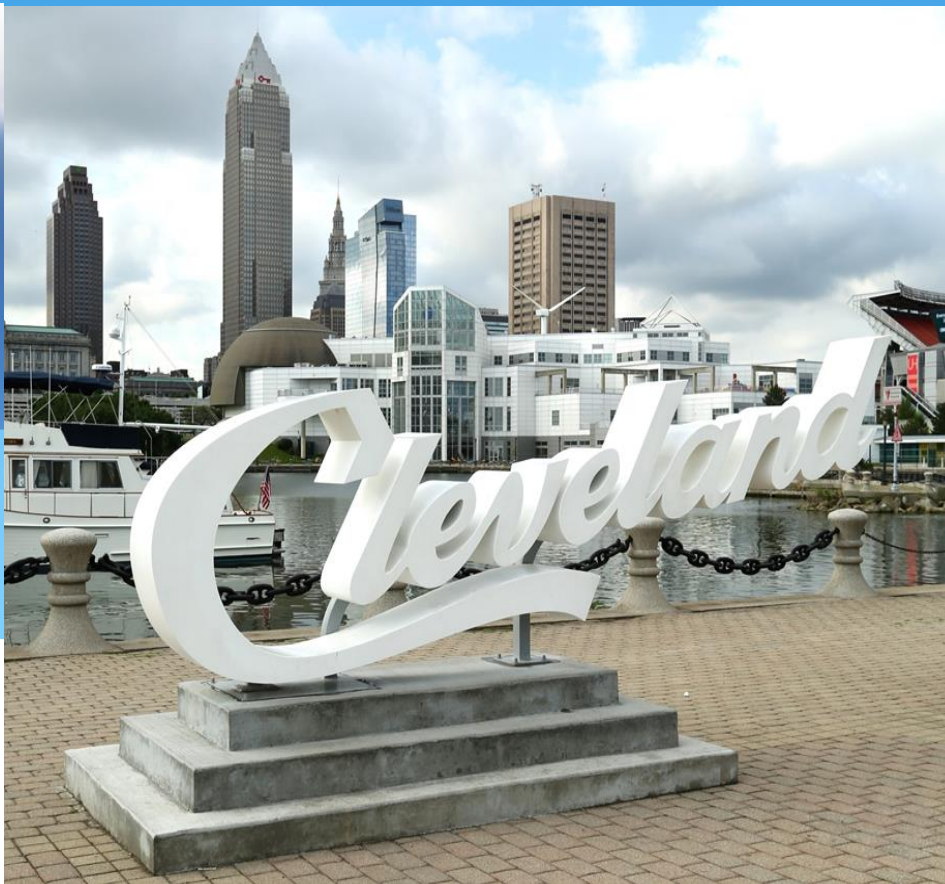
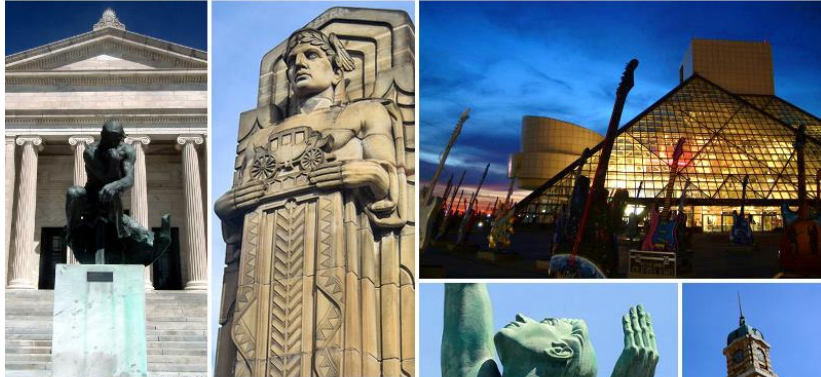


City of Cleveland

Small Contract Rotation Program: Building Contracting Bandwidth



About the City



- ❖ Major city located in Ohio, Cuyahoga County
- ❖ City population of 383,793
- ❖ Cleveland is the 52nd-largest city in the United States and the second-largest city in Ohio
- ❖ 33rd-largest metropolitan area in the U.S. (2,057,009 people in 2018)



Ordinances

Title XV - Purchases And Contracts:

- * [Chapter 181, Purchases And Supplies](#)
- * [Chapter 183, Real Estate Transactions](#)
- * [Chapter 185, Construction And Improvement Contracts](#)

Slate of Community Benefit Policies:

- * [Chapter 187, The Cleveland Area Business Code](#)
- * [Chapter 187A — Local Producer, Local-Food Purchaser, and Sustainable Business Preference Code](#)
- * [Chapter 188, Fannie M. Lewis Cleveland Resident Employment Law](#)
- * [Chapter 189, Cleveland Fair Employment Law](#)
- * [Chapter 123 Prevailing Wage](#)

Sustainability Standard:

- * [Green Building Standards](#)

