

Equal Business Opportunity Program Annual Report

January 26, 2012



Minority Business Development Office



Introduction

- Ordinance 2008-89 requires developing reports that measure the availability and utilization of certified SLBE & WMBE vendors on the basis of all procurement categories, all contract awards and actual dollars paid
- This is the 4th report under new guidelines and methodology established by Ordinance
- FY 2011 SLBE & WMBE utilization payments
- FY 2008–2011 cumulative utilization analysis



Background

- Supreme Court and Lower Court Rulings
- Disparity Study completed in May 2007
 - No Disparity in Subcontracting
 - Disparity - Prime Contracts (\$500,000 or less)
 - No legal basis for mandatory, ethnic and gender specific contract goals (WMBE)



Background (continued)

- Equal Business Opportunity Ordinance 2008-89
 - Enacted July 2008
 - SLBE participation (ethnic/gender neutral)
 - WMBE participation (ethnic/gender specific)
 - Use of ethnic & gender contract goals must be based on multi-year statistical evidence and a legal basis



Key Terminology

- **Availability** – companies expressing interest in doing business with the City
- **Utilization** – actual payments made to vendors and subcontractors
- **Capacity** – company has the requisite credentials to perform contract services



Terminology (continued)

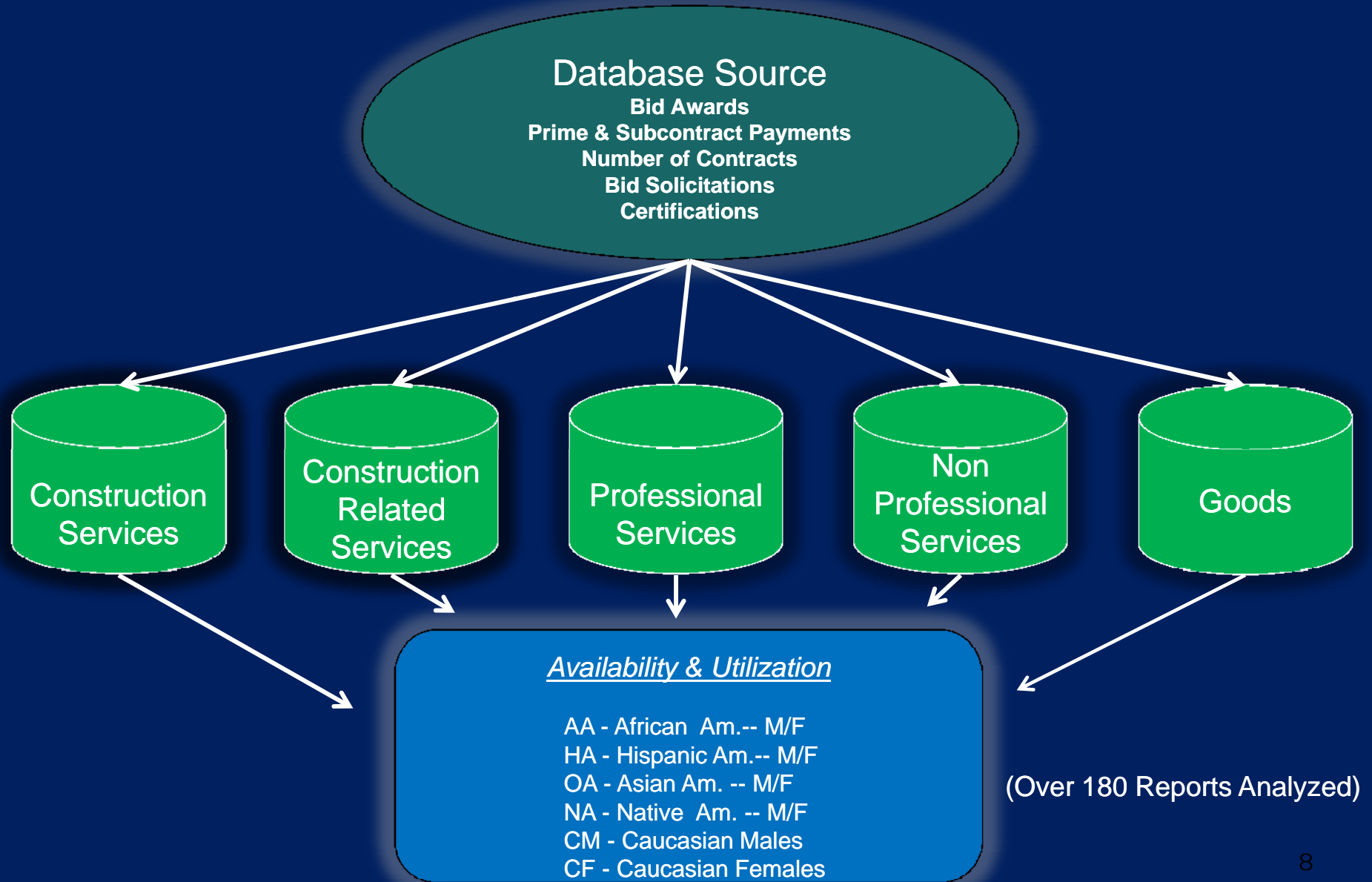
- **Ethnic-Neutral Programs (SLBE)** - based on business size, revenues, and location
- **Narrowly-Tailored Initiatives (WMBE)** - corrective action to address disparity
- **Diversity Management Information (DMI)** - City-wide process to collect, track and analyze utilization and availability



DMI Methodology & Purpose

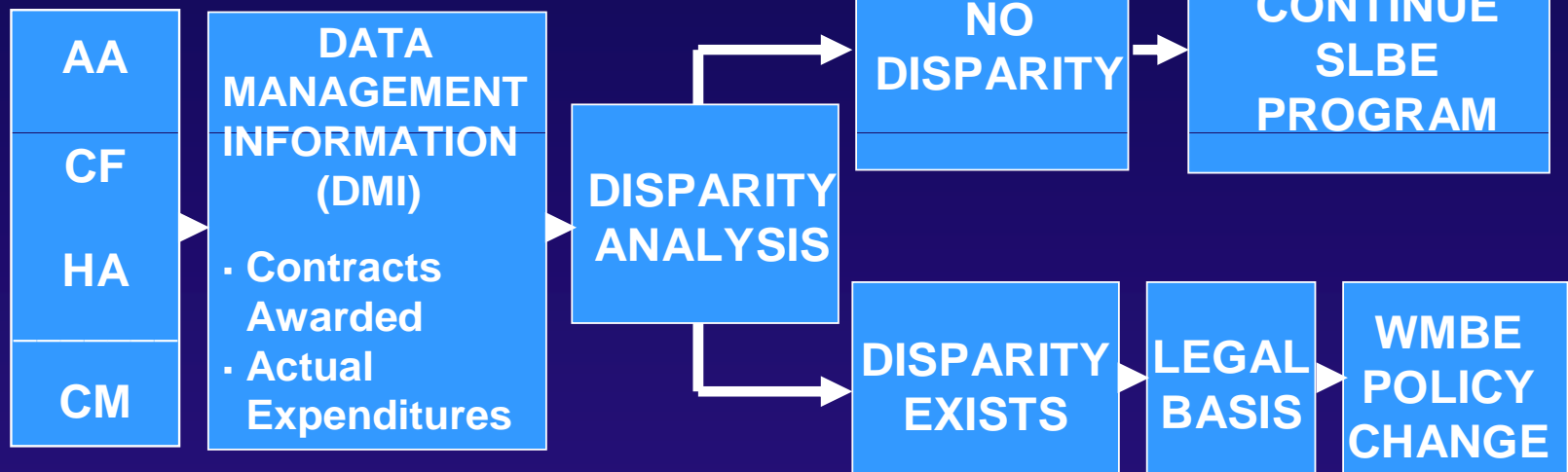
- Reports represent contracts awarded in fiscal year(s) analyzed
- Utilization Dollars represent actual expenditures for contracts awarded in fiscal year(s) analyzed
- DMI directs data collection, automation and report-format for all contract activity
 - Incorporate Business Processes required to implement WMBE & SLBE Programs
 - Establish Administrative Policies & Procedures
 - Manage Data Collection, Verification, and Tracking of all City procurement

