

State of Wisconsin Supplier Diversity Annual Report

Fiscal Year 2017

Department of Administration
Division of Enterprise Operations
Wisconsin Supplier Diversity Program

February 2018

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Contact:

Domingo Leguizamon, Director
Wisconsin Supplier Diversity Program
Department of Administration
101 East Wilson, 9th Floor
P.O. Box 7970
Madison, WI 53707-7970

Executive Summary

History of the Wisconsin Supplier Diversity Program. The Wisconsin Supplier Diversity Program was created in 1983 when the Legislature passed Wisconsin Act 390 that set a five percent participation goal for state agencies and University of Wisconsin campuses for purchases of goods and services with certified Minority Business Enterprises (MBEs). The Act also established a *permissive* five percent bid preference for certified MBE firms responding to bids for State contracts.

In 2010, the Legislature enacted Wisconsin Act 299 that provided a participation goal of a portion of state contracts for Disabled-Veteran Owned Businesses (DVBs) certified by the State of Wisconsin. It also provided a *permissive* five percent bid preference to such firms. In 2014, the Legislature enacted an amendment under 2013 Wisconsin Act 192 to establish a one percent goal for DVBs.

Fiscal Year 2017 Highlights. Diverse suppliers accounted for \$119,093,431 of \$2,443,227,695 of state agency and University of Wisconsin spending in the areas of procurement, state highways, facilities construction and architectural/engineering services during FY17. Diverse supplier purchases represented 4.87% of total spend. FY17 highlights included:

- State agencies spent \$78,321,914 with MBE/DVB businesses on general procurement in FY17, or 8.86% of spend totaling \$884,398,087.
- The DOA Division of Facilities Development and Management (DFDM) spent \$229,638,536 on various state construction projects in FY17. MBEs accounted for \$18,225,792 of total expenditures and DVBs accounted for \$2,863,670 for a total of \$21,089,462, representing 9.18% of total spend.
- DFDM spent \$27,278,413 for architectural/engineering services in FY17. Certified MBE firms accounted for \$1,764,443 and DVBs accounted for \$117,172 for a total of \$1,881,615, or 6.90% of total spend.
- The Wisconsin Department of Transportation (DOT) State Highway Program expended \$12,945,294 with MBEs/DVBs, or 1.88% of the \$688,556,000 spent in FY17.
- University of Wisconsin System campuses spent \$4,855,145 in the procurement of goods and services with certified MBE/DVB firms in FY17, or 0.79% of spend totaling \$613,356,659.

Statutory Authority

Annual Reporting Requirement. §16.75 (3m)(c)4., Wis. Stats., requires the Department of Administration (DOA) to annually report enterprise-wide participation by MBEs and DVBs on state contracts to the Governor and Legislature for distribution to the appropriate legislative committees.

State of Wisconsin Diversity Business Goals. §16.75 (3m)(b)1., Wis. Stats., provides that the department and any state agency making purchases “shall attempt to ensure that 5% of the total amount expended under this subchapter in each fiscal year is paid to minority businesses.” Minority-owned businesses are certified by DOA under §16.287, Wis. Stats.

§16.75 (3m)(b)2., Wis. Stats., provides that the department and any state agency making purchases “shall attempt to ensure that at least 1% of the total amount expended under this subchapter in each fiscal year is paid to disabled veteran owned businesses.” Disabled veteran-owned businesses are certified by DOA under §16.283, Wis. Stats.

The department monitors these goals and undertakes the certification process through the Wisconsin Supplier Diversity Program in the Division of Enterprise Operations.

Exceptions. The five percent expenditure goals apply to all State purchases with the exception of expenditures under the Department of Transportation (DOT) Federal Surface Transportation Assistance Act and Department of Natural Resources Environmental Protection Agency (EPA) funds. In addition, the Supplier Diversity Program offers certification for women-owned businesses; however, statutes do not provide a goal or price preference for women-owned businesses participating in state purchasing.

Business Bid Preference. Under §16.75 (3m)(b)3., Wis. Stats., agencies “may purchase materials, supplies, equipment and contractual services from any minority business or disabled veteran owned business, or a business that is both a minority business and a disabled veteran-owned business, submitting a qualified responsible competitive bid that is no more than 5% higher than the apparent low bid or competitive proposal that is no more than 5% higher than the most advantageous proposal.” The statute further provides that agencies “shall maximize the use of minority businesses or disabled veteran-owned businesses which are incorporated under Chap. 180 or which have their principal place of business in this state.” The *permissive* 5% low-bid preferences are applicable to all state purchases except printing and stationery.

