



# Administrative Manual of Operating Procedures

Procedure #: <b>15.05</b>	Procedure Title: <b>Disadvantaged Business Enterprise (DBE) &amp; Targeted Business Enterprise (TBE) Compliance System (B2GNow)</b>		Revision #: <b>1.0</b>
Original Issue Date: <b>06/03/2021</b>	Revised Issue Date: <b>N/A</b>	Next Review Date: <b>06/03/2023</b>	Responsible Department: <b>DAS-CBDP</b>
Statutory References: <b>49 CFR Parts 23 and 26</b>		Ordinance References: <b>MCO Chapter 42</b>	
Appendices: <a href="#">Appendix B – 15.05 LMS Training PowerPoint</a> <a href="#">Appendix C – 15.05(a) Contract Record Creation Flowchart</a> <a href="#">15.05(b) Contract Record Monitoring Flowchart</a> <a href="#">15.05(c) Contract Record Modification Flowchart</a> <a href="#">15.05(d) Contract Record Closeout Flowchart</a>		Forms: <a href="#">Form 15.05(a) – DBE-12 Recommendation</a> <a href="#">Form 15.05(b) – TBE-12 Recommendation</a> <a href="#">Form 15.05(c) – DBE-14 Commitment</a> <a href="#">Form 15.05(d) – TBE-14 Commitment</a> <a href="#">Form 15.05(e) – DBE Good Faith Effort Certificate</a> <a href="#">Form 15.05(f) – TBE Good Faith Effort Certificate</a>	

## 1. OBJECTIVE:

The purpose of this procedure is to provide defined roles and responsibilities for the use of the Targeted Business Enterprise (TBE) and Disadvantaged Business Enterprise (DBE) Compliance System (B2GNow).

## 2. DEFINITIONS:

- A. B2GNow. A diversity management and compliance software used to process applications for DBE Certification, track certified DBEs, perform outreach, and monitor contract compliance. The software also allows Prime Contractors, Subcontractors, Project Managers, and Contract Compliance staff to all view the same information about construction contracts.
- B. CAGE Code. Registration number assigned by the US Small Business Administration when a firm completes the application to obtain SBE status.
- C. CBDP (Community Business Development Partners). A division of Milwaukee County’s Department of Administrative Services (DAS) which ensures that Disadvantaged Business Enterprise (DBE) and Targeted Business Enterprise (TBE) firms are afforded a level playing field in participating on all Milwaukee County procurement contracts. Additionally, CBDP develops participation goals, monitors all payments to its prime contractors through all subcontracting tiers using B2GNow, and enforces Milwaukee County ordinances.
- D. CBO (Central Business Office). A division of Milwaukee County’s Department of Administrative Services (DAS). The CBO provides DAS and operating departments with a full suite of accounting, budgeting, and analytical services. The CBO focuses on ensuring accounting activities are performed in accordance with all applicable statutes, ordinances, rules, policies and generally accepted accounting principles, which allows Milwaukee County departments to focus on their core mission and business responsibilities.
- E. Contract Record. The file created in B2GNow for tracking participation for an executed contract.
- F. Designated Project Manager (PM). A County department’s B2GNow administrator and the project manager of the project associated with the B2GNow contract record. This role may also be done by a Contract Manager, Contract Administrator, or other departmental contract compliance or administrative staff.

