



City of Grand Rapids
Economic Development Department
MBE, WBE, MLBE Inclusion Plan Overview for Economic Development Incentive Applications

Introduction

This Inclusion Plan (“Plan”) was developed in support of the [City of Grand Rapids Strategic Plan](#) and the [Equitable Economic Development and Mobility Strategic Plan](#). Beginning January 1, 2021, this Plan will become an integral part of any application for incentives supporting a business or real estate development project.

Purpose

The Inclusion Plan’s purpose is to increase contracting opportunities in Grand Rapids for Minority-owned Business Enterprises (MBE), Woman-owned Business Enterprises (WBE), and Micro-Local Business Enterprises (MLBE), with the overall goals of 1) reducing racial and gender gaps that exist in the construction industry, and 2) increasing economic prosperity and wealth creation by providing greater access to contracting opportunities.

By completing the Plan, applicants for City incentive programs will:

- (a) Establish aspirational goals related to the project for MBE, WBE, and MLBE participation,
- (b) Provide information on outreach and engagement activities during the solicitation period for the project,
- (c) Describe the efforts planned to achieve the aspirational goals, and
- (d) Commit to reporting requirements and information sharing with the City with the goal of enhancing the program and outcomes over time.

The Economic Development Department has worked closely with the City’s Office of Equity and Engagement to optimize the City’s existing programs and design a streamlined process to track MBE, WBE and MLBE goals and participation in City-supported private development projects.

Goals

Specific goals of the Inclusion Plan include:

- (a) Establish a baseline for current levels of MBE, WBE and MLBE participation to increase the number of MBE, WBE and MLBE contractors working on City-supported projects, achieving an increase to their share of total project expenditures from the baseline on a year-over-year basis.
- (b) Increase the number, capacity and access of MBE, WBE and MLBE contractors operating in the City of Grand Rapids and Kent County.
- (c) Offer MBE, WBE and MLBE firms specific, targeted support to increase their capacity.
- (d) Increase the number of MBE, WBE and MLBE firms that are ready, willing and able to perform on both public and private construction projects.

Inclusion Plan as a required component of a project’s application.

Setting aspirational goals for participation by MBE, WBE and/or MLBE firms is a required component of the Plan. Establishing aspirational goals for the project will assist in setting benchmarks and evaluating the success of the program

over time. Providing any justification or explanations for the aspirational goals will serve to inform efforts the City may undertake to increase the availability of firms that are ready, willing and able to perform on both public and private development projects. For example, we can learn over time if there are representation gaps in certain trade categories and work to identify and remove barriers to entry. Providing as much detail as possible will assist the City in advancing its efforts to support capacity-building in the contracting industry.

The City understands that a general contractor (GC) or construction manager (CM) will very likely need to participate in the development of the Inclusion Plan and will therefore make reasonable accommodations in the event a GC or CM has not yet been selected at the time of initial application. In that event, an application may be submitted without an Inclusion Plan and will be preliminarily reviewed by City staff; however, the Inclusion Plan must be submitted and reviewed prior to the first public meeting for a project.

Process

The applicant will agree to submit the following information to assist the City in monitoring and evaluating the success of the Inclusion Plan:

1. Initial Inclusion Plan at the time of application, and before City Commission consideration of the incentives for the project.
2. List of subcontractors who will be receiving notification of the opportunity to bid on portions of the project.
3. Reporting submitted on an ongoing basis during construction in a form approved by the City, used to ensure selected contractors are performing on the project as anticipated based on secured contracts.
4. Final report submitted after close-out of the project, used to assess the success of the Inclusion Plan and inform future City efforts.

Definitions

Minority Group means any of the following racial or ethnic groups:

- African-American: African-American or Black, persons having origins in any Black racial groups in Africa.
- Hispanic: Persons of Spanish-speaking culture with origins in Mexico, South or Central America or the Caribbean Islands, regardless of race.
- Asian: Persons having origins in any of the original people of East Asia, Southeast Asia, the Indian subcontinent, or the Pacific Islands.
- Native American, Alaskan Native, Pacific Islander, Native Hawaiian: Persons descendant of the aboriginal people of any island or territory in the Pacific Ocean that is a possession of the United States.

Minority-owned Business Enterprise (MBE): A local business which is at least 51% owned by one or more persons belonging to a Minority Group. In the case of a corporation, at least 51% of the stock is owned by one or more persons belonging to a Minority Group, and the management and daily business operations are controlled by those persons. MBE firms are nationally- and state-certified by the National Minority Supplier Development Council (NMSDC), or self-identified.

