



# **Miami-Dade County Public Schools Phase II Disparity Study An Overview**

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July 7, 2017

# Definition of Phase II Disparity Study

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**Phase II Covers Services, Goods & Supplies, Maintenance  
and Maintenance-Related Services**

**FY 2012-FY 2014**

# Presentation Agenda

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Welcome and Introductions

Overview of Disparity Study Methodology  
and Tasks

Statistical Methodology

Data Assessment and Data Request

# Overview of M<sup>3</sup> Consulting

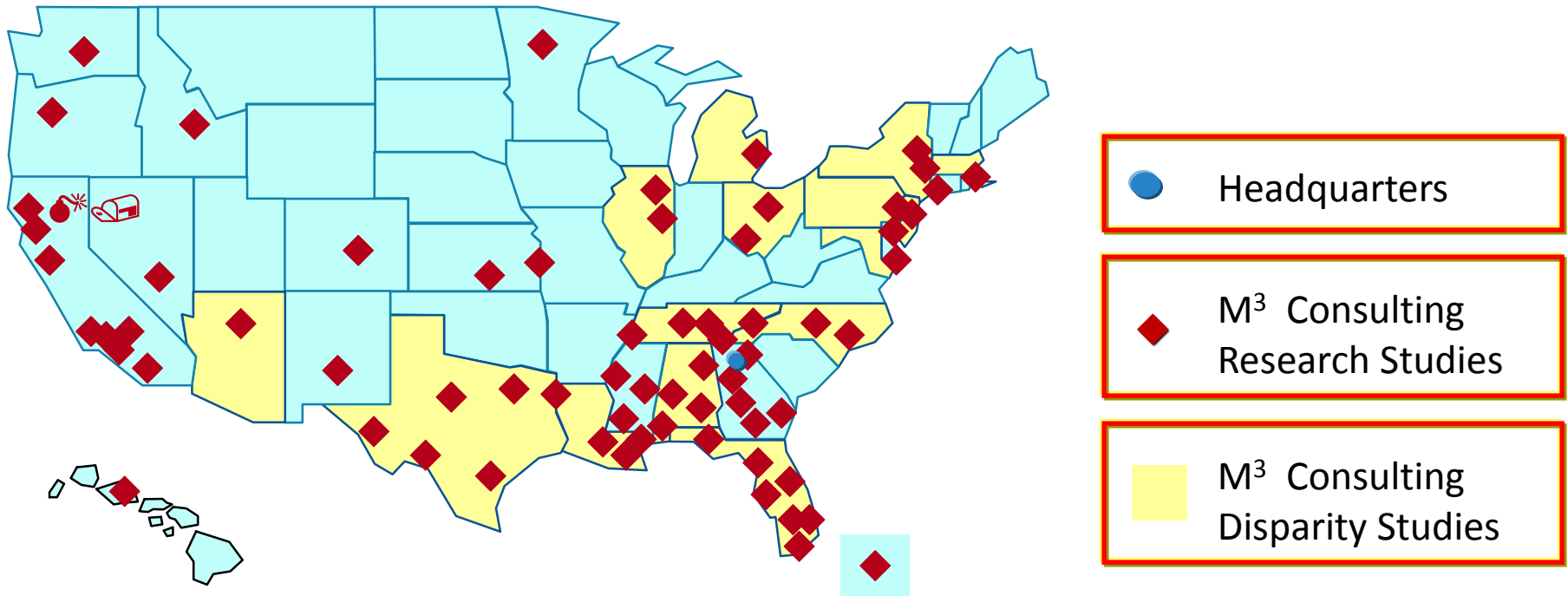
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BACKGROUND AND EXPERIENCE

M<sup>3</sup> CONSULTING ADVANTAGE

# Miller<sup>3</sup> Consulting, Inc.

## The Leader in MWBE Analysis and Design



- Disparity study in Hillsborough County in 1988 anticipated *Croson* decision in 1989
- Conducted disparity studies for more than 120 public sector entities, including M-DCPS in 1990.