Certification Program. The Department of Administration certifies minority- and disabled veteran-owned businesses through processes governed by §16.287 (2), Wis. Stats., and Administrative Code Chapters Adm 84 and Adm 82. An application is submitted by the business and a review is conducted by Wisconsin Supplier Diversity Program to ensure compliance with state statutes and administrative code. In 2017, 640 firms were certified MBEs (including some domiciled outside of the State of Wisconsin) and thirty-four firms were certified DVBs.¹

In 2012, Executive Order #72 required the Department to waive certification application requirements from other state, federal or local agencies or private businesses if their certification procedures are “substantially equivalent” to those of the State of Wisconsin. To streamline certification and reduce duplication, DOA entered into a Memorandum of Understanding (MOU) with the Wisconsin Department of Transportation Office of Business Opportunity and Equity Compliance and other entities in the Unified Certification Program (UCP) in 2013. Through it, the DOA Supplier Diversity Program grants certification to firms that meet State of Wisconsin certification eligibility requirements using their UCP certification.

¹ Department of Administration Certification website, February 8, 2018.

FY17 Results by Major Contracting Area

Four major areas of state purchasing account for the State's supplier diversity goals. The areas, responsible agencies and relevant statutes are:

- **General Procurement.** All agencies and University of Wisconsin System campuses, §16.75 (3m), Wis. Stats.
- **Engineering and Architectural Services.** DOA DFDM, §16.87 (2), Wis. Stats.
- **Building Construction Services.** DOA DFDM, §16.855 (10m), Wis. Stats.
- **State Highways Construction.** Wisconsin DOT, §84.075, Wis. Stats.

The following summarizes spend by major state contracting areas during FY17:

Program	Total Spend	Diversity Spend	%
General Purchasing (Agencies and UW)	\$1,497,754,746	\$83,177,060	5.55%
DOA DFDM Construction	229,638,536	21,089,462	9.18%
DOA DFDM Architecture/Engineering	27,278,413	1,881,615	6.90%
DOT State Highway Program	<u>688,556,000</u>	<u>12,945,294</u>	<u>1.88%</u>
Total	\$2,443,227,695	\$119,093,431	4.87%

General Procurement. State statutes and administrative code govern purchasing activities conducted by agencies and campuses. The DOA State Bureau of Procurement (SBOP) oversees administration of all state procurement and sets policies and procedures to carry out procurement activities. In general, state laws and policies require competitive bidding as the preferred procurement method of contracting. Contracts are awarded to the lowest responsible bidder.

MBEs and DVBs compete for state contracts on the same basis as all other vendors. However, state agencies may make awards to an MBE or DVB "submitting the lowest qualified responsible competitive bid when the bid is not more than 5% higher than the apparent low bid or competitive proposal that is no more than 5% higher than the most advantageous proposal."²

State agencies and campuses purchased general goods and services totaling \$1,497,754,746 in FY17. Of this amount, spend with diverse businesses totaled \$83,177,060 or 5.55% of all general purchases.³

Fifteen agencies achieved or exceeded five percent general spending with certified diverse suppliers in FY17:

1. Department of Workforce Development	28.20%
2. State of Wisconsin Investment Board	26.37%
3. Legislative Technology Services Bureau	26.19%
4. Department of Corrections	20.28%
5. Department of Transportation	11.99%

² §16.75(3m) (b) (3), Wis. Stats.

³ FY17 general purchasing figures include spend through the State's purchasing card program.

6. Elections Commission	11.61%
7. Department of Children and Families	10.59%
8. Office of the Commissioner of Insurance	10.18%
9. Board for People with Developmental Disabilities	10.13%
10. Department of Employee Trust Funds	10.02%
11. Department of Justice	8.82%
12. Department of Safety and Professional Services	8.53%
13. Supreme Court	7.07%
14. Department of Financial Institutions	7.02%
15. Department of Health Services	5.10%

General procurement activity includes both direct purchases from MBEs/DVBs and second-tier MBE/DVB participation on contracts awarded to non-MBE vendors.

State Building Program: Construction Projects and Architectural/Engineering Service. DOA DFDM provides oversight of the State Building Program. Its services consist of new construction and building renovation for all agencies, including the University of Wisconsin System. In addition to construction-related services, it serves as staff to the State Building Commission. It is through these major activities that DFDM provides opportunities to minority businesses to participate in state contracts for construction, engineering and architectural services.

