



M-DCPS Disparity Study Phase II (Goods & Services, Maintenance and Maintenance Related Services and Services Presentation)

COMMUNITY MEETING

TUESDAY, JANUARY 15, 2019

MEETING AGENDA

- I. Call to Order
- II. Welcome
- III. Meeting Format & Engagement
- IV. Phase II Disparity Study Presentations
- V. Public Comment/Question & Answer Session
- VI. Adjournment

CALL TO ORDER

Committee Chairman

Mr. Yoni Markhoff, Esquire

WELCOME

Mr. Alberto Carvalho
Superintendent of Schools

MEETING FORMAT & ENGAGEMENT

Mr. Torey Alston

**Economic Equity & Diversity
Compliance Officer**

PHASE II DISPARITY STUDY PRESENTATIONS

Ms. Maria Gonzalez
Chief Auditor

OFFICE OF MANAGEMENT AND COMPLIANCE AUDITS
AUDIT OF DRAFT PHASE 2 DISPARITY STUDY REPORT DATED MARCH 27, 2018
July 1, 2012 through June 30, 2015

- Audit requested by the Administration.
- Scope of the audit was to verify numerical information contained in selected tables in the Executive Summary, Chapters 4 through 8, and Appendix A of the Draft Study prepared by Miller³ Consulting (Miller³).
- Audit objectives:
 - To verify the accuracy of said information contained in the Draft Study; and
 - To evaluate the general assumptions used by Miller³ in performing the Draft Study for reasonableness.
- Audit Tests and Results:

Sampled 52 of 130 tables and performed tests of underlying data.

Results--No significant errors noted.
- Conclusion:

The numerical information contained in the tables audited and the underlying data was accurate.

The tables audited provide an objective basis of support for the conclusions reached in the Study.

Based on the accuracy of the numerical information and the underlying data that was tested, the general assumptions and methodology based on the statistical analysis of the Disparity Study are appropriate and reasonable.
- Our internal audit report was submitted to the Audit and Budget Advisory Committee and transmitted to the School Board on September 18, 2018, and October 10, 2018, respectively.

PHASE II DISPARITY STUDY PRESENTATIONS

Mr. Dave J. Miller, Jr.

Ms. Sherry Williams

Miller³ Consulting, Inc.



Miami-Dade County Public Schools

2018 Phase II Disparity Study Presentation

For Goods & Supplies, Maintenance and Maintenance-Related Services and Services

January 15, 2019

Acknowledgements

Miller³ Consulting, Inc. wishes to acknowledge the leadership and commitment of

Miami-Dade County Public Schools

Superintendent's Office
Office of Economic Opportunity
Along with
Procurement Management Services
Accounts Payable
Facilities Operation and Maintenance

In participating in the Disparity Study process in the best interest of those whom they serve.

