

SUPPLIER DIVERSITY OUTREACH PROGRAM

YEAR-END REPORT

FISCAL YEAR 2017-2018



Promoting Economic Inclusion in the Tri-County Market

www.browardschools.com/PWS

EXECUTIVE SUMMARY

Supplier Diversity Outreach Program Fiscal Year 2017-2018 Year-End Report

Effective January 18, 2017, The School Board of Broward County, Florida (SBBC), adopted Policy 3330 to establish a Supplier Diversity Outreach Program (SDOP), which is administered by the Procurement & Warehousing Services Department (PWS). This program is intended to remedy identified marketplace discrimination that continues to adversely affect the participation of Emerging/Small/Minority and/or Women Business Enterprises (E/S/M/WBEs) in School Board procurement activities.

Policy 3330 seeks to exercise the spending powers of the School Board in a manner that promotes economic inclusion of all segments of the business population, regardless of race or gender, to maximize the economic vitality and development within the tri-county area.

The SDOP Program Year-end Report Fiscal Year (FY) 2017-2018 provides SBBC a progress report on the past year's milestones and achievements subsequent to Policy 3330 implementation. Within this report, provided is an updated status of the following program segments:

1. Centralized Bidder Registration System – eProcure Now Live! (page 3 of 10)
2. Outreach and Technical Assistance (page 3 of 10)
3. E/S/M/WBE Certifications (page 4 of 10)
4. Goal Setting Compliance (page 7 of 10)
5. SMART General Obligation Bond (GOB) Indicators (page 7 of 10)

Procurement & Warehousing Services Supplier Diversity Outreach Program Fiscal Year 2017-2018 Year-End Update

1. Centralized Bidder Registration System – eProcure Now Live!

As part of our Continuous Improvement measures, PWS launched the electronic online supplier portal, eProcure on June 27, 2018. The eProcure supplier online registration referred to as the Centralized Bidder Registration (CBR) in Policy 3330, modernizes and automates the process for doing business with the District. It enhances, seamlessly, the supplier's experience with a one-stop-shop for Vendor Registration, E/S/M/WBE Program Certification application and reporting, and the Contractor Pre-Qualification application process. This automation also confirms PWS' support of the District's Go Green Initiative.



Figure 1. Centralized Bidder Registration System

2. Outreach and Technical Assistance

The PWS/SDOP hosts and participate in various outreach events. SDOP also focuses on providing education to the Small Business community on a variety of Business needs. SDOP target Firms within the Tri-County to promote networking, offer technical knowledge and skill transfer to educate the Small Business, so they can build relationships, and create teams that win contracts.

PWS has also launched weekly Supplier Tuesday Tech Talks to further support the E/S/M/WBE and the greater supplier community for new registrations and maintenance of existing registrations and certifications. This provides a standing opportunity for suppliers to have face-to-face, and often one-on-one, communication with the PWS staff with expertise in all aspects of the registration and certification process; technically and functionally speaking. Several suppliers have taken advantage of this opportunity, and the option will continue to be advertised during upcoming Outreach events, as well as SDOP website and social media.

PWS looked at the outreach events attendance and monitored and tracked the firms that became certified. SDOP outreach efforts increased over the previous FY, with SDOP either hosting or participating in a total of forty-three (43) events which yielded a seven (7) percent return on investment (ROI) for post-event certifications, as reflected in Figure 2.

