

Date: March 27, 2019
To: Patrick A. Duhaney, City Manager
From: Diana Christy, Interim Director, Metropolitan Sewer District of Greater Cincinnati
Subject: MSD 2018 SBE Spend Performance

The attached report provides an overview of the Metropolitan Sewer District of Greater Cincinnati (MSD) Small Business Enterprise (SBE) spend performance in 2018. MSD's spend goals are established for the SBE Program, which is a race and gender neutral program. Contracts are awarded through MSD according to the rules and regulations established by the State of Ohio. The report includes the following information:

I. 2018 Spend Performance by Location

Included in the report is a breakdown of dollar and percent SBE spend by business location. The category labeled as 'Spend in Hamilton County' tracks spend with SBE firms located in Hamilton County. The category labeled as 'Spend in Cincinnati' tracks spend with SBE firms located in the City of Cincinnati (and Hamilton County). The final category, 'Spend Regardless of Location', tracks the total amount of spend with SBE firms, including those located outside of both Hamilton County and Cincinnati. The 'Spend Regardless of Location' category is the primary category MSD uses to report spend performance data. In 2018, MSD spent more than \$20.5 million with certified SBEs.

II. 2018 SBE Spend Goals and Performance by Commodity Category

The report includes 2018 SBE spend goals and SBE spend performance (by percent and dollar) in each of the three tracked commodity categories: Construction (30% SBE goal), Professional Services (10% SBE goal) and Supplies/Services (15% SBE goal). The data includes payments to both SBE Prime contractors/consultants and SBE subcontractors/subconsultants where available. In 2018, MSD exceeded its Construction and Professional Services SBE goals at 37.3% and 28.8% respectively, and achieved 11.3% SBE participation in the Supplies/Services commodity category. Combined, this represents a total of 24.2% SBE participation on contracts subject to the SBE Program.

III. Five-Year Spend Comparisons

The report also includes data on MSD SBE spend performance (by percent and dollar) within each commodity category from 2014-2018.

IV. Exclusions

The SBE Spend Performance report tracks spend with SBE and non-SBE firms, less exclusions. "Exclusion" means (1) those expenditures that, by their nature, do not occur on a competitive basis; (2) those expenditures made to non-profits, other public agencies or to excluded vendors; (3) expenditures associated with object codes within the City's coding system that do not fall into the classifications of construction professional services, or non-professional services/supplies; and (4) voucher payments associated with utilities, travel, and interdepartmental expenditures. Exclusions for 2018 totaled over \$100 million.

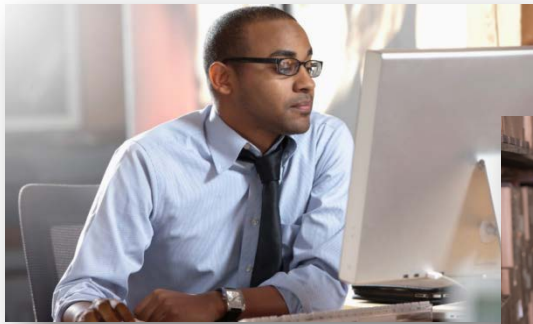
V. **Water Pollution Loan Control Fund Disadvantaged Business Enterprise Program**

The SBE Spend Performance Report also does not include construction spend on projects nominated for the Water Pollution Control Loan Fund (WPCLF) administered by the Ohio Environmental Protection Agency (EPA) and the Ohio Water Development Authority (OWDA). As a condition of WPLCF assistance, MSD administers the WPCLF Disadvantaged Enterprise (DBE) Program which establishes minimum DBE spend goals for WPCLF projects. WPCLF DBE spend data is compiled in a separate report submitted annually to the EPA. Current WPCLF contract values total more than \$175 million and include large projects such as the Lick Run Valley Conveyance System and the Werk & Westbourne EHRT Facility.

