



Procurement & Warehousing Services Department

Supplier Diversity Outreach Program Policy 3330 Implementation Update

School Board Workshop January 29, 2019

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Executive Summary

- Today's objective is to **seek feedback** in preparation for the formal Rules Development Policy change process.
- Since the initial implementation of the new Supplier Diversity Outreach Program (SDOP) Policy 3330, we are **making progress** through the expansion of the SDOP team, as well as Phase-1 technology enhancement.
- Over the past 18 months, **continuous improvement efforts** related to data collection, certification, outreach, and compliance demonstrate increasing economic inclusion for small, minority- and women-owned businesses.

However, we acknowledge that we have more work to do. Continually refining the policy and investing in systems will provide us the tools and technologies required for a fully mature program.



The “Case for Change” Why New SDOP Policy

Distribution of All Prime Contract Dollars by Vendor

Total Dollars	\$837,838,957
Total Utilized Vendors	3,584

Percent of Vendors Used	Total Expenditures (\$ Million)	Percent of Dollars
3.5%	\$586	70%
96.5%	\$251	30%

Source: SBBC Disparity Study Findings, October 27, 2015



Disciplined Process Resulted in Legally Defensible Policy

2015 DISPARITY STUDY

Evidence of on-going discrimination

- Local Emerging Small/Minority and/or Women Business Enterprises (E/S/M/WBE) showed concern for not being able to participate in local jobs
- Minority contractors believed marketplace jobs were being skewed



Disparity Study Results

- School Board received, reviewed, and accepted the final Disparity Study
- Study identified barriers, including marketplace discrimination that undermine the formation, growth, and equitable participation of minority- and women-owned businesses in School Board purchases and contracts



Implementation of Policy 3330

- Recommendations from the disparity study implemented through SDOP
- Additional key accomplishments were completed during this timeframe
- Distributed initial Annual Report for 2017/18 (See Attachment #3)



Disparity Study Period

- Mason Tillman Associates, Ltd. performed a comprehensive examination of relevant marketplace School Board purchases
- Study objectives included identifying prime contract and subcontract awards and payments, effectiveness of Minority/Women Business Enterprise program and recommend best management practices
- Study recommended best practices to promote equitable inclusion of small, minority- and women-owned business types



Policy 3330 Established

- School Board approved Policy 3330 Supplier Diversity Outreach Program (SDOP) and Standard Operating Procedures (SOP) for the program
- Incorporates **15** remedies and Policy and **9** remedies in Standard Operating Procedures (See Attachment #1)



Board direction needed

- Pending Board feedback in preparation for formal Rules Development Policy change process



Highlight: Construction Prime Contractor Baseline vs. Current SMART Expenditures

TARGET PERIOD: (FY17-18 THROUGH FY18-19 Q1 September 30, 2018) ⁽¹⁾

Commitment by Ethnicity/Gender	Total Commitment		Disparity Study Baseline ⁽²⁾	Variance
	\$	%	%	%
African-American	\$13,953,684	12.57%	2.60%	+9.97%
Women-Owned	\$10,129,398	9.13%	10.42%	-1.29%
Hispanic-American	\$44,639,577	40.22%	20.68%	+19.54%
Asian-American	\$7,610,407	6.86%	0.83%	+6.03%
S/M/WBE Total	\$76,333,067	68.77%	34.53%	+34.24%
Non-Certified Firms	\$34,657,204	31.23%	65.47%	-34.24%
Total Contract Amount	\$110,990,271	100%	100%	