Outline of Presentation

Miller³ Consulting Background and Experience

Legal Framework for Race and Gender Conscious Programs and Disparity Studies

Miller³ Consulting Approach and Methodology

Statistical Analysis

Conclusions and Recommendations

Miller³ Consulting Background and Experience

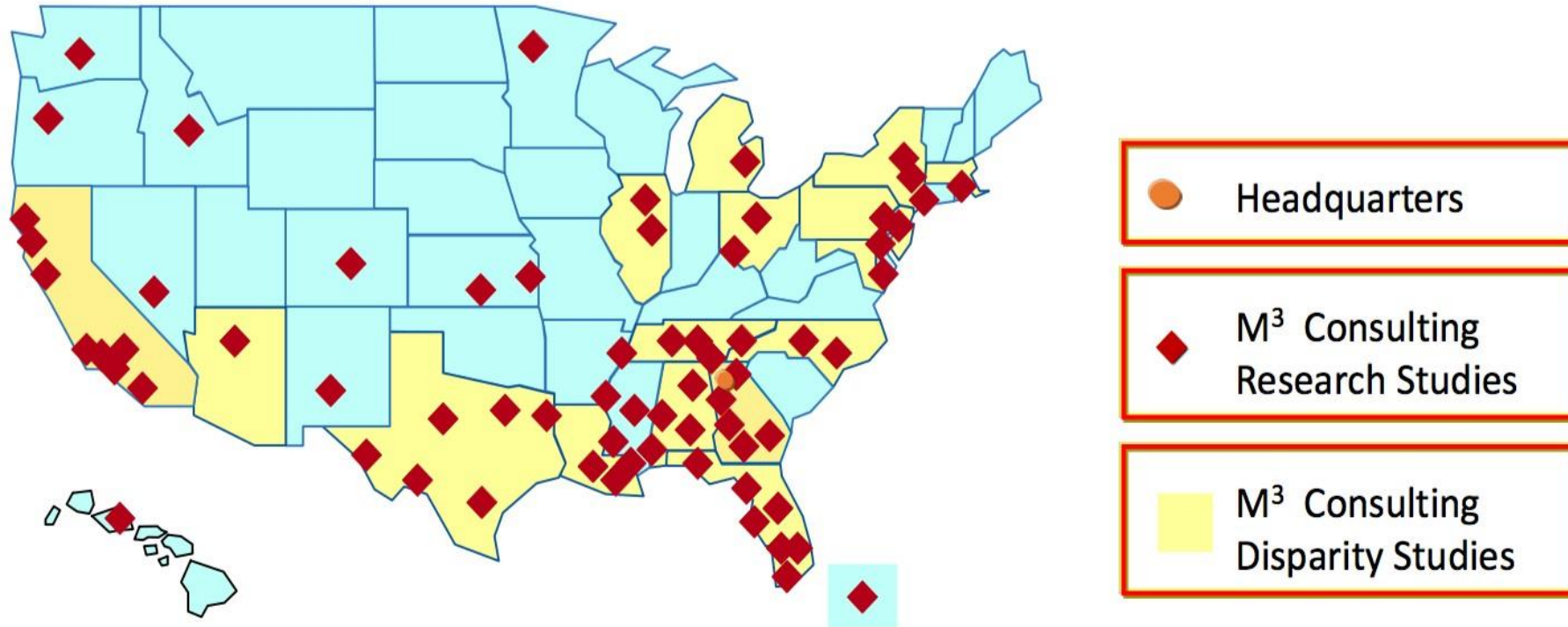
M³ CONSULTING ADVANTAGE

FIRM EXPERIENCE

Miller³ Consulting, Inc.

