



CITY OF PHILADELPHIA

Minority Business Enterprise Council

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CAROLYN H. NICHOLS, ESQUIRE

Deputy Finance Director
Director, MBEC

December 27, 2007

Alan Butkovitz
City Controller
Municipal Services Building
1401 JFK Boulevard
Suite 1230
Philadelphia, PA 19102

RE: Response to the City Controller's Special Report (the "Report") of the Minority Business Enterprise Council ("MBEC")

Dear Mr. Butkovitz:

This letter serves as MBEC's response to the findings and recommendations concerning the MBEC program that were presented in the City Controller's November 14 Report that analyzed barriers facing minority, woman and disabled-owned businesses in City contracting and procurement. Although the Report was not presented as an audit of MBEC, most of the findings concerned MBEC operations. Accordingly, MBEC should have been afforded the customary opportunity to meet with your office in an exit conference to discuss the Report findings prior to public release, and further, given the opportunity to include written comments as part of the Report, as is the practice with other City agencies.

MBEC responds as follows to the findings and recommendations of the Report:

1. Restructuring of MBEC to Fulfill its Mission

The findings detail inadequacies in the MBEC program to implement the City's anti-discrimination policies under mayoral and legislative mandates to advocate and increase minority, woman and disabled-owned business enterprise (M/W/DSBE) participation in City contracts; the management of M/W/DSBE certification; and monitoring of contract compliance.

The Report's analysis of the MBEC program glaringly omits the most important factor, that despite MBEC's efforts to comply with the requisite legislative requirements, the MBEC program has been systematically under-resourced over a period of many years and consequently cannot fully meet its mandates.

2. Adequate Resourcing including Staffing and Technology

Since its inception in 1982, MBEC's operations have been focused on the City contract award process. MBEC conducts the certification of M/W/DSBE firms, sets participation ranges for bids and Requests for Proposals, reviews the submissions of bidders and proposers to determine their responsiveness to participation ranges, reviews Economic Opportunity Plans, works with City departments to set departmental goals, conducts outreach to certifiable firms, and prepares annual reports. However, unlike other major US cities, including those cited in the Report (Atlanta, Boston, Chicago, Houston, New York City, etc), MBEC has never had an actual compliance unit, nor the capacity or resources to assess the actual dollars paid to MBEC-certified firms.

MBEC's staffing has been up and down over the years from a staffing level of 26 employees to a low point of 13 employees. The organization is currently staffed at 22 employees. Additionally, the MBEC certification tracking system is outmoded and outdated and is based on an 1997 Microsoft Access platform that cannot be updated such that staff members are in effect processing applications manually. In addition, MBEC does not have an operational compliance tracking software to monitor contract compliance. The patterns of inadequate staffing and outdated technology have caused disruptions in the delivery of services resulting in certification application backlogs, and the inability to effectively monitor contract compliance.

By comparison, the city of Houston cited in the Report, maintains 34 employees to carry out its anti-discrimination programs and has state-of-the-art web-based certification and compliance tracking software (B2Gnow).

At best, MBEC has been limited to conducting limited trouble-shooting when certified vendors complain of slow payment and/or other contract compliance issues, but has not had the capacity to conduct the necessary systematic compliance review of actual payments to MBEC-certified vendors.

3. Needed Partnership with City Departments

The other key component is the partnership and accountability of City departments. Contrary to the Report assertions, MBEC has been working with departments regarding M/W/DSBE participation range setting in individual City and for departmental goals and departments often provide recommended M/W/DSBE participation ranges and goals upon consultation with MBEC.

Accordingly, M/W/DSBE contract compliance is not a matter for MBEC alone. The departments develop and manage the contracts under the guidance of the

Administration and must take an active role in enforcing M/W/DSBE contract requirements. The reorganization and/or restructuring of MBEC (and/or another City department unit) that would include a bona fide compliance unit with sufficient capacity (including adequate staffing and technology) to work with City departments to monitor contract compliance and actual disbursements to MBEC-certified vendors would be a win-win for the City.

4. Reporting Process

MBEC's participation reports over the years have never reflected actual payments to certified vendors, but only encumbrances which represent funds set aside by City departments to allow for the payment of contracts awarded to vendors. The challenge is that the majority of MBEC-certified vendors are subcontractors and that generally, the City's current invoicing and electronic systems do not record contract activity with subcontractors.

