

City of Cincinnati

Council



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MOTION

Equitable Development: Cincinnati Bonding Program

WE MOVE that the City Administration create a bonding program for MBE and WBE contractors who have proven themselves with the City through previous project completions in order to overcome one of the major barriers to equitable opportunities. The City Administration should consider self-bonding, working with bonding agencies and/or co-signing for first-time bonds when the MBE or WBE company meets the City's pre-determined qualifications such as *successfully* completing projects for the City totaling at least \$1 million and limiting the upper end of our bonding threshold. Successful completion of projects should be clearly defined as approval by the City Manager's Office.

WE FURTHER MOVE that City Council receive a report at quarterly on MBEs and WBEs that have participated in the City's bonding program, and the status of the projects, in order to assess the efficacy of the City's bonding program.

Handwritten signature of Council member Seth Walsh in blue ink.

Council member Seth Walsh

Handwritten signature of President Pro Tem Victoria Parks in blue ink.

President Pro Tem Victoria Parks

Handwritten signature of Vice Mayor Jan-Michele Lemon Kearney in blue ink.

Vice Mayor Jan-Michele Lemon Kearney

STATEMENT

Many smaller minority-owned and women-owned companies face the barrier of being unable to secure bonds, and as a result, they are prevented from participating in larger projects. The inability to secure bonding is the major barrier to growth for many contractors. Examples of reasons for denial include inadequate cash savings and/or credit scores. And yet, neither cash savings nor credit scores can improve without the opportunity to work on larger, more lucrative projects.

Councilmember Seth Walsh is intimately familiar with the “glass ceiling” that creates a barrier to growth for MBE and WBE contractors through his years of experience leading the College Hill Community Urban Redevelopment Corporation. In his experience a critical hurdle that smaller contractors must overcome is securing bonding for the first time. Subsequent bonding follows more easily.

Simultaneously, the City provides funding for smaller neighborhood projects each year that struggle to find quality contractors to work with in order to complete the projects in a timely and high quality manner.

Therefore, a program by the City to help contractors overcome the hurdle of first-time bonding, while incentivizing participation in smaller projects with the City, would create equitable opportunities for growth for MBE and WBE contractors.

The City’s bonding program should include clear, pre-determined qualifications such as the successful completion of projects for the City, such as completing projects totaling at least \$1 million. City Administration should be able to determine companies that are ready for larger projects and eligible for the City’s bonding program, being mindful to keep the City’s liability to a minimum. Criteria must be clear so that contractors understand the steps they must take to become eligible.

City Council should receive a report at least semi-annually on MBEs and WBEs that have participated in the City’s bonding program, and the status of the projects, in order to assess the efficacy of the City’s bonding program.

CAL → Budget & Finance
J-mck