Attachment

cc: Sheila Hill-Christian, Assistant City Manager
Markiea L. Carter, Director, Department of Economic Inclusion
Vanessa D. Smedley, Wastewater Administration Superintendent, MSD
Amanda G. Gray, Supervising Management Analyst, MSD

2018 Spend Report



March 27, 2019

Source of contract award information from the
City of Cincinnati Vendor Compliance and Certification System
Contracts monitored by the MSD SBE Office

2018 MSD SBE Spend Report

City of Cincinnati - SBE Spend Report - Sewers - 40C
 MSD Expenditures Only
 Includes BSBE, MSD-SBE, SBE, SLBE Certification Types
 Between 1/1/2018 and 12/31/2018

Attachment I

Spend in Hamilton County				
Category	City Certified and MSD Registered	Not for Credit	All Spend	Percent for Credit Spend
Construction	\$9,881,791.75	\$8,558,301.18	\$18,440,092.93	53.59%
Professional Services	\$6,367,579.40	\$11,802,288.91	\$18,169,868.31	35.04%
Supplies/Services	\$3,979,509.52	\$15,922,569.68	\$19,902,079.20	20.00%
Grand Total	\$20,228,880.67	\$36,283,159.77	\$56,512,040.44	35.80%

Spend in Cincinnati				
Category	City Certified and MSD Registered	Not for Credit	All Spend	Percent for Credit Spend
Construction	\$4,205,690.24	\$742,045.94	\$4,947,736.18	85.00%
Professional Services	\$1,614,505.86	\$2,161,028.23	\$3,775,534.09	42.76%
Supplies/Services	\$662,124.35	\$5,350,616.58	\$6,012,740.93	11.01%
Grand Total	\$6,482,320.45	\$8,253,690.75	\$14,736,011.20	43.99%

Spend Regardless of Location				
Category	City Certified and MSD Registered	Not for Credit	All Spend	Percent for Credit Spend
Construction	\$10,077,213.60	\$16,970,499.85	\$27,047,713.45	37.26%
Professional Services	\$6,457,916.85	\$16,005,430.79	\$22,463,347.64	28.75%
Supplies/Services	\$3,982,019.52	\$31,411,786.02	\$35,393,805.54	11.25%
Grand Total	\$20,517,149.97	\$64,387,716.66	\$84,904,866.63	24.16%

Spend Regardless of Location takes into account spend with all MSD vendors, including those who are not located in Hamilton County or the City of Cincinnati