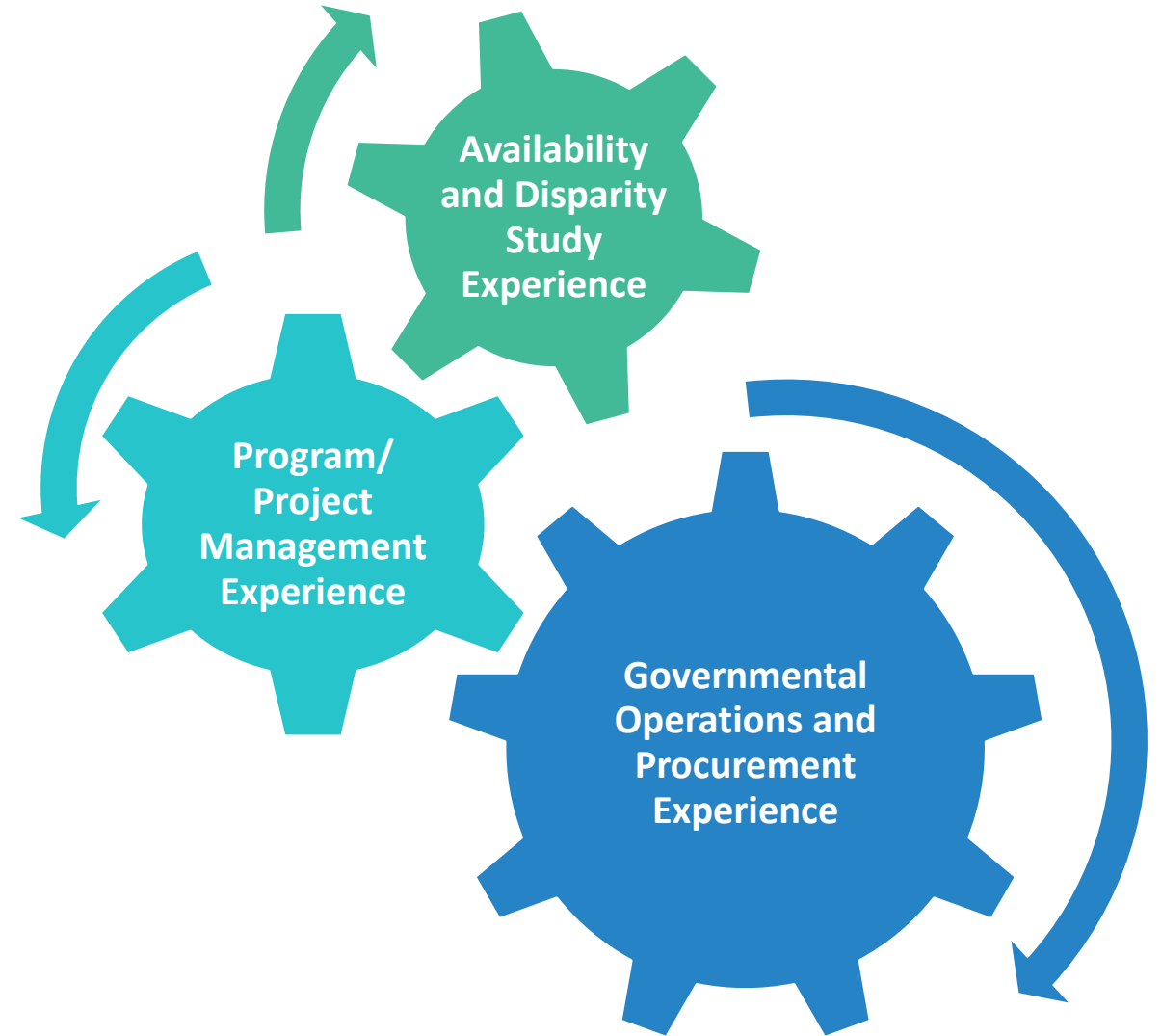
The Leader in M/W/DBE Analysis and Design

- Created the **disparity study** industry
- Conducted the **very first disparity study** in the country, in Hillsborough County, FL in 1989
- Completed disparity studies for **over 135** public agencies
- **25 availability and disparity studies** completed in the 11th Circuit
- **17 studies** completed in State of Florida



M³ Consulting Advantage: Research and Analysis

Rooted Excellence in Public Sector Management



M³ Consulting Experience

- Over 25 years of experience in Inclusive Procurement and Economic Development Consulting
- Creators of disparity study industry and *RWASM* analysis
- Disparity Study Management Team has an average of 20 years of disparity study experience
- Strong local team, The Mosaic Group, with extensive relevant experience
- Successful litigation support
- Turnkey approach to S/M/W/VBE service delivery

Legal Framework for Race and Gender Conscious Programs and Disparity Studies

RICHMOND V CROSON AND ITS PROGENY

*TEXAS DEPT. OF HOUSING AND COMMUNITY AFFAIRS V. THE
INCLUSIVE COMMUNITIES PROJECT*

Richmond v. Croson

U.S. Supreme Court, 1989

Compelling governmental interest provides a factual predicate for an MWBE program

- Active participant in discrimination
- Passive participant in discrimination

Narrow Tailoring -- program must be focused on remedy to identified discrimination

Richmond v. Croson cont.

U.S. Supreme Court, 1989

In conjunction with or following race neutral efforts, race and gender-conscious initiatives should include:

- Sunset provision
- Graduation provision
- Flexible goals
- Tied to availability
- Limit impact on third parties
- Limited to groups that have suffered discrimination or have shown statistically significant disparity

Engineering Contractors Association of South Florida Inc. v. Metropolitan Dade County

“The first measure every government ought to undertake to eradicate discrimination is **to clean its own house** and to ensure that its own operations are run on a strictly race- and ethnicity-neutral basis...”

122 F.2d 895, 929 (11th Cir. 1997)

The Eleventh Circuit found that the County had taken no steps to **“inform, educate, discipline, or penalize” discriminatory misconduct by its own employees**. Nor had the County passed any local ordinances expressly prohibiting discrimination by local contractors, subcontractors, suppliers, bankers, or insurers. “Instead of turning to race- and ethnicity-conscious remedies as a last resort, the County has turned to them as a first resort.”

