



# **UPDATE & DISPARITY STUDY PRESENTATION**

**OED Division of Small Business Opportunity (DSBO)**

**Business, Arts, Education and Aviation Services Committee**

**December 12, 2018**

# AGENDA

- **Introductions**
- **What We Do/Where We Are Today**
- **2018 Disparity Study**
- **Next Steps**



What we do.

**In Denver, small, minority and women-owned businesses receive a disproportionately lower number of contracts on city construction, professional services projects and goods and services.**

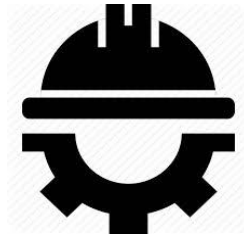


# OED's Division of Small Business Opportunity (DSBO) creates and expands opportunities for these small, minority and women-owned businesses:

CITY & COUNTY OF DENVER CONTRACTS



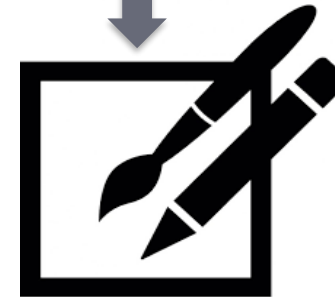
**CONSTRUCTION**  
(Building & Bridge construction, curb & gutter, etc.)



**CONSTRUCTION SERVICES**  
(Construction Management, etc.)



**GOODS & SERVICES** (Office equipment, supplies, maintenance, etc.)



**PROFESSIONAL DESIGN** (Engineering, Planning, etc.)



**DENVER INT'L AIRPORT CONCESSIONS** (Food & Beverage, Retail, etc.)

# DSBO's key objectives

**Enhancing the value of being certified** as a small, minority and women-owned business with the City and County of Denver

**Expanding the capacity** of small, minority and women-owned businesses through internal and external partnerships

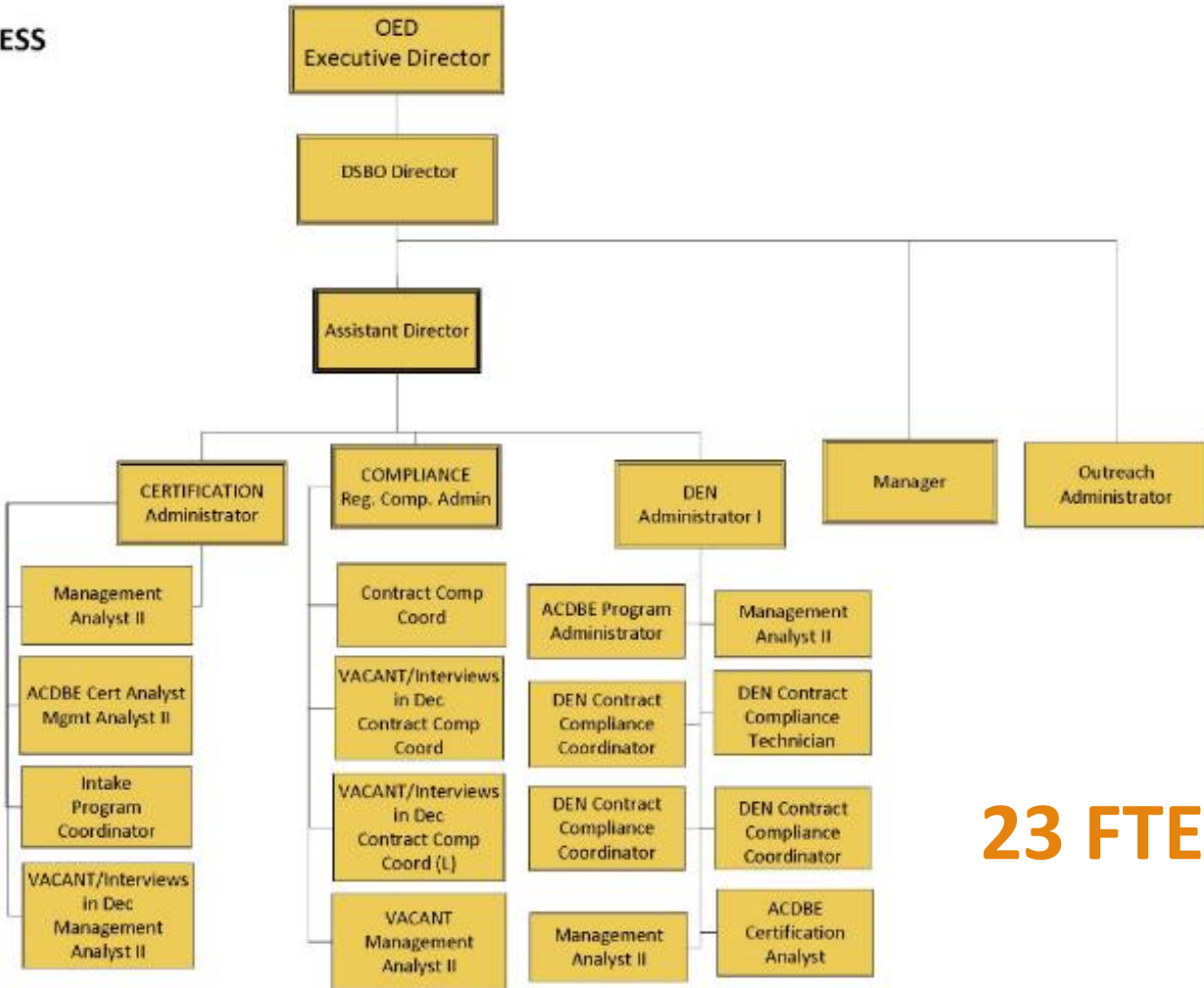
DSBO is committed to working with and providing opportunities for small, minority and women-owned businesses in the Denver region by...

