

To the Mayor and Members of the City Council**June 28, 2016****Page 1 of 2****SUBJECT: MINORITY BUSINESS ENTERPRISE (MBE) AND COOPERATIVE PURCHASE AGREEMENTS**

The purpose of this Informal Report is to provide information related to the use of Minority Business Enterprise (MBE) when buying products and needed services through Cooperative Purchase Agreements.

Under the City's current purchasing policies, Cooperative Purchase Agreements are utilized to provide goods and services that have already been procured under a competitive process. The benefit of these types of procurements is the reduction in the time it takes to complete a formal procurement. The challenge is that vendors who may be able to provide services related to the procurement may not have participated in the cooperative process and are thus not eligible for an award by the City.

The M/WBE Office is responsible for reviewing and establishing goals on all agreements greater than \$50,000.00. Under current practices, the M/WBE office will only sign off on a waiver if there are no opportunities available; however, the M/WBE office does its due diligence by contacting MBEs that provide needed services via email and/or phone. Waivers are traditionally provided for cooperative agreements, sole-source, and emergency situations.

The M/WBE office will approve a good-faith effort if an honest and conscientious effort was made by the offeror to explore all available options to achieve the maximum possible participation in meeting the city's contract goal. The offeror must meet all requirements as outlined in the city's good-faith effort documentation.

The Purchasing Division has begun a project to add all certified MBE suppliers located in Fort Worth into the City's vendor database to increase MBE notifications of business opportunities. So far, this effort has identified 57 MBE suppliers that will be invited to register in the City's bid notification system. Staff expects additional Fort Worth certified MBE firms to be identified and invited to register as the project continues.

Since February, the M/WBE Office and the Purchasing Division have participated in six MBE supplier outreach functions including the Agenda for Building Capacity, Alliance Texas, Hard Hat, and a Southeast Fort Worth Breakfast Mixer. On March 24, 2016, the M/WBE Office and the Purchasing Division hosted an event titled "How to do Business with the City of Fort Worth." These efforts reached several hundred minority suppliers. Since February of this year, 40 certified MBE companies have registered with the City as potential suppliers.

City staff has researched alternative methods of competing cooperative contract suppliers with certified MBEs on a less formal basis. This effort may work for requests equal to or less than \$50,000; however, formal procurement requirements must still be met for requests over \$50,000.

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This alternative method for requests valued at \$50,000 or less will involve inviting MBEs to compete with cooperative agreement pricing before the Purchasing Division issues the purchase orders for such requests. The MBE suppliers will be identified through the City's supplier database and the North Central Texas Regional Certification Agency's supplier database for each request. Certified MBE suppliers identified as available to fulfill the requests will be invited to submit quotations on the opportunities; awards will be made to the supplier that provides the best value to the City based on performance, price, and quality evaluations.

If you have any questions regarding this report, please call Aaron Bovos, Chief Financial Officer at 817-392-8517, Jack Dale, Purchasing Manager at 817-392-8357 or Gwen Wilson, M/WBE Manager at 817-212-2676.

David Cooke
City Manager