Id. at 929.

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

U.S. Supreme Court, 2015

In 1989, *Croson* left door open for both active and passive discrimination.



In 2015, *disparate impact analysis* was on trial. Texas ICP case moved closer to reliance on active discrimination.

- **Disparities must be connected to public entities' policies that create "artificial, arbitrary, and unnecessary barriers"**
- **Could be a rational business or governmental reason for disparity**
- **Should focus on eliminating the offending practice and designing race neutral remedies**
- **Focus should be on systemic and structural reform**

Approach and Methodology

WHAT DO YOU ACHIEVE WITH A DISPARITY STUDY?
10-PART METHODOLOGY

10 Part Methodology for M-DCPS Disparity Study

10 Part Methodology

Leads To

Industry Analysis

- Legal Analysis
- Procurement and MWBE Program Operational Analysis

Statistical Analysis

- Relevant Market
- Availability Analysis
- Utilization Analysis
- Disparity Ratios
- Capacity Analysis

Market Analysis

- Anecdotal and Survey Analysis
- Race-Gender Neutral Analysis
- Private Sector Analysis

Conclusions

- Finding of discrimination, passive or active, if any
- Identification of barriers to MWBE participation

Recommendations

- Race conscious and race neutral recommendations
- Post study support and implementation

Statistical Analysis

for Goods and Supplies, Maintenance and Maintenance-Related Services and Services

RELEVANT MARKET FINDINGS

AVAILABILITY FINDINGS

UTILIZATION FINDINGS

DISPARITY FINDINGS

CAPACITY FINDINGS

NOTE: OBSERVATIONS REFLECT THE STUDY PERIOD OF JULY 1, 2012 THROUGH JUNE 30, 2015.

Relevant Market Findings

NOTE: OBSERVATIONS REFLECT THE STUDY PERIOD OF JULY 1, 2012 THROUGH JUNE 30, 2015.

Determine Relevant Market

- Geographical area encompassing approximately 75 percent of M-DCPS' commercial activity
- Test by determining location of approximately percent of vendors, bidders and awardees by industry
- Data reviewed -- Bidder data, Contract Awards data, PO and AP data, P-cards, Vendor

Relevant Market Determination, FY 2012/2013-2014/2015

Procurement Type	Relevant Market
Goods & Supplies	Nationwide
Maintenance and Maintenance-Related Services	Tri-County
Services	State of Florida

Availability Findings

NOTE: OBSERVATIONS REFLECT THE STUDY PERIOD OF JULY 1, 2012 THROUGH JUNE 30, 2015.

M³ Consulting's RWASM Model

Premise: Those firms who are *Ready, Willing and Able* to do business with M-DCPS

- 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-DCPS Level 2 RWA SM Availability

(by Relevant Market and Percent, FY 2012/2013–2014/2015)

	Goods & Supplies ¹		Maintenance and Maintenance-Related Svs ²		Services ³		Total Firms ¹	
	#	%	#	%	#	%	#	%
Non-M/W/SBE	1,707	86.87	425	62.96	888	85.06	3,633	84.31
African American	20	1.02	27	4.00	21	2.01	73	1.69
Asian American	6	0.31	4	0.59	3	0.29	14	0.32
Hispanic American	96	4.89	124	18.37	51	4.89	271	6.29
Non-M-DCPS Certified MBE	50	2.54	47	6.96	28	2.68	126	2.92
Total MBE	172	8.75	202	29.93	103	9.87	484	11.23
WBE	57	2.90	29	4.30	37	3.54	128	2.97
Non-M-DCPS Certified M/WBE	4	0.20	2	0.30	7	0.67	13	0.30
Total M/WBE	233	11.86	233	34.52	147	14.08	625	14.50
SBE	23	1.17	17	2.52	7	0.67	47	1.09
Total M/WBE	256	13.03	250	37.04	154	14.75	672	15.60
Service-Disabled	2	0.10	-	0.00	2	0.19	4	0.09
Total	1,965	100.00	675	100.00	1,044	100.00	4,309	100.00

Source: M³ Consulting; M-DCPS Contracts Data, SAP PO and AP data, M-DCPS Vendor data; * Services include Professional and Non-Professional Services, ¹Nationwide, ²Tri-County Area, ³State of Florida

Utilization Findings

NOTE: OBSERVATIONS REFLECT THE STUDY PERIOD OF JULY 1, 2012 THROUGH JUNE 30, 2015.