DFDM has an integrated and proactive approach in its business practices to ensure there are many opportunities for diverse suppliers. DFDM may also award to an MBE/DVB submitting the lowest qualified bid on contracts when that qualified bid is not more than 5% higher than the apparent low bid, a statutory price preference.

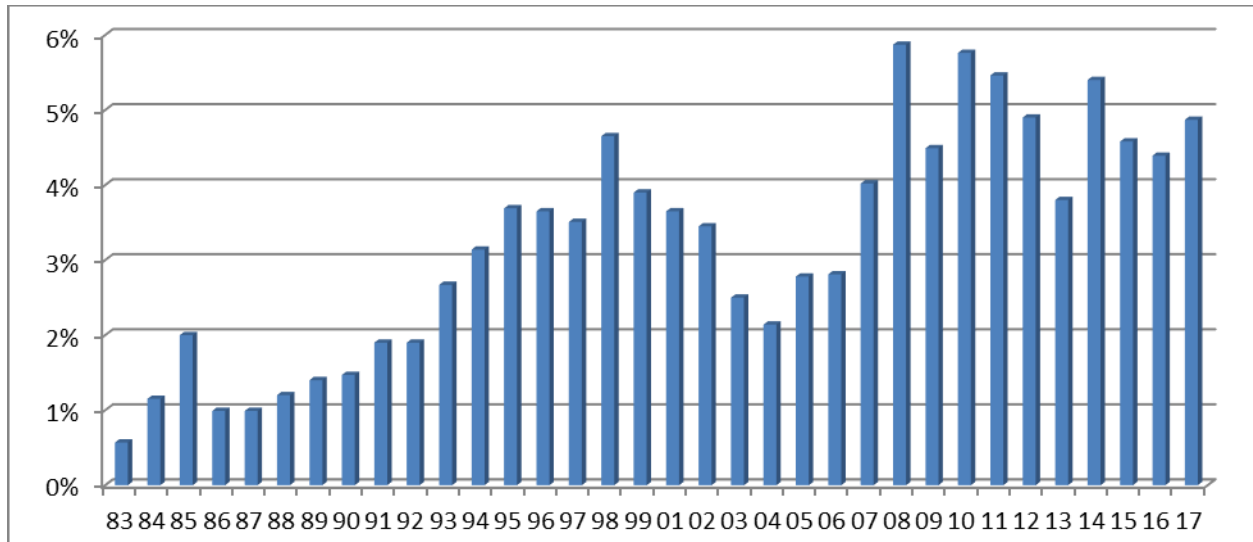
Twenty-six diverse firms (24 MBE, 2 DVB) firms were involved in construction projects undertaken by DFDM. FY17 construction expenditures totaled \$229,638,536 including MBE/DVB spend of \$21,089,462 for a participation rate of 9.18%.

Ten diverse firms (9 MBE, 1 DVB) provided consulting services to various architectural and engineering projects. Their participation was \$1,881,615, or 6.90%, on \$27,278,413 expended in FY17.

DOT Spend: State Trunk Highways, Roads and Bridge Building. Wisconsin DOT spent \$688,556,000 in FY17 on road and bridge building in the State Highway Construction Program. Diverse firm (mainly MBEs) participation totaled \$12,945,294 or 1.88% of FY17 spending.

Historical Trends

The following graph shows percentages of diversity spending from the inception of the State Diversity Program in 1983 to 2017. The figures are primarily dollars spent with MBEs; spend with DVBs commenced in 2010.



The following table provides the percentages of diverse spend in each major purchasing area over the last ten years.

Fiscal Year	General Procurement	Construction	Architecture Engineering	State Trunk Highway	Total
2008	2.91%	19.07%	8.89%	6.34%	5.87%
2009	3.45%	5.27%	9.74%	5.84%	4.49%
2010	3.77%	8.31%	17.26%	7.73%	5.76%
2011	3.99%	4.26%	15.96%	7.13%	5.15%
2012	3.06%	5.05%	10.90%	9.82%	4.90%
2013	3.20%	7.40%	16.40%	11.70%	3.60%
2014	4.30%	6.00%	7.60%	7.01%	5.40%
2015	4.16%	4.97%	4.61%	5.18%	4.58%
2016	4.60%	6.30%	5.65%	3.58%	4.39%
2017	5.55%	9.18%	6.90%	1.88%	4.87%

Other Statutory Diversity Spend

State of Wisconsin Investment Board. Statutes require the State of Wisconsin Investment Board (SWIB) to report on diversity spend relating to financial and investment analysis and for common stock and convertible bond brokerage commissions. In FY17, SWIB expended \$465,086, or 5.8%, of its discretionary commissions of \$8,008,603 with diverse brokerage firms.

