

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Procurement Reporting and Coordination (53406)

Service Area Background Information

Service Area Description

The Department works closely with the Department of Accounts and the Department of Information Technology to obtain and provide information regarding the Commonwealth's procurement of goods and services from SWAM firms.

The annual Procurement Report summarizes the amount of purchasing dollars state agencies spent with SWAM businesses, related to total agency dollars spent on procurement for the year. In the past, the Procurement Reports only report upon purchases from ethnic minorities. Ethnic minorities are highly visible and extremely important groups that must be tracked and measured by a number of measures: year-over-year growth, the number of contracts obtained, the size of the contracts, the number of solicitations, and number of different firms contacted in each of the aforementioned categories. The Governor's Executive Order 029 established a quarterly reporting cycle for the Agencies and required the data on Small business enterprises, Women-owned business enterprise, And Minority business enterprises (SWAM). The Department is the focal point for collecting and reporting this information to the Governor.

Service Area Alignment to Mission

The Department generates and submit to the Governor and General Assembly the report on state expenditures to minority business enterprises during the previous fiscal year. This service support the mission of the Department in that it provide direct feedback to the Executive and Legislative branches of the government on the Commonwealth's impact on the growth and development of the Commonwealth's minority and disadvantaged business sector. This service area of DMBE assist agencies in locating and using SWAM vendors. DMBE identifies to the procuring agency a number of SWAM firms that meets the need of the procurement for that agency. There by ensuring competed pricing for products and/or services. This effort support the establishment, preservation, strengthening and promotion of growth for the Commonwealth's SWAM business sector.

Service Area Statutory Authority

Reports and Recommendations; Collection of Data
Section 2.2-1405

The Director shall, from time to time, submit directly or through an assistant to the Governor his recommendations for legislation or other action, as he deems desirable to promote the purposes of this chapter. The Director, with the assistance of the Comptroller, shall develop and implement a systematic data collection process that will provide information for a report to the Governor and General Assembly on state expenditures to minority business enterprises during the previous fiscal year.

Service Area Customer Base

Customer(s)	Served	Potential
Colleges and Universities, HBCU	35	35
General Assembly	140	140
Governor	1	1
State Agencies	170	170

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Procurement Reporting and Coordination (53406)

Service Area Products and Services

- Annual Procurement Report for the Governor and General Assembly.
- Quarterly SWAM Reports for Secretarial and Governor.
- Ad hoc reports to assist Procurement Advocates and agencies' buyers.

Service Area Human Resources Summary

Service Area Human Resources Overview

The service area work force consist of an Asian American woman, an African American woman, an African American man, and a white American man in the full time classified positions. The wage position is filled by an African American man.

Service Area Full-Time Equivalent (FTE) Position Summary

Effective Date:	7/1/2005
Total Authorized Position level	6
Vacant Positions	1
Non-Classified (Filled).....	0
Full-Time Classified (Filled)	4
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	1
Contract Employees	0
Total Human Resource Level	5

Factors Impacting Service Area Human Resources

Anticipated Changes in Service Area Human Resources

DMBE anticipate filling one position prior to the end of the first quarter of FY 2006.

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Procurement Reporting and Coordination (53406)

Service Area Financial Summary

The Procurement Reporting and Coordination area has been in existence for less than a year at present staffing level and has shown the potential to be an invaluable means to provide information on the State's progress towards improvement in procuring goods and services from Small, Women, and Minority, (SWAM), businesses. The Procurement Advocates have reached out to the agencies buyers and champions with training, strategies, and guidance that are beginning to bear results in the amount of procurement being received in the Small, Women, and Minority (SWAM), communities. DMBE staff in this area covers the State performing their duties of training, providing guidance and strategies to agencies buyers and champions and as such the cost of their travel, lodging and meals to support these activities will need to be increase as their efforts increase. The funding of this service area should be increased in order to better address startup costs and costs relating to the increase effort being applied due to increase push by agencies to achieve their SWAM goals.

	Fiscal Year 2007		Fiscal Year 2008	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$253,355	\$162,170	\$253,146	\$162,170
Changes To Base	\$5,217	\$4,412	\$5,217	\$4,412
SERVICE AREA TOTAL	\$258,572	\$166,582	\$258,363	\$166,582

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Procurement Reporting and Coordination (53406)

Service Area Objectives, Measures, and Strategies

Objective 53406.01

Produce quarterly small, women, and minority-business (SWAM) reports for Secretarial and Governor use.