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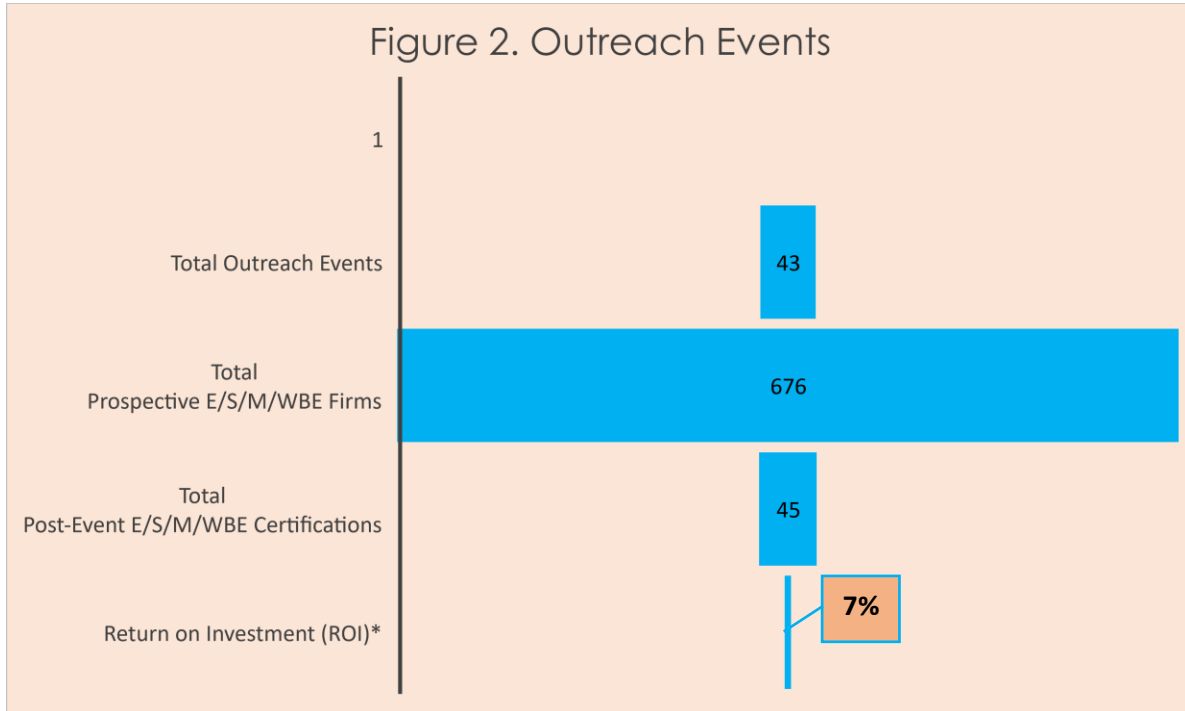


Figure 2. Outreach Events

3. E/S/M/WBE Certification

As June 30, 2018, there were seven hundred and thirty-one (731) certified firms in the E/S/M/WBE Program. Six hundred and forty (640) firms received S/M/WBE certifications, fifty (50) were SBE certified, and forty-one (41) companies received Emerging S/M/WBE certifications. While this level appears to be steady in comparison to FY 2016-2017, which had seven hundred and thirty (730) certified firms, it is noteworthy to highlight the intricacies involved with the implementation of the new program under Policy 3330. There were key attributable factors that impacted a greater net variance in certified firms for FY 2017-2018. These included:

- Seventy-one (71) certified firms were ineligible to continue in FY 2017-2018 due to the Significant Business Presence eligibility criteria of the new Policy 3330
- Transitioning period to eProcure Supplier Portal (Centralized Bidder Registration System)
 - Temporary suspension of “Traditional” certification application while preparing over seven hundred (700) certified firms’ data for upload to the online supplier portal, prior to the official eProcure launch

Below is a snapshot of the certification trends among E/S/M/WBE firms in Figure 3.

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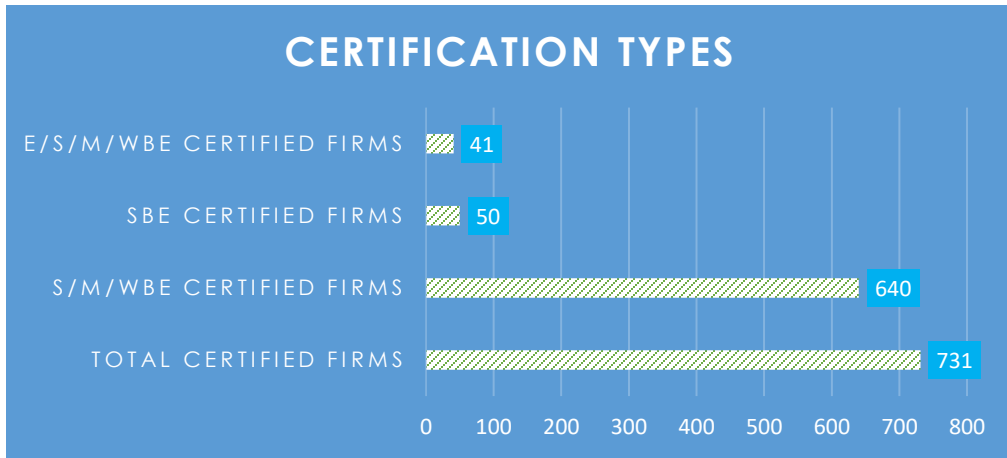


Figure 3. Certification Types

Figure 4 demonstrates the number of firms certified within each reflective business category, with Other Contractual Services leading at two hundred and eighty-eight (288), followed by Construction at two hundred and forty-seven (247). SDOP will perform additional targeted outreach to increase all levels of availability in FY 2018-2019.