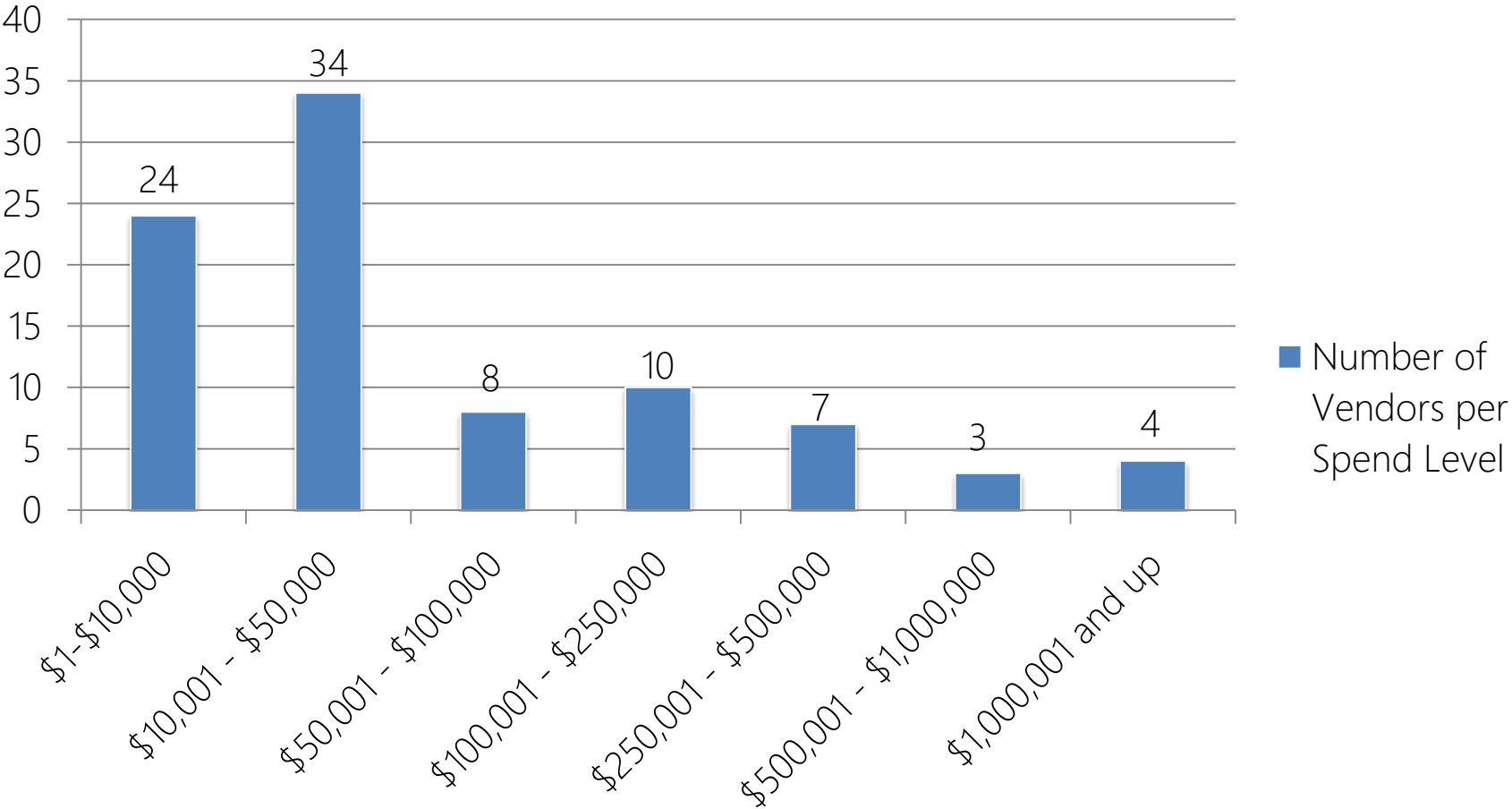
2018 MSD SBE Spend Report

- Tracks spend with SBE and non-SBE firms, less exclusions
 - Expenditures may be excluded based on factors including the type of expenditure or the vendor
 - 2018 exclusions totaled just over \$100 million
- Also does not include construction spend on projects nominated for the Water Pollution Control Loan Fund (WPCLF):
 - Projects adhere to the WPCLF Disadvantaged Business Enterprise (DBE) Program
 - Current WPCLF contract values total more \$175 million

