

# Economic Stimulation through Sewer Investment

By Sarah O. Anderson

Manager, Office of Workforce & Business  
Development / SBE

MSD of Greater Cincinnati



# Impetus for MSD Economic Inclusion Initiative

- *MSD's Vision*
  - *Our diverse and inspired workforce is recognized regionally for exceptional service and **commitment to our community** and is a global leader in water reclamation, environmental services and organizational excellence.*
- *MSD Strategic Plan Goal 6*
  - *Align Business Strategies with Best Practice Methodologies to Optimize Organizational Performance.*
- *Action 6.A.4:*
  - *Develop SBE Policy – investigate a proactive approach to inclusion that reflects a consensus between the City and County programs.*

# Basic Tenets of SBE Program Approved by Hamilton County and momentum for Inclusion Initiative



Seeks to increase participation of small businesses in all aspects of contracting



Seeks to locate and certify small businesses for participation in the SBE Program



Seeks to enhance capacity of small businesses

# Current State of Government

- **Decreased revenues from income, sales and real estate taxes lead to budget deficits**
- **Credit freeze creates immediate cash flow crises**
- **State of Ohio projected \$7.3B budget shortfall for the current two-year cycle**

# State of Public Infrastructure

- **Large Community Investments**
  - \$203B over next 20 years on wastewater and stormwater infrastructure
  - \$277B needed to upgrade drinking water systems during same time period
- **MSDGC will be spending approximately \$1.5B over the next ten years to mitigate sewer system overflows**

# Where will the sewer infrastructure investments go each year?

- **We are striving to keep it local by:**
  - Collaboration between all government agencies
  - Willingness to support small businesses and workforce development

# Impact on the New Economy

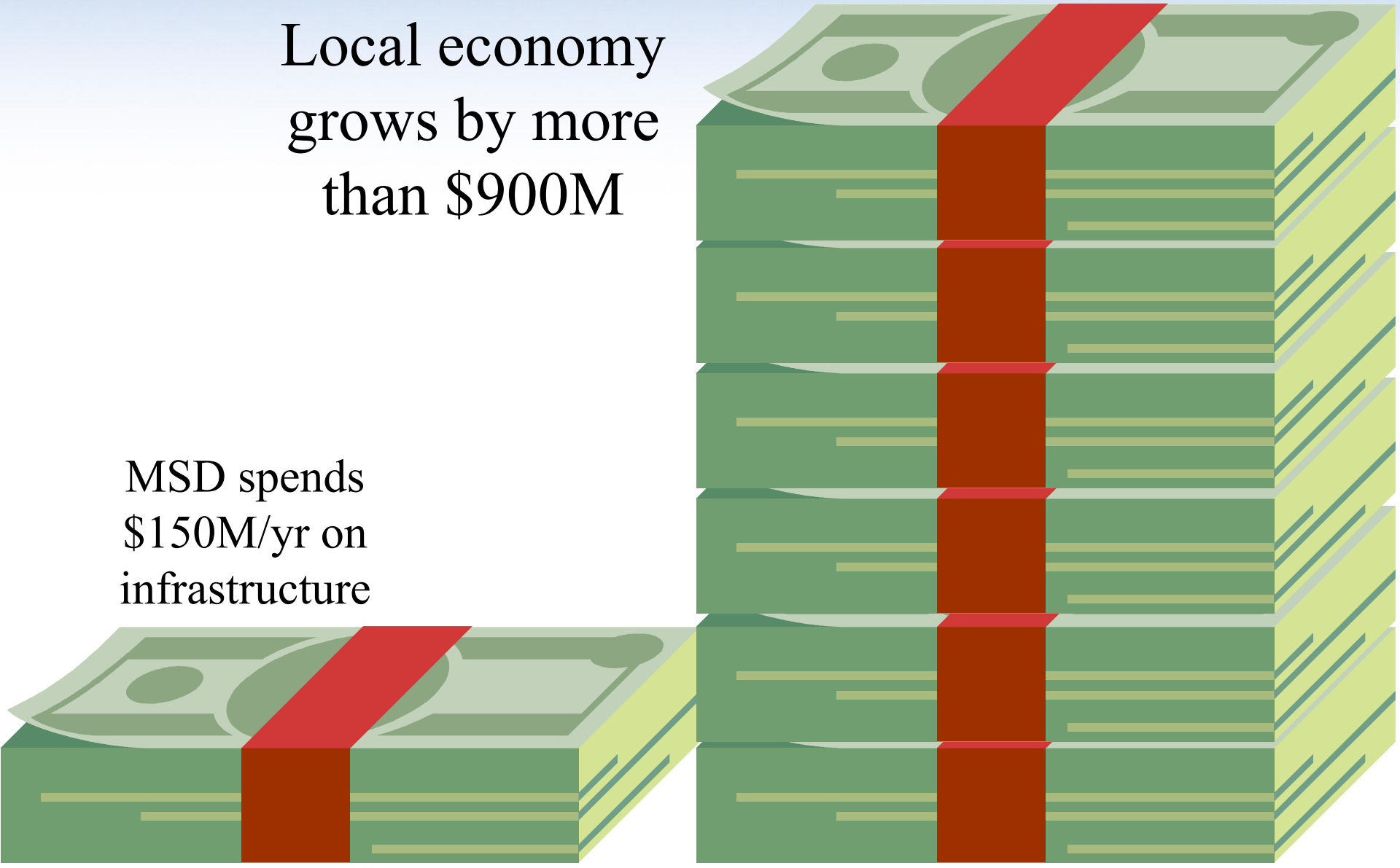
- **Every job created in rebuilding infrastructure creates over 3.6 jobs elsewhere\***
- **Every \$1 spent on infrastructure improvement leads to \$6.35 for the local economy\***