## 120 Public Sector Agencies

- Municipalities and State Governments
- Transportation Agencies
- Schools and Colleges
- Electrical Authorities
- Water/Sewer Authorities
- Hospitals
- Housing Authorities and Development Corporations

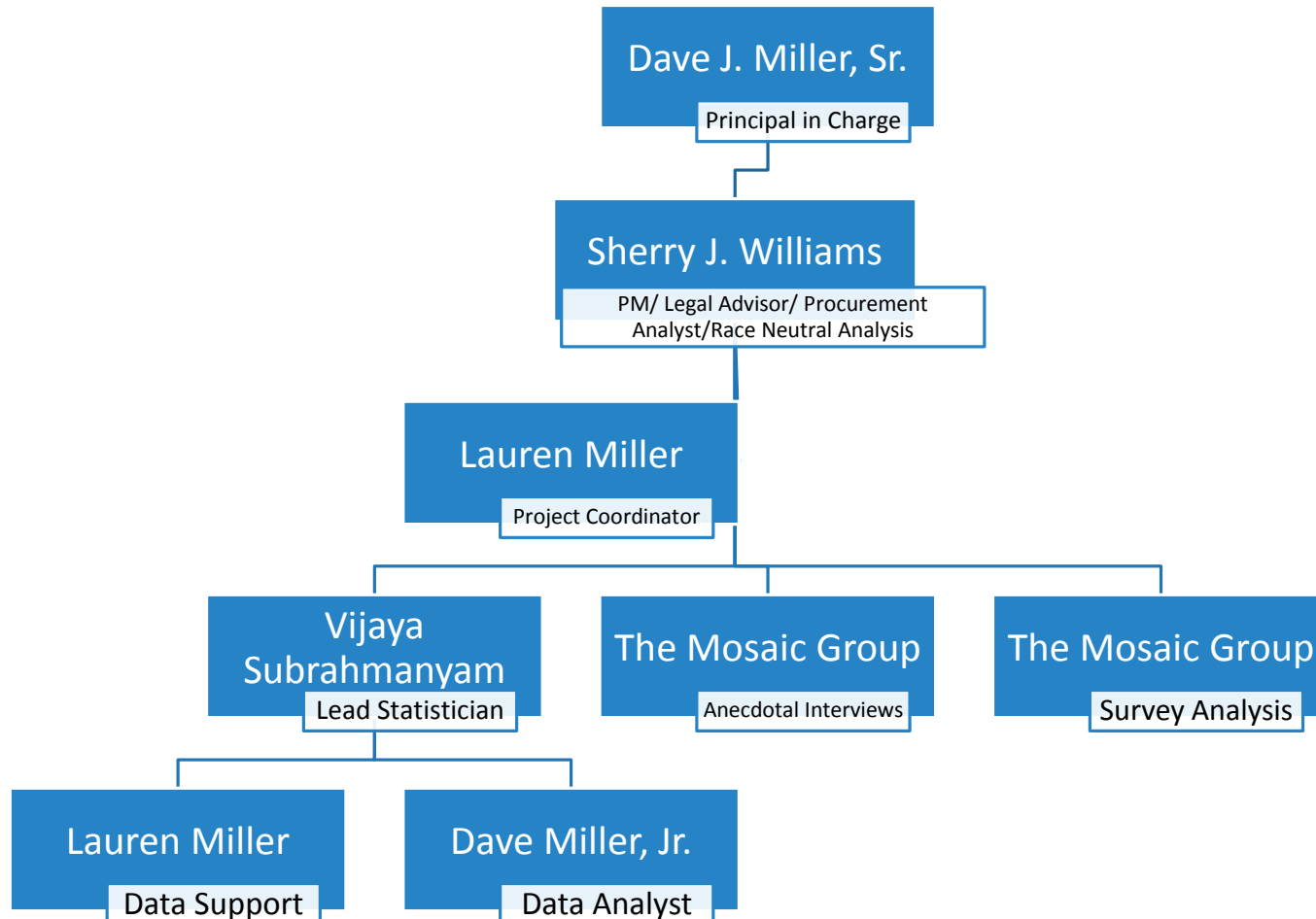


# M<sup>3</sup> Consulting Advantage

# Disparity Studies Conducted in State of Florida

School District of Palm Beach County, Disparity Study, (2015)	Broward College Disparity Analysis (2010) (Legal, Procurement, Availability, Utilization, Disparity)	School Board of Broward County, FL <b>DS II</b> (2009— not complete)	School District of Palm Beach County, FL M/WBE Causation and Anecdotal Disparity Analysis (2004)
City of Tampa, FL <b>DS II</b> (2001)	Orange County, FL <b>DS II</b> (Orange County, GOAA, <b>OCPS</b> ) (2000)	Valencia Community College, FL <b>DS II</b> (2001)	Miami Dade County, (2002), Disparity Analysis for Security Guard sector in Support of Litigation
State of Florida (1997)	Orange County, FL Consortium (Orange County, GOAA, <b>OCPS</b> , VCC) (1993)	City of Jacksonville Consortium, FL (City, Duval County, <b>Duval Cty Schools</b> , Port Authority) (1990)	<b>School Board of Broward County</b> , FL (1998)
City of St. Petersburg, FL (1990)	Hillsborough County, FL (1989) Litigation Support	City of Tampa (1989)	<b>Dade County Public Schools</b> , FL (1990)

# Disparity Study Team





# Legal Framework

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*RICHMOND V CROSON*

APPROACH AND METHODOLOGY OVERVIEW

# *Richmond v. Croson*

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- Compelling governmental interest provides a factual predicate for an MWBE/DBE program
  - Active participant in discrimination
  - Passive participant in discrimination
- Narrow Tailoring -- program must be focused on remedy to identified discrimination



