

Overview on the Office of Business Diversity

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PRESENTATION OBJECTIVES

- DISCUSS BDE ORDINANCE VS. INCENTIVE POLICY
- OFFICE OF BUSINESS DIVERSITY FISCAL YEAR 2017 ACTIVITIES
- OFFICE OF BUSINESS DIVERSITY SUCCESSES
- OFFICE OF BUSINESS DIVERSITY CHALLENGES

Legal Basis for Program

- State and local governments are required to validate a statistically significant underutilization of minority and/or women-owned businesses before establishing an M/WBE Goals-Based Program
- The courts consider Availability and Disparity Studies to be an acceptable method to validate underutilization and identify remedies
- The study is necessitated in part by the 1989 U.S. Supreme Court's decision in the case of *City of Richmond v. J.A. Croson*. The court decision imposed legal requirements on jurisdictions to establish a “compelling interest” to support the establishment of a minority and women business program
- Mason Tillman Associates, Ltd. was engaged through the North Central Texas Council of Governments (NCTCOG) to conduct a study update for City of Fort Worth, City of Arlington, DFW Airport, FWISD, The T and NTTA which became effective in 2012

Subcontractor Disparity – Prior Ord.

| Ethnicity / Gender | Construction Services | Architecture and Engineering | Professional Services |
|--------------------------------------|------------------------------|-------------------------------------|------------------------------|
| African Americans | Yes | Yes | Yes |
| Asian Americans | Yes | Yes | Yes |
| Hispanic Americans | Yes | Yes | Yes |
| Native Americans | Yes | Yes | Yes |
| Minority Business Enterprises | Yes | Yes | Yes |
| Women Business Enterprises | Yes | Yes | Yes |

Goal: 25% participation overall

Subcontractor Disparity – Current Ord.

| Ethnicity / Gender | Construction Services | Architecture and Engineering | Professional Services |
|-------------------------------|-----------------------|------------------------------|-----------------------|
| African Americans | Yes | No | Yes |
| Asian Americans | Yes | No | No |
| Hispanic Americans | Yes | No | No |
| Native Americans | No | No | No |
| Minority Business Enterprises | Yes | No | No |
| Women Business Enterprises | No | No | No |

Goals:

- **Construction: All categories = 25%**
- Professional Serv.: African American = 15%

Types of Firms - MBE

- Minority Business Enterprise (MBE) means a Firm located in the Marketplace that meets the following criteria:
 - is at least 51 percent owned by one or more minority persons, or, in the case of any publicly owned Firm, at least 51 percent of the stock is owned by one or more minority persons;
 - management and daily business operations are controlled by one or more minority persons who own it; and
 - in order for the participation to be counted towards the established Goal, is Certified prior to recommendation of award

Types of Firms - WBE

- Women Business Enterprise (WBE) means a Firm located in the Marketplace that meets the following criteria:
 - is at least 51 percent owned by one or more women, or, in the case of any publicly owned Firm, at least 51 percent of the stock is owned by one or more women;
 - management and daily business operations are controlled by one or more women who own it; and
 - in order for the participation to be counted towards the established Goal, is Certified prior to recommendation of award

Types of Firms - SBE

- Small Business Enterprise (SBE) means a Firm located in the Marketplace that meets the United States Small Business Administration's definition of a small business as outlined in Title 13, Code of Federal Regulations, Part 121, and that is accepted by the City of Fort Worth as a Small Business Enterprise. In order for the participation to be counted towards the established Goal, the Firm must be Certified prior to recommendation of award.

BDE Ordinance vs. Incentive Policy

BDE Ordinance

- Principal place of business is within the market areas in which 80% of the City's tax dollars are being spent
- Six counties include; Tarrant, Dallas, Denton, Johnson, Parker and Wise
- All projects over \$50,000.00 are applicable to the BDE Ordinance as long as there are two or more certified contractors available under specific supplies and services
- City currently accepts **certifications** from **NCTRCA** and **TxDOT**

BDE Ordinance vs. Incentive Policy

Incentive Policy

- Applies to Fort Worth-based businesses only
- M/WBE Goals are negotiated per project
- City accepts certifications from the **NCTRCA** “only” and the certificate must reference a City of Fort Worth address

Compliance Goals – FY17

| CATEGORY | CERTIFICATION TYPE | GROUPS | AWARDED | ANNUAL ASPIRATIONAL GOAL |
|--|--------------------|---|---------|--------------------------|
| CONSTRUCTION | MBE | AFRICAN, ASIAN, HISPANIC AND NATIVE AMERICANS | 17.53% | 25% |
| GOODS AND NON-PROFESSIONAL SERVICES | M/WBE | MINORITIES AND WOMEN | 59.54% | 25% |
| PROFESSIONAL SERVICES (ARCHITECTURAL AND ENGINEERING SERVICES) | SBE | RACE AND GENDER NEUTRAL | 41.61% | 15% |
| PROFESSIONAL SERVICES | MBE (AA) ONLY | AFRICAN AMERICANS (ONLY) | 21.92% | 15% |

FISCAL YEAR 2017 ACTIVITIES

- Created and Hosted Monthly Information Vendor Forums for M/WBEs to:
 - Identify more MBEs to participate on City projects
 - Share with M/WBEs upcoming Projects and City Requirements
 - Ascertain M/WBE challenges in Bidding on City projects
 - Encourage partnerships and joint ventures
- Hosted Quarterly RFP, RFQ, ITB, Best Value Solicitation Workshops (co-partnership with Water, TPW and Purchasing Department)

OFFICE OF BUSINESS DIVERSITY ACTIVITIES CONT'D.

- Restructured the Minority and Women Business Enterprise Advisory Committee (M/WBE-AC) – bi-monthly meetings
 - Chair: John Martinez, President – Regional Hispanic Contractors Association
 - Vice-Chair: Devoyd Jennings, President – Fort Worth Metropolitan Black Chamber of Commerce
- Designed training package for City Project Managers on the BDE Ordinance – training session with TPW management and new employees was completed (roll-out of training to “all” Project Managers in June and completed by the end of the fiscal year 2017)

FY 17 SUCCESSES

- Increased the number of **African American*** vendors attending pre-bids and bidding on projects, and MBEs receiving awards (new providers and first-time bidders listed below)
 - HMAC 2015-4 Street Rehabilitation - \$125,324
 - Cowtown Coliseum H.V.A.C. Renovations - \$328,000
 - Playground Renovations at Arrow S., Camp Joy, Harvey ST., Southcreek, Summerbrook & Titus Paulsel Parks - \$90,268.00
 - **Police Department - \$90,000***
 - **Plumbing Services - \$200,000***
 - **6th Patrol Division - \$1,700,000***
 - **Task Order Project – Millwork - \$800,000****

****Historically there were no MBEs who perform millwork**

CHALLENGES

NEEDED SERVICES TO INCREASE MBE PARTICIPATION

- Milling of Roadway (one MBE firm)
- Joint Sealing (one MBE firm)
- TV Inspection/Manhole Testing/Vacuum Testing (None)
- Barricades (two MBE firms, but a limited supplies)
- Construction Signs (one MBE firm)
- Pipe Suppliers (one MBE firm)
- Pipe Valves, Fittings and Suppliers (one MBE firm)
- Fuel Supplier (None)
- Concrete Supplier (None)
- Lime Supplier (None)
- Steel Rebar Supplier (None)

Questions/Comments

