



May 10, 2023

Todd Slatin
Director, Division of Central Purchasing
Lexington-Fayette Urban County Government
Via email: tslatin@lexingtonky.gov

Re: Program Development and Implementation Consulting Services

Dear Mr. Slatin:

BBC Research & Consulting (BBC) is pleased to provide this scope of services to help the Lexington-Fayette Urban County Government (LFUCG) implement various measures and policies to better encourage the participation of businesses owned by people of color (POCs) and women in the organization's contracts and procurements. BBC will work closely with LFUCG to develop and implement program measures and provide ongoing program support, including:

- Developing overall aspirational goals for the participation of POC- and woman-owned businesses in LFUCG contracts and procurements;
- Assisting LFUCG with reporting requirements and contract compliance;
- Exploring the feasibility of a bond assistance program;
- Piloting various program measures to encourage the participation of POC- and woman-owned businesses in LFUCG contracts and procurements; and
- Developing policy and procedural documents such as resolutions and program manuals.

A. Scope of Services

We propose six primary tasks to help LFUCG develop and implement program measures to encourage the participation of POC- and woman-owned businesses in the organization's contracts and procurements. As needed, we will work with LFUCG to refine our proposed scope of services.

1. Project meetings. BBC will participate in video, telephone, and as appropriate, in-person meetings during the course of the project. BBC will work with LFUCG to schedule and coordinate all project meetings.

a. Project initiation meeting. Based on direction from LFUCG, the project team will coordinate and participate in a project initiation meeting to begin the project. Ms. Iris McClish and Mr. Kevin Williams, BBC Managing Directors, and other project team members will meet with LFUCG to:

- Discuss organizational objectives;
- Establish key timelines and project milestones;
- Identify resource requirements; and
- Address other project topics.

b. Update meetings. BBC will participate in regular update meetings to discuss project objectives, next steps, and challenges. We recommend holding project update meetings twice per month and will work with LFUCG to schedule them. We also recommend holding additional meetings at key junctures of the project, including when we submit draft deliverables for LFUCG review.

2. Overall aspirational goal(s). Based on information that BBC collected as part of the 2022 LFUCG Disparity Study (Disparity Study) and other relevant information, BBC will help LFUCG develop an overall aspirational goal(s) for the participation of POC- and woman-owned businesses in its contracts and procurements. BBC's calculation of overall goal(s) will take into account:

- Business availability based on results from the custom census availability analysis BBC conducted as part of the Disparity Study;
- Barriers that POCs, women, and POC- and woman-owned businesses face in the local contracting marketplace;
- Past participation of POC- and woman-owned businesses in LFUCG contracts and procurements; and
- Other relevant information.

We will work with LFUCG to finalize the overall goal(s) and then document the goal-setting process, including methodology for calculating the goal(s) and information LFUCG considered in developing the goal(s).

3. Resolutions. As requested, the project team will help draft or review resolutions and other authorizing policy documents related to LFUCG's efforts to encourage the participation of POC- and woman-owned businesses in its contracting. We will collaborate closely with LFUCG leadership to ensure that all such documents are in compliance with local, state, and federal regulations.

4. Program measures. The project team will collaborate closely with LFUCG to assess the feasibility of a bond assistance program and develop and pilot a other measures to encourage

the participation of small and disadvantaged businesses in the organization's contracts and procurements.

a. Bond assistance program. The project team will collaborate closely with LFUCG to explore the feasibility of establishing a bond assistance program to help small businesses, including POC- and woman-owned businesses, meet bonding requirements for LFUCG contracts and procurements. The project team will provide guidance on best practices, assess program costs and potential risks, and determine market demand for such a program. We will also work with LFUCG to establish relationships with community stakeholders, surety companies, and other external partners required to effectuate the program.

b. Other program measures. The project team will collaborate closely with LFUCG to develop and pilot additional measures to encourage the participation of small and disadvantaged businesses in the organization's contracts and procurements. We will work closely with LFUCG to determine which measures—including race- and gender-neutral and, if appropriate, race- and gender-conscious measures—would be the most effective. Such measures might include creating procedures for unbundling contracts, revising small purchase procedures, and establishing small business set-asides.