As a result, historically, the Office of the Director of Finance/MBEC has had to compile M/W/DSBE reporting data manually (5 to 6 month process) based on commitments to MBEC-certified vendors in the contract award process without being able to show the end results, namely the actual payments to these vendors.

Since May 2006, during my tenure as Director, MBEC has initiated an unprecedented analysis and review of the reporting process, and has launched efforts to improve reporting by obtaining the appropriate technology, and working with the Office of the Director of Finance and other City departments to establish procedures to capture the actual amount of City dollars paid to MBEC certified vendors.

5. Contract Compliance

To remedy the technology challenge, the Office of the Director of Finance has installed IMPACT/SYMTRAC, a web-based software application that would monitor the contract compliance and participation of MBEC-certified vendors. The Philadelphia School District also utilizes this web-based software, as does the Washington Suburban Sanitation Commission (WSSC), the water and sewer utility for the state of Maryland, to name a few public agencies.

Although IMPACT/SYMTRAC has been installed, interface with the City's mainframe applications including ACIS, and FAMIS are now part of the current information systems project that will upgrade FAMIS and install a new system, Web Procure. MBEC has been informed that this project could require a minimum of fourteen to eighteen months, but has not been given a definitive time frame, and therefore cannot accurately project a definite date for the activation of IMPACT/SYMTRAC.

In the interim, the Office of the Director of Finance, including MBEC, is working with other City departments, including the Mayor's Office of Information Services

(MOIS), and the Capital Program Office to establish invoicing procedures for prime contractors that will reflect actual payments to subcontractors.

MBEC is also working with your office on specific compliance matters in order to access the needed infrastructure to monitor and resolve specific cases. In addition, MBEC continues to work with the Law Department, and other City departments and agencies, including the Inspector General in matters requiring investigative and/or legal remedial action by the City. MBEC disputes the Report assertion that MBEC failed to respond to your office concerning these matters.

6. Contract Language

The City through its Legal Department develops pertinent contract language including the anti-discrimination policy, instructions and forms regarding M/W/DSBE participation included in bid packages and requests for proposals to reflect current applicable law and City contracting practice, and works with MBEC and other departments accordingly. Note – the requirement that firms be certified at the time of bid opening has been included as a written requirement in bid packages, including the Airport FMC (Bid No. U5Z49550).

7. 7-Day Rule

This mechanism is not currently in use in the City contracting process, and was only utilized once.

8. MBEC Certified Firms Named in the Bid, Not Included in Contract Work

A properly constituted City compliance unit with the appropriate technology and staffing to monitor contract compliance in a systematic and uniform manner could fully manage and investigate these types of issues. Currently, MBEC is only capable of responding to these issues based on vendor complaints on a case-by-case basis with the assistance of the Legal Department, the department managing the affected City contract, and other agencies, including the Inspector General and the City Controller. MBEC cannot and should not stand alone on compliance issues. City departments create and manage the contracts and must be proactive and accountable to enforce M/W/DSBE contract requirements.

9. Waivers

The Report indicated concern regarding the excessive granting of waivers based on a survey and the testimony of witnesses at a series of hearings. In response, MBEC staff set M/W/DSBE participation ranges in individual City contracts and determines the responsiveness of bid submissions to M/W/DSBE participation requirements. The Mayor's Reauthorized Executive Order 02-05 (See Sections 1A and 6A), attached to the Report details relevant case law that requires the City to utilize narrowly tailored strategies to remedy discrimination including waivers (Also, see Section 17-509, of the Philadelphia Code, also attached to the Report). Despite the perception of survey participants, MBEC in evaluating bid submissions does not look to grant waivers, but requires bidders to demonstrate the achievement of the M/W/DSBE participation ranges in their bid submissions

and supporting documentation, or be deemed non-responsive to the contract requirements. MBEC will only grant waivers under limited circumstances after it conducts a thorough analysis of the bidder's good faith efforts to solicit the participation of M/W/DSBEs.

10. Unbundling of Bid Packages

In order to enable small businesses, including M/W/DSBEs to better compete for City opportunities, the City has utilized the unbundling of bid packages in initiatives such as the Neighborhood Transformation Initiative (NTI) Small Demolition Bid Package Program, and the Small Order Purchase Program for purchases ranging from \$500 to \$25,000. In addition, the Procurement Department with input from the City department managing the contract, may award a contract in whole, by section, or by individual line item considering factors such as cost considerations, bid and contract management structure, and evaluation of business practices.

