



Small and Disadvantaged Business Participation in ARRA Opportunities

**Oversight Commission Meeting
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Secretary of General Services**

Background

- The American Recovery and Reinvestment Act makes no direct provisions for participation of small disadvantaged businesses.
- Existing programs from the administering federal agency, or if none exists, from the state administering agency are to be used.

Federal Government Assistance

- Some federal administering agencies have provided MBE/WBE/DB participation guidance:
 - Federal Highway Administration
 - Environmental Protection Agency
 - Department of Energy
 - Department of Housing and Urban Development
- The U.S. Department of Commerce has tasked its Minority Business Development Agency with assisting in the efforts to provide information on ARRA opportunities to MBEs/WBEs.

The Commonwealth's Strategy

- Utilize existing federal program requirements where applicable (PENNDOT, PENNVEST).
- Expand the current state program to cover other funding streams and to include veteran-owned businesses and small businesses.
- Build off our existing best practices and success, driven by aspirational goals and outreach.

Key Tools: Executive Order 2009-02

Creating Opportunities for Small and Disadvantaged Businesses in the Expenditure of Federal Stimulus Monies

- Establishes as an overall Commonwealth aspirational goal that at least ten percent of ARRA funds should go to small disadvantaged businesses as contractors, subcontractors, grantees, subgrantees and suppliers.
- Requires agency participation in outreach efforts to encourage and increase small and disadvantaged business interest and participation.
- Directs agencies to track and report participation in ARRA opportunities.

Key Tools: Outreach

- Email updates to certified MBEs/WBEs from the Bureau of Minority and Women Owned Business Opportunities (BMWBO) regarding opportunities.
- Business-to-business events in Philadelphia, Harrisburg and Pittsburgh partnered with MBDA's regional support (The Pennsylvania Minority Business Enterprise Center).
- Agency outreach events to grantees and contractors.
- Coordination with DCED to include small business outreach.
- Coordination with L&I to include veteran-owned business outreach.

Key Tools: Information

- Improved web resource information, specifically for small disadvantaged businesses through the state's website: www.recovery.pa.gov (click on the "Opportunities" page).
- Identified Agency Point Persons on Stimulus in each commonwealth agency to answer questions and provide information.
- Designated ARRA team of personnel within the Department of General Services to assist MBEs/WBEs.

Mining Opportunities

- Non-commonwealth opportunities through local government entities, universities, non-profit organizations – Examples:
 - ConservationWorks! Energy grant recipients
 - Research grants to universities
 - Housing authorities
- Education opportunities through the local education agencies - over 500 school districts and charter schools receiving funds.

Agency Efforts: PENNDOT

- Met with Association of Pennsylvania Contractors and American Council of Engineering Companies to encourage use of underutilized, certified MBE/WBE firms.
- Provided and continue to provide assistance to MBE/WBE firms in certifying, bidding as prime contractors and engaging as subcontractors.
- Circulated listing of all PENNDOT ARRA projects to over 800 DBE firms.
- Communicated information regarding FHWA's ARRA bond fees reimbursement program to MBE/WBE firms.

Agency Results: PENNDOT

- Of \$781.2 million in ARRA funds awarded as of late November, \$44.89 million (5.72%) awarded to DBE firms.
- To date, three ARRA contracts awarded to DBE prime contractors (all PA-based companies) worth over \$2 million.

Agency Efforts: DEP

Energy and Clean and Drinking Water Programs:

- Collaborated with the Legislative Black Caucus and MBDA in outreach events.
- Strengthened MBE/WBE/DBE requirements in programs where there has been traditionally little participation.
- Created resource materials and guidance materials to better assist prime contractors in soliciting for participation.

Agency Results: DEP

Clean and Drinking Water:

Of \$157.3 million in funds reported for disadvantaged business participation to date:

- \$8.9 million (5.7%) awarded to MBE/WBE prime contractors.
- \$2.36 million (2%) awarded to MBE/WBE subcontractors.

Next Steps

- Continue outreach and participation in funding and grant streams.
- Promote opportunities for businesses to make the most of the complex system.
- Focus on and provide information for non-commonwealth opportunities whenever possible.
- Monitor and track continued progress.