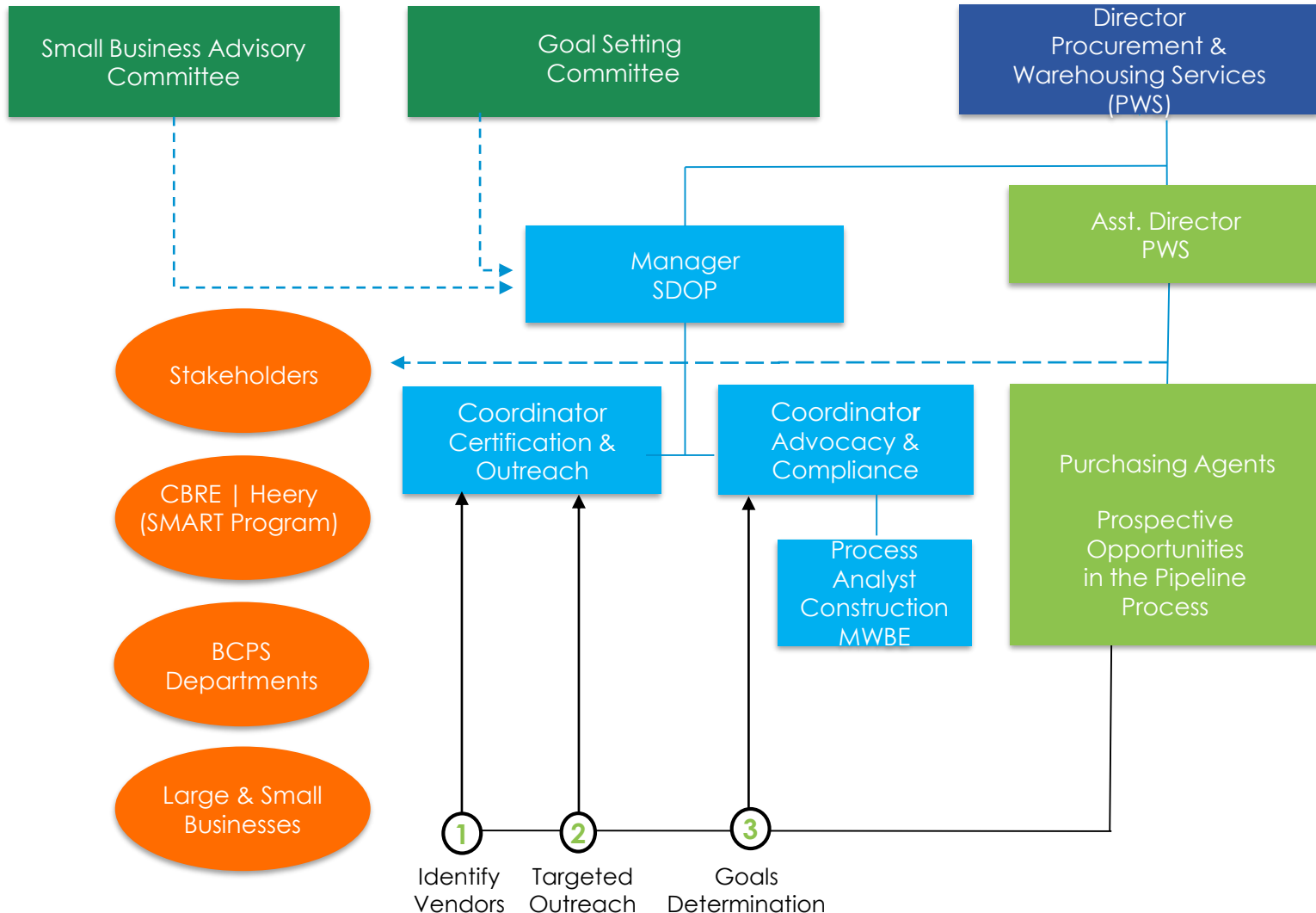
Note: Appendix has additional data on progress-to-date.