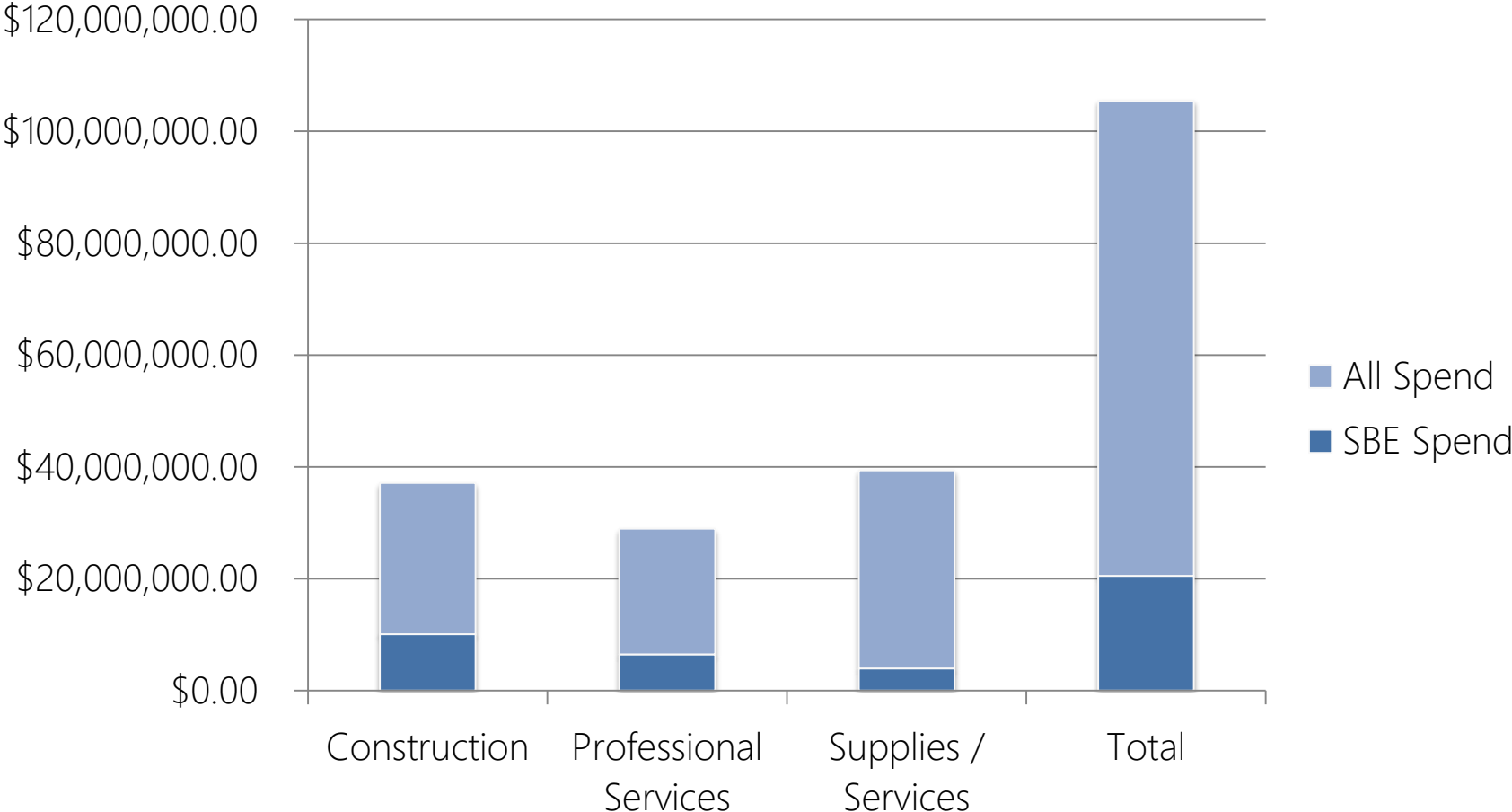
2018 SBE Spend Detail

- MSD made payment through direct contracts or subcontracts to **90** SBE firms
- Spend values per SBE firm:
 - Average spend per SBE \$227,968.33
 - Minimum spend per SBE \$165.00
 - Maximum spend per SBE \$5,715,776.11