To collect quarterly data from Agencies to generate a Quarterly SWAM Report to monitor the results of the Commonwealth's effort to address the finding in the Disparity Study.

This Objective Supports the Following Agency Goals:

- The goal for Procurement Reporting and Coordination is to produce the SWAM Quarterly Reports within 30 day of the end of the quarter as a tool, along with the Procurement Advocate, to assist agencies in meeting their SWAM goals.

This Objective Has The Following Measure(s):

- **Measure 53406.01.01**

Percentage of executive branch agencies filing quarterly reports.

Measure Type: Output **Measure Frequency:** Quarterly

Measure Baseline: 100% Executive Branch agencies participation.

Measure Target: 100% of Executive Branch agencies reporting quarterly on SWAM procurement.

Measure Source and Calculation:

The number of Executive Branch agencies quarterly SWAM reports received by 30th of the month following the end of the quarter divided by 136.

Objective 53406.01 Has the Following Strategies:

- Provide Agencies notification of their required submittal of their Quarterly SWAM Report by end of the seventh of the month following the end of the quarter.

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Outreach (53407)

Service Area Background Information

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Outreach (53407)

Service Area Description

Outreach to the SWAM and DBE communities is a matter of reaching those whom the Department was created to help. The primary reason for Outreach is to improve the citizens of the Commonwealth's knowledge of the agency's programs and services, the Agency's visibility, and customer perception. By implementing an effective marketing strategy and customer feedback mechanism targeted to state government partners and SWAM and DBE businesses; local, county and federal procurement officers; corporate MBE program directors; the Agency's personnel will educate agency customers on ways to access and utilize agency services. The overall advocacy mission of the Department will be shared with stakeholders through marketing presentations at conferences and seminars. The Office of the Director is the primary point of contact for coordinating all agency media relations, and developing print and broadcast materials for effective public relation campaigns.

The Outreach staff seeks to identify SWAM businesses for the agency's certification program. It also works with MBEs, WBEs and DBEs in its capacity as a partner with VDOT, Metropolitan Washington Airport Authority, (MWAA), and other recipients of U.S. Transportation funds, under the Unified Certification Program, which has certain obligations to assure participation of all MWD/BEs in federally, funded I transportation programs. The Department also works with state, local, federal and private entities that see the Department's assistance with establishing an affirmative outreach program or identification of SWAM and DBE firms to provide goods or services.

As part of its outreach efforts, the Department provides a number of discrete services. They are as follows:

- Certified Businesses and Specialized Vendor Lists

The Department's primary publication is the VDMBE Minority Vendors List. The requests for this publication come from various places: state and local governments, private firms seeking to incorporate minority firms in their bids, and procurement officers seeking to assure that minorities know about an IFB or RFP. There are enormous requests for Specialized Vendor Lists of Certified Businesses from the state and local governments as well as private firms. The Department's has made the list available on its website for downloading and has provided user with a means to search the list of Certified Businesses.

- Management Assistance and Technical Assistance to SWAM and DBE firms

The Department conducts business assessments of SWAM and DBE firms to determine the type of management assistance needed. The assessment determines the sufficiency of the firm's organizational structure, management team, business model, market and/or distribution area, and their business capacity to create value.

The Department's technical assistance range from engaging select firms in a core curriculum designed to improve business operation to providing highly specialized direct services to assess internal controls, manufacturing and processing, estimating, bidding, cost analysis, and distribution.

The management assistance and technical assistance are extended to the field, when possible, where the assistance is applied to the project.

- Other Services

Mentoring, Marketing, Financial Assistance, and Training directly or through Workshops, Seminars,

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Outreach (53407)

Conferences and one on one counseling and access to the Department's Procurement Opportunities Database and Plans Room.

Service Area Alignment to Mission

The Outreach service area contributes to the agency's mission in that this service area is responsible for the Small, Women and Minority, (SWAM), and Disadvantaged Business Enterprise certifications programs. The staff of this service area does outreach to the SWAM and DBE communities for whom the Department was created to help. The Department seeks to identify SWAM firms for the SWAM certification programs. It also works with SBEs, WBEs, MBEs and DBEs to increase their capacity. The Department also works with state, local, federal and private entities that seek the Department's assistance with establishing an affirmative outreach program or identification of SWAM and DBE firms to provide goods or services.