Of course, the City needs to do more to further the participation of small businesses in City contracts, including the utilization of strategies such as strategic sourcing and cooperative purchasing. The Commonwealth of Pennsylvania reported that it instituted strategic sourcing in 2003 and that minority and woman owned business participation in strategically sourced commodities for the state increased from 2 to 25% by 2005 (Source: Government Procurement, Katherine K. Frisch, editor, August 2005).

11. Access to Bonding

City initiatives to increase M/W/DSBE access to bonding have included the NTI Small Demolition Bid Package Program described above. The program allowed for the modification of several bond requirements and performance bond forms to reflect the reduced level of risk in that the program requirements included limiting the maximum contract size to \$500,000. This process made it easier for contractors to obtain bonding and financing due to the smaller amounts of the contracts. The City also established a wrap-around insurance program for contractors in the NTI demolition program, administered by the City's Risk Management unit. As appropriate, future City bond programs can utilize this model, and other strategies, and should continue to work with bond insurers in the industry to adopt standards that will enable M/W/DSBES to obtain bonding for City projects.

12. Prompt Payment

The Office of the Director of Finance through the Accounting unit attempts to process payments to vendors in a timely manner, generally within 45 days following acceptance of the goods and services. The City also offers the option to receive payments electronically through enrollment in automated (ACH) to allow for more timely receipt of payments along with the better management of vendor accounts receivable.

Payment delays may still occur. Common causes for payment delays include: mathematical errors, purchase order number is missing, the invoice is not sent to the proper location, and/or, the City department managing the contract, or the City Controller's Office reviewing an invoice vouchered for payment has concerns such as the adequacy of time records (in providing dates worked, number of hours and hourly rates), inadequacy of departmental approvals, and other issues.

The monitoring of the City's standard contract provision requiring that prime contractors pay their subcontractors within five (5) days of receiving payment should be included as part of a systematic contract compliance review of a bona fide compliance unit. The uniform compliance review would enable City agencies to accurately track payments to MBEC certified vendors, who are mostly subcontractors and to better ensure prompt payment.

13. Technical Assistance

Currently, MBEC assists certified vendors in obtaining technical assistance and gathers informational data, and refers vendors to the appropriate sources such as PIDC, PCDC, lending institutions, and organizations such as the Wharton Small Business Development Center, Temple Small Business Development Center, and the Minority Business Development Center to obtain technical and financial assistance to increase their business capacity.

As one example - earlier this year, MBEC hosted an event with Citizen's Bank in the City's Municipal Services Building that presented the Philadelphia Business Builder Loan Program to MBEC certified vendors. The bank's representatives serviced vendors on the spot and several vendors were able to obtain loans and credit lines. Citizen's Bank developed this program to offer more flexible small business loans and line products to businesses located in predominately minority census tracts or those located in low and moderate income census tracts in the City of Philadelphia. Through this program, Citizen's Bank has determined that it can generate more small business loans and increase capital access to these targeted small businesses.

14. Not-For-Profit Contracts

Although the City certification program does not currently include certification for not-for-profit contractors, (MBEC briefly certified not-for-profit contractors in the mid-nineties but discontinued the practice). This office has been reviewing the best practices of other governmental agencies that provide certification for not-for-profit contractors, such as the School District of Philadelphia, and the state of Massachusetts to determine the feasibility of adopting this practice.

15. Certification Process

Under my tenure, MBEC has utilized the recommendations of the Controller's 2004 Audit Report since June, 2006 to benchmark internal management controls in order to improve the delivery of services and has worked with an independent consultant to evaluate MBEC's performance (see attached).

During this time period, MBEC has eliminated a substantial backlog of close to 200 City files that included applications from 2003. MBEC has also established the standard of a 90-day turnaround for new applications (from the date that all pertinent documents have been received), and is establishing targeted time frames to process recertification and commodity code change requests. Inadequate staffing remains a challenge as MBEC is charged with the unfunded mandate of processing federal DBE certification applications along with City M/W/DSBE certification applications.

Additional resources such as adequate training for specialists and up-to-date technology are needed to enhance the effectiveness of operations, reporting capabilities and to further streamline the certification process. The installation of a new web-based certification tracking system remains a top priority and is essential to further improve the certification process.

MBEC has been able to increase the amount of new certification applications completed within its 90-day standard, and this office disputes the finding that 120 days is the average time for processing applications. This office was also able to establish through its own best practices review of cities such as Houston that the 90-day standard is viable, and the City Controller's 2004 Audit Report also recommended the same standard. Completing recertifications within 60 days is also an MBEC goal.