DMI Tracking Process



EQUAL OPPORTUNITY BUSINESS PROGRAM

* SLBE



* RACE & GENDER NEUTRAL

▪ 3 TO 5 YEARS OF DATA COLLECTION

▪ RACE & GENDER CONSCIOUS

▪ MUST BE NARROWLY TAILORED

AA – African American
 CF – Caucasian Female
 HA – Hispanic American
 CM – Caucasian Male

▪ RACE & GENDER GOALS



SLBE Program

- Eligibility Requirements (Ethnic-Gender Neutral)
 - Must be in Tampa's SLBE Market Area:
Hillsborough, Pinellas, Polk, Pasco, Manatee
 - Owner must be permanent resident of Florida
 - Must have 25 or less full-time employees
 - Average annual gross receipts over 3 years not to exceed \$2 million
 - Sheltered Market opportunities: contracts \$200,000 or less (minimum 3 SLBEs)



WMBE Program

- Eligibility Requirements
 - 51% Woman or Minority Owned and Operated
 - Florida Domiciled
 - 10 Ethnic and Gender Classifications
 - Currently no legal basis for mandatory WMBE Goals
 - Availability & Utilization Analysis, multi-years of data and documented disparity required for legal basis
 - Requires Strict Scrutiny & Narrowly-Tailored Program



Report Data Elements

- All Competitively Bid Procurement separated into four utilization areas:
 - SLBE Prime
 - SLBE Subcontracts
 - WMBE Prime
 - WMBE Subcontracts



Report Data Elements (continued)

- Each utilization area is comprised of five industry categories:
 - Construction
 - Construction-Related Services
 - Professional Services
 - Non-Professional Services
 - Goods



Report Data Elements (continued)

- Prime contract data is separated by two dollar thresholds:
 - Prime Contracts \$500,000 and below
 - Prime Contracts \$ 25,000 and below

- All Subcontract dollars



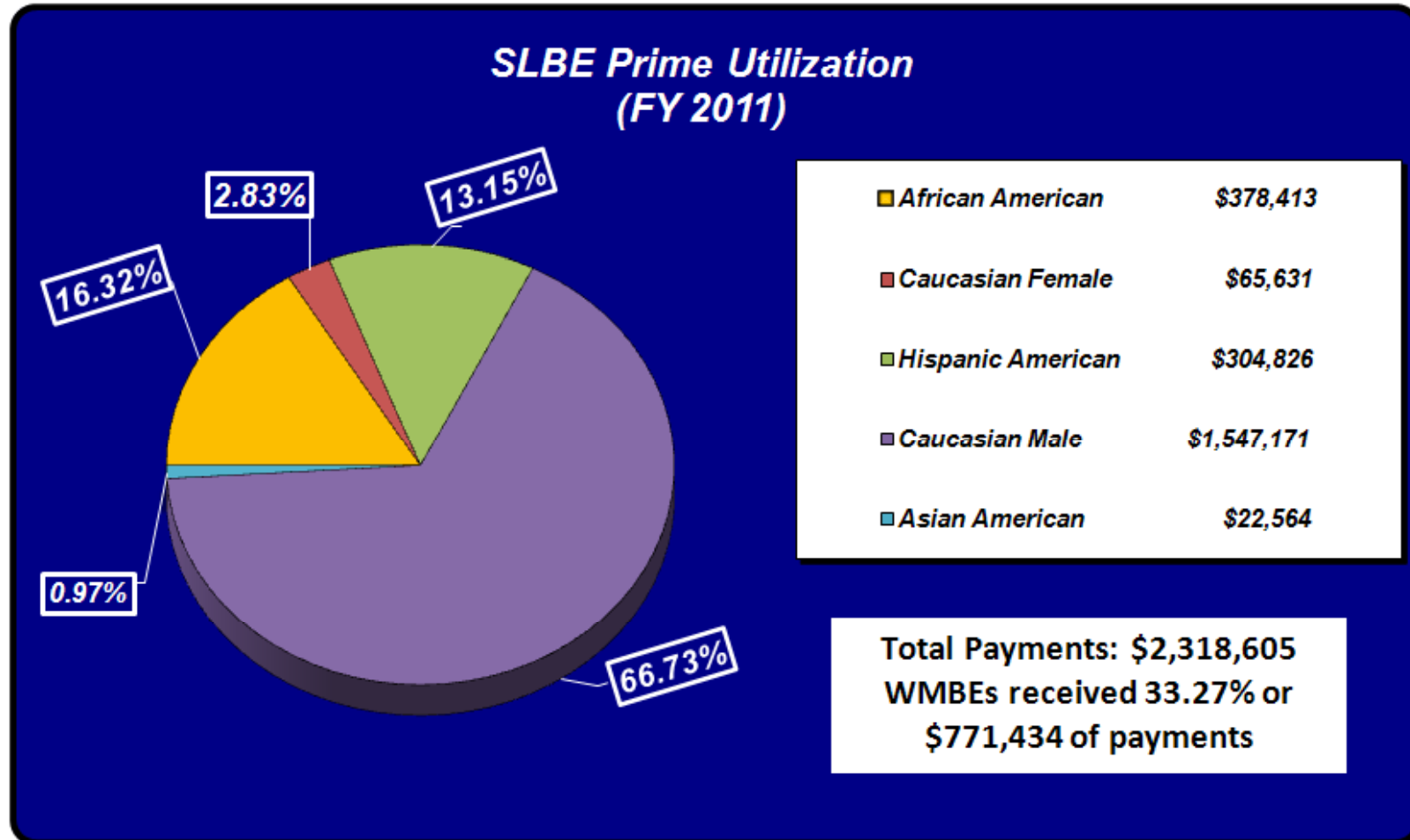
FY 2011 Overview

FY 2008-2011 Cumulative

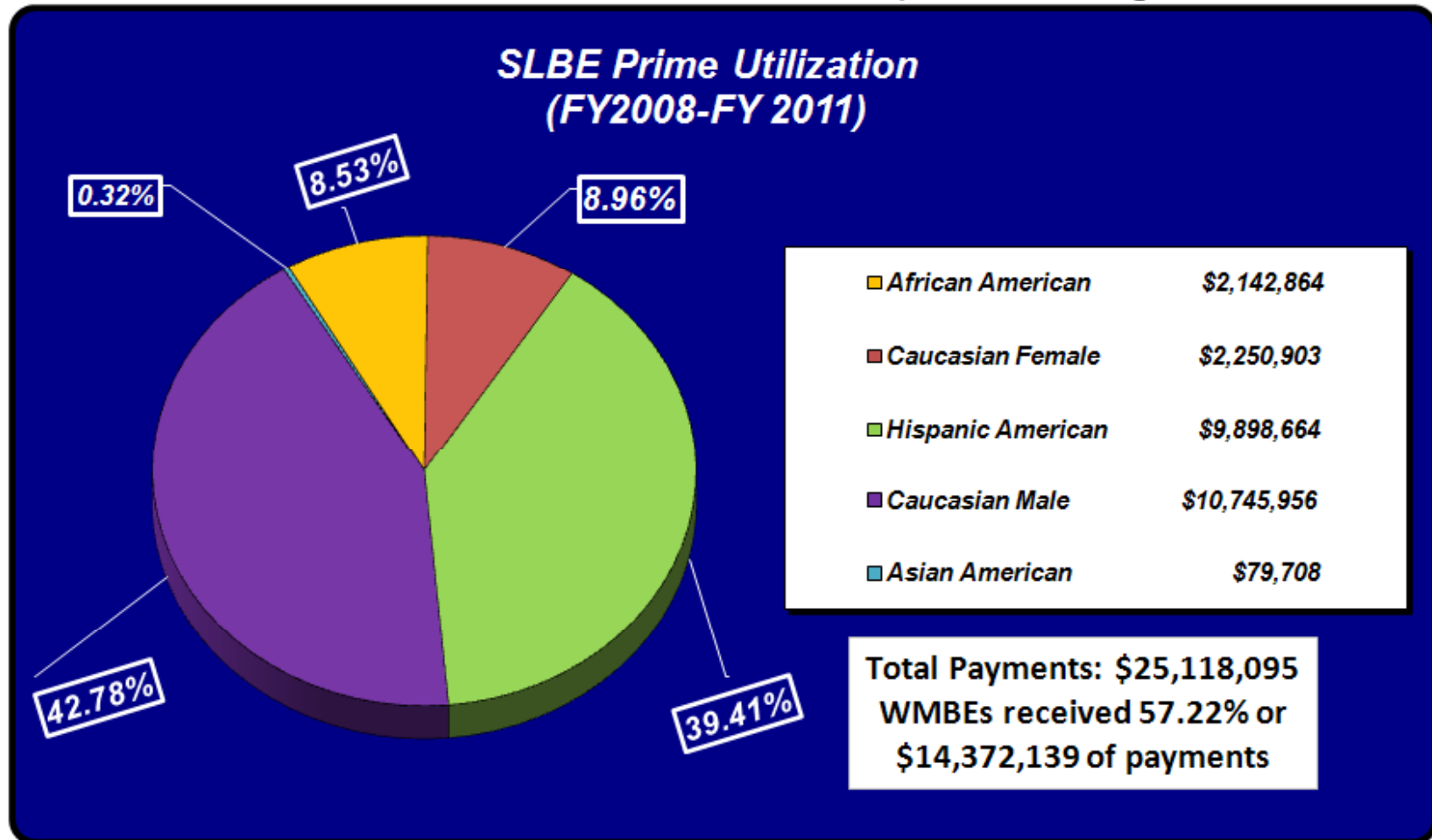
- **SLBE Prime Payments**
- **SLBE Subcontract Payments**
- **WMBE Prime - Total Payments**
- **WMBE Prime - \$500,000 and below**
- **WMBE Prime - \$ 25,000 and below**
- **WMBE Subcontract Payments**