- G. Disadvantaged Business Enterprise (DBE). A for-profit small business concern which is at least fifty-one (51) percent owned by one (1) or more individuals who are both socially and economically disadvantaged or, in the case of a corporation in which fifty-one (51) percent of the stock is owned by one or more such individuals; and whose management and daily operations are controlled by one or more of the socially and economically disadvantaged individuals who own it. Milwaukee County shall use the definition of DBE, now in effect or to take effect in the future, as defined by the United States Department of Transportation and associated certification requirements.
- H. Good Faith Efforts. Efforts to achieve a TBE goal or other requirement, which by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the program requirement.
- I. Minority Business Enterprise (MBE). A for-profit small business that is at least fifty-one (51) percent owned by one (1) or more individuals who both belong to an ethnic minority group such as but not limited to: Native American, Black American, Hispanic American, Asian Pacific American, or Sub-continent Asian American or, in the case of a corporation in which fifty-one (51) percent of the stock is owned by one (1) or more such individuals; and whose management and daily operations are controlled by one (1) or more of the ethnic minority individuals who own it.
- J. North American Industry Classification System (NAICS). NAICS is used to classify businesses with a six-digit number based on the primary type of work the business performs.
- K. Prime Contractor or Consultant (Prime). Firm awarded a contract by Milwaukee County.
- L. Small Business Enterprise (SBE). An organized, for-profit business that is independently owned and operated and not dominant in its field. Milwaukee County shall use the definition of SBE, now in effect or to take effect in the future, as defined by the United States Small Business Administration (SBA) and associated identification requirements.
- M. Sub-Contractor or Sub-Consultant (Sub). A Sub-Contractor or Sub-Consultant that has a contract with the Prime or a lower-tier Sub.
- N. Targeted Business Enterprise (TBE). A for-profit business consisting of a DBE, MBE, WBE, or SBE firm that must be registered or certified with at least one of the following:
- i. DBE certified by the Wisconsin UCP
  - ii. MBE certified as minority-owned business with the State of Wisconsin DOA
  - iii. WBE certified as a women-owned business with the State of Wisconsin DOA
  - iv. SBE registered (by federal size standards, NAICS, and registered in SAM)
  - v. SBE certified by Milwaukee County
- O. Wisconsin Unified Certification Program (UCP). The Wisconsin Unified Certification Program includes the following partners: Wisconsin Department of Transportation, Dane County, City of Madison, and Milwaukee County. The Wisconsin UCP also includes 21 non-certifying participants that accept the DBE certification.
- P. Women Business Enterprise (WBE). A for-profit small business which is at least fifty-one (51) percent owned by one (1) or more women or, in the case of a corporation in which fifty-one (51) percent of the stock is owned by one (1) or more women; and whose management and daily operations are controlled by one (1) or more of the women who own it.

### 3. OVERVIEW:

- A. This procedure describes the roles and responsibilities for DBE/TBE contract compliance utilizing the B2GNow system. This procedure covers the following processes:

- i. [Section I. Contract Record Creation](#)
  - ii. [Section II. Contract Record Monitoring](#)
  - iii. [Section III. Contract Record Modifications](#)
  - iv. [Section IV. Contract Record Closeout](#)
- B. This procedure details the responsibilities for each role. The roles covered are:
- i. County Department/Division Director (The Designated Project Manager's Director)
  - ii. CBDP
  - iii. Prime (Contractor or Consultant)
  - iv. Designated Project Manager (PM)
  - v. Sub (Contractor or Consultant)
- C. Note: The Designated Project Manager (PM) may interact only with the Prime and not the Sub. The PM shall direct all correspondence to Sub through the Prime. Any direct communication with the Sub (e.g. for disputes or other issues) shall be handled by CBDP.
- D. For details on the B2GNow system operation and use, reference the help documents available within [B2GNow](#) or sign up for training events available within B2GNow.