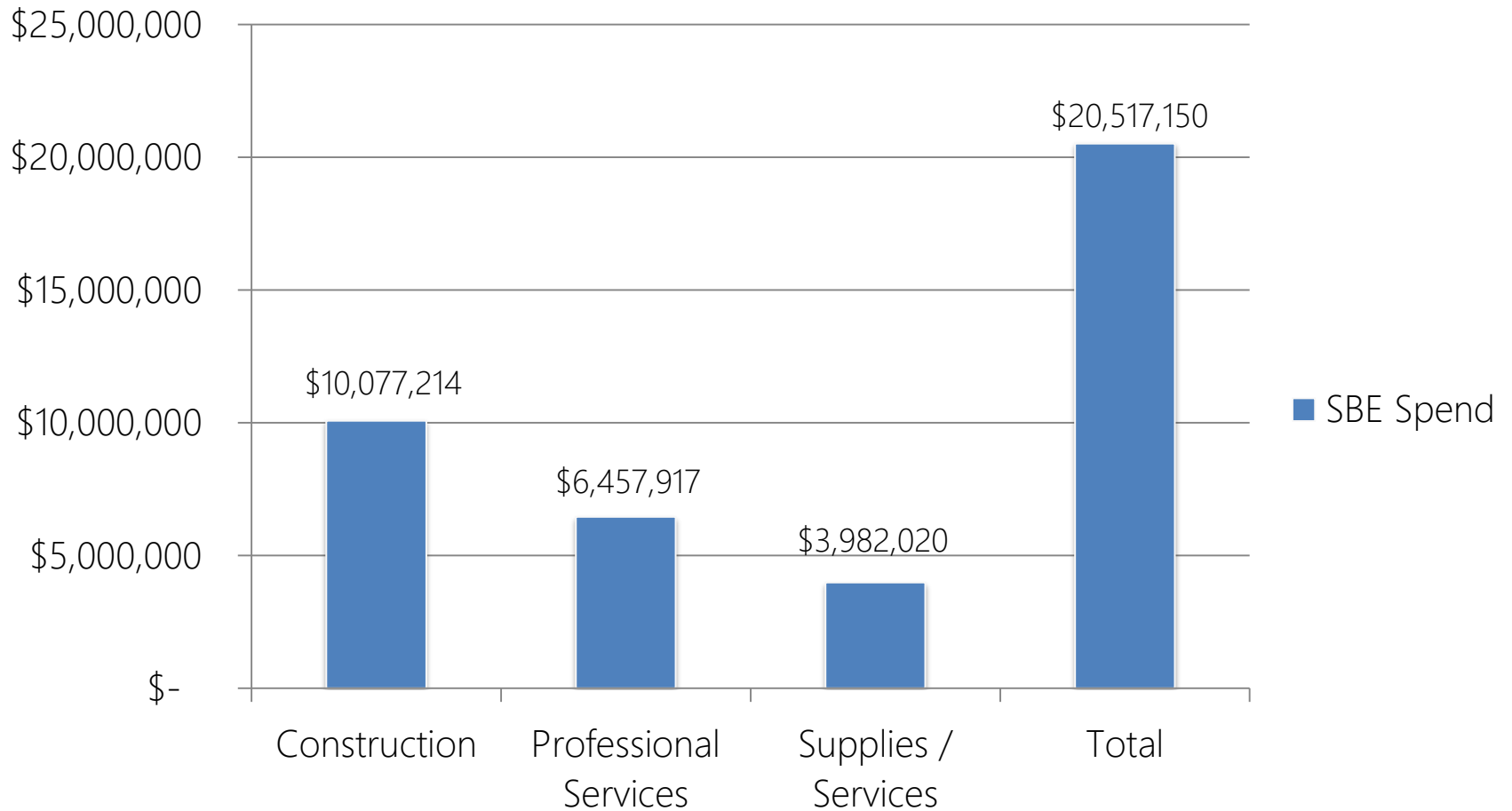
2018 MSD Annual Spend Per SBE