Source:

1. SBBC Disparity Study Findings, October 27, 2015
2. Disparity Study Final Report, October 2015. Page 3-13



Closely Integrated Organization Positions SDOP Function Appropriately



Highlight: Functions Aligned with Best Practices Provides Specialization



Outreach

- ✓ Significantly Updated Policy 3330 Standard Operating Procedure (SPO) Following Annual Review
- ✓ Implemented Asana Project/Task Management Software for SDOP Team
- ✓ Participated in or hosted **62** E/S/M/WBE – related outreach events

Compliance

- ✓ Updated Invitation for Bid (ITB)/Requests for Quotation (RFQ) Solicitation, Professional Services, and Construction Services Contract Language
- ✓ Drafted Prime/Subcontractor Contract Terms & Conditions provision
- ✓ Created **34** Affirmative Procurement Initiatives (APIs) per policy 3330

Certification

- ✓ Processed **502** Certification Applications
- ✓ **332** Certification Applications Approved
- ✓ **124** Recertifications & **46** denials
- ✓ Reduced Certification Process Time **60** to **25** days
- ✓ Creation of a Reciprocal Certification Program for neighboring tri-county public organizations



Annual Goals Are Set and Reviewed by Committee

Implemented the Goal Setting Committee

Role:

Goal Setting Committee Reviews and approves **E/S/M/WBE** goals for the District based on the following:

- *Industry Category*
- *Vendor Availability*
- *Bid Specifications*
- *E/S/M/WBE Utilization*