# Croson and Adarand Progeny

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Courts have subjected disparity studies to more exacting scrutiny:

## **Nationwide**

*Adarand*

*Illinois DOT*

*Washington DOT (Western Paving)*

*City and County of Denver and CDOT*

*Minnesota DOT (Sherbrooke Sodding)*

*Rothe v DOD*

## **11<sup>th</sup> Circuit**

*State of Florida (DJMA)*

*Engineering Contractors*

*Hershell Gill (DJMA)*

*Hillsborough County (DJMA)*

*Northeastern Florida Chapter of AGC v Jacksonville (DJMA)*

*Phillips & Jordan*

*Webster v. Fulton County*

## ***Texas Dept. of Housing and Community Affairs v. The Inclusive Communities Project, Inc.***

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2015, U.S. Supreme Court upheld the disparate impact standard

Disparate impact finding must be clearly connected to public entity's policies

Policies that create “artificial, arbitrary, and unnecessary barriers”

Remedial orders should focus on eliminating the offending practice and designing race neutral remedies

# What Do You Achieve With a Disparity Study?

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## Diagnosis Needed to Provide Foundation for Addressing Objectives, Strategies, Tactics and Tasks of Increasing MWBE Participation

Objective—What is the objective of your organization as it relates to MWBE participation?

Strategy—What strategies will you employ to achieve your objective?

Tactic—How will you create tactics that further the implementation of your strategies?

*Task—How does completing the task of a disparity study assist you to achieve your objective, strategies and tactics?*

# Approach and Methodology

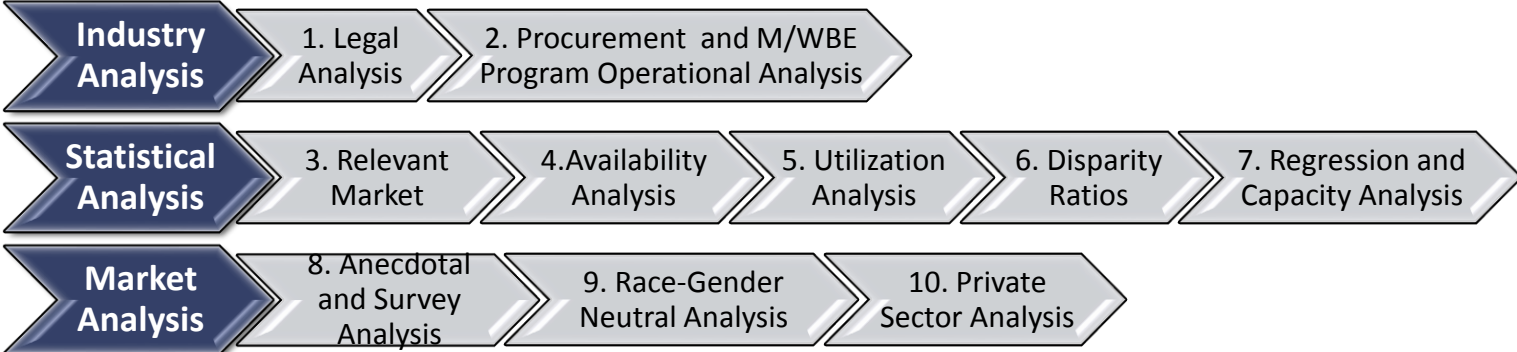
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10-PART METHODOLOGY