Women-owned Business Enterprise (WBE): A local business which is at least 51% owned by one or more women, or, in the case of a corporation, where 51% of the stock is owned by one or more women, and whose management and daily business operations are controlled by one or more women. WBE firms are certified nationally by the Women Business Enterprise National Council (WBENC), or self-identified.

Micro-Local Business Enterprise (MLBE): A business designation provided by the City of Grand Rapids to businesses that meet the criteria of registration, business age, size and status. For more information, follow [this link](#).

Ready, Willing and Able: Ready means a business currently has the capacity and ability to perform work. Willing means that a business understands the requirements of the work requested and intends to perform the work. Able means that a business has demonstrated its capacity to perform the work.

Inclusion Plan Roles and Outcomes

Phase	Applicant's Role	City's Role	Outcomes
Phase 1 – Application	Initial submission of draft Inclusion Plan	Review and approve Inclusion Plan submission as part of request for City incentive support	Determine completeness of Inclusion Plan, evaluate efforts and/or programming for inclusive contracting
Phase 2 – Post bid / pre-construction	Submission of list of MBE, WBE and/or MLBE contractors secured, and intended contract value	Review contractors and contracted values, noting any significant variation from aspirational goals submitted with initial Inclusion Plan	Validate implementation of Inclusion Plan strategies in bidding process and progress toward aspirational goals after bid phase.
Phase 3 – Construction	Respond to monthly validation requests	Send and assess responses to monthly validation requests	Ensure contractor utilization consistent with bids throughout construction, intervene and redirect, as City determines prudent
Phase 4 – Post construction	Submission of final report	Review and record final outcomes of project, and success of implementation of Inclusion Plan	Determine effectiveness of various program areas and establish industry participation standards, modify program as necessary, develop additional resources for applicants.

Process Detail

Phase 1: Application

The City will evaluate the Inclusion Plan and determine its satisfaction for completion of this phase.

- 1) Draft Inclusion Plan submitted and reviewed by City staff as a part of the application process.
- 2) Feedback offered to applicant.
- 3) Inclusion Plan finalized and executed, including required supporting documentation of relevant programming.
- 4) Public approval process may begin for project.

Phase 2: Post-Bid / Pre-construction

Following bidding, the applicant is required to submit the following documentation that demonstrates good-faith efforts of MBE, WBE and MLBE utilization.

- “Guaranteed Maximum Price” (GMP) contract value.
- List of MBE, WBE and/or MLBE contractors contracted to perform on the project, and the intended contract value for each contractor.
- Documentation demonstrating supply and equipment discounts, if applicable.

Phase 3: Construction

The applicant is required to respond to monthly requests from the City following the start of the project. The request will require the applicant to confirm that the project is proceeding and no meaningful departure from the contracted values is expected, or to explain any current or planned departure. During any time in the project where named subcontractors are not used or underutilized (as compared to expectations established upon securing contractors), an explanation of subcontractor underutilization must be submitted to the City. The City will evaluate situations based upon the

unanticipated barriers to inclusion found in Part D of the Inclusion Plan's Fillable Form, and will proactively work with the applicant to resolve issues at the City's discretion based on the circumstances.

Phase 4: Post-construction

Upon completion of the project, the applicant will submit a final report in a format provided by the City. Failure to achieve the total aspirational goal is not necessarily a breach and does not inherently result in modification to the City's incentive. The City views the implementation of this Inclusion Plan program as a partnership between the City, developers, construction companies and subcontractors. However, substantial variance from the aspirational goals volunteered by the applicant may indicate failure to operate in good faith to achieve these goals. Final reports must be submitted no more than thirty (30) days following project close-out.

The City will evaluate an applicant's MBE, WBE and MLBE utilization each month during the project. Additionally, an evaluation of the overall program and outcomes will be conducted on an annual basis and feedback will be solicited from participants in the evaluation.

Evaluation Criteria:

- Were aspirational goals of the Inclusion Plan achieved?
- Were all the named MBE, WBE and MLBE firms used on the project?
- Were the required and optional Program Area plans performed as described, and what were the challenges and successes?
- Were any new business relationships formed between general contractors and subcontractors?
- If applicable, were there appropriate reasons for deviations and proactive communication with the City in progress towards the aspirational goals stated in the Inclusion Plan?
- Were any efforts or programs particularly effective and can they be duplicated on other projects?

For questions regarding the Inclusion Plan, contact the Economic Development Department at 616-456-3431.