***\*Source: U.S. Conference of Mayors***

# Project Groundwork's Impact

Local economy  
grows by more  
than \$900M

MSD spends  
\$150M/yr on  
infrastructure



# Increased SBE participation = higher economic impact for our communities

- **25-30% of our expenditures will be for professional services**
- **The fees we pay for professional engineering services do not always stay within the local economy**

# MSD's Economic Inclusion Initiative

## SBE Team:

- **MSD**
  - Tony Parrott – Executive Director
  - Biju George – Deputy Director
  - Sarah Anderson - Manager, OW&BD / SBE

- **Consultants**

- Lead: Malcolm Pirnie, Inc.
  - Chris Weber, Vice President
  - Ryan Nagel, Senior Associate



- Support: The Voice of Your Customer
  - Crystal Kendrick, President



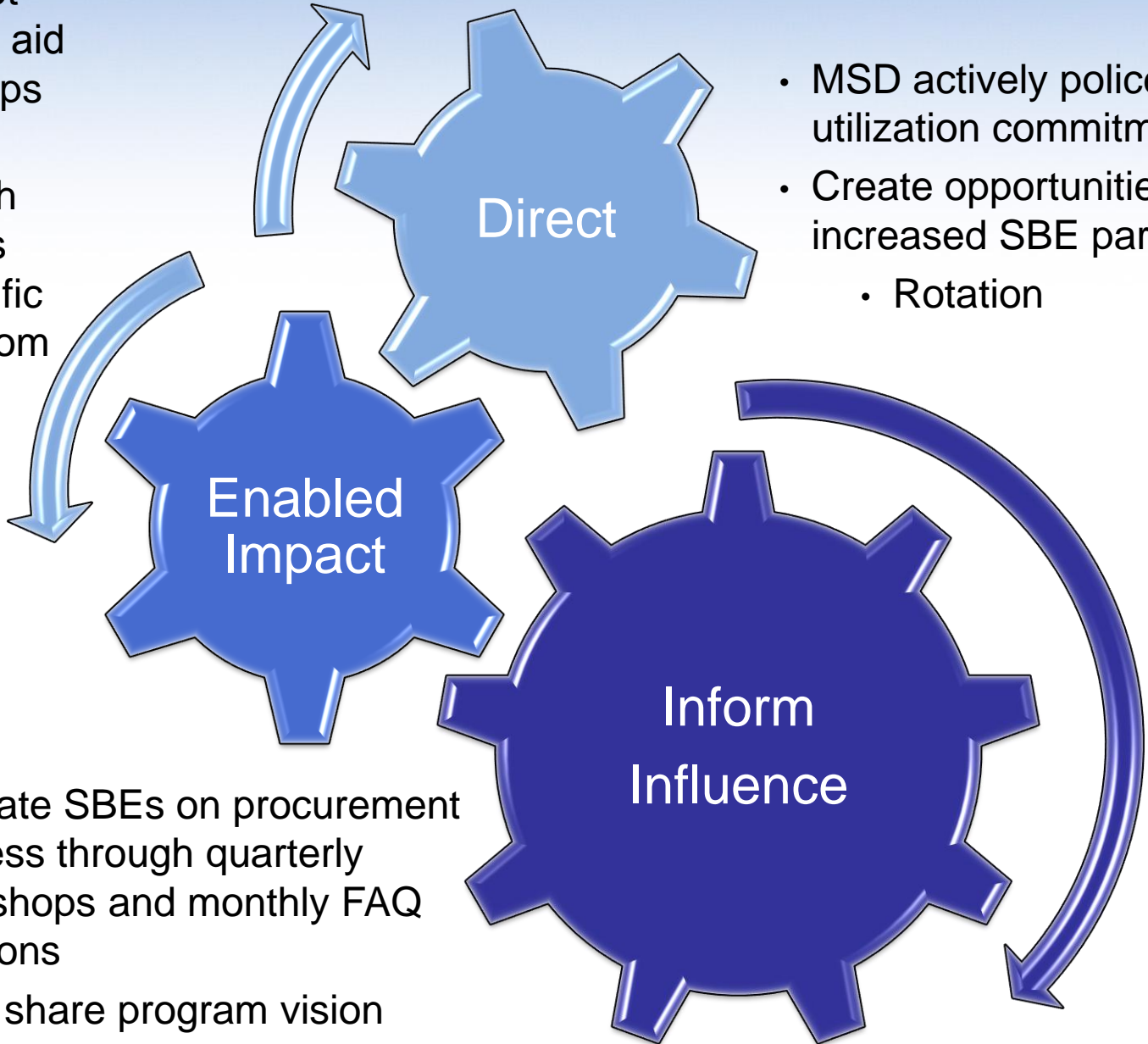
# MSD's Economic Inclusion Initiative

## SBE Team:

- **Stakeholder Group**
  - Mark Mallory, Cincinnati Mayor
  - Milton Dohoney, City Manager
  - David Holmes, Assistant City Manager
  - Scott Stiles, Assistant City Manager
  - Rochelle Thompson, City Contract Compliance Officer
  - David Pepper, Hamilton County Commissioner
  - Todd Portune, Hamilton County Commissioner
  - Greg Hartmann, Hamilton County Commissioner
  - Patrick Thompson, County Administrator
  - Jeff Aluotto, Assistant County Administrator
  - Bernice Walker, Director, Hamilton County Small Business Office
  - Karen Ball, MSD Compliance Coordinator

# MSD SBE Strategy

- Facilitate “Meet and Greet” to aid firm partnerships
- Facilitate SBE workshops with focus on SBEs soliciting specific scope items from Lead firms



- MSD actively police SBE utilization commitments
- Create opportunities for increased SBE participation
  - Rotation