DOA Capital Finance. DOA's Capital Finance Office supports the financing needs of the State's infrastructure through the sale of bonds and notes in the capital market. The State Building Commission sets a goal of ensuring that minority/disabled veteran-owned investment firms certified by the state underwrite 6% of the bonds. Diverse firms are encouraged to participate in the selling, advising and underwriting of State of Wisconsin bonds, notes, and other obligations in the capital market. In FY17, diverse firms underwrote 11.64% of Capital Finance's sales of State of Wisconsin's Building Commission bonds and notes and 27.23% of obligations issued by DOA. Overall, diverse underwriters' participation totaled \$638,219,500 of obligations totaling \$3,430,545,000, or 18.60%. As of June 30, 2017, DOA had

not certified any disabled veteran-owned investment firms. The Building Commission, through the Capital Finance Office, utilized two nationally recognized disabled veteran-owned firms in FY17.

Wisconsin Health and Educational Facilities Authority. The Wisconsin Health and Educational Facilities Authority (WHEFA) is an independent state authority that provides active capital financing assistance to Wisconsin's tax-exempt healthcare and higher educational industries. In FY17, WHEFA provided contracts totaling \$1,670, or 1.56%, of its discretionary purchases with diverse firms.

Wisconsin Housing and Economic Development Authority. The Wisconsin Housing and Economic Development Authority (WHEDA) is an independent state authority that works with lenders to provide low-cost financing for housing and small business development in Wisconsin. In FY17, WHEDA spent \$317,627, or 6.31%, of its total \$5,031,837 discretionary purchases with diverse firms. WHEDA's FY17 expenditures for bonded activity totaled \$1,653,400, of which 2.69% was paid for services rendered by certified MBE firms.

FY17 State of Wisconsin Diversity Spend

Agency General Procurement	Total Spend	Diversity Spend	% Diversity
Administration, Department of	\$97,172,084	\$4,014,307	4.13%
Aging and Long-Term Care, Board on	\$93,847	\$1,164	1.24%
Agriculture, Trade and Consumer Protection, Department of	\$6,478,614	\$251,165	3.88%
Child Abuse and Neglect Prevention Board	\$105,985	-	-
Children and Families, Department of	\$43,927,743	\$4,651,501	10.59%
Circuit Courts	\$1,488,181	-	-
Corrections, Department of	\$176,551,746	\$35,810,416	20.28%
Court of Appeals	\$618,062	\$578	0.09%
Educational Communications Board	\$3,280,690	\$1,304	0.04%
Elections Commission	\$1,118,756	\$129,861	11.61%
Employee Trust Funds, Department of	\$17,635,341	\$1,767,343	10.02%
Employment Relations Commission	\$144,905	\$2,511	1.73%
Ethics Commission	\$226,949	-	-
Financial Institutions, Department of	\$3,197,037	\$224,281	7.02%
Governor, Office of the	\$221,277	-	-
Health Services, Department of	\$224,756,391	\$11,454,668	5.10%
Higher Educational Aids Board	\$84,993	\$1,154	1.36%
Historical Society	\$3,547,667	\$4,560	0.13%
Insurance, Commissioner of	\$3,060,943	\$311,738	10.18%
Investment Board	\$2,517,046	\$663,654	26.37%
Judicial Commission	\$8,003	-	-
Judicial Council	\$4,772	-	-
Justice, Department of	\$20,450,223	\$1,804,236	8.82%
Kickapoo Reserve Management Board	\$138,194	-	-
Labor and Industry Review Commission	\$50,815	-	-
Legislative Technology Services Bureau	\$1,947,315	\$510,042	26.19%
Lieutenant Governor, Office of the	\$5,197	-	-
Lower Wisconsin State Riverway Board	\$6,722	-	-
Military Affairs, Department of	\$10,412,212	\$256,908	2.47%
Natural Resources, Department of	\$52,838,028	\$344,627	0.65%
People with Developmental Disabilities, Board for	\$150,627	\$15,253	10.13%
Public Defender Board	\$4,092,855	\$14,320	0.35%
Public Instruction, Department of	\$36,196,078	\$880,408	2.43%
Public Lands, Board of Commissioners of	\$128,886	-	-
Public Service Commission	\$1,020,143	\$1,207	0.12%
Revenue, Department of	\$36,843,226	\$1,011,835	2.75%
Safety and Professional Services, Department of	\$1,970,495	\$168,091	8.53%
Secretary of State	\$7,582	-	-
State Fair Park Board	\$9,650,977	\$205,383	2.13%
State Treasurer	\$287	-	-
Supreme Court	\$5,863,556	\$414,813	7.07%
Tourism, Department of	\$12,306,351	\$539,714	4.39%
Transportation, Department of	\$61,610,502	\$7,386,311	11.99%
Veterans Affairs, Department of	\$22,583,571	\$56,663	0.25%
Wisconsin Technical College System Board	\$673,799	\$4,147	0.62%
Workforce Development, Department of	\$19,209,411	\$5,417,751	28.20%
Agency Total	\$884,398,087	\$78,321,914	8.86%
UW System	\$613,356,659	\$4,855,145	0.79%
Total General Procurement	\$1,497,754,746	\$83,177,060	5.55%
DOA DFDM Architectural Engineering Services	\$27,278,413	\$1,881,615	6.90%
DOA DFDM Building Construction	\$229,638,536	\$21,089,462	9.18%
DOT State Highway Program	\$688,556,000	\$12,945,294	1.88%
Grand Total	\$2,443,227,695	\$119,093,431	4.87%