As part of its outreach efforts, the Department provides a number of discrete services. They are as follows:

- Certified Businesses and Specialized Vendor Lists

The agency's and the service area's primary publication is the SWAM Vendors List and the DBE Directory both are available on the agency's web page. The Outreach service area receives requests for this publication from various places: state and local governments, private firms seeking to incorporate minority firms in their bids, and procurement officers seeking to assure that minorities know about an IFB or RFP. There are enormous requests for Specialized Vendor Lists of Certified Businesses from the state and local governments as well as private firms. The Outreach service area has made the list available with a means for users to search the list of Certified Businesses.

- Management Assistance and Technical Assistance to SWAM and DBE firms

This service area conducts business assessments of SWAM and DBE firms to determine the type of management assistance needed. The assessment determines the sufficiency of the firm's organizational structure, management team, business model, market and/or distribution area, and their business capacity to create value.

The technical assistance provided range from engaging select firms in a core curriculum designed to improve business operation to providing highly specialized direct services to assess internal controls, manufacturing and processing, estimating, bidding, cost analysis, and distribution.

The management assistance and technical assistance are extended to the field, when possible, where the assistance is applied to the project.

- Other Services

Mentoring, Marketing, Financial Assistance, and Training directly or through Workshops, Seminars, Conferences and one on one counseling and access to the Department's Procurement Opportunities Database and Plans Room.

The part of the agency's mission is to promote the growth and development of the Commonwealth's minority and disadvantaged business sector and the activities mentioned above serve as tools to achieve this part of the mission.

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Outreach (53407)

Service Area Statutory Authority

Duties of the Department
Section 2.2-1402

The Department of Minority Business Enterprise shall have the following powers and duties:

A. Coordinate, as consistent with law, the plans, programs and operations of state government which affect or may contribute to the establishment, preservation, and strengthening of minority business enterprises.

D. Within constraints of law and availability of funds, and according to the Director's discretion, provide technical and management assistance to minority business enterprises, and defray all or part of the costs of pilot or demonstration projects, which are designed to overcome the special problems of minority business enterprises.

Powers of Director
Section 2.2-1403

As deemed necessary or appropriate to better fulfill the duties of the Department of Minority Business Enterprise, the Director may:

H. Promulgate reasonable regulations in accordance with the Administrative Process Act to implement a certification program for minority business enterprises.

Service Area Customer Base

Customer(s)	Served	Potential
Colleges and Universities, HBCU	35	35
Disadvantaged Business Enterprises (DBE)	446	476
Federal Agencies	5	10
Local Governments	100	136
Minority-Owned Business Enterprises	2,910	103,793
Private Contractors	1,750	19,893
Small Business Enterprises	25,935	470,520
State Agencies	170	170
Voluntary Organizations/Trade Associations	15	20
Women-owned Business Enterprises	3,328	132,219

Service Area Products and Services

- One on one counseling
- Certified Businesses and Specialized Vendor Lists
- Management Assistance and Technical Assistance
- Training directly or through Workshops, Seminars, or Conferences
- Plans Room

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Outreach (53407)

Factors Impacting Service Area Products and Services

The increase in the number of certified SWAM businesses needing this Service Area's services or products.

Anticipated Changes To Service Area Products and Services

The number events that this Service Area will be able to support in the future and the time it takes to deliver service to SWAM business.

Service Area Human Resources Summary

Service Area Human Resources Overview

Service Area Full-Time Equivalent (FTE) Position Summary

Effective Date: 7/1/2006

Total Authorized Position level	13
Vacant Positions	2
Non-Classified (Filled).....	0
Full-Time Classified (Filled)	9
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	2
Contract Employees	0
Total Human Resource Level	11

Factors Impacting Service Area Human Resources

The workload has greatly increase due to the increased number of certified SWAM businesses has began strain Service Area staff.

Anticipated Changes in Service Area Human Resources

Rotating staff members into other service areas.

Service Area Financial Summary

	<u>Fiscal Year 2007</u>		<u>Fiscal Year 2008</u>	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$197,833	\$877,663	\$197,833	\$877,663
Changes To Base	\$5,217	\$25,688	\$5,217	\$25,688
SERVICE AREA TOTAL	\$203,050	\$903,351	\$203,050	\$903,351

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Outreach (53407)

Service Area Objectives, Measures, and Strategies

Objective 53407.01

Provide assistance to certified small, women, and minority-owned businesses.