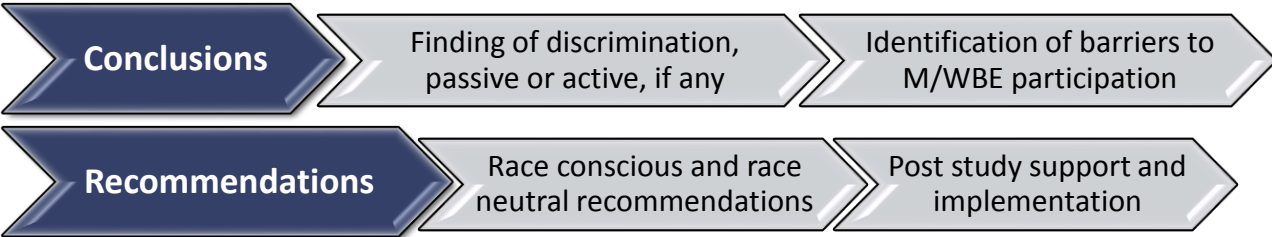
OVERVIEW OF GATHERING, ANALYSIS AND  
REPORTING OF DATA

STATISTICAL ANALYSIS

# 10 Part Methodology for M-DCPS Disparity Study



## 10 Part Methodology Leads To



# Overview of Gathering, Analysis and Reporting of Data

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DATA COLLECTION AND DATA ANALYSIS PROCESS

DATA REQUEST—SOURCES OF DATA

DATA ANALYSIS



# Data Collection and Data Analysis Process

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## Data Request

- Identifies necessary data elements utilized to conduct study

## Data Assessment

- Interviews, Data Review, Locations
- Data Collection Plan

## Data Collection

- Impacted by availability of data and responsiveness of client to inquiries about data

## Data Analysis

- Preparing data for statistical analysis

# Sources of Data for Availability and Utilization

Summary of Data Sources		
Availability	Utilization	Master MWBE Listing
Bidder and Sub-bidders from Bid Tabulations, Hard Copy Contract Files and Prime Contractors	Contract and subcontract award data from hard copy contract files, especially for Maintenance and Professional Services	OEO's MWBE List, to degree available
Awardees and Sub-awardees from Payments, Purchase Order and Hard Copy Contract Files	Census of Purchase Order Data for the study period if in electronic formats; sample of PO data if in hard copy formats	All Public Entity Certified MWBE Lists Within the Relevant Market
Vendors List for Current Year, preferable purged	Accounts Payable Data for the study period, covering all commercial transactions and excluding employees, government and non-profit transaction	Other Organizational MWBE Listings, such as Chambers of Commerce; Minority and Women Trade Organizations
OEO MWBE List, to degree available	Invoices and Pay Applications for Maintenance and Professional Services	
Other Public Agencies' Bidder, Vendor and Awardee Data (upon client request)	Business License Data	
Dun & Bradstreet Hoovers Data for 1 year period		

# Data Analysis

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## Master Vendor List

- Compilation of data in all datasets
  - Address naming conventions, locations, address, procurement types, NAICS/NIGP codes

## Master SMWDBE List

- Compile Master list of certified firms from certifying agencies in the area
- Include MBEs and WBEs from Dun & Bradstreet

## Preparation of Files for Statistical Analysis

- Cross-matching original files against Master Vendor List and Master SMWDBE list