Utilization Analysis

Definition:

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

Data Sources Reviewed and Analyzed:

Goods & Supplies	Contract Awards	Purchase Orders*	Payments
Maintenance and Maintenance-Related Services	Contract Awards	Purchase Orders*	Payments
Services	Contract Awards	Purchase Orders*	Payments

*Data Sources determined as most robust source of data for utilization measure and relied upon for calculation of disparity ratios used for conclusions on inference of discrimination

M-DCPS Utilization Summary Based on Purchase Orders

(by Relevant Market and Percent, FY 2012/2013–2014/2015)

	Goods & Supplies	Maintenance and Maintenance-Related Services	Services
	%	%	%
Non-M/W/SBE	77.15	26.74	88.07
African American	0.08	0.95	1.15
Asian American	0.11	0.12	1.10
Hispanic American	19.80	35.86	5.04
Non-M-DCPS Certified MBE	1.13	27.16	1.85
Total MBE	21.12	64.10	9.14
WBE	1.23	1.29	2.64
Non-M-DCPS Certified M/WBE	0.00	2.92	0.00
Total M/WBE	22.35	68.31	11.78
SBE	0.49	4.95	0.07
Total M/W/SBE	22.85	73.26	11.85
Service-Disabled	0.00	0.00	0.08
Total	\$545,170,957	\$36,499,202	\$222,162,595

Source: M³ Consulting; M-DCPS Contracts Data, SAP PO and AP data, M-DCPS Vendor data; * Services include Professional and Non-Professional Services, ¹Nationwide, ²Tri-County Area, ³State of Florida

M-DCPS Utilization Summary—Comparison of Purchase Orders and Payments

(by Relevant Market and Percent, FY 2012/2013–2014/2015)

	Goods & Supplies		Maintenance and Maintenance-Related Services		Purchase Orders	Payments
	Purchase Orders	Payments	Purchase Orders	Payments		
	%	%	%	%	%	%
Non-M/W/SBE	77.15	89.44	26.74	46.48	88.07	91.28
African American	0.08	0.09	0.95	1.05	1.15	1.31
Asian American	0.11	0.08	0.12	0.04	1.10	0.01
Hispanic American	19.80	7.51	35.86	29.76	5.04	3.67
Non-M-DCPS Certified MBE	1.13	1.22	27.16	17.26	1.85	1.47
Total MBE	21.12	8.90	64.10	48.11	9.14	6.46
WBE	1.23	1.19	1.29	1.59	2.64	2.17
Non-M-DCPS Certified M/WBE	0.00	0.00	2.92	1.41	0.00	0.00
Total M/WBE	22.35	10.08	68.31	51.12	11.78	8.63
SBE	0.49	0.47	4.95	2.40	0.07	0.02
Total M/W/SBE	22.85	10.56	73.26	53.52	11.85	8.66
Service-Disabled	0.00	0.00	0.00	0.00	0.08	0.07
Total	\$545,170,957	\$481,250,706	\$36,499,202	\$57,050,528	\$222,162,595	\$188,040,219

Source: M³ Consulting; M-DCPS Contracts Data, SAP PO and AP data, M-DCPS Vendor data; * Services include Professional and Non-Professional Services, ¹Nationwide, ²Tri-County Area, ³State of Florida

Disparity Findings

NOTE: OBSERVATIONS REFLECT THE STUDY PERIOD OF JULY 1, 2012 THROUGH JUNE 30, 2015.