Provide assistance to firms in order to increase the amount of procurement achieved by certified firms and expand the number of certified firms by communicating with minority-owned, women-owned, small, and disadvantaged business enterprises; state agencies, local, and federal entities; and private-sector businesses and organizations.

This Objective Supports the Following Agency Goals:

- The goal for Outreach is to provide assistance to SWAM firms that would produce greater participation in State procurement with SWAM certified firms.

This Objective Has The Following Measure(s):

- **Measure 53407.01.01**

Number of businesses assisted

Measure Type: Outcome **Measure Frequency:** Annually

Measure Baseline: Number of firms assisted in FY 2005 (33,800 firms)

Measure Target: 35,000 of firms assisted in FY 2007.

Measure Source and Calculation:

The Activity Report

Objective 53407.01 Has the Following Strategies:

- Continue to increase the number of certified SWAM and DBE businesses.

Objective 53407.02

To ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements.

This Objective Has The Following Measure(s):

- **Measure 53407.02.00**

Percent of Governor's Management scorecard categories marked as meets expectations for the agency

Measure Type: Input **Measure Frequency:** Annually

Measure Baseline: The 2005 percentage calculated based on the agency scorecard: 60%

Measure Target: 100% FY 2007

Measure Source and Calculation:

The Management Scorecard five criteria: Human Resource Management, Government Procurement, Financial Management, Technology, and Performance Management. Divide the number of criteria agency scored "Meet Expectation" by five.

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Outreach (53407)

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Certification (53414)

Service Area Background Information

Service Area Description

Certification of SWAM firms and the certification of DBE firms

Certification of SWAM firms and DBE certification, Lists of certified businesses, and a declaration of the certification process are the most sought after products the agency delivers to its customers. The Department is the primary agency for the Commonwealth's SWAM certification. The agency assist DBE firms in establishing validation of their business capacity through certification with the Commonwealth of Virginia.

Service Area Alignment to Mission

This Service Area performs the certification function that is required by the Code of Virginia and directed by Executive Order 029.

Service Area Statutory Authority

Code of Virginia, Section 2.2-1403

Service Area Customer Base

Customer(s)	Served	Potential
Disadvantaged Business Enterprises (DBE)	446	476
Minority-Owned Business Enterprises	2,910	103,793
Small Business Enterprises	25,935	470,520
Women-owned Business Enterprises	3,328	132,219

Service Area Products and Services

- Small Business Certification (SBE)
- Woman-owned Business Certification (WBE)
- Minority-owned Business Certification (MBE)
- Disadvantaged Business Certification (DBE)

Service Area Human Resources Summary

Service Area Human Resources Overview

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Certification (53414)

Service Area Full-Time Equivalent (FTE) Position Summary

Effective Date: 7/1/2006

Total Authorized Position level	9
Vacant Positions	0
Non-Classified (Filled).....	0
Full-Time Classified (Filled)	5
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	0
Contract Employees	0
Total Human Resource Level	5

Factors Impacting Service Area Human Resources

Most of Certification Area's staff has one year or less experience in DBE/SWAM certification.

Anticipated Changes in Service Area Human Resources

Add some staff experienced DBE certification experience and provide some enhancement training .

Service Area Financial Summary

	<u>Fiscal Year 2007</u>		<u>Fiscal Year 2008</u>	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$201,669	\$272,319	\$201,669	\$272,319
Changes To Base	\$4,914	\$11,168	\$4,914	\$11,168
SERVICE AREA TOTAL	\$206,583	\$283,487	\$206,583	\$283,487

Service Area Plan

Department of Minority Business Enterprise

Minority Business Enterprise Certification (53414)

Service Area Objectives, Measures, and Strategies

Objective 53414.01

To provide state certification to minority-owned, women-owned, small and disadvantaged business enterprises in order to increase their opportunities to do business with the state.

Increase the number of SWAM certified business.

This Objective Supports the Following Agency Goals:

- The goal for Certification is to increase the number certification of Small, Woman, and Minority (SWAM) Businesses and Disadvantaged Businesses (DBE) by 25%.

This Objective Has The Following Measure(s):

- **Measure 53414.01.01**

Number of certified businesses

Measure Type: Outcome **Measure Frequency:** Annually

Measure Baseline: The number of certified firms at the end of FY05 (4769).

Measure Target: The number of certified firms at the end of FY07 (greater than 6000).

Measure Source and Calculation:

The DMBE's certification database.

