

Talking Points – Communication File # 180128

CED Committee – Wednesday April 25th 2018

There appears to be a gap in our monitoring and compliance infrastructure whose opportunity cost is high for minority businesses especially because we know that successful minority businesses tend to hire minority workers.

My observation may need correction, as I am new at the City, and my perception is that it is a challenge to come by information from City Staff when you work for the Common Council. 😊

In our race neutral environment participation tracking for female-led businesses and businesses of color is separated from the tracking system used for prime contractors. The tracking of both minority businesses and prime contractors is also administered in autonomous departments.

In addition, our city has several departments that are Purchasing Agents in their own right, who rarely if at all, share their purchasing decisions with the Purchasing Office in the Department of Administration, nor with the Office of Small Business Development. In addition our beautiful City has made progress with legislation that encourages minority participation, but has struggled since the late 1970s to maintain and empower a compliance office, task force or committee that perpetually tracks implementation of these legislated requirements particularly with regard to the contractual relationship between minority businesses and prime contractors.

It is little wonder then – that a corporation like Sonag would fall below our compliance radar

Honorable members of the CED Committee, may I humbly recommend a review of the substitute ordinance relating to the Residents Preference, small business enterprise and local business enterprise File #151474 Chapter 370-3 to empower then build a position or function within the Office of Workforce Development that works hand-in-hand with the city's departmental contract managers and representatives from the Comptroller's Office *“to establish an internal audit team that randomly evaluates contractors' processes and internal controls with the goal of improving communications and identifying and streamlining processes at risk of fraud, or overspending¹”*. This will help the city in creating an allowable check list of **incentive items** for our corporate champions and **investigative items** on a quarterly or semi-annual basis.

¹ How to Audit for Contract Compliance by Jackie Lohrey, September 26, 2017