#### 4. PROCEDURE:

##### A. Section I. Contract Record Creation

- i. The contract record creation process includes the determination of a DBE/TBE participation goal, execution of a contract between the County and a Prime, creation of the contract record in B2GNow, and reporting and confirmation of payments.
- ii. **Determination of a proposed DBE/TBE participation goal:**
  - a. Prior to issuing any bid, request for proposals (RFP), or request for quotes to hire a Prime, the Designated Project Manager (PM) must submit a DBE/TBE-12 form to CBDP with a suggested participation goal.
    - i. If the project has any federal funding, the PM must request a recommended DBE goal from CBDP. CBDP will determine the final participation goal for the project and return the form to the PM along with any required documents to be included in solicitation.
    - ii. If the project does not have federal funding, the PM must recommend a TBE goal.
  - b. If CDBP approves the suggested participation goal, they will sign and return the document to the PM. If CDBP does not approve the goal, they will return the document to the PM with justification and comments.
  - c. Additional guidance on setting DBE/TBE goals and waivers:
    - i. CBDP established overall County DBE/TBE goals on a triennial basis (every 3 years). CBDP provides participation goal recommendations for individual Construction and professional Services related contracts.
    - ii. The PM may recommend a reduced goal, or 0% waiver based upon the need for specialized services, the lack of subcontractor availability, or other factors.
    - iii. If the PM recommends a participation waiver (goal of 0%), they must complete the form, attach appropriate justification, and submit it to their Department Director for approval.
    - iv. Contracts under \$10,000 automatically receive a 0% waiver. The Department Director shall approve these requests.
    - v. If considering a 0% waiver or goal reduction, the PM shall discuss with CBDP prior to completing the paperwork.

**iii. Pre-bid or pre-proposal meeting:**

- a. The PM must invite CDBP to all pre-bid or pre-proposal meetings. CDBP must attend all federally funded project pre-bid or pre-proposal meetings and to meetings for projects over \$500K with TBE participation. For non-federally funded projects below \$500K, CDBP may choose to attend these meetings or will provide talking points for the PM to review at the meeting.
  - i. The PM will indicate in the meeting invite to CDBP if the project is high profile, sensitive, or may have an unattainable goal. This will help CDBP decide if they should attend the meeting.
- b. The Prime will attend the pre-bid/pre-proposal meeting to receive information about the upcoming project and should invite interested Subs to attend.

**iv. Contract participation plan:**

- a. The Prime will submit a bid or proposal to the PM.
- b. As a matter of responsiveness, the PM will receive bids/proposals. As part of this evaluation of responsiveness, the PM will forward the DBE/TBE participation plan submitted by the apparent low bidder/proposer to CDBP for review. The participation plan consists of completed DBE/TBE-14 forms alone if the plan meets the goal or includes a Good Faith Effort (GFE) form if the plan does not meet the goal.
- c. CDBP will review the participation plan.
  - i. If the participation plan meets the approved goal, CDBP will approve forms and return them to the PM. The contract award will then be processed by the departmental designee. This may be the PM, Contract Manager, or another departmental designee such as an Administrative Coordinator.
  - ii. If the participation plan does not meet the approved goal, CDBP will review the GFE. The GFE determination will be on a pass/fail basis. CDBP will reject and remove from further consideration all bids/proposals determined to have failed participation responsiveness in their submission. Bidders/proposers may appeal determination as provided within MCO Chapter 32 or 110, based upon original submission, and will not be provided an opportunity to add or subtract from their original submission.
  - iii. If the bid/proposal does not meet the goal and a GFE was not included, the bid/proposal will be rejected, unless no bid/proposal meets items i. or ii above. In that event, CDBP will work with the Department Director as to further actions.

**v. Contract entry into B2GNow:**

- a. Once the owner department awards a contract to the recommended Prime and processes the contract, the B2GNow contract record will be created by the department designee within 30 days. This may be the PM, Contract Manager, or another departmental designee such as an Administrative Coordinator.
- b. Within 30 days of the contract record creation, the Prime will enter their certified and non-certified Subs into the contract record in B2GNow. Subs will enter any of their Subs into the contract record. The Prime will submit copies of all subcontracts, for all tiers, to the PM.

**vi. Sub-Contracts:**

- a. Once the contract is executed and the contract record is created in B2GNow, the Prime must submit copies of all subcontracts including labor and purchase orders greater than

\$10,000 to the PM. The PM will forward the subcontracts and purchase orders to CDBP. CDBP will review the submittals for compliance. If approved, CDBP will approve the certified Subs entered by the Prime and lower-tier Subs into B2GNow and will notify the PM that the submittals are approved. If not approved, CDBP will notify the PM to require the Prime to correct and resubmit.