MBEC continues its participation in the federal PA UCP program, and for most of 2007, utilized a consultant to assist with the recertification review of over 600 files, most of which had been improperly grandfathered into the program during 2004. To date, the majority of the review is complete. Notably, the major concern of PENNDOT throughout the reassessment process was the under-resourcing of MBEC including inadequate staffing and the lack of technology to facilitate the timely completion of the DBE recertification process.

16. Action Steps

Since 2006, this office has been working proactively to address the challenges facing MBEC have been able to achieve the following:

- Initiated an unprecedented analysis and review of the reporting process and actively worked to overhaul the process and to obtain the needed technology to achieve accurate reporting of actual payments to M/W/DSBEs
- Identified challenges with IMPACT/SYMTRAC and worked with the Office of the Director of Finance to initiate action to activate the system and to consider viable process alternatives to monitor compliance.

During December, 2007, MBEC continues to work with representatives from MOIS, and other units within the Office of the Director of Finance including Accounting and Procurement to identify viable options to obtain operational certification and compliance tracking systems. The City should also create a bona fide compliance unit with sufficient resources including staffing and technology to effectively manage contract compliance.

- Created a City team of representatives from various departments to make recommendations to improve MBEC's operational processes
- Benchmarked the recommendations of the 2004 City Controller's Audit Report and instituted internal management oversight and controls
- Significantly reduced the backlog of City certification applications, some dated from 2003
- Created an Action Team comprised of MBEC staff to expedite the review of City certification applications in group meetings
- Initiated action for an outside consultant to review and assess the M/W/DSBE annual participation report process

In November, 2007, my office initiated the review and verification of the M/W/DSBE annual participation report numbers by an outside consultant, Econsult Corporation as part of the Action Plan presented before the City Council Committee on Commerce and Economic Development (see attached). The review includes the completion of a report by Econsult that will be included as an addendum to the FY 06 Annual Disparity Study. The addendum report to be released shortly will include Econsult's analysis of the data collection and goal setting processes completed by the Office of the Director of Finance for the annual reports. MBEC intends to utilize the addendum report to further the needed enhancements and major changes to the reporting process, including adequate electronic software to track and processes to measure actual payments to MBEC certified vendors.

The newly hired Deputy Director of Certification within the past thirty days has instituted initiatives to continue the improvement of the certification process, including the establishment of a weekly review process to identify certification process challenges. This process has included but is not limited to the following activities:

- Consistent review to evaluate the workload of staff
- Allocation of additional time and expertise for certification decisions involving complex issues

- Specialists are assisted with additional training in regulatory policies and procedures
- Historically, MBEC has been limited to an outdated and/or manual certification tracking system. Pending the installation of an updated system, MBEC has tightened management controls to track the certification process and managers are working more closely with staff to ensure the efficiency of certification work flow.

In conclusion, MBEC has made progress, but significant challenges remain that require the commitment of leadership and resources to ensure that minority, woman and disabled owned businesses are able to maximize their participation in City contracting opportunities.

I look forward to continuing to work with your office to achieve these objectives going forward.

Sincerely,



Carolyn H. Nichols. Esq
Deputy Finance Director and MBEC Director

cc: Joyce Wilkerson, Chief of Staff
Loree D. Jones, Managing Director
Vincent J. Jannetti, Acting Finance Director
All members of City Council



June 30, 2007

Director, Minority Business Enterprise Council
1401 JFK Boulevard
Suite 330 MSB
Philadelphia, PA 19102

Dear Carolyn,

It has been our pleasure to work with you this past fiscal year to bring about records improvements in the Minority Business Enterprise Council. Using the audit findings of the City Controller and Pennsylvania Department of Transportation as a starting point, LRW Solutions Group responded to the priorities set by your Certification Division's management to bring about changes that had a substantial impact on managing inventory, access and accuracy of critical certification files in MBEC. Your staff has also worked hard to turn the problems and challenges of the past into successes.

One of the areas identified by the Deputy Director of Certification as a #1 priority was being able to locate every file when needed. LRW created a baseline inventory of every file in the MBEC tracking system and every file on the UCP spreadsheet. As a result, the office now knows what files it has, where they are located and which files may be missing. Actions can now be taken to resolve the shortfalls.