M³ Consulting Disparity Ratio[®] Calculation

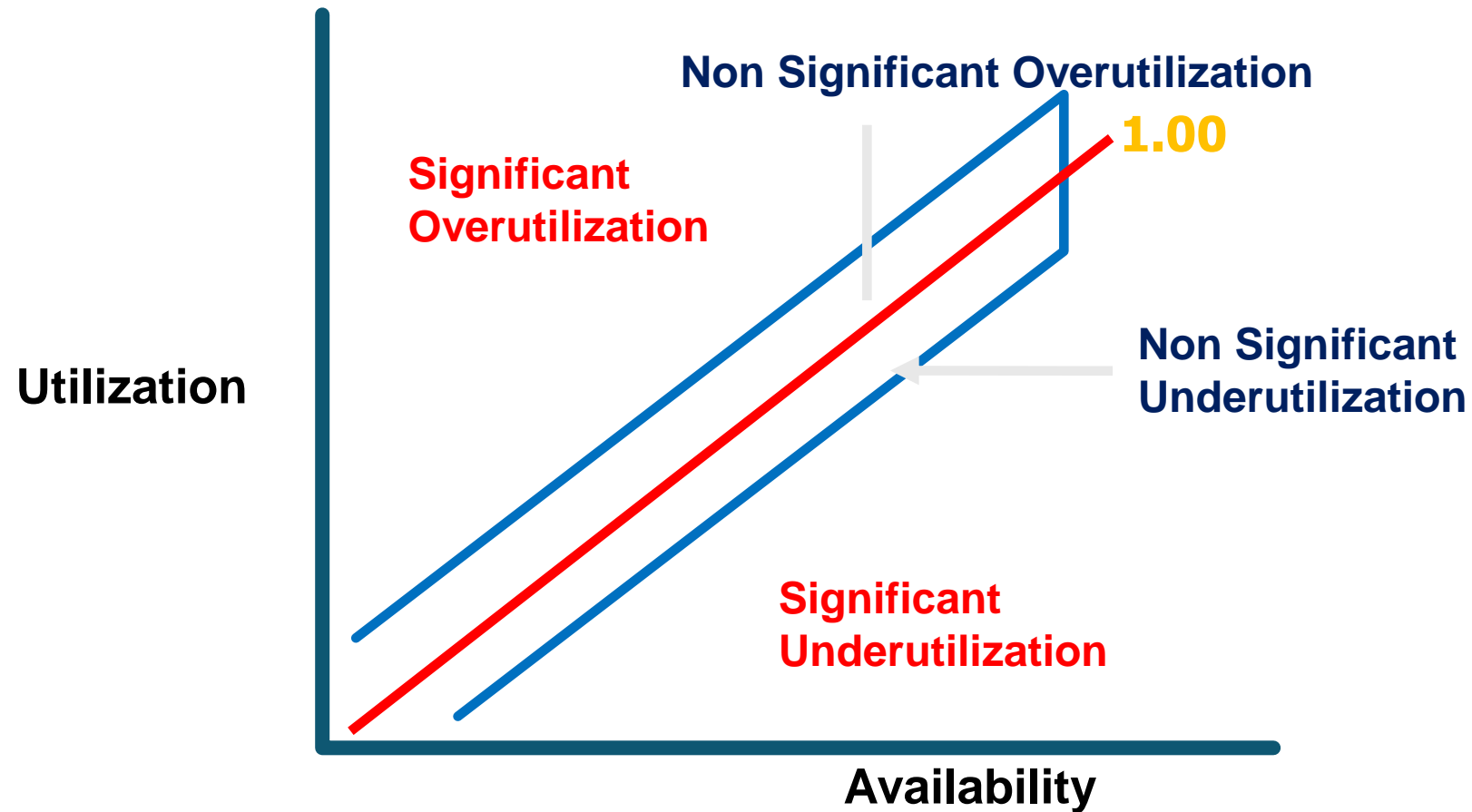
The ratio of the percentage of M/WBEs in the market (availability) compared to the proportion of dollars spent with those businesses (utilization)

$$D = \frac{U}{A}$$

TM

M³ Disparity Ratio Concept©...

