recommendations and practices to increase MBE opportunities for contracts covered by these initiatives. Specific options should be the adoption of 5% minimum subcontracting goals for MBE firms in any consolidated contract and/or allowing for regional contracting or subcontracting arrangements within a statewide contract.

6. Recommendations on support and marketing activities for MBE firms

BOAC made several efforts to gain input from Wisconsin's minority business community during its deliberations. The commission held four public listening sessions, two of which coincided with the state's primary minority business conferences – the Business Opportunities in the Government Sector (BOGS) conference, sponsored by the Department of Administration; and the Marketplace 2007 conference sponsored by the Department of Commerce. The commission received formal testimony and other input from several minority businesses at these listening sessions and events. The commission co-chairs also met with representatives of the African-American Chamber of Commerce, American Indian Chamber of Commerce, Hispanic Chamber of Commerce and the Business Council prior to finalizing these findings and recommendations.

Based on the input from these businesses and chambers, the commission recommends a number of actions for Wisconsin state government to provide better overall support for MBE firms to help enable them to compete for state contracting opportunities.

- a. The Department of Commerce shall jointly conduct regular outreach sessions throughout the state to work with certified MBE firms and non-certified minority firms to promote and advance minority business development, capacity building and state purchasing opportunities. The

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agency shall submit a SFY 2010 plan for these types of programs to the Minority Business Oversight Commission by August 1, 2009, and shall report annually on its implementation. The department shall work with other state agencies, the University of Wisconsin-Extension and other entities as appropriate to enhance its outreach to minority firms.

- b. The Department of Commerce shall review the list of certified MBE firms to determine firms based out-of-state that do not currently have a physical presence in Wisconsin. The agency should submit a plan to the Minority Business Oversight Commission by November 1, 2009, to encourage and support these firms to establish a presence in the state. The department should report annually to the commission regarding the implementation of the plan.
- c. The Department of Administration shall establish a plan and program for ongoing promotion of state purchasing opportunities utilizing minority media throughout the state, leveraging paid and unpaid coverage. The agencies should submit a plan for these types of programs to the Minority Business Oversight Commission by August 1, 2009, shall implement the plan for SFY 2010 and shall report annually on the implementation of the plan.
- d. The commission shall forward these recommendations to the appropriate committees of the State Assembly and State Senate and shall work with the committees to enact any legislation needed to implement the recommendations.
- e. The Minority Business Oversight Commission shall work with the Lieutenant Governor's office and the Department of Commerce to support those agencies' efforts to streamline minority business certification processes throughout state government.

Summary of BOAC recommendations with specific deadlines (through 2009)

June 1, 2009

- Minority Business Oversight Commission established

July 1, 2009

- Start of SFY 2010

July 31, 2009

- DOA submits the initial SFY 2009 annual MBE purchasing level with the expectation of meeting the 5% goal

August 1, 2009

- DOA presents SFY 2010 MBE purchase tracking system to commission
- DOA presents SFY 2010 MBE contracting outreach plan to commission
- Commerce presents SFY 2010 minority business outreach plan to commission
- All agencies submit written SFY 2010 MBE purchasing plans to commission

September 1, 2009

- Commerce establishes certified MBE database

October 1, 2009

- Commerce completes underutilized business identification study



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October 15, 2009 (approximate)

- DOA submits SFY 2010 first quarter reports on MBE purchasing to commission

November 1, 2009

- Commerce presents out-of-state MBE recruitment plan to commission

November 1, 2009

- DOA completes analysis of SFY 2009 MBE purchasing activity by sector
- DOA completes analysis of SFY 2009 MBE purchasing in statewide consolidated contracts



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SECTION D – FUTURE COMMISSION ACTIVITIES

In future deliberations, BOAC and/or the new Minority Business Oversight Commission will examine construction and architectural / engineering services and issue additional recommendations and findings on these topics.

LISTING OF APPENDICES

APPENDIX 1

FY2006 MBE General Procurement Spend under Wis. Stats. 16.75 by agency
(Page 11 table from DOA annual report)

APPENDIX 2

FY2006 MBE purchasing data from DOA presented at BOAC meeting of January 10, 2007
(Page 11 table from DOA annual report)

APPENDIX 3

Copies of written testimony received at all BOAC public listening sessions

- Milwaukee ... December 7, 2006
- Madison ... April 19, 2007
- Milwaukee ... May 21, 2007
- De Pere ... June 22, 2007