August 31, 2017

Honorable Scott Neitzel
Secretary of Department of Administration
101 East Wilson Street, 10th Floor
Madison, WI 53703

Dear Mr. Secretary:

Section 25.185, Stats., requests that the State of Wisconsin Investment Board (SWIB) attempt to ensure that 5 percent of the funds expended each fiscal year (FY) for financial and investment analysis and for common stock and convertible bond brokerage commissions are spent for services of minority financial advisors or minority investment firms. This statute also requires SWIB to report annually to the Department of Administration the total amount expended for these services.

In attempting to meet the 5 percent goal, SWIB must still meet its fiduciary responsibility to administer the assets of each trust fund at a reasonable cost and to manage investments with care, skill, and prudence. SWIB's trading staff must balance various trading objectives including trading with certain brokers that can provide the best execution of trades and provide value-added company and market research used in managing trust fund assets. While meeting its fiduciary duty and working to meet the 5 percent goal, SWIB used the following minority brokers for stock transactions in FY 2017 and paid the commissions noted:

Guzman & Company	\$43,210
Penserra Securities	382,628
Williams Capital Group	<u>39,248</u>
Total Minority Broker Commissions	\$465,086

As shown below, of the total discretionary commissions paid, minority brokers received 5.8 percent:

Total Stock Commissions	\$19,292,426
Less Non-Discretionary Commissions	<u>(11,283,823)</u>
Total Discretionary Commissions	\$ 8,008,603

Percent Paid to Minority Firms	5.8%
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Non-discretionary commissions include those that must be directed to a specific broker for specialized and specific trading services such as futures and options, international trades, program trades that are executed on electronic systems and trades that are directed to other commission goals such as Wisconsin brokers. Participating minority brokers typically have limited, indirect international trading capabilities, and as a result, the total commissions eligible for direction to minority brokers include only domestic security brokerage transactions. Non-discretionary commissions in FY 2017 include \$5,692,930 of international trading commissions.

In addition to trading commissions, SWIB also paid \$67,500 to Penserra Securities in FY 2017 for internal asset transition analysis services.

Additionally, SWIB must report trading commissions paid to disabled veteran-owned financial advisors and investment firms that have a majority of their operations in Wisconsin. Section 25.185 (2)(b), Stats., states that the board shall attempt to ensure that at least 1 percent of the total funds expended for financial and investment analysis and for common stock and convertible bond brokerage commissions in each fiscal year is expended for the services of disabled veteran-owned financial advisors or disabled veteran-owned investment firms. The Wisconsin Department of Administration certifies Wisconsin disabled veteran-owned financial advisors and investment firms' eligibility per the requirements of Section 16.283 Stats. No such firms have been identified and no commissions were paid to Wisconsin disabled veteran-owned financial advisors or investment firms in FY 2017.

SWIB seeks to use only top performing brokers to meet its fiduciary obligation to obtain the best execution of its stock trades. To meet this objective, the performance of each broker, including minority and disabled veteran-owned, is continually evaluated. SWIB will continue to review the performance of its existing minority brokers and will make changes as needed to ensure best trade execution.

Please feel free to contact me if you have any questions.