Companies by Industry	S/M/WBE COMPANIES
Commodities (Supplies)	90
Construction	247
Professional Services	197
Other Contractual Services	290
Grand Total	824
* The total number does not match with the total number of certified companies, because there may be companies that provide services/goods for more than one business category, generating duplicated records.	

Figure 4. Certification Types

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Figure 5 demonstrates that of the certification types, women reflect a larger percentage at fifty-two (52) percent, while African-Americans make up the majority for the ethnicity category at thirty-six (36) percent.

<u>E/S/M/WBE CERTIFICATIONS</u>				
Firms by Ethnicity/Gender				
	Female	Male	Total	%
African-American	107	155	262	36%
Asian-American	17	23	40	5%
Hispanic-American	100	136	236	32%
Caucasian American (WBE)	139	N/A	139	19%
Native American	0	1	1	0%
*Non-Minority (SBE)	16	37	53	7%
Grand Total	379	352	731	
% by Gender	52%	48%		

**Non-Minority (SBE) is defined as firms certified as Small Business Enterprises and do not include ethnicity as a certification factor.*

Figure 5. Certification Type by Ethnicity/Gender

This is a detailed overview of SDOP’s certification activity for the year-end. As shown in Figure 6, eighty-nine (89) firms became certified through the Tri-County Reciprocal certification process, a new implementation initiative.

*Note: *There was a sixteen point twenty-three (16.23) percent increase in the total certification applications approved from FY 2015-2016 to Fiscal Year 2016-2017, an eighteen point eight (18.08) percent increase from FY 2015-2016 to FY 2017-2018 and a two-point twenty-one (2.21) percent increase from FY 2016-2017 to FY 2017-2018 respectively.*

<u>E/S/M/WBE CERTIFICATION PROGRAM ACTIVITY</u>				
APPLICATIONS PROCESSED		FY 2015-2016	FY 2016-2017	FY 2017-2018
New Certifications		115	170	178
BREAKDOWN	<i>New Certification</i>	<i>115</i>	<i>170</i>	<i>87</i>
	<i>Tri-County Reciprocal</i>	<i>N/A</i>	<i>N/A</i>	<i>91</i> ★
Re-certifications		107	95	108
Approved Certifications		222*	265*	271*
Certifications Denied		6	23	25
Total Applications Processed		228	288	311

Figure 6. Certification Program Activity

In addition to SDOP’s aggressive outreach and the numerous completed tasks related to the new program rollout, a total of fifty-four (54) applications were in the queue for processing beginning FY 2018-2019. See Figure 7.

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APPLICATIONS IN QUEUE FY 2018-2019	
Pending Review	22
Pending Additional Information	32
Total Applications in Queue	54

Figure 7. Certification Program Activity

4. Goal Setting/ Compliance

Another key component of the new policy is Goal-Setting. PWS/SDOP administered and established the procedures for assessing and assigning relevant S/M/WBE program goals for the Schools District, in addition to providing training to District administrators/committee members on the goal-setting process and their responsibilities.

SDOP created the District goal-setting committee framework, and, over the course of four (4) months, calculated and recommended for commodities a percentage goal for one hundred and twenty-two (122) PWS subcategories for one (1) year. Additionally, SDOP implemented various Affirmative Procurement Initiatives (APIs) which include race-neutral and race-conscious measures across the small business program in FY 2017-2018.

SDOP Compliance review sets the goals and evaluates S/M/WBE participation in contracts by monitoring and tracking compliance in accordance with the SMART Program and all District-wide agreements. In alignment with the Districts Strategic Plan, the implementation of Policy 3330 emphasizes on continuous improvement and direct support from PWS. The Program has successfully implemented the new APIs for solicitations in both construction and professional services. Below is an overview of the accomplishment under the SMART Bond Program.

5. SMART General Obligation Bond (GOB) Indicators

As shown in Figure 8, there was a total of one hundred and thirty (130) SMART Bond Program contracts with S/M/WBE participation which equates to \$32,638,303 ninety-six (96) percent in commitments. Of the S/M/WBE commitments, Hispanic-American firms were awarded \$19,863,386 fifty-eight point forty-nine (58.49) percent, followed by WBEs that were awarded \$4,604,748 thirteen point fifty-six (13.56) percent. \$1,324,511 four (4) percent were assigned to non-E/S/M/WBE certified firms based on \$33,962,814 total contracts amount.