NOTE: See Attachment #2 for commodity goals

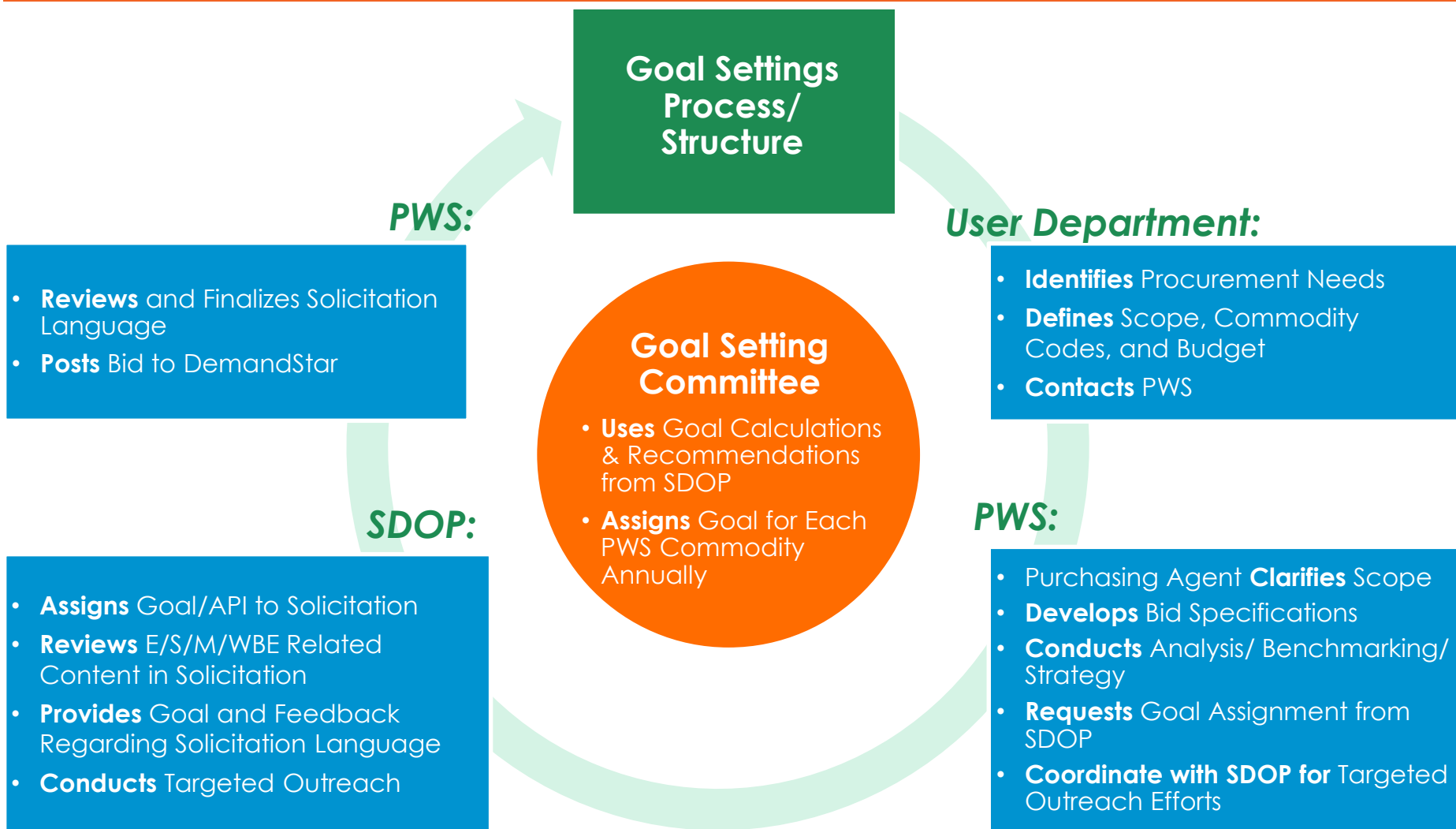


Superintendent's Goal Setting Committee Members:

- *Director, Equal Educational Opportunities/ADA Compliance*
- *Chief Facilities Officer*
- *Chief Portfolio Services Officer*
- *Director, Procurement & Warehousing Services*
- *Program Director, Vice President Owner's Representative – BCPS SMART Program*
- *Chief Academic Officer*
- *Chief Information Officer*
- *Chief Financial Officer*
- *Supplier Diversity Outreach Program*
- *Program Controls Manager - BCPS SMART Program*
- *Chief School Performance & Accountability Officer*



Implementation of Goals Requires Collaboration Across Key Departments



SAP Ariba Technical Enhancements Improves Vendor Onboarding

TRANSITIONED TO ePROCURE CENTRALIZED BIDDER REGISTRATION SYSTEM









Established July 27, 2018

- SAP Ariba eliminated manual processes with an **efficient** electronic registration
- Weekly "**PWS Tuesday Tech Talks**" sessions for suppliers to register and have in-person meeting with the PWS technical team
- **Decreased cycle time** to process Vendor Registration, Certification, and Pre-Qualification Applications
- BCPS and suppliers can **work together** more **efficiently** and **effectively** on all the shared aspects of business, saving both time and money
- **Increased** process efficiency and compliance
- **Streamlining** collaboration within the ecosystem of buyers and sellers



SUPPLIER DIVERSITY OUTREACH PROGRAM
POLICY 3330 IMPLEMENTATION UPDATE

Next Steps Involve Continuous Improvement Initiatives and Formal Rules Development Policy Change Process

-  Certified Payroll Software - **Streamline** Prime Contractors and Subcontractors Reporting Efforts, and **Ensure Compliance** with Prevailing Wage / Responsible Wage, as well as Other State and Federal Regulations
-  Explore **partnership with Bonding Agencies** to **hold training series** for E/S/M/WBEs to become bond-ready and bonded
-  **Compliance - Real-time Tracking** of Payments to Subcontractors and **Monitoring** of District-Wide Diversity Spend and Utilization
-  SDOP will leverage **its Partnership with CBRE/HEERY's S/M/WBE Inclusion Team** to Facilitate Integration of Policy 3330 Initiative
-  Enhance the **Contractor Performance Evaluation** form to include detailed **Goals Compliance Evaluation**
-  **Enhance** Reporting for key **E/S/M/WBE** metrics for all commodity groups

We acknowledge that we have more work to do. Continually refining the policy and investing in systems will provide us the tools and technologies required for a fully mature program.



QUESTIONS AND ANSWERS....



The School Board of Broward County, Florida

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Appendix

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Where We Are Now....