i. Program workshops. The project team will participate in program workshops to meet with LFUCG leadership, key personnel, and if desired, external stakeholders to solicit input about various proposed program measures and policies. As part of those workshops, we will discuss procurement procedures and strategies, potential mechanisms for encouraging supplier diversity, and opportunities for piloting program measures. We will work with LFUCG to determine who should be included in program workshops and establish workshop objectives.

ii. Background research. The project team will conduct extensive background research and document best practices related to proposed program measures. As part of that research, we will review program measures other organizations use to encourage the participation of POC- and woman-owned businesses and interview select organizations to discuss their program measures in depth. That research will inform recommendations the project team makes related to proposed program measures.

iii. Pilot projects. The project team will work closely with LFUCG to pilot proposed program measures, including testing administrative procedures, on select projects. As part of the pilot projects, we will work with the departments from which the solicitations originate to establish administrative procedures, identify who should be responsible for each stage of the process, and refine policy as needed. Members of the project team will also attend any pre-bid and evaluation meetings to monitor how program measures work in practice.

iv. Administrative documents. Based on LFUCG's desire to move forward with any program measures, the project team will develop administrative procedures and any corresponding documents required to administer such measures, including:

- Solicitation and contract language to incorporate into existing LFUCG documents;
- Bid documents such as subcontractor participation plans;
- Contract compliance forms; and
- Processes for monitoring and enforcing program measures and policies.

5. Program manual. Based on all previous tasks, the project team will develop a program manual LFUCG can use to administer the programs and policies it uses to encourage the participation of small and disadvantaged businesses in its contracts and procurements. The manual will include detailed descriptions of, and procedures for, each policy and program measure and will include, as appropriate:

- Introduction, including relevant historical background;
- Definition of terms;
- Procedures related to specific program measures such as bond assistance or set-asides;
- Data collection and reporting requirements; and
- Administrative responsibilities and resources, including which LFUCG staff are responsible for the day-to-day operation of each aspect of the program.

We will work closely with LFUCG to review a draft of the program manual before delivering the final manual in an editable format. We will provide all corresponding process documents, forms, and solicitation and contract language in formats of LFUCG's choosing.

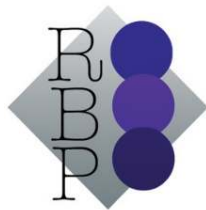
6. Staff training. BBC will train relevant LFUCG staff on the various procedures required to effectively administer the organization's programs and policies developed under our scope of services, including those required to advertise solicitations, award contracts, and monitor contract compliance. We will work with LFUCG to identify staff responsible for administering various parts of the program measures and organize and schedule training sessions.

B. Subconsultants

BBC proposes to partner with three supremely qualified subconsultants to complete all of the work proposed in our scope of services: EHI Consultants (EHI), Rosales Business Partners (RBP) and Merriwether & Williams. EHI conducted policy research and provided engagement expertise as part of the Disparity Study, and RBP and Merriwether & Williams were selected based on their specialized expertise and LFUCG's current priorities and objectives. BBC will ultimately be responsible for all work completed by our project team and internal project management, including project invoicing.



EHI Consultants is a Black American-owned, MBE-certified planning and engineering firm based in Lexington, Kentucky. The firm provides services related to programming, planning, designing, and implementing a wide range of projects. EHI's experience and qualifications give it the unique ability to engage the Lexington community as part of comprehensive and inclusive planning processes. Its services incorporate POC- and woman-owned business program implementation, public meeting facilitation, community engagement, and outreach. EHI helped BBC conduct the 2022 LFUCG Disparity Study. As part of the study, EHI conducted policy research, helped facilitate community engagement, and collected qualitative data. EHI has been recognized by the Federal Highway Administration for its exemplary work and received awards from the Kentucky Chapters of the American Planning Association and the American Society of Landscape Architects for its planning and design projects. EHI will conduct research related to potential policies and best practices, help facilitate stakeholder input, and help develop policy recommendations.