Commitment by Ethnicity	TOTAL	
	\$	%
African American	\$2,999,133	8.83%
Women Business Enterprise	\$4,604,748	13.56%
Hispanic American	\$19,863,386	58.49%
Asian America	\$5,171,036	15.23%
S/M/WBE Total	\$32,638,303	96%
Non-Certified Firms	\$1,324,511	4.00%
Total Contracts Amount	\$33,962,814	100%

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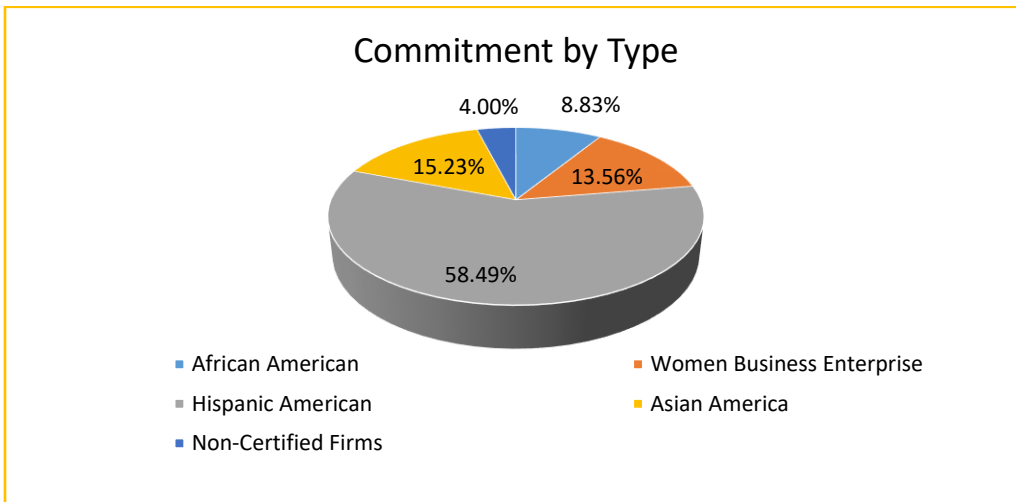


Figure 8: Total BOC Report- Total Contract Commitments by type of firms shown in table format and pie chart

Figures 9 and 10, below, further detail the total contract commitment to women-owned and Male-owned firms, respectively.

Commitment to Certified Firms	TOTAL	
	\$	%
African American	\$1,312,663	3.87%
Women Business Enterprise	\$4,604,748	13.56%
Hispanic American	\$3,121,277	9.19%
Sub-Continent Asian American	\$3,018,154	8.89%
Total Commitment	\$12,056,842	35.50%

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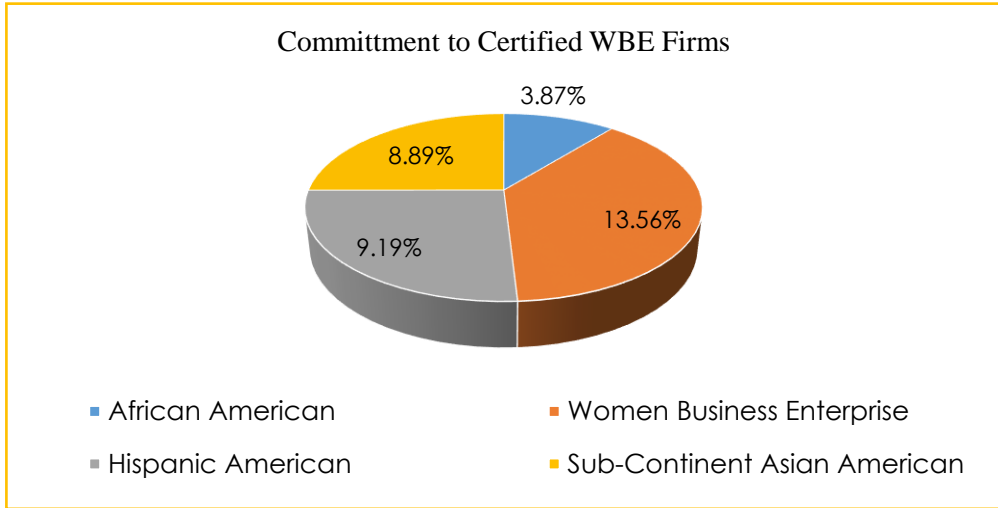


Figure 9: BOC Report - Total Contract Commitments to certified WBE firms shown in table format and pie chart

Commitment to Certified Male Firms	TOTAL	
	\$	%
African American	\$1,686,470	4.97%
Hispanic American	\$16,742,110	49.30%
Asian Pacific American	\$522,260	1.54%
Sub-Continent Asian American	\$1,630,622	4.80%
Asian America	\$5,171,036	1.54%
Total Commitment	\$20,581,462	60.60%