E/S/M/WBE CERTIFICATIONS BY ETHNICITY/GENDER

Ethnicity/Gender	Total Number	Total %
African-American	263	35%
Asian-American	41	5%
Hispanic-American	245	33%
Caucasian-American (WBE)	134	18%
Native-American	1	0%
Non-Minority (SBE)*	62	8%
Grand Total and %	746	100%

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

TOTAL NUMBER OF CERTIFIED COMPANIES

746

SBE Certified Companies	62
MBE Certified Companies	322
M/WBE Certified Companies	228
WBE Certified Companies	134

TOTALS BY INDUSTRY SEGMENT

839**

Commodities (Supplies)	88
Construction	254
Professional Services	205
Other Contractual Services	292

**The total number does not match with the total number of certified companies, because there are companies that provide services/goods in more than one business category, generating duplicated records.

CERTIFICATION & OUTREACH: (FY17-18 THROUGH FY18-19 Q1 September 30, 2018)



Where We Are Now... Key Accomplishments

CATEGORY GOALS

Commodity Categories	Average Subcategory Goals*
Academic/Student Services	2.5%
Business Operations Products	9.4%
Business Operations Services	5.2%
Curriculum/Compliance	7.0%
Facilities/Maintenance/Repair (inside)	6.2%
Food Services/Cafeteria	3.6%
Grounds/Structure/Exterior (outside)	3.4%
Human Resources	3.8%
Janitorial/Custodial	8.6%
Major Construction	12.6%
Technology	4.5%
Transportation/Logistics	1.0%

Source: Goal Setting Committee

* The Goals are set for each subcategory within each commodity category

NON-CERTIFIED FIRMS COMPARED TO CERTIFIED FIRMS (District-wide utilization outside of SMART program)

Firm Type	Total # Firms	Total Vendors that Receives Purchase Orders	% of Total Utilization by Type
Non-Certified	28,177	3,407	12.0%
Certified	731	131	17.9%

Source: SAP Ariba, FileMaker Pro (for historical utilization information only, all current certification information is in SAP Ariba)

NUMBER OF SUB-VENDORS BY CONTRACT TYPE

Ethnicity/Gender	Forty-eight (48) RFQs	Fifty (50) ITBs
African-American	56	13
Asian-Pacific	22	-
Hispanic-American	61	26
Women-Business	45	4
Subcontinent-Asian	50	-
TOTAL SUBS	234	43

Source: PWS Solicitations and SDOP Utilization Reports

TARGET PERIOD: (FY17-18 THROUGH FY18-19 Q1 September 30, 2018)



**SUPPLIER DIVERSITY OUTREACH PROGRAM
POLICY 3330 IMPLEMENTATION UPDATE**

Where We Are Now... Key Accomplishments (continued)

E/S/M/WBE CERTIFICATIONS & RE-CERTIFICATIONS BY ETHNICITY/ GENDER								
Contracts Awarded Per Ethnicity/Gender	RFQ Proposals Received	% of RFQ Proposals Received	# of RFQ Contract Awarded	% of RFQ Awarded	# of ITB Proposals Received	% of ITB Proposals Reviewed	# of ITB Contract Awarded	% of ITB Awarded
African-American	29	9.63%	8	17%	1	0.49%	0	0%
Hispanic-American	107	35.55%	11	23%	20	9.85%	13	26%
Women-American	48	15.95%	14	29%	1	0.49%	0	0%
Subcontinental-Asian	23	7.64%	8	17%	0	0.00%	0	0%
SBE Certified Firms	2	0.66%	0	0%	2	0.99%	0	0%
Total E/S/M/WBE Certified Firms	209	69.44%	41	85.42%	24	11.82%	13	26%
Total Non-SBBC Certified Firms	92	30.56%	7	14.58%	179	88.18%	37	74%
TOTAL	301	100%	48	100.00%	203	100%	50	100%

Source: PWS Solicitations and SDOP Utilization Report

OUTSTANDING INVOICE PAYMENTS AS OF 12/1/2018				
	0-30 Days	31-60 Days	61-90 Days	# of Invoices
Office of Facilities and Construction Management	48	0	1	49
Capital Projects	41	1	0	42

Administrative recommendation was given from the disparity study to develop an expedited subcontractor payment program.