FY 2011 SLBE Program

Prime: All Five Industry Categories

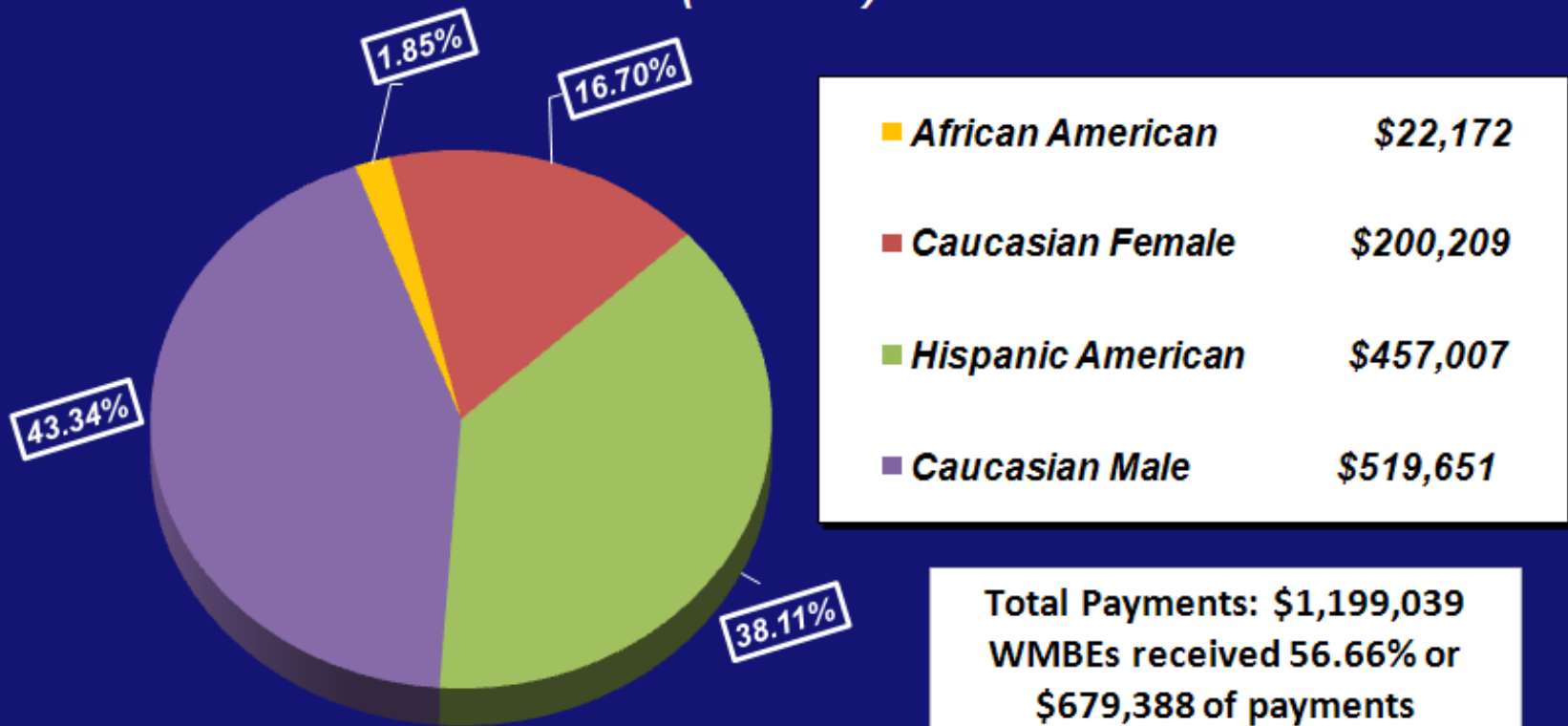


FY 2008-2011 SLBE Program Prime: All Five Industry Categories



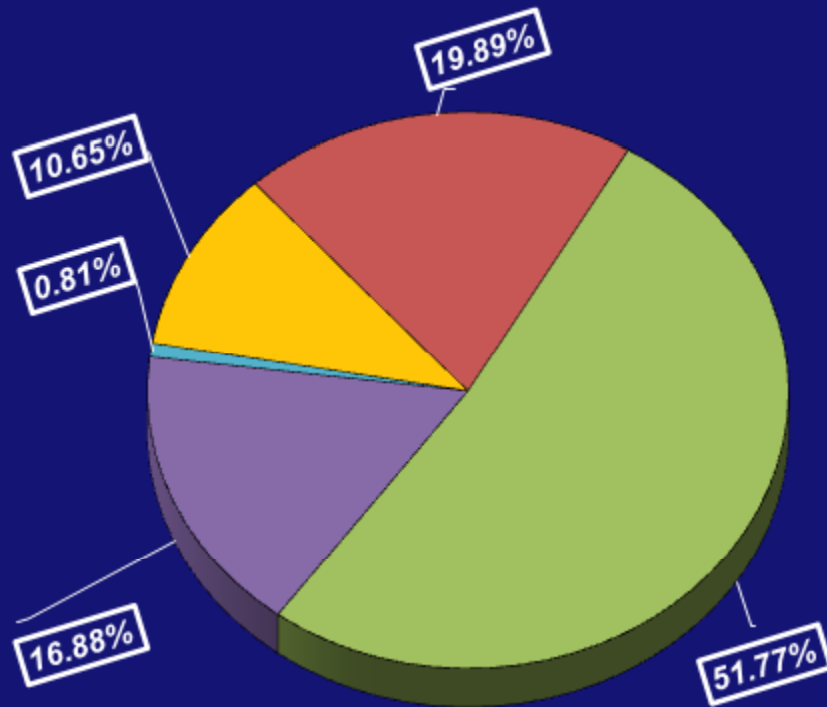
FY 2011 SLBE Program: Subcontract Utilization

*SLBE Subcontract Utilization
(FY 2011)*



FY 2008-2011 SLBE Program: Subcontract Utilization

*SLBE Subcontract Utilization
(FY2008-FY 2011)*



African American	\$1,732,983
Caucasian Female	\$3,236,561
Hispanic American	\$8,423,338
Caucasian Male	\$2,745,883
Native American	\$131,357