- Educate SBEs on procurement process through quarterly workshops and monthly FAQ sessions
- MSD share program vision

# SBE Workshop #1: October 30, 2009

- **Over 90 attendees**
  - Introduced to MSD SBE vision/mission
  - Presentation examples on success
- **Held Focus Group session with 38 SBE participants**
  - Identified improvement opportunities
  - Proposed solutions to overcome roadblocks

# Focus Groups Design

- **Four focus groups comprised of mostly SBE owners and leaders**
- **Groups were constructed to include professional service providers capable of delivering a typical WWIP project**
- **Facilitation was provided by an SBE firm**

# Focus Group Discussion

**Groups were asked to provide feedback on three questions:**

- 1. Which components of the MSD procurement process work well?*
- 2. Which components of the MSD procurement process need improvement?*
- 3. What are your recommendations to overcome the roadblocks?*

## *Which Components of the MSD Procurement Process Need Improvement?*

- **Need improved / focused outreach**
- **Contracting between primes and subs puts subs in unfavorable position**
  - Non-compete language
- **No current policing of SBE commitments**

## ***What Are Your Recommendations to Overcome the Roadblocks?***

- **Educate SBEs on the procurement process and selection criteria**
- **Provide further lead time on projects**
- **Facilitate prime/sub meet and greets**

# Progress to Date

- **Prioritized focus group recommended actions from Workshop #1**
- **Developed preliminary action plans to address issues**
- **Identified SBE misconceptions of MSD procurement process**
- **Updated SBE Rules and Guidelines Document**
- **Registered an additional 13 SBE firms since October 2009**