# Statistical Methodology

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RELEVANT MARKET

AVAILABILITY

CAPACITY

UTILIZATION

DISPARITY

# Determine Relevant Market

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Start with the assumption that the relevant market is the Miami-Ft. Lauderdale-Pompano Beach MSA

Test determining the location of where the dollars were allocated by industry

Test by determining location of approximately 70 percent of vendors, bidders and awardees by industry

Data Requirements -- Bidder data, Vendor data, Contract Awards data, PO and AP data

## M<sup>3</sup> Consulting's *RWA*<sup>SM</sup> Model

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Premise: Those firms who are *Ready, Willing and Able* to do business with the School District

- Ready—firms that exist
- Willing—firms understand the requirements of the work being requested and want to perform the work
- Able—firms with the capacity to do the job

# M<sup>3</sup> Consulting's Availability Model

## M-DCPS

### Ready, Willing and Able (RWA<sup>SM</sup>) Availability

Bidders +Subbidders

Prime Awardees +Subawardees

Vendors

Certified MWBEs



## Public Availability

M-DCPS RWA<sup>SM</sup>

Other Public Agencies Prime Bidders and Subbidders

Other Public Agencies Prime Awardees +Sub Awardees

Other Public Agencies Vendors

MWBEs



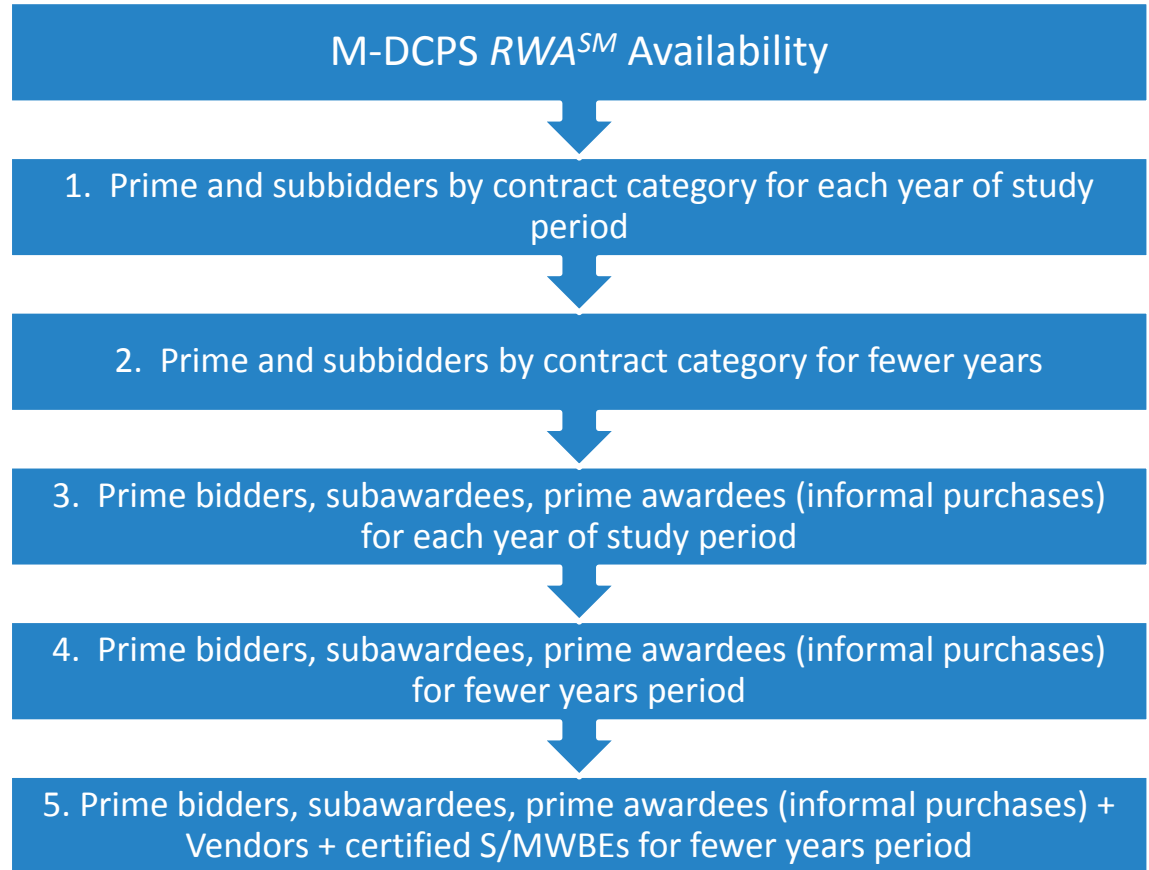
## Marketplace Availability

Dun & Bradstreet

Reed Construction

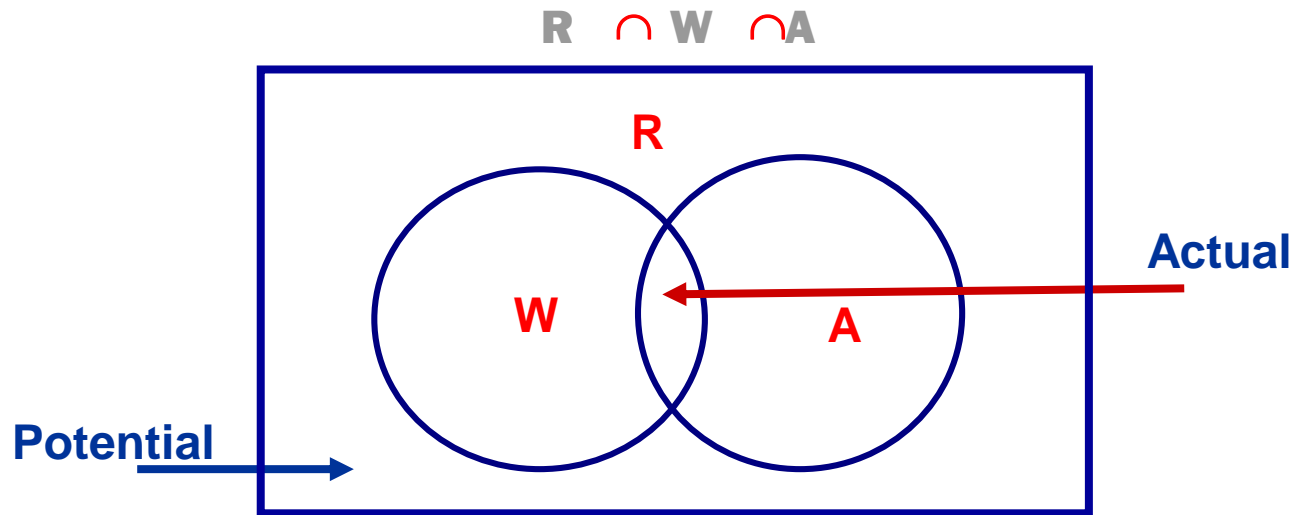
Note: Census no longer reports SBO/SMOBE/SWOB data

# M<sup>3</sup> Consulting RWA<sup>SM</sup> Availability Model





# Actual and Potential Availability of Firms



- Actual—M-DCPS Bidders, Awardees, Vendors
- Potential (Marketplace Availability)—D&B, Reed Construction

# Utilization Analysis

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## **Definition:**

The actual procurement award or purchasing activity of M-DCPS.

## **Data Sources:**

Contracts Data

Bidder Tabulations

Invoices and Pay Applications

Payments Data

Accounts Payable

Purchase Orders

# Utilization Activity Report by:

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Federal and non-Federal activity

Procurement categories

Competitive and non-competitive thresholds

Race gender and ethnicity

Prime and subcontractor utilization (separately)

