Review of Procurement Practices and the Business Diversity & Outreach Program

Denver Public Schools

Report Presentation
April 5, 2017
PRESENTATION AGENDA

• Introductions
• Policy Review
• Qualitative Data Analysis
• Selected Practices
• Recommendations
• Questions and Answers
INTRODUCTIONS

MGT OF AMERICA

• Dr. Fred Seamon, Executive-in-Charge
• Reggie Smith, Vice President
• Vernetta Mitchell, Project Director
• Brian Clarke, JD, Researcher

MGT’S SUBCONSULTANTS

• L.S. Gallegos
REPORT STRUCTURE
Report Structure

• Review of Procurement Policies, and Procedures
• Review Business Diversity & Outreach Program
• Qualitative Data Analysis
• Selected M/WBE and SBE Practices
• Policy and Program Recommendation
Policy Review

• Interviewed staff from:
  – Business Diversity & Outreach
  – Program Management Office
  – Chief of Staff
  – Strategic Sourcing
  – Office of Facility Planning
  – Quality Assurance/Quality Control
Policy Review

• Recommendations from 2015 Disparity Study
  1. MGT Recommendation A: SBE Program
  2. MGT Recommendation B: Subcontractor Project
  3. MGT Recommendation C: Narrow Tailored M/WBE Program
  4. MGT Recommendation D: Aspirational M/WBE Goals
  5. MGT Recommendation E: Data Management
  6. MGT Recommendation F: Outreach
  7. MGT Recommendation G: DPS Website
  8. MGT Recommendation H: Staffing
1. **MGT Recommendation B: Subcontractor Project Goals** – DPS establishes project goals for subcontractors. Between 2014-2016, DPS has set MWBE goals on 126 projects.*

2. **MGT Recommendation D: Aspirational M/WBE Goals** – In February 2015 the Board of Education adopted M/WBE aspirational goals of 24 percent for bond-funded construction related projects.

3. **MGT Recommendation E: Data Management** – Denver Public Schools purchased B2GNow to collect data on its M/WBE subcontractor program.

4. **MGT Recommendation H: Staffing** – Staff was hired to manage B2GNow and conduct M/WBE compliance. The District also recently hired a new Business Diversity and Outreach Program Director.

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*Board of Education Equity & Inclusion Program Presentation, May 19, 2016.*
QUALITATIVE DATA ANALYSIS
Qualitative Data Analysis

• MGT held a public forum on December 7, 2016
• In-Depth Interviews with Business Owners
• Online survey
• Stakeholder Interviews
Qualitative Data Analysis - Comments

• Create a program that provide MWBEs an opportunity to compete as primes
• Hold primes accountable for their MWBE participation
• Expand the MWBE program beyond construction and construction-related procurement
• Reevaluate the prequalification process
• Need smaller contracts to compete on
Selected Practices

• Portsmouth Public Schools, VA
  – Small Purchases under $100,000
  – Formal purchases require MWBE notification
  – MWBE Advisory Committee
  – Good Faith Efforts based on points structure

• Charlotte-Mecklenburg Schools, NC
  – Program expanded to all purchasing areas
  – Notification of opportunities shared with trade associations and public agencies
  – MWBE participation intentions made part of the contract
Selected Practices

- City of Charlotte, NC
  - Has an established SBE Program
  - SBE firms have personal net worth, ownership, location requirements
  - Creates targeted outreach and designate contracts to SBEs
  - Establishes SBE goals, where warranted
POLICY AND PROGRAM RECOMMENDATIONS
Recommendations

1. Goal Settings
   - Align with MWBE availability

2. Restructure Goals Committee
   - Review and approve goals, not set them

3. Data Management
   - Expand B2GNow to capture all subcontracting utilization
   - Create an online vendor registration
   - Maintain different levels of certification

4. Establish a SBE Program
Recommendations

5. Update the Business Outreach & Diversity Program website
   - Program policies
   - Outreach
   - Procurement Forecasts

6. Forecasting

7. Prime Contracting

8. Accept other MWBE Certifications
Denver Public Schools continues to modify its procurement and contracting processes to provide opportunities for MWBE firms to win construction and construction-related projects. DPS has also taken proactive steps to improve the Business Outreach and Diversity Program that is designed to assist and grow the capacity of MWBE firms and improve the economic impact to its market area and community.