The following is a summary of the improvements LRW has worked with the staff to bring about in MBEC:

- Conducted a full inventory of MBEC-certified files as matched up against the MBEC Tracking System to provide a baseline of all firms certified with and without an accompanying file folder. Reports provided to Deputy Director of Certification.
- Conducted a full inventory of PA UCP files as matched up against the UCP tracking spreadsheet and segregated all non-participating files. UCP files currently being worked on as part of PennDOT's assistance program have been pared down considerably. Reports provided to Deputy Director of Certification.
- Reorganized UCP file room to separate files by status, freeing up additional space
- Reorganized MBEC file room, freeing up additional space
- Transferred 53 boxes (547 files) of MBEC expired files to the city's Records Center. Files are fully inventoried, data input into city's Records Center software and reports provided to Deputy Director of Certification.
- Removed, boxed and labeled MBEC withdrawn files, freeing up additional cabinet space. Boxes are ready for transfer to the Records Center and reports provided to Deputy Director of Certification.

June 30, 2007

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- Coordinated Records Center training for MBEC staff so that the office can conduct on-going, annual or as-needed records transfers. This allows the office to continue its records management initiatives.

The attached report is an update to the Progress Report of Accomplishments provided to you earlier. This report is designed not only to list the FY2007 accomplishments we know of or helped to bring about (and these may even need adjusting), but also to show the audit areas where improvements can still be made. These bullet points can serve as an action plan for the MBEC office going into the next fiscal year. Printed copies of this report and letter will be mailed to you.

Again, thank you for the opportunity to assist your office. If we can be of service to you in the future, please do not hesitate to contact us.

Sincerely,

Diane Eulo

Tricia Dougherty

**City of Philadelphia
Minority Business Enterprise Council
FY 2007 Accomplishments**

The following report lists MBEC's accomplishments and planned actions in answer to findings in the City Controller's 2004 audit and Pennsylvania Department of Transportation's 2006 review of the UCP program.

A. City Controller's Audit of 2004

1. Businesses being inappropriately certified as disadvantaged/Lack of management oversight
 - o Completed Actions:
 - Action Team established in June 2006 to make certification decisions on backlogged applications. Team members work together to standardize the way decisions are made.
 - Four full-time personnel hired and a Deputy of Certification put in place to improve the certification process and increase management oversight of final certification decisions
 - Additional level of supervision and oversight created by placement of a team leader of support staff
 - Process in place to review recertification applications as if they were new applications so that appropriate certification can be ensured
 - Staff trained to process certification files consistently
 - o Planned/Scheduled Actions:
 - Create policy manual with detailed guidance and instructions on eligibility for MBE status
 - Update procedural manual with process for each MBEC function including requiring supervisor review and sign-off
 - Develop formalized checklists and other standardized forms that document the process, fixing accountability and ensuring accurate and consistent determination of decisions
2. Turnaround time for certification varying widely
 - o Completed Actions:
 - Established office-wide goal to complete the certification cycle for every application within 90 days for all new files – implementation complete
 - Backlog of over 400 files has been depleted. MBEC Office is current on all applications.
 - Established target dates for processing applications through all steps
 - MBEC accepting reciprocal certifications from government entities since November 2005 which substantially increases number of certified firms and helps avoid backlog
 - Two additional Quality Control resources hired to improve processing time on new applications; bins checked daily to start initial processing, instead of every few days
 - Process flow diagram developed, detailing turnaround times for each certification step so that MBEC management can better manage processing times

- Planned/Scheduled Actions:
3. Process for establishing participation levels on contracts not standardized or documented
 - Completed Actions:
 - Planned/Scheduled Actions:
 - Develop criteria for determining participation ranges
 - Train staff to keep records of all bids and RFP's reviewed and notes on the basis for arriving at participation percentages
 4. Staff not attending pre-bid meetings
 - Completed Actions:
 - Planned/Scheduled Actions:
 5. Contracts not being effectively or consistently monitored
 - Completed Actions:
 - Hired Senior Compliance and Enforcement Officer/Team Leader who is an experienced government contracts professional to improve contract compliance
 - Planned/Scheduled Actions:
 - Develop procedures to monitor contracts and manage post-contracting activities with firms
 - Research viable tracking systems for post-contracting activities
 6. Case files disorganized, public information outdated and inaccurate
 - Completed Actions:
 - Implemented new process to handle customer calls/requests faster, more efficiently and more accurately
 - Implemented new policy to limit access to file room
 - MBEC Directory is now up-to-date with currently certified firms. Sent notification to all firms in MBEC directory with expired certifications to submit recertification affidavits; removed those firms who did not respond.
 - Transferred 53 boxes (547 files) of expired records to Records Center – allowed better organization and access of current files in file room
 - Trained personnel on use of Records Center software to transfer records
 - Extended certifications of all firms in MBEC directory expired in the past year to allow staff to deplete the existing backlog
 - Completed full physical inventory of MBEC files as compared to tracking system list, to create a baseline for proper tracking in future
 - Developed standards for file organization and content to ensure all files are processed consistently
 - Reorganized MBEC file room to properly order files and label drawers; created additional cabinet space due to export of expired files to Records Center
 - Planned/Scheduled Actions:
 - Research software applications to replace MBEC Tracking System and implement
 - Work with Records Department to modify retention guidelines to facilitate identification of records for long-term storage