Regional relevant market activity

Specialties

# M<sup>3</sup> Consulting Disparity Ratio© Calculation

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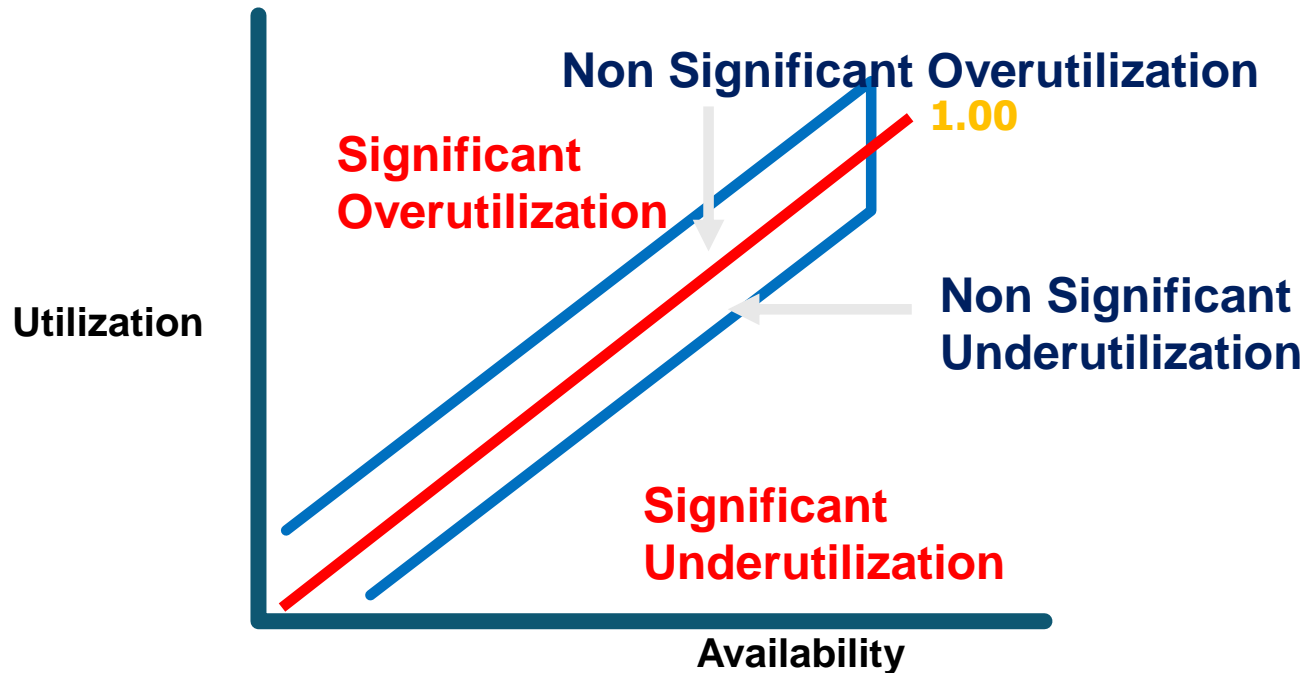
The ratio of the percentage of MWBEs in the market (availability) compared to the proportion of dollars spent with those businesses (utilization)

$$A_m = \frac{N_m}{N_t} \quad A_w = \frac{N_w}{N_t} \quad D = \frac{U}{A}$$

# M<sup>3</sup> Disparity Ratio Concept©...

**Disparity=Utilization/Availability**

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# M<sup>3</sup> Consulting Capacity Analysis

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## Actual Availability

- *RWA<sup>SM</sup>*
  - Level 1-3 Availability analysis
  - Regression analysis on survey data
  - Dollar Threshold Analysis
  - Top Ten Bidders and Awardees
  - Disparity calculations on small payments and contracts

## Potential Availability

- Dun & Bradstreet
  - 3 years capacity data per firm, number of employees and avg. revenues
- Regression analysis on survey data
- Census
  - CCR Average Revenue Analysis
  - SBO Average Revenue Analysis
  - Regression analysis on PUMs data

# M-DCPS Disparity Study Work Plan

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<b>M<sup>3</sup> Consulting Task</b>	<b>Completion Date</b>
Project Management	On-going
Legal Analysis	7/14/2017
Procurement	8/11/2017
Data Assessment, Collection, Analysis	8/04/2017
Relevant Market	8/25/2017
Availability	9/29/2017
Utilization	11/15/2017
Disparity and Statistical Significance	12/29/2017
Regression and Capacity	12/29/2017
Anecdotal	12/01/2017
Private Sector	9/15/2017
Race Neutral	8/10/2017
Findings and Conclusions	2/16/2018
Final Report	2/16/2018
Presentations	3/30/2018

# Questions and Comments

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# Closing Remarks

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August 9, 2017