Sincerely,



Michael Williamson
Executive Director

cc: Domingo Leguizamon, Wisconsin Supplier Diversity Program



STATE OF WISCONSIN

DEPARTMENT OF ADMINISTRATION

Scott Walker, Governor
Scott A. Neitzel, Secretary
Waylon Hurlburt, Division Administrator

January 30, 2018

State of Wisconsin Supplier Diversity Program
Department of Administration
101 East Wilson Street, 6th Floor
Madison, WI 53707

**Re: Fiscal Year 2016-17 Underwriting and Other Participation
Certified Minority-Owned and
Disabled Veteran-Owned Investment Firms**

To Whom It May Concern:

During the 2016-17 fiscal year, the Capital Finance Office assisted the State of Wisconsin Building Commission (**Building Commission**) in the contracting and issuance of \$1.898 billion of State of Wisconsin obligations. ***Certified minority-owned investment firms underwrote 11.64% of these State of Wisconsin bonds and notes, or approximately \$221 million.*** The obligations issued by the Building Commission in the 2016-17 fiscal year consisted of five negotiated sales, four competitive sales, and one placement of notes.

This report (i) summarizes participation of minority-owned firms in underwriting State of Wisconsin bond and notes, and (ii) describes on-going actions taken by the Capital Finance Office to encourage participation by certified minority-owned firms.

Participation of Minority-Owned Firms. There are three reporting requirements imposed by Wisconsin Statutes on the Building Commission regarding the participation of certified minority-owned investment firms in the underwriting of State of Wisconsin bond and note issues.

	<u>Amount</u>	<u>Percentage</u>
• Section 18.16 (Public Indebtedness)		
Total Obligations Issued	\$1,260,330,000	
Underwritten by Minority-Owned Firms	137,225,000	10.89%
• Section 18.64 (Revenue Obligations)		
Total Obligations Issued	637,540,000	
Underwritten by Minority-Owned Firms	83,619,000	13.12%
• Section 18.77 (Operating Notes)		
Total Obligations Issued	\$0	
Underwritten by Minority-Owned Firms	N/a	N/a

BUILDING COMMISSION TOTALS

Total Obligations Issued	\$1,897,870,000	
Underwritten by Minority-Owned Firms	220,874,000	11.64%

While there are no reporting requirements imposed by law on the Department of Administration regarding the participation of minority-owned firms, the following is a summary of participation during the past fiscal year for an obligation issued through the Department of Administration.

DEPARTMENT OF ADMINISTRATION TOTALS

Total Obligations Issued	\$1,532,675,000	
Underwritten by Minority-Owned Firms	417,345,500	27.23%

The following is a summary that combines the participation of the Building Commission and the Department of Administration.

TOTALS

Total Obligations Issued	\$3,430,545,000	
Underwritten by Minority-Owned Firms	638,219,500	18.60%

In addition, during the 2016-17 fiscal year neither the Building Commission nor the Department of Administration paid any financial advisor fees to certified minority-owned financial advisors.

On-Going Actions to Encourage Participation of Minority-Owned Firms.

Negotiated Sales

In a negotiated sale, the State has direct control over the amount of participation by minority-owned firms. In addition, the Capital Finance Office is able to work with book-running managers to (i) encourage the involvement of certified minority-owned investment firms/underwriters, (ii) take into consideration orders placed by minority-owned underwriters, and (iii) use designation policies as a means of providing additional economic sharing of a transaction. The increase in the 2016-17 fiscal year of the percentage of participation of minority-owned firms in the underwriting of State of Wisconsin Building Commission and Department of Administration obligations is the direct result of Ramirez & Co. a certified minority-owned firm, being appointed by the Department of Administration as the book-running senior manager for a \$530 million issuance.

Competitive Sales

The State is not able to control the amount of participation by minority-owned firms in a competitive sale since the award is based solely on the lowest true interest cost rate to the State.

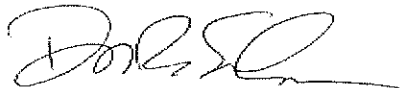
The State has taken certain actions to promote minority participation in the competitive sale process. First, bidding information provided on the State's website includes the list of minority-owned financial firms that have been certified by the State of Wisconsin Department of Administration. This list has a focus on firms that actually participate in public finance and underwriting of municipal bonds and notes. In addition, the bidding information includes information on how a firm can become a certified minority-owned investment firm.

Secondly, the Capital Finance Office also includes direct statements in its bidding documents. The following items appear in the Official Notice of Sale.