- b. The Prime shall enter all Sub(s) and Material Supplier(s) into B2GNow. The PM must review all entry information to confirm proper counting of participation. Non-certified entries by Prime will generate an approval flag 'New Record Alert' in B2GNow that the PM must clear. The PM will confirm completion of the Sub review process prior to the approval of the first payment application and as additional Subs are added to the contract record by the Prime.
- c. CDBP will confirm the Prime has entered all subs within 60 days of contract record creation. If not entered, CDBP will contact the PM to notify the Prime of failure to comply with contract terms.

vii. **Payments:**

- a. Within 30 days of the contract record creation in B2GNow, and prior to the approval of the initial pay application or invoice, the Prime and all Subs will complete the one-hour online B2GNow webinar training. This training is available at no cost to the Prime or Subs and registration occurs within B2GNow.
- b. The Prime will submit pay applications to the PM with the B2GNow Compliance Audit Summary printout attached. The PM will process the payment per department requirements and Milwaukee County will pay the Prime.
- c. Once Milwaukee County pays the Prime, the Prime will enter the amount of payment received and the amount(s) paid to Sub(s) into the B2GNow contract record monthly audits. If no payment is received in a given month, the Prime will enter \$0 into the monthly audit. The Sub(s) will receive an email from B2GNow requesting them to 'quick confirm' that they agree with the amount and prompt payment terms.
  - i. If they agree with the amount reported and payment date, the Sub will confirm in B2GNow.
  - ii. If they do not agree with the amount reported or date of payment, the Sub will reject confirmation which will generate a discrepancy notice sent to the PM. The PM will work with CDBP to resolve.
  - iii. For \$0 payment entries to the Sub by the Prime, B2GNow will auto-confirm for the Sub and no email will be sent.
  - iv. Note: Subs must repeat this payment entry and confirmation step for all tiers.
- d. The PM monitors compliance of Prime and Sub reporting through the Contract Record Monitoring section outlined below.

B. **Section II. Contract Record Monitoring**

- i. The Contract Record Monitoring process is performed by the PM and CDBP monthly to help ensure contract compliance and reduce outstanding compliance reporting issues at the end of a project.
- ii. CDBP will monitor that the Prime enters all Subs, that Subs enter their lower-tier Subs into the contract record and will confirm that all approved certified firms are receiving proper credit, including the Prime.
  - a. CDBP will support the PM as needed with monthly project monitoring.

- iii. Each month, the PM will review the contract record for projects they manage. This will occur in conjunction with the approval of payment applications or invoices for the project. The PM will log into the specific contract they are monitoring within B2GNow and will determine the following:
  - a. Did the Prime enter all the subs in B2GNow that are listed on the pay application or invoice? If no, ask them to enter all the Subs. Contact CBDP for guidance if needed.
  - b. Did Subs enter their Subs? If no, ask them to enter all the Subs. Contact CBDP for guidance if needed.
  - c. Did Prime enter payment received from prior pay application or invoice? If no, notify Prime to enter payment.
  - d. Did Prime enter payments made to Subs as indicated on the previous pay application or invoice? If no, notify Prime to enter Sub payments.
  - e. Did first-tier Subs confirm receipt of payments? If no, notify Prime to contact Subs to confirm receipt.
  - f. Did first-tier Subs enter payments made to their Subs? If no, notify Prime to contact subs to enter payments.
  - g. Is the project more than 75% complete? If no, then the monthly monitoring is complete. If yes, then determine if the Prime is on track to achieve the participation plan. If yes, then the monthly monitoring is complete. If no, hold payment and request a participation plan update from Prime. Update CBDP on status and work with CBDP to resolve.

