

From the Business Courier:

<http://www.bizjournals.com/cincinnati/print-edition/2011/06/17/charlie-winburn-plan-create-one-stop.html>

# Charlie Winburn plan: Create one-stop center for SBEs

**Premium content from Business Courier - by Lucy May, Courier Senior Staff Reporter**

Date: Friday, June 17, 2011, 6:00am EDT

## **Related:**

### [Economic Snapshot](#)

Cincinnati City Councilman **Charlie Winburn** is poised to unveil a new plan to transform the city's controversial small-business contracting program and open more opportunities for companies owned by women and minorities.

The Cincinnati Competitive Edge Initiative would create a one-stop shop for small businesses to get support they need to be more successful in winning contracts with the city, grow revenues and create jobs. The program would remain race- and gender-neutral. But supporters believe it would boost participation by minority and women business owners through improved outreach and services offered through a new Mark Mallory Business Development Center, named after Cincinnati's mayor, at the city-owned Centennial Plaza building.

At stake are tens of millions of dollars of contracts for business with the city, which for years has been trying to improve its supplier diversity results. The city's program came under fire in 2009 after a series of dismal reports. In 2007, for example, the city issued contracts worth roughly \$656 million, and minority business enterprises were granted \$290,000 worth of the work. The issue prompted a NAACP Cincinnati chapter vote of "no confidence" in Mallory's leadership in February 2009.

"The Mallory Business Development Center actually will create equal opportunity for all," Winburn said. "You will never, ever need a race-based program if you have a foundation for equal opportunity."

Winburn will introduce the proposal as a two-year demonstration project that he expects will result in 200 net new jobs in the city. The new initiative calls for cooperation between city staff and a team of independent contractors, who would be paid \$150,000 per year, rather than outsourcing department functions as an earlier version of the plan proposed.

The contractors would coordinate the project, help the city boost its number of diverse suppliers and support city staff's efforts to reach spending goals.

The program would cost about \$1.7 million to fund over the two-year period. The proposal calls for the city to pay \$350,000, or about 20 percent of the cost. Winburn stressed that money would not come from general fund dollars.

The other 80 percent would come from private sources, such as fees charged by the business development center and rent charged to companies that want to use office suites there. Under the plan, the program would become self-sufficient after two years.

The unveiling comes just weeks after City Manager **Milton Dohoney** gave council the 2010 results of the city's small-business enterprise, or SBE, program. That report showed little progress in increasing the number of contracts awarded to women- and minority-owned firms. Of the \$189 million in contracts awarded to companies within Hamilton County in 2010, for example, only about 2 percent went to black-owned firms. Nearly 3 percent of those contracts went to firms owned by white women, while 15 percent went to small businesses owned by white men.

The county's population is about 26 percent black, and the city's population is nearly 45 percent black.

"Clearly the level of movement is disappointing given the amount of time that has passed since we first started working on this," said **Sean Rugless**, CEO of the African American Chamber of Greater Cincinnati and Northern Kentucky.

Rugless was co-chairman of OPEN Cincinnati, a task force appointed by Mallory in 2009 to study the issue and recommend ways to improve the SBE program. In March 2010, Rugless issued a progress report stating the city still hadn't implemented 78 percent of OPEN's recommendations.

City officials argue budget woes have kept them from implementing recommendations that cost money, such as hiring an economic inclusion consultant to conduct random compliance reviews. The OPEN task force estimated impact on the city's budget for such work would be "minimal to moderate."

Winburn, chairman of council's job creation committee, decided to launch his own study of the contracting issue after the 2009 council election. He convened a group of business and community leaders who drafted a proposal for the Cincinnati Competitive Edge Division, which Winburn introduced in March.

He then asked a smaller group to make that proposal a reality. They are **Steve Love**, consultant and former president of the African American Chamber; **Jim Clingman**, who founded the chamber and specializes in minority business outreach; and **Zola Stewart**, CEO of workforce management firm Focus Solutions.

They fleshed out the proposal and renamed it the Cincinnati Competitive Edge Initiative. Under the new plan, a team of contractors would be charged with implementing the rest

of the OPEN Cincinnati recommendations, coordinating business development efforts and “connecting the dots” for small businesses stymied in their efforts to get work with the city.

“It is very important to have a resource that can work with businesses who have questions about how to complete requests for proposals or requests for qualifications,” Love said.

Hiring consultants and putting some money behind the effort will be critical to make it work, Rugless said, adding that the city should view the cost as an investment in creating jobs.

“It’s not that much money,” added Clingman. “It’s worth doing this demonstration to see how we can make things better. Admittedly, everybody wants to make things better.”

---

## Setting up Shop

The Cincinnati Competitive Edge Initiative would hire a team of contractors to:

- Establish and oversee the Mark Mallory Business Development Center
- Support the office of contract compliance
- Review and accept qualified small businesses to take part in the program
- Complete and implement OPEN Cincinnati recommendations
- Review city purchasing department procurement procedures re-engineer them to help achieve city goals
- Promote fiscal accountability and integrity
- Build strong relationships with all types of small businesses with an eye toward partnerships and joint ventures

Source: Councilman **Charlie Winburn**’s Job Creation Agenda for the city of Cincinnati



[Lucy May](#) is senior reporter, covering, tourism, nonprofits and economic development for the [Business Courier](#).

Contact her at [lmay@bizjournals.com](mailto:lmay@bizjournals.com) or (513) 337-9437.

Read her blog postings at [Cincy Biz Blog](#).