# Progress to Date continued

- **Selected SBE firm for a bundle project**
- **Increased SBE participation for bundle projects:**
  - LM CPR – 12%
  - Werk and Westbourne EHRT – 12%
  - Westwood Northern – 100%
- **Five additional SBE firms extended MSAs**
  - DNK Architects (Facility Design)
  - Foppe (Collections)
  - Jones Warner, Inc. (Collections)
  - Resource International (Collections)
  - Ribway Engineering Group (Facility Design and Collections)

# SBE Workshop #2: June 24, 2010

- **Over 100 attendees**
  - Overview of MSD’s “Project Groundwork” and upcoming opportunities to bid on engineering design projects or work with larger firms
  - Reinforced MSD’s commitment to SBEs and its SBE strategy
  - Share feedback from MSD’s SBE Workshop #1
- **Held One-on-One Networking Sessions**
  - 19 large engineering firms with existing Master Services Agreements with MSD
  - More than 50 SBE firms

# Executive Director Tony Parrott Presents to Large Group



# One-on-One Networking Sessions

- **An equitable networking process was created for all SBE firms in attendance**
  - Each SBE firm prioritized its interest in meeting with each of the large firms
  - The interest lists were used to create an itinerary for each SBE firm
- **“Speed-dating” for small businesses**
  - Each large firm met with up to 18 SBE firms in 5-minute increments (large firms with two representatives met with up to 36 SBE firms)
  - Provided SBEs the opportunity to speak with companies they had been eager to meet

# One-on-One SBE Itinerary



1-on-1 Itinerary

RA Consultants, LLC

Schedule #	Firm Name	Table #
1	WADE TRIM	18A
2		
3	ARCADIS	2B
4		
5	STANTEC	15A
6	WOOLPERT	19B
7	CH2M HILL	7A
8	BROWN AND CALDWELL	4A
9		
10	BLACK & VEATCH	3A
11	GS&P, INC.	9B
12		
13	HDR	10A
14		
15	MACTEC	13A
16	AECOM	1A
17	HNTB	11A
18	PIRNIE	14A

MSD SBE Outreach Workshop #2  
June 24, 2010

HDR Engineering, Inc.  
10A

Company	Name	Notes
1	Dynotec	
2	Gus Perdikakis	
3	Jones Warner	
4	Kinetic Vision	
5	Shrewsberry	
6	HydraTech	
7	VT Design	
8	Land Consultants	
9	ASE	
10	Global Quality Corp.	
11	Barr & Prevost	
12	Designers Midwest	
13	RA Consultants	
14	Meisner	
15	Belmont Labs	
16	Keramida	
17	CTL	
18	BHE	

# One-on-One Networking



# SBE Workshop #2 Reaction:

***“Congratulations on an outstanding event. Kudos to you and your team!!!! It was by far the best SBE event I’ve ever gone to, and I’ve been to a lot!!!”***

- Pat Esposito, President, ETC, Inc.

***“This was a very good event and we made a lot of good contacts that we will use on our projects.”***

- Tim Koch, Brown and Caldwell

***“Great job with the workshop! I liked the format.”***

- Gary W. Meisner, Partner, Meisner+Associates/Land Vision

# Next Steps

- **SBE Workshop #3 planned for Fall 2010**
  - Introduce SBEs to MSD staff and other SBEs
- **MSD to continue to sponsor monthly “matchmaker lunches” to highlight 2-3 SBE firms**
  - SBEs give a presentation about their company to MSD staff, large firms, and other SBE’s staff
  - Have sponsored 7 matchmakers thus far featuring more than ten SBEs
- **Expand outreach efforts to SBE construction contractors**

# Acknowledgements

- **Tony Parrott, Director MSD**
  - **Biju George, Deputy Director MSD**
  - **Ryan Nagel, Malcolm Pirnie Inc.**
  - **Chris Weber , Malcolm Pirnie Inc.**
- 
- **Office of Workforce and Business Development/SBE Staff**
    - Gloria Williams
    - Heide Cooper

# THANK YOU!

## Questions?

Sarah O. Anderson  
Manager, Office of Workforce & Business  
Development / SBE  
MSD of Greater Cincinnati  
1600 Gest Street  
Cincinnati, Ohio 45204  
Tel: (513) 557-7114  
Fax: (513) 557-7116  
Email: [sarah.anderson@cincinnati-oh.gov](mailto:sarah.anderson@cincinnati-oh.gov)