Total Payments: \$16,270,122
WMBEs received 83.12% or
\$13,524,239 of payments

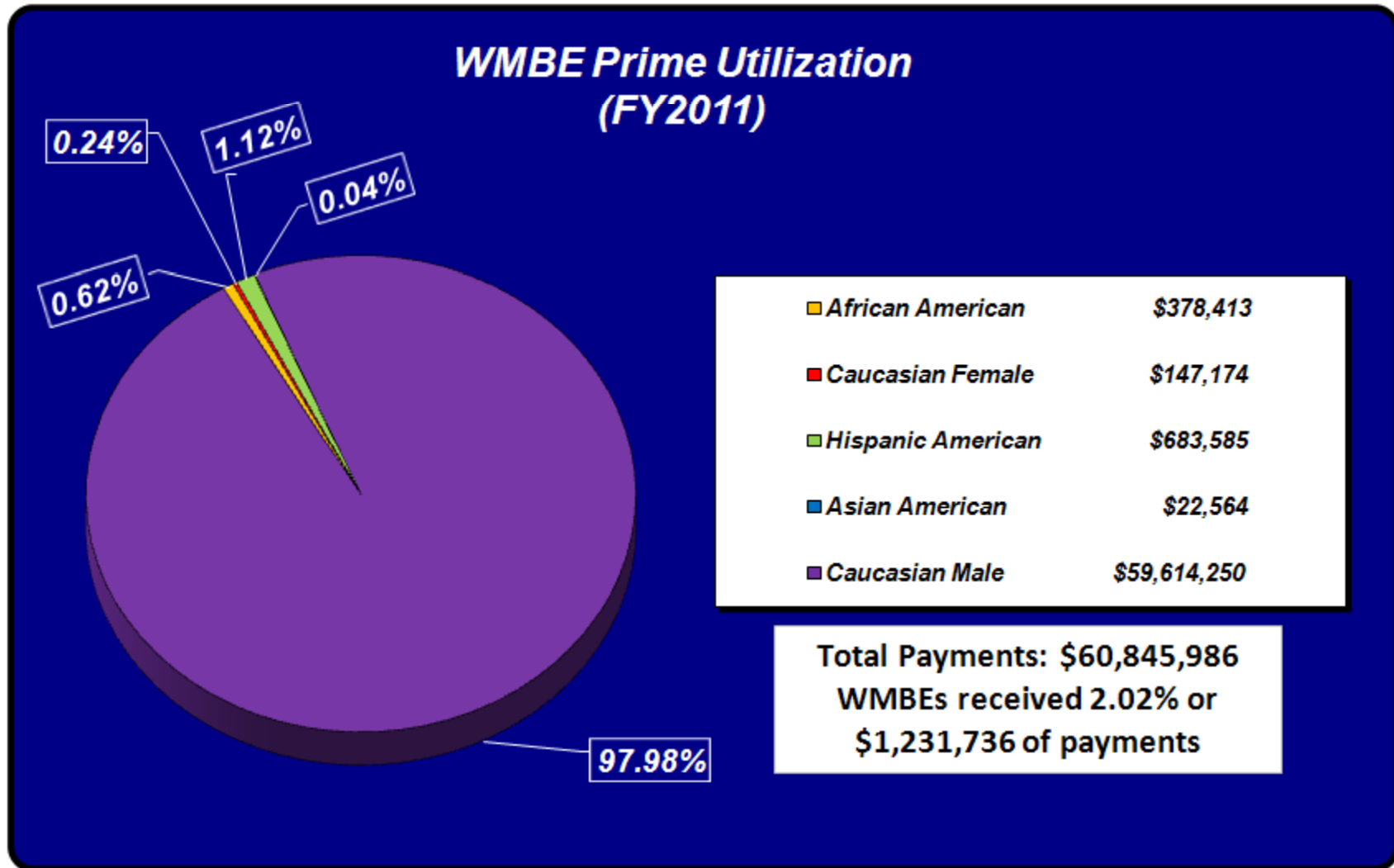


SLBE Program Conclusion:

- SLBE subcontract goals and sheltered prime contracts have effectively provided equitable opportunities for WMBE
- Over 57% of all dollars paid to SLBE primes are WMBE companies
- Over 83% of all dollars paid to SLBE subcontractors are WMBE companies

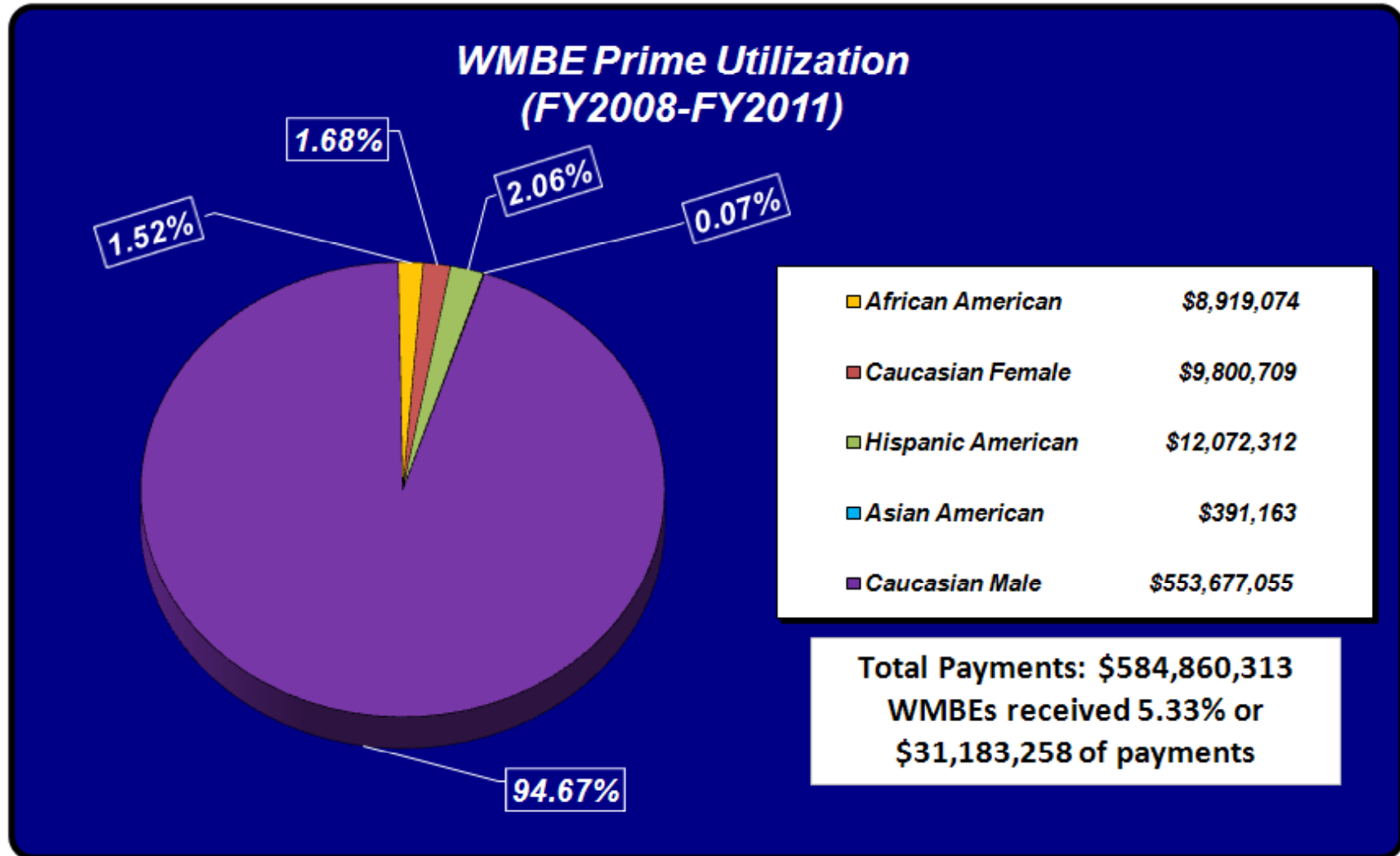


FY 2011 WMBE Program Prime: All Five Industry Categories (All Dollars)