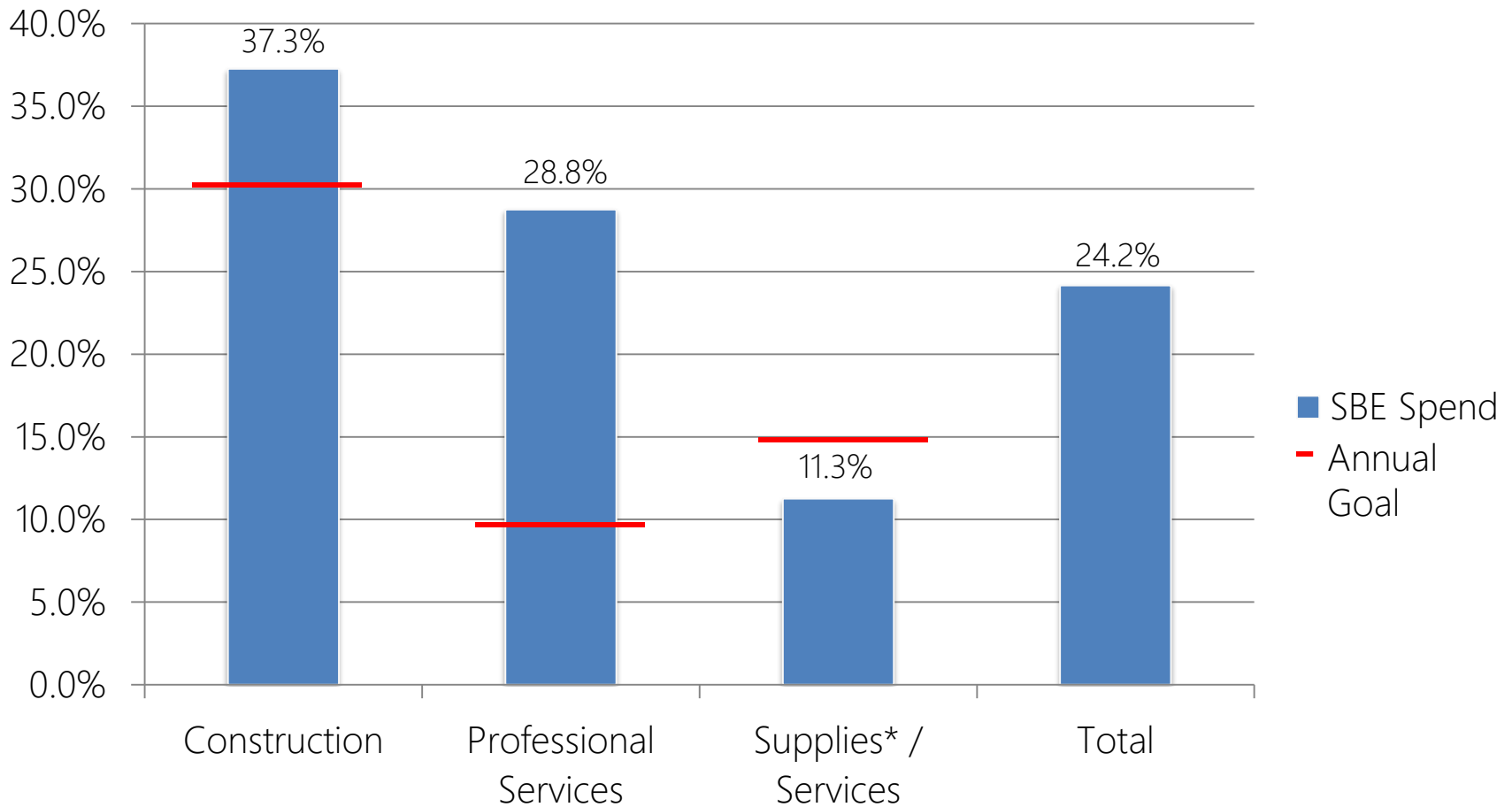
2018 MSDGC Spend (Dollars)