Disparity=Utilization/Availability



M-DCPS Disparity Findings Based on Purchase Orders and Level 2 RWA Availability

(by Relevant Market and Percent, FY 2012/2013–2014/2015)

	Goods & Supplies (Purchase Orders)		Maintenance & Maintenance Related Services (Purchase Orders)		Services (Purchase Orders)	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
Non-M/W/SBE	0.89	S	0.42	S	1.04	S
African American	0.08	S	0.24	S	0.57	S
Asian American	0.36	S	0.20	S	3.83	S
Hispanic American	4.05	S	1.95	S	1.03	NS
Non-M-DCPS Certified MBE	0.44	S	3.90	S	0.69	S
Total MBE	2.41	S	2.14	S	0.93	S
WBE	0.42	S	0.30	S	0.74	S
Non-M-DCPS Certified M/WBE	0.00	S	9.86	S	0.00	S
Total M/WBE	1.88	S	1.98	S	0.84	S
SBE	0.42	S	1.97	S	0.10	S
Total M/W/SBE	1.75	S	1.98	S	0.80	S
Service-Disabled	0.00	S	0.00	S	0.42	S

S = Statistically significant

1.00 = Parity

Recommendations

FINDINGS BASED ON DISPARITY ANALYSIS

RECOMMENDATIONS

NOTE: OBSERVATIONS REFLECT THE STUDY PERIOD OF JULY 1, 2012 THROUGH JUNE 30, 2015.

Inference Based on Disparity Ratios – Basis for Race/Gender-Conscious Goals

Procurement Category	Race/Ethnicity/Gender
Goods & Supplies	<ul style="list-style-type: none">• African American• Asian American• WBE
Maintenance and Maintenance-Related Services	<ul style="list-style-type: none">• African American• Asian American• WBE
Services	<ul style="list-style-type: none">• African American• WBE

M-DCPS Organizational Recommendations

- Change inclusion focus from
 - Programmatic (*compliance* with S/MBE and M/WBE regulations) to
 - Organizational focus (*commitment* to inclusive procurement environment)
- Ensure an inclusive procurement environment which should incorporate the following elements:
 - Mission Driven
 - Opportunity Driven
 - Relationship Driven
 - Data Driven

M-DCPS Organizational Recommendations

- Provide Procurement and M/WBE training and development to all Procurement, School Site Staff, Departmental Staff and OEO Staff on Inclusive Procurement and M/WBE Program Operations;
- Fully implement current S/MBE and M/WBE Programmatic Initiatives before making further programmatic adjustments; and,
- Develop Budgeting, Forecasting and Scheduling for each procurement category.

M-DCPS Organizational Recommendations

Promote greater transparency and accountability, cont.:

- Ensure that Decision-Making within M-DCPS can be monitored, using an EEO Applicant Flow model equivalent:

EEO Applicant Flow	RWASM and Disparity Analysis Equivalent
Labor Force	Potential Availability from D&B Firms, Firms Receiving Building Permits and/or Business License, certified DBE, SBE and MWBE firms, non-certified DBE, SBE and MWBE firms, trade organization membership; yellow pages
Potential Applicants	Registered Vendors, Plan Holders, Pre-Qualified Vendors
Actual Applicants	Bidders and Sub-bidders (inclusive of quotes)
Actual Hires	Awardees and Payees
Actual Promotions	Difference between prime and subcontracting opportunities; vendor performance
Actual Terminations	Contract terminations, for convenience and for cause; substitutions

M-DCPS S/MBE and M/WBE Program Recommendations

- Monitor Contracts for Issue of Concentration by M/WBE status and trade category;
- Promote S/MBE and M/WBE Participation at the Prime Contractor/Consultant Level;
- Promote S/MBE and M/WBE Participation at the Subcontractor/Sub-Consultant Level;
- Develop specific procedures for verifying, counting and tracking the participation of S/MBEs and M/WBEs in Joint Ventures, Mentor-Protégé, and Distributorships; and,
- Develop Effective Matchmaking and Outreach Programs.



Miami-Dade County Public Schools

2018 Phase II Disparity Study Presentation

For Goods & Supplies, Maintenance and Maintenance-Related Services and Services

January 15, 2019

PHASE II DISPARITY STUDY PRESENTATIONS

**Mr. Walter Harvey,
School Board Attorney**

NEXT STEPS:

- Report/findings submitted to Board for approval/acceptance
- Amendments to relevant Board Policy 6320.02
- Review and revise (if necessary) the OEO Administrative Manual

PUBLIC COMMENT/QUESTION & ANSWER SESSION

ADJOURNMENT

Mr. Yoni Markhoff, Esquire