Note: Chart represents data without applying the required legal, statistical methodologies 21

FY 2008-2011 WMBE Program Prime: All Five Industry Categories (All Dollars)

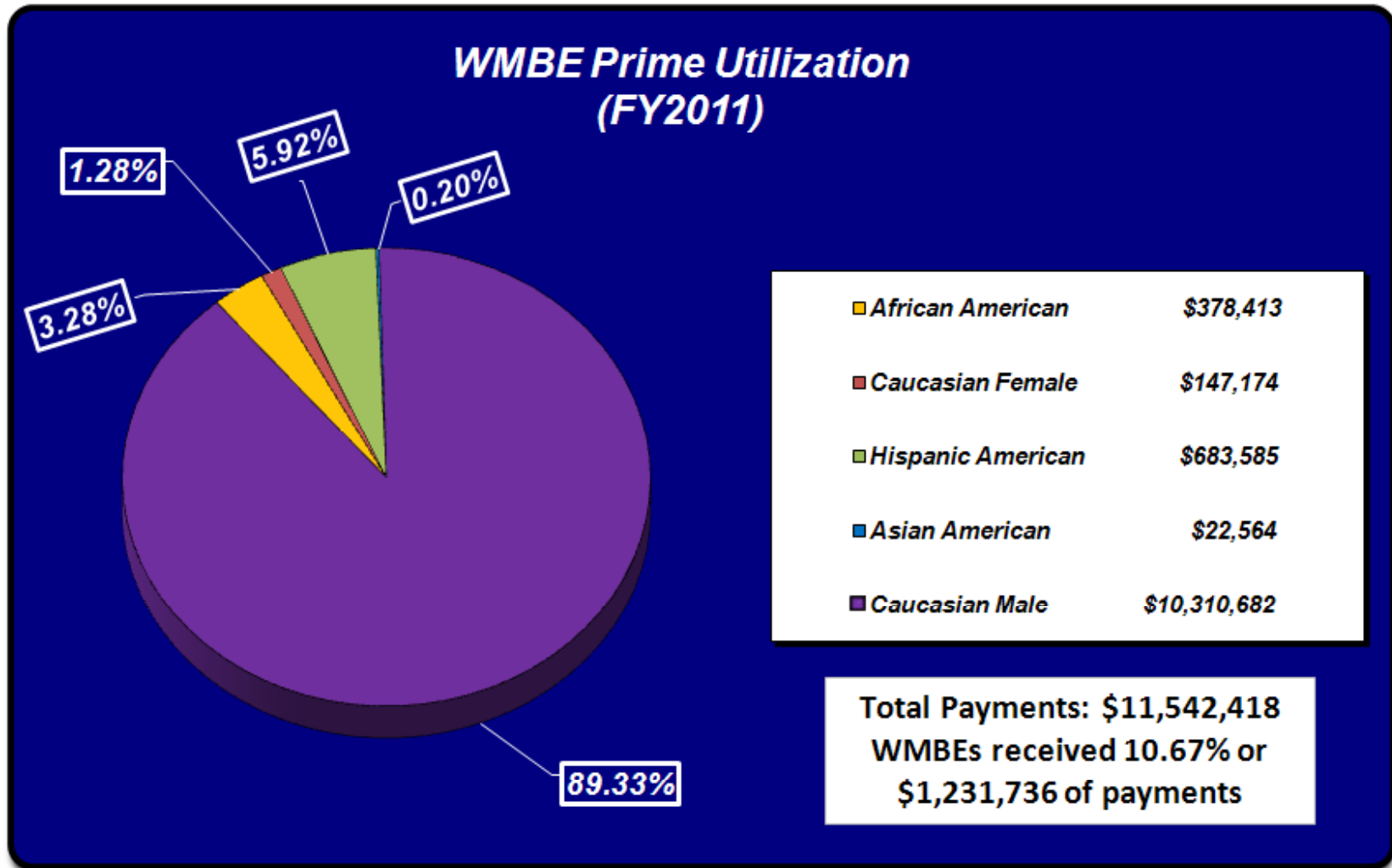


Note: Chart represents data without applying the required legal, statistical methodologies. ²²



FY 2011 WMBE Program

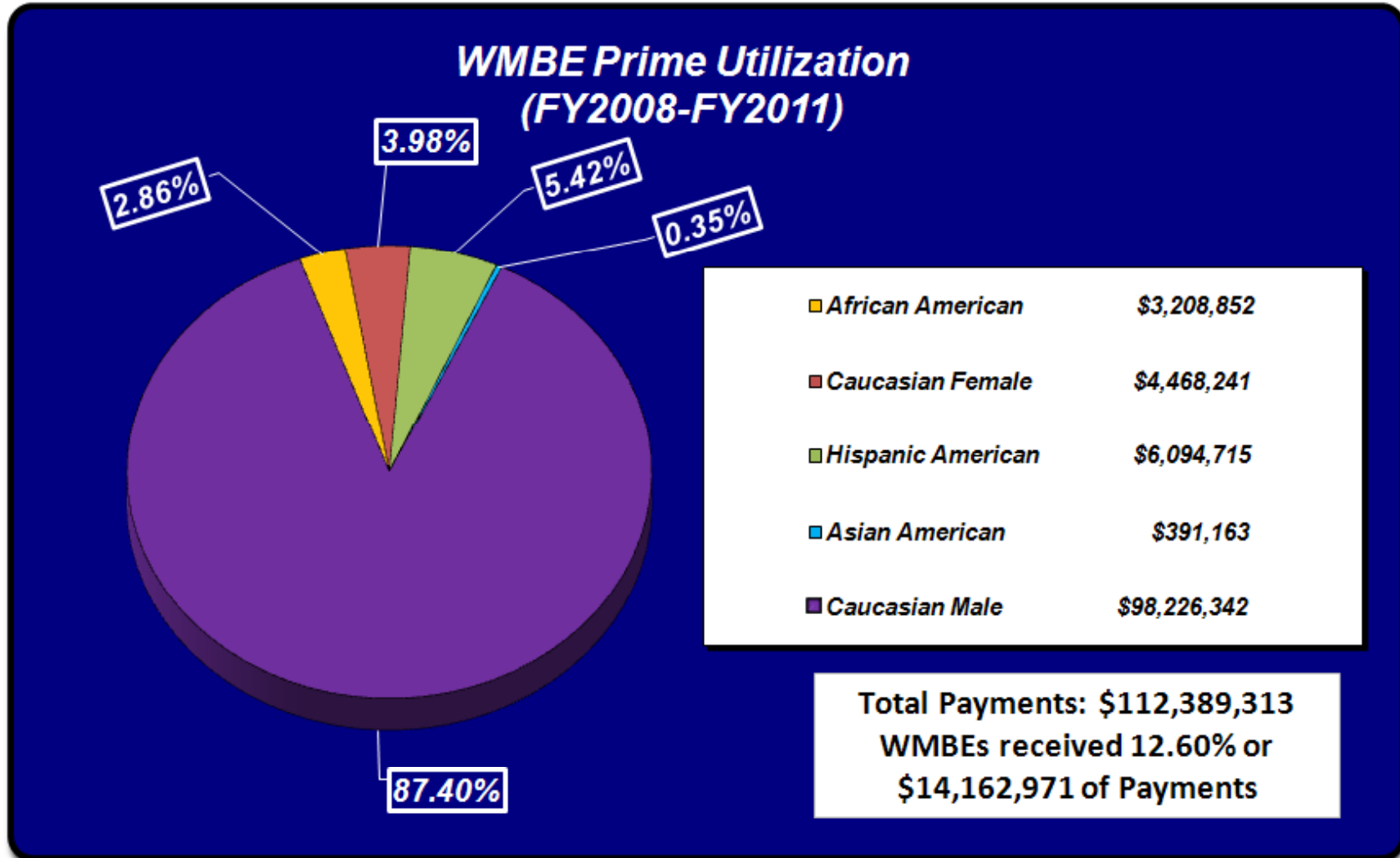
Prime: All Five Industry Categories (\$500,000 or Less)



Note: Chart represents data without applying the required legal, statistical methodologies. ²³