- Develop and implement a plan to process firms' requests for commodity code changes
- 7. Measurements of MBEC's success not monitored
 - Completed Actions:
 - Consultant on board assisting with new studies and reports required by the City
 - Planned/Scheduled Actions:
 - MBEC will soon be reporting results by fund category

B. Pennsylvania Department of Transportation's Review of PA UCP Certification Program of 2006

1. Affidavits of No Change submitted and review annually
 - Completed Actions:
 - Planned/Scheduled Actions:
 - Develop procedure to scrutinize files for submission of affidavit or assist in scrutiny of files
 - Create procedure for tracking this information
2. Airport Concessionaire DBE's – site visits conducted and PA UCP applications on file
 - Completed Actions:
 - Planned/Scheduled Actions:
 - Develop procedure to scrutinize ACDBE files to ensure compliance or assist in scrutiny of files
 - Create procedure for tracking this information
3. Separate processing and letterhead for MBEC and UCP certifications
 - Completed Actions:
 - Hired two new resources to improve processing of PA UCP packets
 - Reorganized UCP file room to properly order files, separate by status, label drawers, and physically separate MBEC from UCP files; created additional cabinet space due to segregation of firms no longer UCP certified
 - Segregated over 250 files that are no longer participating in UCP program
 - Planned or In Progress Actions:
 - Staff working closely with PennDOT administrator to bring all current UCP files up to date to prepare for resumption of PC UCP certification center in MBEC
 - UCP program will be pared down to include only a limited set of firms who are fully qualified and participating in the program
 - Remove all UCP labels from non-UCP (MBEC) file folders
 - Separate certification files into distinct City and Pennsylvania UCP files; 60 files completed to date
 - Develop procedural manual for processing UCP certifications
4. PA-UCP database mixing MBEC and UCP data, duplicate entries for firms, firms being removed
 - Completed Actions:
 - Planned/Scheduled Actions:

- Once PennDOT QC period ends, ensure all UCP files are entered into state UCP database, and not in MBEC Tracking System
- Develop and implement procedures for day-to-day administration of the UCP program and UCP database

MBEC Action Plan

Review and Verify the City's M/W/DSBE Participation Report Numbers

Time frame: to be accomplished within the next two – three weeks

1. Complete review of the Office of Director of Finance/MBEC's participation report numbers and report compilation procedures by Econsult and attach the findings as an addendum to the FY 2006 Annual Disparity Study. This step is crucial for the City to verify and validate the City's actual utilization of M/W/DSBEs in City contracts which serves as the base line for the City's anti-discrimination policies, and the methodological cornerstone of the City's remedial actions including disparity studies. If the City's participation numbers are perceived as not credible, then all of its anti-discrimination strategies through MBEC and/or other City agencies are rendered ineffective and suspect as a practical reality.
2. As part of the addendum, Econsult should include a Goal Setting Report to serve as a policy guideline for the Office of the Director of Finance/MBEC to establish the City's annual participation goals required by relevant City Council legislation that can also be incorporated in setting M/W/DSBE participation goals in individual City contracts. The Commonwealth of PA has adopted this approach and the City can benefit from using this methodology to establish credibility and believability in its annual participation goals as well as the entire M/W/DSBE participation goal setting process that serves as the basis for MBEC's participation reports and M/W/DSBE utilization strategies.
3. Upon the completion of the review and findings, a briefing meeting should be established including City Council representatives, the Controller and any other appropriate stakeholders to present the findings of Econsult's review and to get feedback. The report can be amended as appropriate based on these discussions.
4. Econsult's final report should be attached as an addendum to the FY 2006 Annual Disparity Study and released to the public and made available on the City's web site.

City Council Committee on Commerce and Economic Development
Public Hearing re R070741 November 15, 2007
Presented by Carolyn H. Nichols, Esq
Deputy Finance Director and MBEC Director