- “Official Bid Form and Award. In the event two or more bids result in the same lowest true interest cost rate, the award will be made to the one with the largest aggregate participation by certified minority investment firms participationIn the event two of more those bids have an equal amount of aggregate participation by certified minority investment firms, the award will be made to the bid that includes the greatest aggregate number of certificated minority investment firms in its selling group.....”
- “Minority Participation. It is the policy of the [Building] Commission to endeavor to ensure that at least 6% of the bonds are underwritten by minority investment firms certified by the State. The [Building] Commission urges prospective bidders to obtain from the Capital Finance Director a list of firms so certified and to include such firms as participants in the account formed to bid on the bonds and as members of any selling group formed for the account. The [Building] Commission further encourages certified minority investment firms to submit bids directly and to form accounts to bid on the bonds. Any firm that wishes to be certified by the State as a minority investment firm may contact the Wisconsin Department of Administration at 608.267.9550 or DOABDMBD@Wisconsin.gov.

Participation of Disabled Veteran-Owned Firms. As of June 30, 2017, the Department of Administration had not certified any disabled veteran-owned investment firms. The Building Commission, through the Capital Finance Office, did utilize two nationally recognized disabled veteran-owned firms during the 2016-17 fiscal year.

Respectfully submitted,



David R. Erdman
Capital Finance Director

Attachment

MINORITY UNDERWRITER PARTICIPATION FOR 2016-17 FISCAL YEAR

State of Wisconsin Building Commission/Department of Administration; Prepared by DOA Capital Finance Office

ISSUE	PAR/ORIGINAL ISSUE AMOUNT	BOOK MANAGER/ SYNDICATE LEADER	CERTIFIED MINORITY-OWNED UNDERWRITERS	INITIAL LIABILITY (UNDERWRITING)
SECTION 18.16, STATS.				
G.O. Bonds of 2016, Series B	\$ 83,980,000	Morgan Stanley		
G.O. Bonds of 2016, Series C	9,735,000	FTN Financial Capital Markets		
G.O. Bonds of 2016, Series D	324,405,000	Bank of America Merrill Lynch		
G.O. Bonds of 2017, Series A	335,310,000	Citigroup	Ramirez & Co.	\$ 10,000,000
			Siebert Cisneros Shank & Co. LLC	5,000,000
			Loop Capital Markets	5,000,000
			Cabrera Capital Markets	1,000,000
			Williams Group	5,000,000
G.O. Bonds of 2016, Series 2	370,850,000	RBC Capital Markets	Siebert Cisneros Shank & Co. LLC	74,170,000
			Academy Securities	37,085,000
G.O. C.P. 2016, Series A	136,050,000	J.P. Morgan	N/a	
		Merrill Lynch	N/a	
	<u>\$ 1,260,330,000</u>		Subtotal: Minority Owned:	<u>\$ 137,255,000</u>
Subtotal (Public Indebtedness)				
				10.89%
SECTION 18.77, STATS.				
	<u>\$ -</u>		Subtotal: Minority Owned:	<u>\$ -</u>
				0.00%
SECTION 18.64, STATS.				
Transportation Revenue Bonds, 2017 Series 1	\$ 284,520,000	J.P. Morgan	Loop Capital Markets	\$ 71,130,000
Petroleum Inspection Fee Revenue Refunding Bonds 2016, Series 1	62,445,000	Goldman Sachs	Loop Capital Markets	12,489,000
Env Improvement Fund Revenue Bonds, 2017, Series A	218,705,000	Citigroup		
Env Improvement Fund Revenue Bonds, 2017, Series B (Taxable)	71,870,000	Citigroup		
	<u>\$ 637,540,000</u>		Subtotal: Minority Owned:	<u>\$ 83,619,000</u>
				13.12%
BUILDING COMMISSION TOTALS:				
	<u>\$ 1,897,870,000</u>			<u>\$ 220,874,000</u>
				11.64%
DOA				
General Fund Annual Appropriation Refunding Bonds of 2016, Series A	\$ 400,145,000	Stifel	Ramirez & Co.	\$ 80,029,000
			Cabrera Capital Markets	30,010,875
General Fund Annual Appropriation Refunding Bonds of 2016, Series B	\$ 200,515,000	Stifel	Ramirez & Co.	40,103,000
			Cabrera Capital Markets	15,038,625
General Fund Annual Appropriation Refunding Bonds of 2017, Series A	\$ 427,770,000	Ramirez & Co.	Ramirez & Co.	171,108,000
General Fund Annual Appropriation Refunding Bonds of 2017, Series B	\$ 102,105,000	Ramirez & Co.	Ramirez & Co.	40,842,000
General Fund Annual Appropriation Refunding Bonds of 2017, Series C	402,140,000	Wells Fargo	Ramirez & Co.	40,214,000
	<u>1,532,675,000</u>			<u>417,345,500</u>
Subtotal (DOA)				
TOTAL DOA AND BUILDING COMMISSION	<u>\$ 3,430,545,000</u>			<u>\$ 638,219,500</u>
				18.60%

