



City of Philadelphia
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CITY IMPROVES VALUE OF CONTRACTS AWARDED TO MINORITY AND FEMALE OWNED BUSINESSES BY EIGHT PERCENT IN THE FIRST THREE QUARTERS OF 2010

Office of Economic Opportunity Releases FY 2009 Disparity Study and FY 2010 3rd Quarter M/W/DSBE Participation Results

Philadelphia, September 15, 2010 – Today, Mayor Michael A. Nutter and Angela Dowd-Burton, Executive Director of the Office of Economic Opportunity (OEO) announced that the City has increased the value of contracts awarded to Minorities and Women by \$15 million (8%) in the first three quarters of Fiscal Year 2010 over the full year 2009. This increase is to be applauded in light of the lackluster economy and reduction in department budgets. The level of full participation has remained flat at 19% compared with 20% in FY 2009. The Office of Economic Opportunity is poised to respond to an economy that requires a proactive mission, new organization, new infrastructure, and new relationships within and outside of City government. One important change is that the OEO has stopped certifying firms as Minority, Women, or Disabled-Owned (M/W/DSBEs), freeing up Office time and resources to serve as advocates. OEO will accept certifications from the PA Unified Certifying Agencies (PA-UCP), the Minority Supplier Development Council, the Women's Business Enterprise National Council, and other government agencies across the country.

"Increasing contracting opportunities for minority, women, or disabled-owned businesses is a tremendous accomplishment and real proof that the renewed vision of the Office of Economic Opportunity is working," said Mayor Nutter. "While improving the City's contracting is an important first step, the City must focus on helping small and minority businesses compete in the overall economy – that is where the real economic success of our communities lies."

The current and previous state of M/W/DSBE contracting in the City has been illuminated through two reports released today. One, the Fiscal Year 2009 (FY 2009) Annual Disparity Study, was conducted by Econsult Corporation and Milligan & Company. This report analyzes the utilization of M/W/DSBEs in City contracts relative to the availability of these firms to compete for these opportunities and has found that the M/W/DSBE utilization has decreased: from 22.8% in FY 2006 to 17.6% in FY 2009 for City departments.

The report observes, however that positive changes have been made in OEO stating: "On a positive note, the Nutter Administration has instituted a number of significant organizational shifts – moving

the Office of Economic Opportunity (OEO) from the Finance Department to the Commerce Department, hiring a new OEO executive director, getting out of the certification business to redeploy more resources towards outreach, monitoring, and capacity-building – that we believe will pay dividends in improving the City's utilization of M/W/DSBEs and in strengthening the overall capacity of M/W/DSBEs.

The second report released is the The Fiscal Year 2010 3rd Quarter M/W/DSBE Participation Report which shows that the changes made in the Office of Economic Opportunity are broadening the scope of business for M/W/DSBEs. Collectively, M/W/DSBEs were awarded over \$184 million (19.2%) of the \$961 million in for-profit City, Quasi-Government and federally funded contracts awarded through the 3rd quarter of Fiscal Year 2010. This report captures PGW participation for the first time. It also highlights the impact of federal stimulus dollars on the local economy.

The City is not satisfied with current participation levels and has adopted a 25% M/W/DSBE participation goal for Fiscal Year 2011 in line with the OEO Strategic Plan. We recognize the need for a strategic and sustainable approach to economic inclusion.

Angela Dowd-Burton, Executive Director of OEO, has initiated a multi-level approach for achieving the 25% participation goal. "We have engaged Departmental OEO Officers in the pursuit of a culture of inclusion on City contracts," said Ms. Dowd-Burton. "We are particularly interested in developing a productive mentor/ protégé program between businesses and leveraging ready, willing, and able M/W/DSBEs across public, private, and non-profit sectors (i.e. universities, hospitals, local titans of industry, etc.). These sectors encompass more than \$300 Billion in economic opportunity."

Facilitating an increase in the award of contracts with M/W/DSBEs participation is but one side of the OEO strategy. Contract compliance is essential to the prosperity of the Minority, Women, and Disabled-owned business community. The Office is working to fix the structural deficiencies within our processes and systems. It is creating a compliance model that engages the expert resources of Operating Departments, Finance Department, Procurement Department, Law Department, Office of Integrity, Office of the Inspector General, Bureau of Labor Standards, and the Controller's Office to enforce M/W/DSBE contract compliance. The Office's goal is to partner with the business community in a way that is mutually beneficial. OEO expects primes and M/W/DSBEs to perform commercially acceptable functions on contracts and to be paid in a timely manner. Intentional contract violations will be met with sanctions.

The Fiscal Year 2009 Annual Disparity Study and the Fiscal Year 2010 3rd Quarter Participation Report may be found on the OEO website in its entirety, www.phila.gov/o eo.