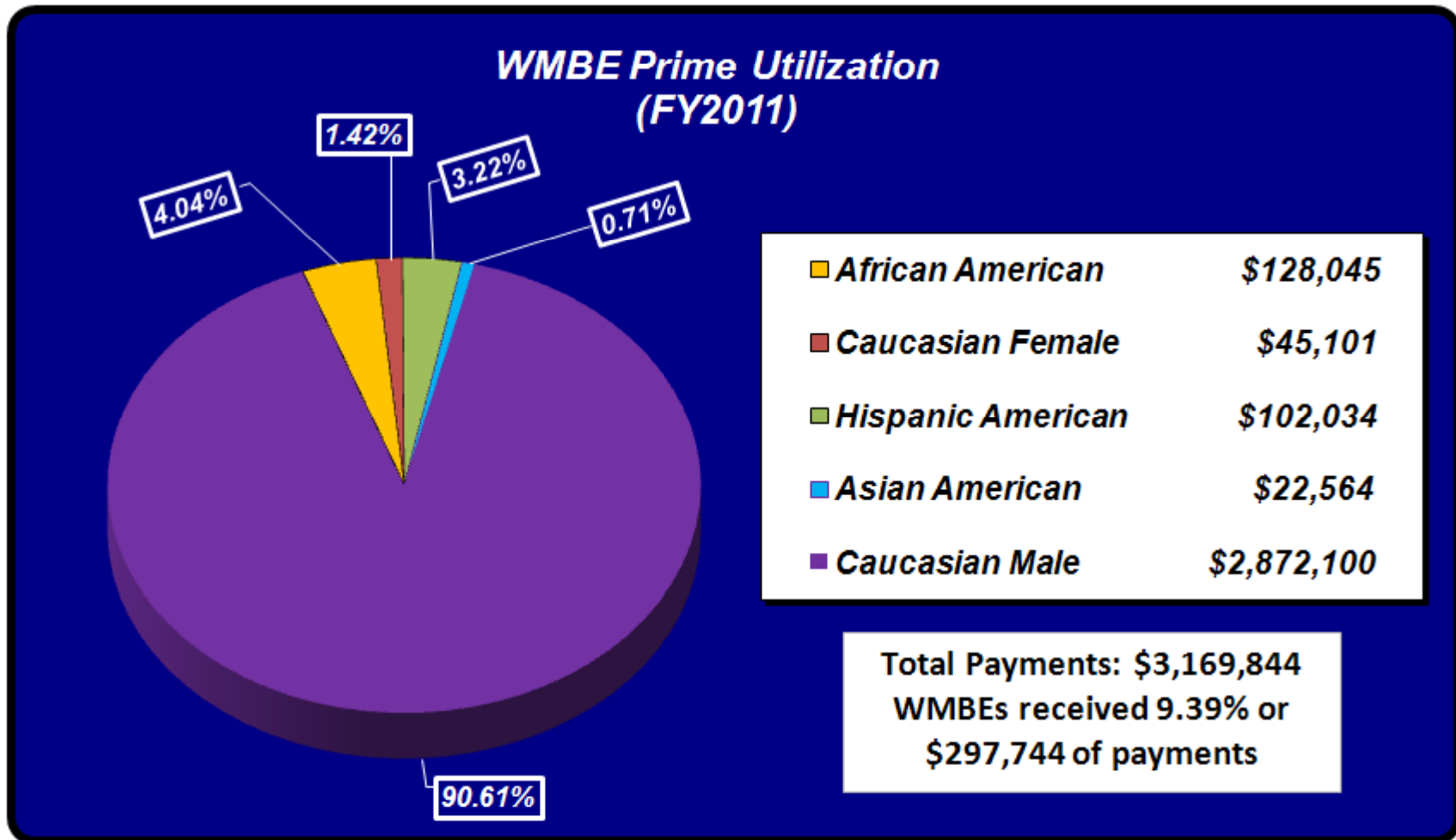
FY 2008-2011 WMBE Program Prime: All Five Industry Categories (\$500,000 or Less)



Note: Chart represents data without applying the required legal, statistical methodologies. ²⁴



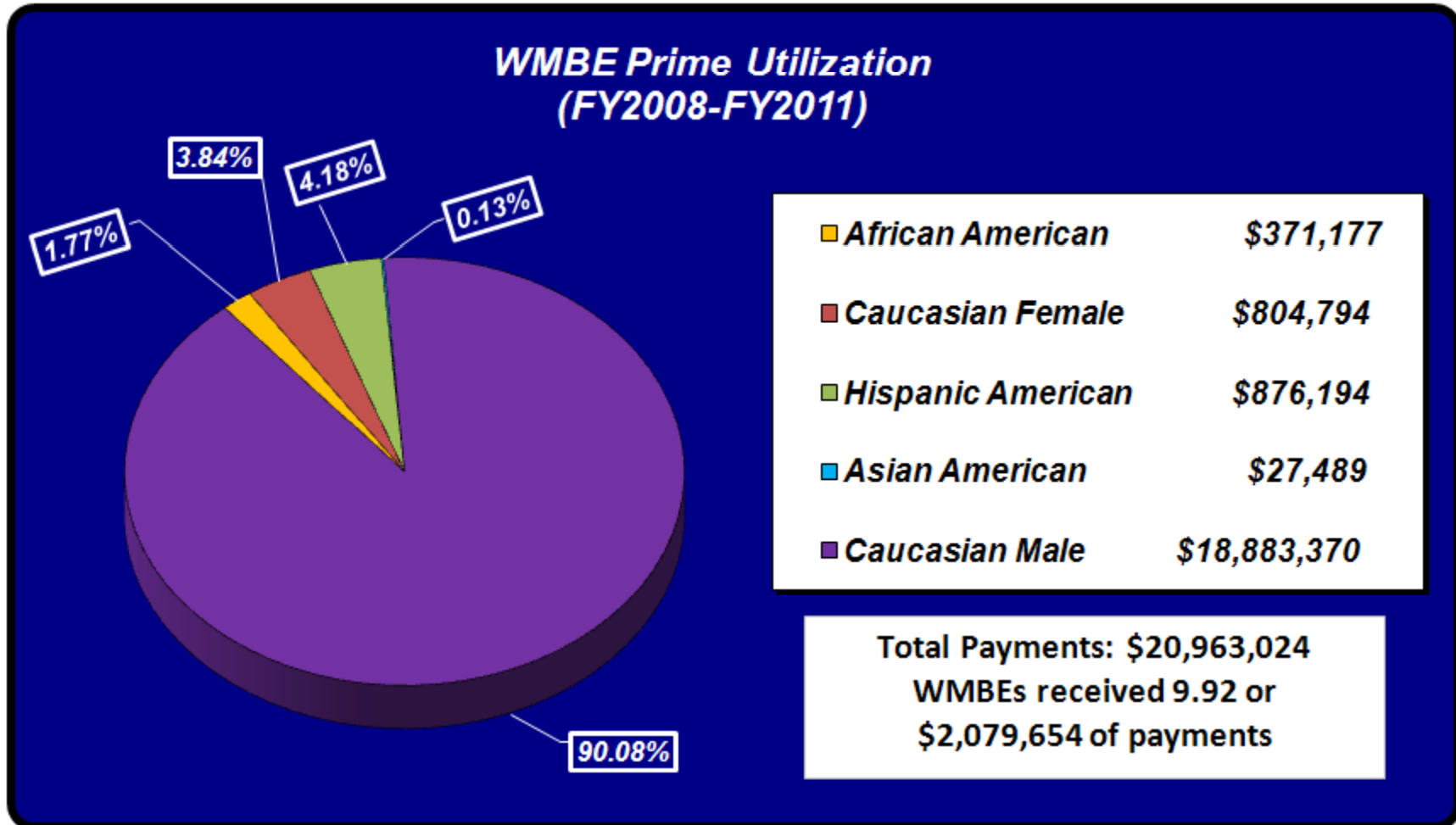
FY 2011 WMBE Program Prime: All Five Industry Categories (\$25,000 or Less)



Note: Chart represents data without applying the required legal, statistical methodologies. ²⁵