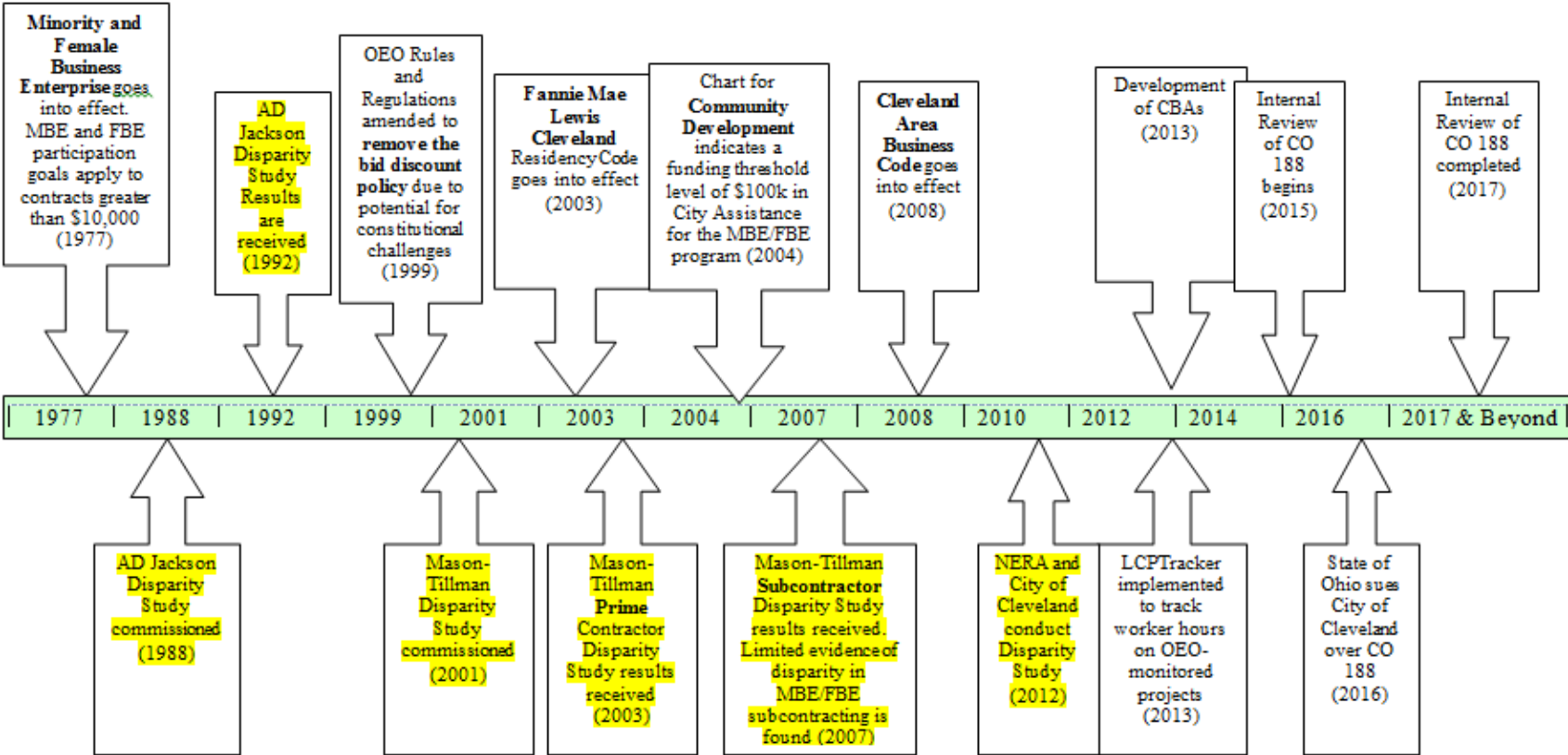
Find the City Charter & Ordinances on line at:

* <http://www.clevelandcitycouncil.org/>

- * Click on **Charter/Codified Ordinances** under the **City Council** drop-down menu



Evolution of OEO Legislation



Proposed Project

Cleveland: Building Bandwidth for Contracting

- * Updating Ordinance 187: Cleveland Area Business Code
 - * Section 187.14
- * Expanding equity agenda by assisting contractors including:
 1. **CGI Vendor Self Service System (VSS)** (oversight by the Division of Purchases and Supplies)
 2. **Small Contractor's Rotation Program (SCRIP)** (oversight by the Mayor's Office of Equal Opportunity).
- Both suggestions will assist in providing contractors with growth opportunities and becoming more competitive in the marketplace as capacity and bandwidth are expanded.



Cleveland: Building Bandwidth for Contracting

Small Contract Rotation Program (SCRCP)

- * Small = *Share Best Practices*
- * Contract = *Connect Contractors to Work*
- * Rotation = *Rotate Opportunities*
- * Program = *Produce Measureable Results*



About the (SCRIP) Program

The city's Small Contractor's Rotation Program is a race and gender based initiative designed to provide capacity building and assistance to small contractors and to help transition them from subcontractors into prime contractors.