Service Area Plan

Department of Minority Business Enterprise

Capital Access Fund for Disadvantaged Businesses (53417)

Service Area Background Information

Service Area Description

In accordance with the legislative mandate, the Virginia Department of Minority Business Enterprise has aggressively focused on the development of the Capital Access Fund for Disadvantaged Businesses. This is the foundation of the Department's Providing Access to Capital for Entrepreneurs Program. (P.A.C.E). The goal of the P.A.C.E. program is to expand the purview of the Department of Minority Business Enterprise through the provision of critically important financial resources for disadvantaged entrepreneurs. The Department has leveraged the current funding of \$200,000 for loan guarantees into loans totaling over \$500,000 from the Program's lenders. The successful implementation of the PACE Program is facilitated through building and maintaining effective partnerships with a committed network of lenders, as well as with funding of the Capital Access Fund for Disadvantaged Businesses to the \$1,000,000 level, as indicated at the inception of the Fund.

Service Area Alignment to Mission

The Management of the Capital Access Fund for Disadvantaged Businesses provides a tool for the agency to use in its efforts to promote the growth and development of the Commonwealth's minority and disadvantaged businesses under Section 2.2-1402.

The Capital Access Fund is the foundation of the Department's Providing Access to Capital for Entrepreneurs Program. (P.A.C.E). The goal of the P.A.C.E. program is to expand the purview of the Department of Minority Business Enterprise through the provision of critically important financial resources for disadvantaged entrepreneurs. The Department has leveraged the current funding of \$200,000 for loan guarantees into loans totaling over \$500,000 from the Program's lenders.

Service Area Statutory Authority

Management of the Capital Access Fund for Disadvantaged Businesses
Section 2.2-1402

A. Manage the Capital Access Fund for Disadvantage Businesses created pursuant to § 2.2-2311, and, in cooperation with the Small Business financing Authority, determine the qualifications, terms, and conditions for the use of such Fund.

Service Area Customer Base

Customer(s)	Served	Potential
Disadvantaged Business Enterprises (DBE)	446	476
Minority-Owned Business Enterprises	2,910	103,793
Women-owned Business Enterprises	3,328	132,219

Anticipated Changes In Service Area Customer Base

DMBE anticipated with the increase in the number of certified firms and the increase in the agency's visibility that there will be an increase in the number of firms seeking funding.

Service Area Products and Services

- Loan guarantee for disadvantage businesses up to \$50,000.
- Assistance with preparation of loan package.

Service Area Plan

Department of Minority Business Enterprise

Capital Access Fund for Disadvantaged Businesses (53417)

Service Area Human Resources Summary

Service Area Human Resources Overview

Service Area Full-Time Equivalent (FTE) Position Summary

Effective Date: 7/1/2006

Total Authorized Position level	1
Vacant Positions	1
Non-Classified (Filled).....	0
Full-Time Classified (Filled)	0
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	1
Contract Employees	0
Total Human Resource Level	1

Factors Impacting Service Area Human Resources

Anticipated Changes in Service Area Human Resources

Service Area Financial Summary

	Fiscal Year 2007		Fiscal Year 2008	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$26,091	\$26,091	\$26,091	\$26,091
Changes To Base	\$399	\$843	\$399	\$843
SERVICE AREA TOTAL	\$26,490	\$26,934	\$26,490	\$26,934

Service Area Plan

Department of Minority Business Enterprise

Capital Access Fund for Disadvantaged Businesses (53417)

Service Area Objectives, Measures, and Strategies

Objective 53417.01

To provide means for individuals with diminished capital and credit opportunities to compete in a competitive market area.

Leverage the \$200,000 funding level three fold and assist in getting two loans approved.

This Objective Supports the Following Agency Goals:

- The Agency's goal for P.A.C.E. is to successfully administration and management of the Capital Access Fund for Disadvantaged Businesses in a manner that results in 4 or more sound loans per year.

This Objective Has The Following Measure(s):

- **Measure 53417.01.01**

Total number of new loans

Measure Type: Output

Measure Frequency: Annually

Measure Baseline: One loan achieved in FY 2005

Measure Target: The measure target is two new loans in FY 2007.

Measure Source and Calculation:

The measure data source is the number of loans made during the year under the program

Objective 53417.01 Has the Following Strategies:

- .Identify federal programs (in addition to SBA, USDA, SBIR) and private sector resources that offer grants or other resources that can be converted into staff or equipment in support of the mission and programs of the Department by mid FY-2006 (December 2005).