2018 SBE Spend (Dollars)

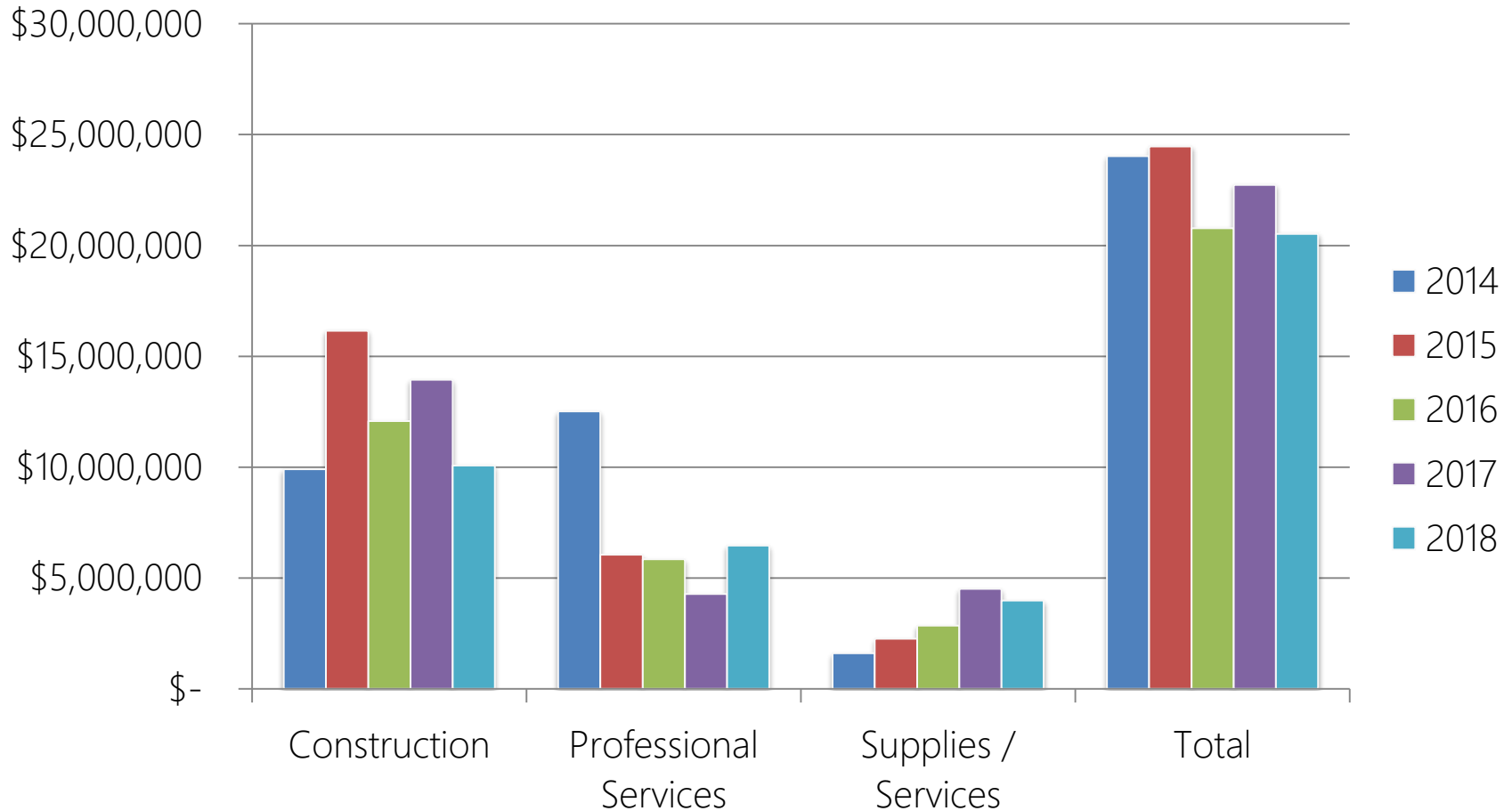


2018 SBE Spend (Percentage)



*Only includes direct spend with SBE suppliers. Does not include subcontractor spend with SBE suppliers.

Annual SBE Spend 2014-2018 (Dollars)



Construction spend has been impacted by factors including the wrap-up of Phase 2 of the Consent Decree and the WPCLF DBE Program. Additionally, a change in MSDGC policies in 2015 resulted in a decrease in the number of MSDGC's consultants and supplemental staff, impacting professional services spend with both SBE firms and non-SBE firms.

Annual SBE Spend 2014-2017 (Percentage)