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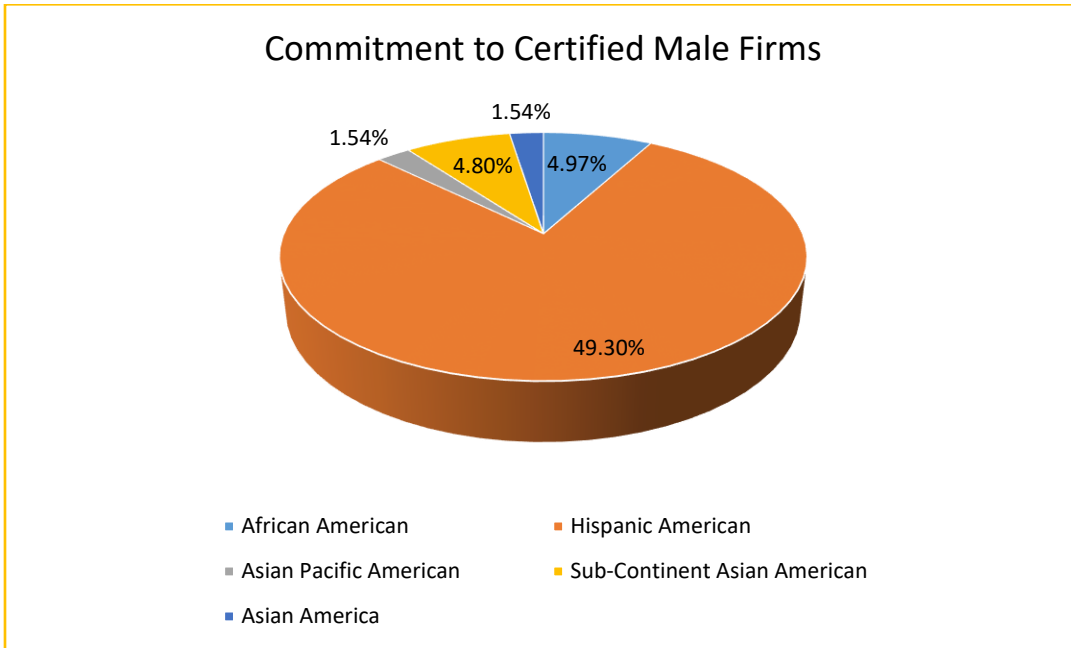


Figure 10: Total Contract Commitments to certified Male-owned firms shown in table format and pie chart

Below is a high-level overview of the aggregate commitment to both certified and non-certified firms.

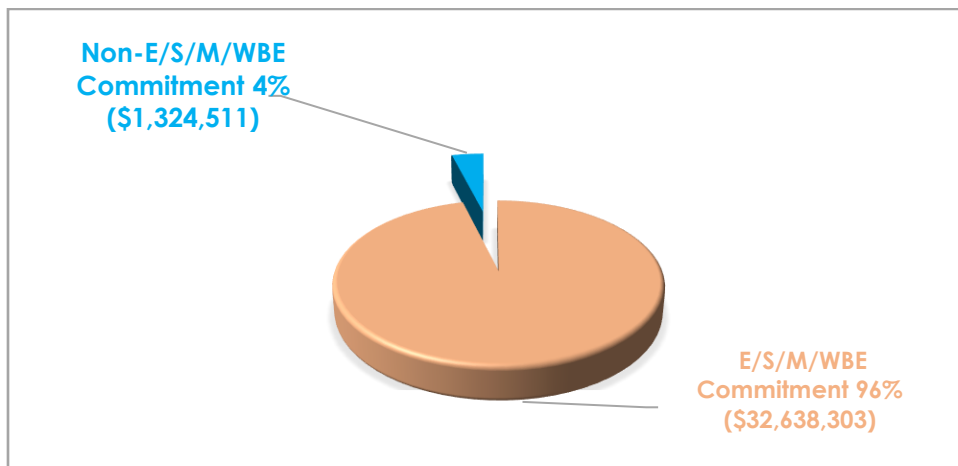


Figure 11: Overview of contract commitment to certified and non-certified firms

Conclusion

In summary, PWS/SDOP will continue to monitor the evolution of Policy 3330 implementation. PWS/SDOP continue to accept feedback from the community and stakeholders, alike, to identify and recommend future modifications and enhancements of the Policy to the School Board. PWS/SDOP aggressively strives to incorporate economic inclusion of all segments of the business population, regardless of race or gender, and to create a leveled playing field in the tri-county market for E/S/M/WBEs.

PWS/SDOP will be providing a yearly update to the School Board members and the Superintendent of the Policy 3330 implementation in Q2 of FY 2018/2019.