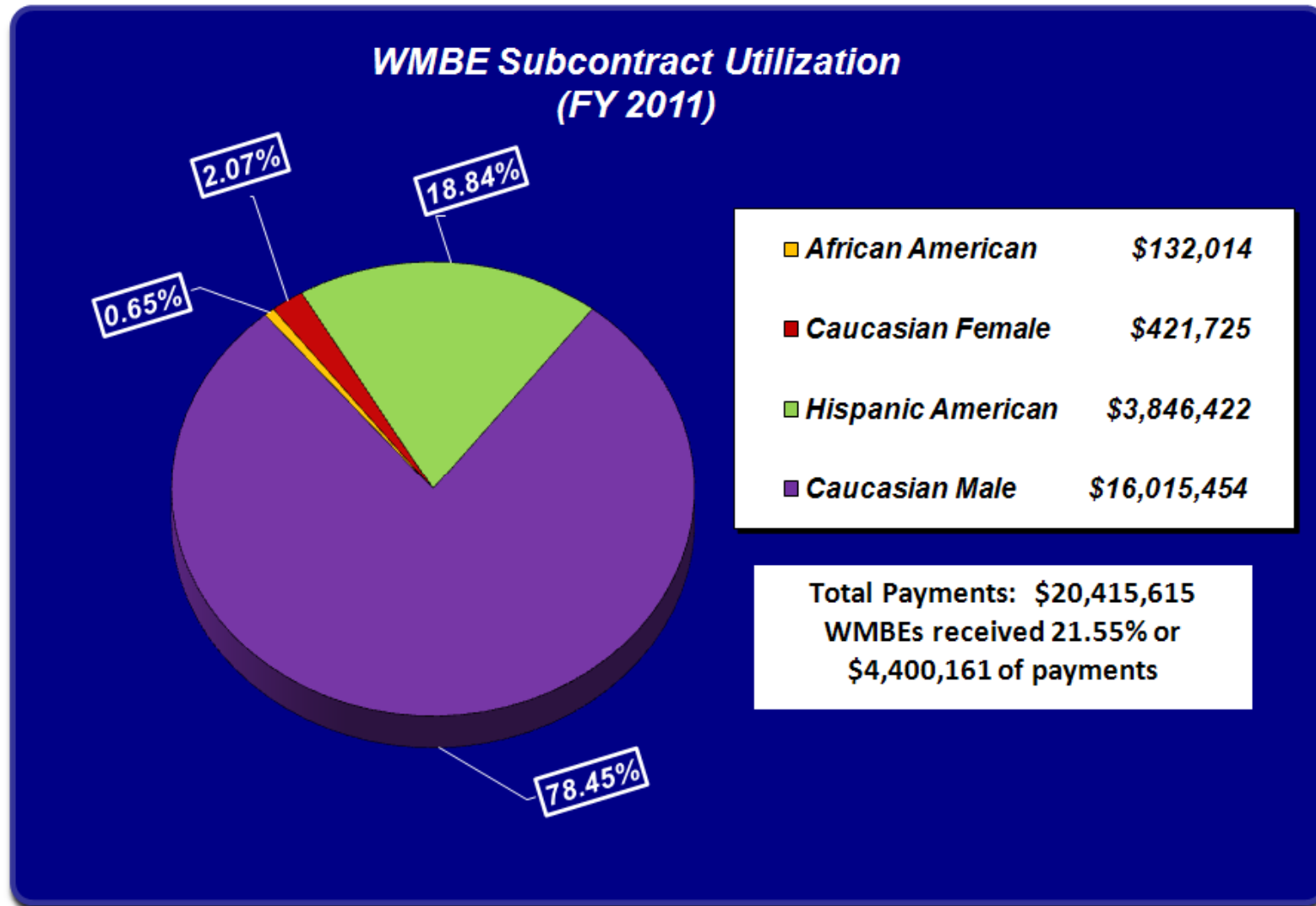
FY 2008-2011 WMBE Program

Prime: All Five Industry Categories (\$25,000 or Less)



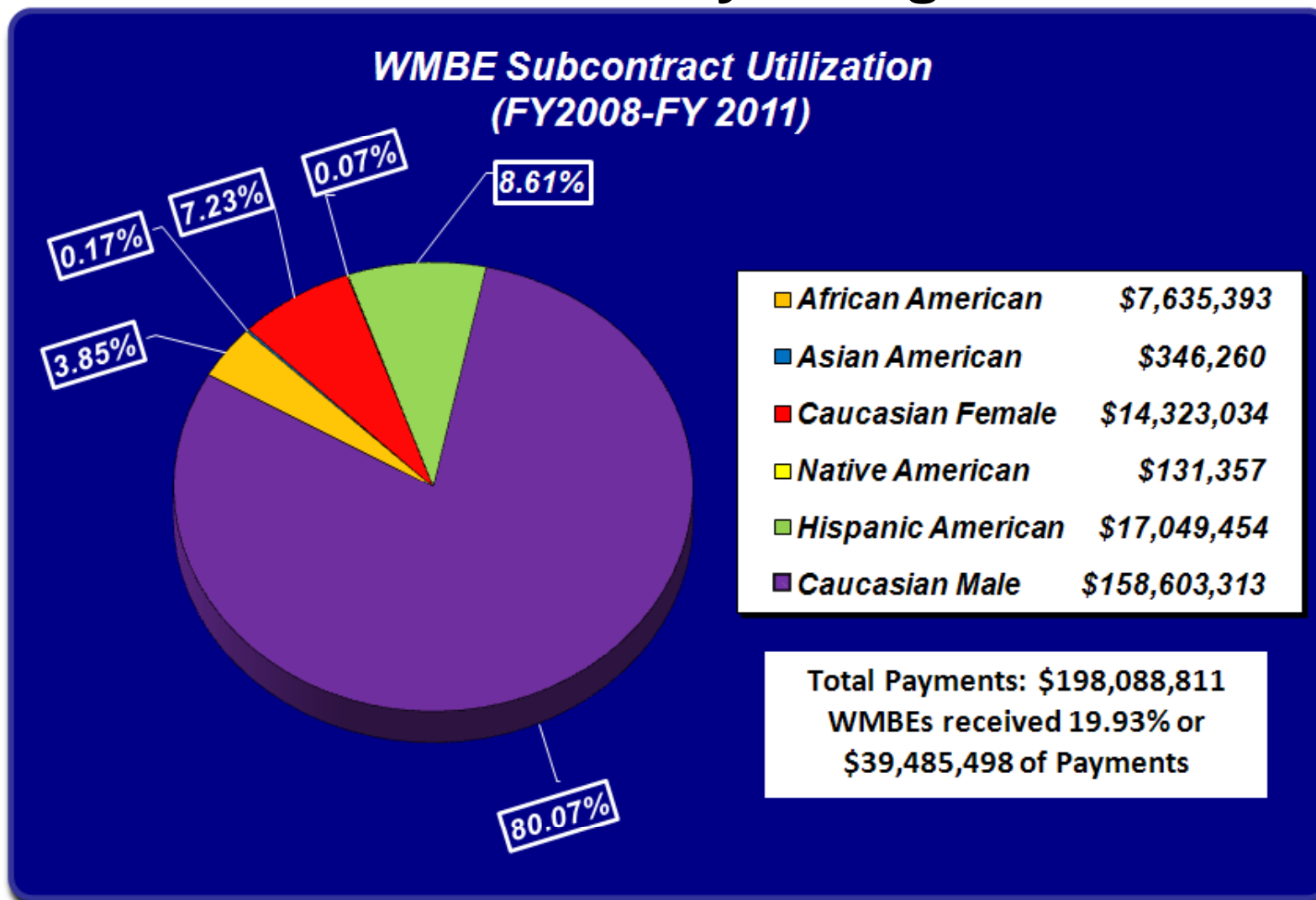
Note: Chart represents data without applying the required legal, statistical methodologies. ²⁶

FY 2011 WMBE Program Subcontract: All Five Industry Categories



Note: Chart represents data without applying the required legal, statistical methodologies. ²⁷