Source: CBRE/SMART Bond Program Management

TARGET PERIOD: (FY17-18 THROUGH FY18-19 Q1 September 30, 2018)



Where We Are Now... Key Accomplishments (continued)

SINCE IMPLEMENTATION OF POLICY 3330

754 Pre-Bid Solicitation Reviews

362 RFQ Proposals Evaluated

37 QSEC Meetings

173 Project Monthly Utilization Report Reviews

25 Performance Reviews

235 ITB Evaluated (Consisting of 224 S/M/WBE Primes and 618 S/M/WBE Subs)

SDOP Team Enhancement

Roles:

Manager, Supplier Diversity: Align overall, integrate SDOP activities and continuous improvement efforts.

Coordinator, Supplier Diversity & Outreach: Conducts supplier forums and works with industry to exchange information on methods to enhance participation and availability.

Process Analyst Construction M/WBE: Database and knowledge management, analyzes goals and outcomes.



Potential Policy Change Considerations

GOAL SETTING:

Topic	Board Action to take place
Continue analysis of E/S/M/WBE goals	Revise the formula used to establish E/S/M/WBE participation goal. Align denominator to correspond with population segment covered in 2015 Disparity Study. Match basis used for numerator and denominator

CERTIFICATION PROGRAM:

Topic	Board Action to take place
Significant Business Presence (SBP) Requirement	Amend definition in Policy 3330. Add language to policy: Business Owner has permanent residence (domiciled) in the Tri County Area for Contractual Services category
Veteran-Owned Business Enterprise (VOBE) Programs	Policy change to include Veteran-Owned Small Business (VOSB) Program. Approval to DRAFT VOSB Program and include reciprocity for the State of Florida Veterans-Owned Certification
Partner Agencies for Reciprocity	Policy change to include additional Partnering Agencies (Applicant firm must meet Significant Business Presence requirement). Approval for reciprocal certification from the following agencies: State of Florida Office of Supplier Diversity S/M/WBE, Florida Department of Transportation Disadvantaged Business Enterprise (DBE)/Minority Business Enterprise (MBE) Certification, United States Small Business Administration WBE-Owned; Florida State Minority Supplier Development Council (FSMSDC); Women's Business National Council (WBENC).



Potential Policy Change Considerations (continued)

OUTREACH:

Topic	Board Action to take place
PWS/SDOP Website Overhaul & incorporate an ADA Responsive Design	Approval Requested to start the process

PROCUREMENT ALIGNMENT:

Topic	Board Action to take place
Supplier Diversity Outreach Program Guidelines	Proposed added language, under legal review: 1. Language strengthened for termination/substitution of S/M/WBEs subcontractors 2. Compliance Request for Information
Prime/Subcontractor Contract Terms & Conditions	Proposed added language, under legal review: *Adding notification to PWS/SDOP of any 3-Day Execution (New Work Order) between sub and prime *Adding "Good Cause" language for termination, substitution, addition, or reduction of scope
SDOP "Notice to Proceed" Acknowledgment Letter	Incorporate as SOP

CONTRACT COMPLIANCE:

Topic	Board Action to take place
Contract Compliance Forms	Update forms, SOP processes, Monthly Utilization Monitoring and Performance Evaluation form
BCPS Stakeholders and Staff Training	Training on Policy 3330
Certified Payroll	Research and Vet Options. Present vetted options for review



Potential Policy Change Considerations (continued)

COMMUNICATIONS PLAN:

Topic	Board Action to take place
Integrate Social Media into SDOP Outreach Efforts	Obtain approvals to create SDOP social media accounts

RESPONDENT DEBRIEFINGS:

Topic	Board Action to take place
Debriefing Timeframe	Request approval. Strike "Upon Request" and Add 'Post Award' to language regarding "debriefing of non-recommended respondent"



Attachments

1. Remedy Recommendation Prioritization and Timing
2. Goals for PWS Commodities
3. SDOP Fiscal Year 2017/18 Year-End Report