Purpose - The purpose of the Rotation Program is to enable small contractors to compete for City business while strengthening their ability to obtain financing, bonding opportunities, etc.



Contractor Challenges

OEO conducted an internal analysis to determine the obstacles preventing small construction contractors from transitioning into prime contractor status. Identified areas of concern include:

- * Amending current legislation
- * Limited Cash Flow
- * Contract sizes are too large to manage
- * No bonding capability

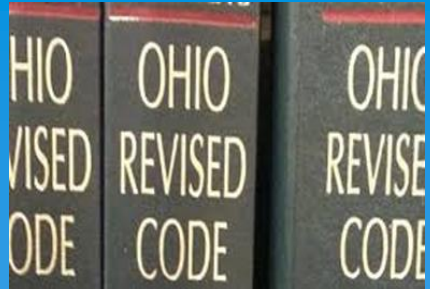


Proposed Solutions



- * Amend current Small Contract Rotation Legislation and current software.
- * Create cash flow through accelerated payment.
- * Provide smaller, manageable work orders.
- * Provide financial training and coaching at the onset and throughout the program to help contractors become bondable.





SCRIP Work Plan

Cleveland:

Building Bandwidth for Contracting

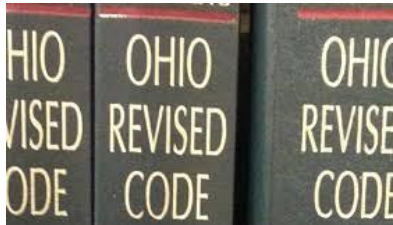


City of Cleveland

SCRIP Work Plan Summary

1

Amend
Legislation
and Current
Internal
Software



Time = 3 months

2

Create
Cash Flow



Time = 5 months
and ongoing

3

Provide
Small Work
Orders



Time = 12 months
with pilot
program in
Public Works

4

Improved
Bonding
Capacity

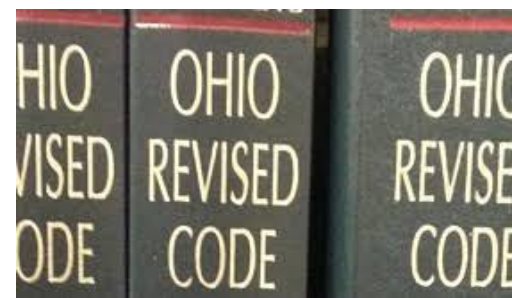


Time = 12 months
and ongoing



#1 Amend Legislation and Current Internal Software

- * Updating Ordinance 187: Cleveland Area Business Code
 - Section 187.14
- * Expanding equity agenda by assisting contractors including:
 1. **CGI Vendor Self Service System (VSS)** (oversight by the Division of Purchases and Supplies)
 2. **Small Contractor's Rotation Program (SCRIP)** (oversight by the Mayor's Office of Equal Opportunity).
 - *By expanding the equity agenda and assisting contractors with VSS and SCRIP, the City will provide contractors with growth opportunities with becoming more competitive in the marketplace as capacity and bandwidth are expanded.*



#2 - Create Cash Flow

* The City will pay SCRP as follows:

- The Commissioner of Purchases and Supplies identifies work orders.
- Contractor completes work.
- Work is inspected and approved.
- City entity authorizes payment to contractor work order.
- Paperwork is submitted to Finance (in ADP)
- Contractor is paid within 45 days:
 - * *Currently in conversation with Commissioner of Accounts on expedited pay.*



#3 - Provide Small Work Orders

* Commissioner of Purchases and Supplies (CPS) identifies small, manageable work orders:

- CPS makes work order available to contractors in the rotation.
- Contractors bid on work order based upon lowest and best bidding.
- Contractor successfully completes work order and moves to bottom of rotation.
- Contractor continues to perform well on work orders and continues to build reputable performance history.



#4 - Improved Bonding Capacity

- * Bonding company provides training at onset of Program discussing requirements for bonding eligibility.
- * Bonding company coaches and monitors the progress of contractors over the two year period.
- * Bonding company develops relationship with and acquires first-hand knowledge of contractors' business character and business practices.
- * Bonding company becomes familiar with contractors credit history and performance history.
- * Upon successful completion of the Program, the contractor becomes an attractive, limited risk, bonding candidate.



SCRIP Benefits



- * Contractors become prime contractors doing business with the City of Cleveland.
- * Contractors attain reputable performance and credit history.
- * Contractors establish relationships with surety , thus creating increased opportunity for bonding upon successful completion of program.
- * Contractors establish relationships with the financial institutions as well as a credit line for ongoing contracting opportunities.
- * Contractors acquire partners who contribute to their long-term success.
- * City gains a larger and more diverse pool of prime contractors for City projects.



Questions?

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