FY 2008-2011 WMBE Program Subcontract: All Five Industry Categories



Note: Chart represents data without applying the required legal, statistical methodologies. 28



WMBE Program Summary

- Aggregate WMBE participation based on payment percentages without performing disparity analysis
- Represents a Comparative view of WMBE procurement to all payments
- Represents prior level of analysis for WMBE dollars, i.e. face-value assessment
- Does not account for variables: availability of companies, categories of services, capacity, and detail statistical analysis



FY 2008-2011 Cumulative

- Key Utilization Results

- Disparity Threshold Analysis

- **WMBE Prime - \$500,000 and below**
- **WMBE Prime - \$ 25,000 and below**
- **WMBE Subcontract Payments**



Disparity Determination Illustration

	Total Availability (All Firms)	Disparity Target Threshold (80%)	Total Utilization (All Payments)	Disparity (Difference)	Disparity Yes/No
BBE	7.1%	5.6%	4.1%	(1.5%)	Yes
HBE	8.1%	6.4%	7.5%	1.1%	No
WBE	7.1%	5.7%	7.5%	1.8%	No

- Disparity analysis is based on Percent of Availability vs. Percent Dollars Paid
- Utilization % should be greater or equal to the Disparity Target % Threshold
- Based upon the Supreme Courts use of the EEO 80% Disparity Ratio Rule

WMBE Prime Utilization by Industry Category for Contracts \$500,000 or Less

Ethnic/ Gender Group	CONSTRUCTION		CONSTRUCTION- RELATED SERVICES		PROFESSIONAL SERVICES		NON-PROFESSIONAL SERVICES		GOODS	
	Availability Percentage Target	Utilization Percentage of Dollars	Availability Percentage Target	Utilization Percentage of Dollars	Availability Percentage Target	Utilization Percentage of Dollars	Availability Percentage Target	Utilization Percentage of Dollars	Availability Percentage Target	Utilization Percentage of Dollars
African Americans	8.54%	4.34%	3.83%	5.42%	3.32%	0.04%	5.61%	4.38%	1.15%	0.56%
Asian Americans	0.00%	1.68%	1.29%	0.67%	1.20%	0.00%	0.18%	0.00%	0.05%	0.00%
Hispanic Americans	5.03%	2.96%	6.89%	7.44%	1.33%	0.68%	3.53%	10.26%	4.59%	2.84%
Native Americans	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.04%	0.00%	0.01%	0.00%
Caucasian Females	5.10%	2.82%	4.35%	3.35%	5.89%	0.60%	6.01%	7.07%	5.28%	3.05%
Caucasian Males	61.34%	88.19%	63.59%	83.12%	68.26%	98.69%	64.64%	78.29%	68.92%	93.55%
Minority & Women Business Enterprises	18.67%	11.80%	16.40%	16.88%	11.74%	1.32%	15.37%	21.71%	11.08%	6.45%

Yellow = Target Met

White = Target Not Met



Key Utilization Results by Industry Categories

Prime Contracts \$500,000 or Less


- Hispanic – HBEs met target in Construction-Related Services, Non-Professional Services
- Asian–ABEs met target in Construction
- African-BBEs- met target in Construction-Related Services
- Females-WBEs – met target in Non-Professional Services

WMBE Prime Utilization by Industry Category for Contracts \$25,000 or Less

Ethnic/ Gender Group	CONSTRUCTION		CONSTRUCTION- RELATED SERVICES		PROFESSIONAL SERVICES		NON-PROFESSIONAL SERVICES		GOODS	
	Availability Percentage Target	Utilization Percentage of Dollars	Availability Percentage Target	Utilization Percentage of Dollars	Availability Percentage Target	Utilization Percentage of Dollars	Availability Percentage Target	Utilization Percentage of Dollars	Availability Percentage Target	Utilization Percentage of Dollars
African Americans	8.54%	4.04%	3.83%	3.69%	3.32%	0.34%	5.61%	1.94%	1.15%	1.55%
Asian Americans	0.00%	0.00%	1.29%	2.34%	1.20%	0.00%	0.18%	0.00%	0.05%	0.00%
Hispanic Americans	5.03%	0.36%	6.89%	14.85%	1.33%	0.65%	3.53%	3.41%	4.59%	3.89%
Native Americans	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%	0.04%	0.00%	0.01%	0.00%
Caucasian Females	5.10%	4.65%	4.35%	9.01%	5.89%	4.05%	6.01%	5.16%	5.28%	2.87%
Caucasian Males	61.34%	90.95%	63.59%	70.10%	68.26%	94.96%	64.64%	89.49%	68.92%	91.69%
Minority & Women Business Enterprises	18.67%	9.05%	16.40%	29.89%	11.74%	5.04%	15.37%	10.51%	11.08%	8.31%

Yellow = Target Met

White = Target Not Met



Key Utilization Results by Industry Categories (continued)

Prime Contracts \$25,000 or Less


- Hispanic-HBEs, Caucasian Females WBEs, Asian-ABEs met target in Construction-Related Services
- African-BBEs met target in Goods

WMBE All Subcontract Utilization by Industry Category

Ethnic/ Gender Group	CONSTRUCTION		CONSTRUCTION- RELATED SERVICES		PROFESSIONAL SERVICES		NON-PROFESSIONAL SERVICES		GOODS	
	Availability Percentage Target	Utilization Percentage of Dollars	Availability Percentage Target	Utilization Percentage of Dollars	Availability Percentage Target	Utilization Percentage of Dollars	Availability Percentage Target	Utilization Percentage of Dollars	Availability Percentage Target	Utilization Percentage of Dollars
African Americans	7.28%	4.00%	4.10%	2.12%	3.32%	0.00%	5.61%	4.16%	1.16%	0.57%
Asian Americans	0.00%	0.19%	1.21%	0.00%	1.20%	0.00%	0.18%	0.00%	0.05%	0.00%
Hispanic Americans	6.54%	7.57%	7.36%	17.04%	1.33%	0.00%	3.55%	15.86%	4.59%	36.67%
Native Americans	0.00%	0.07%	0.04%	0.00%	0.00%	0.00%	0.04%	0.00%	0.01%	0.00%
Caucasian Females	5.75%	7.52%	4.42%	3.03%	5.89%	0.00%	6.02%	22.91%	5.27%	0.00%
Caucasian Males	60.43%	80.65%	62.87%	77.81%	68.26%	100.00%	64.60%	57.07%	68.92%	62.76%
Minority & Women Business Enterprises	19.57%	19.35%	17.13%	22.19%	11.74%	0.00%	15.40%	42.93%	8.03%	37.24%

Yellow = Target Met

White = Target Not Met



Key Utilization Results by Industry Categories (continued)

All Subcontracts

- Asian-ABEs, Hispanic-HBEs, Females-WBEs, Native-NBEs met target in Construction
- Hispanic – HBEs met target in Construction-Related Services
- Hispanic-HBEs and Females-WBEs met target in Non-Professional Services
- Hispanic – HBEs met target in Goods



SLBE Program Enhancements

- **Implement threshold for sheltered market program at \$300,000 and below**
 - Increase number of prime contracts for SLBEs including dual certified WMBEs
- **Implement subcontract goal-setting within the sheltered market program**
 - Promotes SLBE subcontracting in sheltered market contracts with subcontract work



Summary

- WMBE representation in the SLBE Program has increased the opportunity for WMBE utilization.
- SLBE ethnic/gender neutral program has increased participation for WMBE firms at prime level (57% WMBE) and subcontract level (83%WMBE)
- WMBE Prime utilization is stagnant – disparity unchanged (+/- 12%)
- Completed 4 years DMI data collection; incorporated revised availability data for FY2011 annual report (independent verification pending)
- Subcontracting yr. to yr. (13% to 33%) and cumulative data (20%) varies greatly due to number contracts and available opportunities for WMBEs
- WMBE policy changes require multiple years of data to fulfill the multi-year methodology, and documented disparity to support a legal basis for WMBE ethnic/gender specific mandates
- Ethnic/gender neutral initiatives (SLBE) are being pursued to maximize opportunities for WMBEs

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Minority and Small Business Development