**C. Section III. Contract Modifications**

- i. This section describes the roles and responsibilities of staff for making contract record modifications. Changes to the B2GNow contract record may be required for several reasons including change orders, fee revisions, changes in sub-contract value, substitution or deletion of Subs, etc. This section describes some of the more common reasons. If the Designated Project Manager is in doubt of who takes responsibility for a specific B2GNow contract modification, they must contact CBDP for guidance.
- ii. CBDP will review contract records monthly. If they identify any need for modifications, they will contact the PM to address. If the contract record modification is for a Sub, CBDP will address it directly and notify the PM of the modification.
  - a. CBDP will provide guidance to the PM in contract record modifications as necessary.
- iii. The PM may identify the need to modify the B2GNow contract record in several ways:
  - a. The PM may execute a change order or fee revision, triggering the need to modify the B2GNow contract record.
  - b. The PM may receive correspondence from the Prime indicating that subcontracts need to be modified.
  - c. CBDP may identify a need and reach out to the PM.
- iv. When processing a change order or fee revision, the PM will work with the Prime to identify any impacts to the DBE/TBE participation plan and to subcontractor participation.
  - a. If the DBE/TBE participation plan will change and contract value changes, PM will complete a revised DBE/TBE – 14 form and have CBDP approve.
  - b. If subcontracts need modification, PM will notify Prime to submit information detailing the change and request CBDP to modify the subcontract B2GNow record accordingly.
  - c. The PM shall add change orders/fee revisions to the B2GNow contract record via the “Change Orders & Task Orders” tab in B2GNow including any modifications to the Sub’s contract amount and the participation plan.

- v. For changes related specifically to subcontracts that do not necessarily require a change order (e.g. the Prime must replace a Sub due to nonperformance), Prime will submit information detailing the change and PM will notify CDBP to review and modify the B2GNow record accordingly.
- vi. For changes due to errors in data entry, the PM may revise the payment amount received by the Prime, and CDBP will make corrections in the contract record for all subs.

**D. Section IV. Contract Record Closeout**

- i. The B2GNow Contract Record Closeout process involves verifying the B2GNow record is complete, all final payments are entered and confirmed, and the contract record is closed out by CDBP.
- ii. The Prime will compile and submit the final payment application or invoice to the PM. The PM will review the B2GNow contract record while processing the final payment application. If there are any issues, the PM will work with the Prime and CDBP to address them.
  - a. The Sub will submit the final payment application to the Prime.
- iii. As the PM processes the final payment application, they will review the B2GNow contract record for the following:
  - a. Do the contract numbers match the B2GNow entries? If no, reconcile.
  - b. Are there any unconfirmed payments? If yes, notify Prime to contact Subs to confirm payments.
  - c. Are all certified Sub-Contracts approved? If no, contract CDBP to address.
  - d. Are there any outstanding non-certified Sub 'New Record Alerts' that have not been cleared? Confirm Subs performed work and clear alert.
  - e. Have all subs confirmed receipt of final payment? If no, obtain signed DBE/TBE-18 forms.
  - f. Did the prime achieve the participation plan? If no, work with CDBP to resolve the failure to comply with contract terms.
  - g. Confirm B2GNow audit summary report is attached to the final payment application.
- iv. The PM will complete the payment application and submit it through Unifier for processing. The Department Director and CDBP will review and work with the PM to resolve any issues identified.
- v. The Department Director will receive the final payment application through Unifier. The Department Director will provide a high-level review of the document, add participation percentage provided by PM to Unifier, and if approved, will forward the final payment application to CBO to process the final payment.
- vi. CBO will forward DocuSign copies of final payment to CDBP for review and approval of participation plan compliance. If CDBP is not able to approve, CDBP will contact the PM to address the issues. If CDBP approves, they will sign in DocuSign.
- vii. After the final payment is processed, CDBP will monitor the contract record to ensure the Prime and Subs complete final payment entries within B2GNow. Once complete, CDBP will close the contract record.
- viii. Once the Prime and Subs receive final payment, they must complete payment reporting within B2GNow.

**5. REVISION HISTORY:**

<b>Rev. #</b>	<b>Summary of Changes</b>	<b>Date of Change</b>	<b>Author</b>
1.0	New procedure	6/3/2021	B2GNow CI Team