

April 24, 2017

Living Cities
1040 Avenue of the Americas
Floor 17
New York, NY 10018

Please accept this Letter of Intent to join the 4th Cohort of the City Accelerator.

The City of Milwaukee is excited about the prospect of being selected to participate in the fourth cohort of *City Accelerator*, focusing on Procurement for Inclusive Economic Opportunity. Mayor Tom Barrett has demonstrated a commitment to leveraging city projects and services to positively influence social equity issues. The Mayor, Common Council, and stakeholders see the City Accelerator as a way to unify the city's various approaches to inclusion and generate better results. We want the Accelerator's assistance to develop a means to show that Milwaukee has put together all the pieces, and is showing a measurable economic impact for our residents.

The biggest challenge to leveraging procurement in the city of Milwaukee to increase growth of local businesses and jobs is generally lack of capacity, and low availability of local and small businesses to participate in large dollar contracting opportunities. Milwaukee's annual procurement spend is over \$100 million annually, but on average less than 15% of the overall contract dollars are awarded to under-represented groups such as local businesses owned by people of color.

GOALS

Our goal if selected will be to utilize the city's existing inclusion programs as a platform to maximize contracting opportunities for local businesses, especially those owned and staffed by people of color, at the prime contracting level.

Milwaukee's team will work with the Accelerator's experts to develop non-traditional procurement opportunities and other tools to expand participation and hiring by City residents and businesses. The City has a long history of inclusion efforts, both legislated and collaborative, but those programs and partnerships often work in isolation.

Inclusion of requirements for local hires in city contracting activities has been exclusive to construction related contracts, as are Small Business Enterprise (SBE) goals. Through the Milwaukee Accelerator we hope to accomplish three specific goals/outcomes:

- 1** Increase the percentage of contracting dollars awarded to local businesses owned and staffed by people of color and underrepresented communities in Milwaukee
- 2** Identify city contracts or local business sectors that are prime opportunities to start or expand a business
- 3** Develop a strategy that bridges the various procurement participation programs and increases collaborative efforts toward more inclusion in city contracts

To achieve these goals, the Milwaukee Accelerator team will:

- Convene and collaborate with local businesses and other community partners to clarify opportunities that support inclusion and economic growth, especially for under-represented groups

- Explore policy and program innovations that increase access and contracting activity with local businesses owned by women and people of color as well as incentivize local hiring
- Actively engage and collaborate with Accelerator experts and our peers in Cohort IV to learn and share best practices
- Use the Accelerator to plot a multi-year business capacity strategy in a partnership with local business and other community stakeholders

STRONG FOUNDATION

Both the Mayor and Common Council have demonstrated a serious commitment to implementing programs that focus on inclusion and address issues of social and economic inequity. The list below is a snapshot of Milwaukee’s recent inclusion efforts:

- **2007** - Conducted an independent study of Milwaukee’s Emerging Business Enterprise (EBE) program
- **2008** - Implemented recommendations from the EBE Study to improve internal processes and procedures to support inclusion
- **2008** - Implemented the Business Capacity Building Program to support the growth and development of small businesses with specific outcome measures for increasing revenues, job creation and increasing contracting opportunities.
- **2009** - Adopted the Milwaukee Opportunities Restoring Employment Ordinance (M.O.R.E Ordinance) – expanded requirements for participation of city residents (Resident Preference Program - RPP) to city financed development projects and developed a bid incentive program (Local Business Enterprise - LBE) for locally owned businesses
- **2009/2010** – Launched and completed a Disparity Study
- **2011** - Implemented race & gender conscious (MBE/WBE/SBE) programming
- **2012** - Repealed race & gender conscious programming after legal challenge and court ruling
- **2012** - Adopted Buy American Bid Incentive legislation to support local and U.S. based firms with the goal of impacting job creation and retention
- **2015** - Completed an independent process review of Milwaukee’s inclusion efforts
- **2017** - Increased the LBE Bid Incentive from 5% to 10% for local firms that are also participants in the City’s Small Business Enterprise (SBE) program
- **2017** - Approximately \$192,000 included in the City’s Budget to expand the Building Capacity Program

PROJECT FOCUS

The Milwaukee team is clear that in order to truly support local businesses that are owned by people of color and underrepresented communities, we have to be innovative - and engaged.

Milwaukee’s Accelerator project will be focused on connecting the city’s existing inclusion programs to maximize contracting opportunities for local businesses, especially those owned by people of color.

Traditionally, the inclusion of requirements for local hires and inclusion in city contracting activities has been focused on construction related contracts. Milwaukee would like to develop innovative procurement opportunities for the entire range of city procurements, and take a “money ball” approach to matching our procurement to opportunities for increased inclusion.

That focus requires partnerships and connection with not only the underrepresented businesses and budding entrepreneurs in our community, but with lenders, business development organizations, and the city’s workforce partners.

Data drives innovation, and the city has extensive data for SBE and LBE contracting activity. We hope to better use that data to understand where and how we can build capacity, what our goals for inclusionary procurement should look like, and the impact we are having.

FUNDING NEEDS

If Milwaukee is selected to participate in the City Accelerator, \$100,000 would to support a strong stakeholder engagement component about the proposed focus of the Milwaukee Accelerator project. Milwaukee also plans to use the funding to match its existing business capacity efforts that assist local businesses owned and staffed by people of color to assist them with scaling up, hiring locally, and expansion.

TEAM COMPOSITION

The Milwaukee team is composed of:

- Aaron Szopinski - Policy Director, Office of the Mayor
- Rhonda Kelsey - City Purchasing Director
- Ossie Kendrix - CEO, African American Chamber of Commerce of Wisconsin
- Bernadette Karanja - Workforce Development Coordinator, Milwaukee Common Council
- Nikki Purvis - Director, Office of Small Business Development

Milwaukee clearly understands the importance of collaboration and engagement and has already engaged the following partners to be involved in the Milwaukee Accelerator project:

- Milwaukee Urban League
- Business Chamber Collaborative (African-Chamber of Commerce; Hispanic Chamber of Commerce; American Indian Chamber of Commerce)
- Wisconsin Women’s Business Initiative Corporation (WWBIC)

Thank you for the opportunity to apply, and for your consideration.

Sincerely,

-Aaron Szopinski
Office of Mayor Tom Barrett