WISCONSIN HEALTH AND EDUCATIONAL FACILITIES AUTHORITY

Dennis P. Reilly
Executive Director

September 18, 2017

Domingo E. Leguizamon
Director of the State of Wisconsin's Supplier Diversity Program
DOA, Division of Enterprise Operations
101 E. Wilson Street
Madison, WI 53703
608.267.7806
domingo.leguizamon@wi.gov

Dear Domingo:

Subject to Chapter 231.27 Minority Financial Interests, I hereby submit the following report outlining the Wisconsin Health and Educational Facilities Authority (WHEFA or Authority) activity involving minority business firms for our fiscal year 2017 (July 1, 2016 – June 30, 2017).

WHEFA, created by the Legislature in 1973 (Chapter 231, Wisconsin Statutes), provides active capital financing assistance to Wisconsin's non-profit institutions.

Minority Businesses

WHEFA operates with a staff of four. State funds are not used to finance WHEFA's operating budget; the budget is financed completely from user fees. WHEFA's fiscal year 2017 discretionary purchases totaled approximately \$107,228. The Authority expended approximately 1.56% of its discretionary purchases with the minority business partners listed below:

Tri-State Office Products	\$1,037.61
OfficePro	516.60
One Accord Insurance Agency	<u>145.46</u>
Total	\$1,669.67

The Authority provides interested minority firms, including minority legal firms, minority investment firms and minority financial advisers with a list of pending and active financing projects so that they can solicit their services (beyond bond counsel services) directly with the non-profit borrowers (all of the fees are paid by the non-profit borrowing institutions, not by WHEFA).

WHEFA routinely views the Wisconsin Minority-Owned Business Directory and we will continue to actively review it for other business opportunities. As always, if you have any questions about this report, please feel free to call us at 262-792-0466.

Sincerely,



Tatiana Graver
Manager of Finance

17minor.ltr



18000 W. Sarah Lane, Suite 300
Brookfield, Wisconsin 53045-5841
P: 262-792-0466 • F: 262-792-0649
info@whefa.com • www.whefa.com

Wisconsin Housing and
Economic Development Authority
201 West Washington Avenue
Suite 700 | P.O. Box 1728
Madison, Wisconsin 53701-1728

T 608.266.7884 | 800.334.6873
F 608.267.1099



TO: Scott Neitzel, Secretary
Department of Administration

FROM: Wyman Winston, Executive Director

DATE: August 28, 2017

WHEDA FY 2016-2017 Report on Minority Business & Disabled Veterans

Pursuant to Chapter 234.35(2) & 234.36(2), Wisconsin Statutes, the Authority is required to report annually to the Department of Administration the total amount purchased from and contracted or subcontracted to minority businesses and disabled veterans businesses, the total amount of bonds and notes issued by the Authority with the underwriting services of minority investment firms and the total amount of moneys expended by the Authority for the services of minority financial advisers during the preceding state fiscal year.

In total, the Authority made discretionary purchases of \$5,031,837. The Authority disbursed \$317,627 or 6.31% of its discretionary purchases, with the minority business and disabled veteran partners listed below.

Minority Contracted Services

WHEDA's fiscal year 2017 discretionary purchases were \$5,031,837. The Authority expended \$291,284 or 5.79% of its discretionary purchases.

Multicultural Entrepreneurial Institute Inc	45
SHI International Corp/Software House International	109,552
Vanguard Computers Inc	137,181
Cabrera Capital Market	44,506
Total Minority Contracted Business	\$ 291,284



Disabled Veteran Contracted Services

WHEDA's fiscal year 2017 discretionary purchases were \$5,031,837. The Authority expended \$26,343 or 0.52% of its discretionary purchases.

City Supply Corporation	<u>26,343</u>
Total Disabled Veterans Contracted Business	\$ 26,343

Bonded Activity

The Authority continued its minority relationships for fiscal year 2017 with expenditures for bonded activity totaling \$1,653,400 of which 2.69% was paid for services rendered by certified minority business enterprises.