RBP is a DBE-certified Hispanic American woman-owned, legal and policy firm specializing in public law and policy and program development. RBP offers clients a multi-disciplinary, strategic approach to problem solving in a variety of practice areas, particularly public contracting and the creation of public policy. RBP has a national reputation for its experience in the disparity study field, including the legal defense of POC- and woman-owned business programs in the Ninth Circuit. The firm's leadership and staff have decades of in-depth experience relating to the development and enforcement of business participation programs, which they acquired as in-house government lawyers and managers as well as outside legal counsel and consultants to various public agencies. RBP is active in Transportation Research Board projects, having participated as a contributing author to two publications. The firm has recently worked with BBC to help various organizations develop supplier diversity policy, including the Commonwealth of Virginia and the City of Boston. RBP has also worked with BBC on recent disparity studies for the State of Oregon, the California Department of Transportation, the San Francisco Municipal Transportation Authority, and the San Jose International Airport. RBP will provide guidance on policy and program recommendation and help ensure proposed policy is consistent with regulations and case law relevant to LFUCG's policies and practices.



Merriwether & Williams
INSURANCE SERVICES

... Of Like Minds

Merriwether & Williams has over 25 years of experience in the insurance industry and provides unparalleled expertise and service through an Aligned Risk Management model. The firm offers customized insurance solutions to minimize risk, facilitate infrastructure development, and enable unique solutions to remove barriers that impede small local contractor inclusion. Merriwether & Williams is a DBE-certified woman of color-owned business and is committed to developing unique and innovative partnerships with forward-thinking public agencies, contractors, non-profits, and other stakeholders to promote the inclusion of small and diverse businesses in the economic life of their communities. Merriwether & Williams' clients include the City of Los Angeles, the City and County of San Francisco, and Alameda County, for which the firm administers contractor capacity development and risk mitigation programs. The

firm has helped scores of organizations implement successful Contractor Development and Bonding Programs, which have collectively enabled small and diverse contractors to bid on more than \$1 billion in public works construction projects to-date and has retained a less than .01 (one tenth of one percent) loss ratio. The firm has recently added contract financing as a key financial resource, providing contractors with contract funding to bridge the cash flow gap between prosecuting work and receiving progress payments. This is done in partnership with Community Development Financial Institutions (CDFIs) with no financial risk to the program public entity sponsor. Merriwether & Williams will help lead the project team's work related to LFUCG's bond assistance program.

C. Project Timeline

The project team understands that work related to our proposed scope of services would commence in July 2023 and continue for an initial term of one year. Our project team has full capacity to provide all services required under this scope of services and will work with LFUCG to prioritize the organization's needs.

D. Costs

BBC will bill LFUCG on a time and materials basis. We will invoice LFUCG monthly for all professional fees and direct costs, including any travel and subconsultant costs, associated with the project. Any applicable travel expenses will be pre-approved by LFUCG. Figure 1 presents hourly rates for project team personnel. Key personnel are indicated with asterisks.

E. Next Steps

Please contact me directly with any comments or questions (telephone: 303-321-2547; e-mail: imclish@bbcresearch.com). BBC greatly looks forward to continuing our partnership with LFUCG to complete this very important work.

Sincerely,



Iris McClish
Managing Director

Figure 1.
Hourly rates for project
personnel

Firm and Title	Hourly Rate
BBC Research & Consulting	
Iris McClish, Managing Director*	\$225
Kevin Williams, Managing Director*	\$225
Senior Project Manager	\$175
Senior Data Analyst	\$175
Project Manager	\$150
Data Manager	\$150
Research Associate	\$135
EHI Consultants	
Ed Holmes, Principal*	\$200
Project Manager/Planner	\$185
Senior Planner	\$105
Planner	\$75
Rosales Business Partners	
Mara Rosales*	\$320
Diversity, Equity, Inclusion Specialist	\$300
Technical Assistant	\$200
Merriwether & Williams	
Ingrid Merriwether, Executive*	\$325
Director of Program Development	\$250
Project Manager	\$250
Director of Strategic Initiatives	\$175