**Improving access** for small, minority and women-owned businesses to work on City contracts and procurements

**Creating environments** where small businesses can access large, prime contractors and build working relationships

# DSBO staff capacity, 2018

**DIVISION OF SMALL BUSINESS  
OPPORTUNITY  
(DSBO)**



**23 FTEs**

# Roles & responsibilities

- Offering new & renewal **certification support**
- Setting **aspirational annual & project-specific goals**
- **Enforcing compliance** on contracts
- Providing **technical assistance & education**
- Conducting **outreach** to business community
- Developing **inter-agency communication**
- **Reporting externally** on data & policy





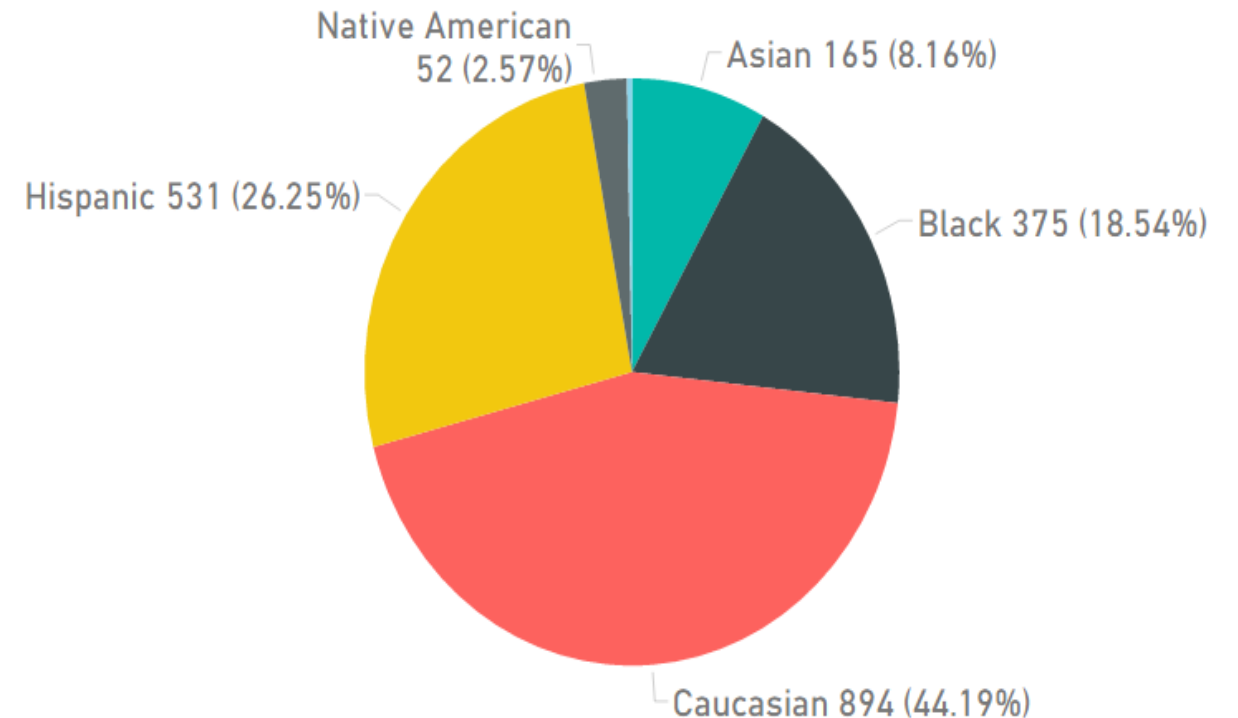
Where we are today.

# Today, there are 2,040 small, minority and women-owned businesses certified with the City and County of Denver.

% of firms certified in certification type

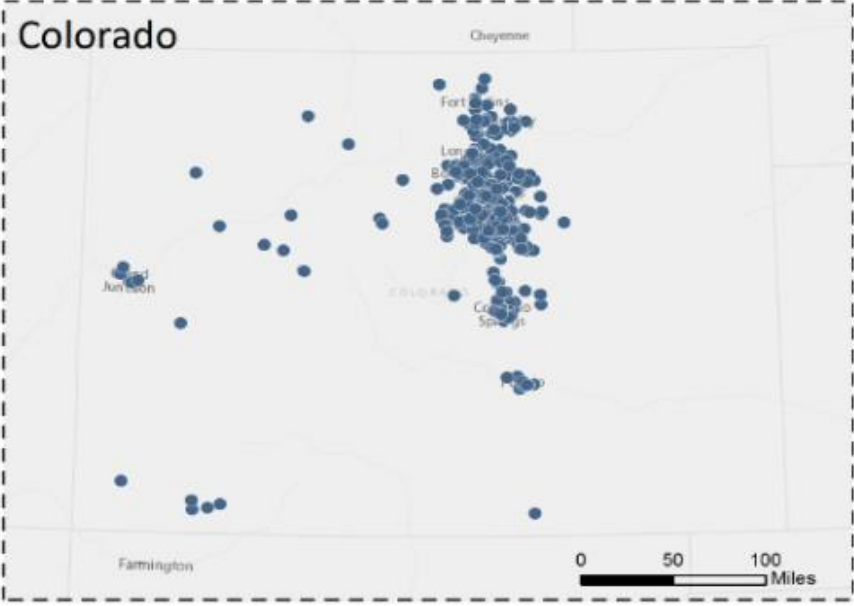
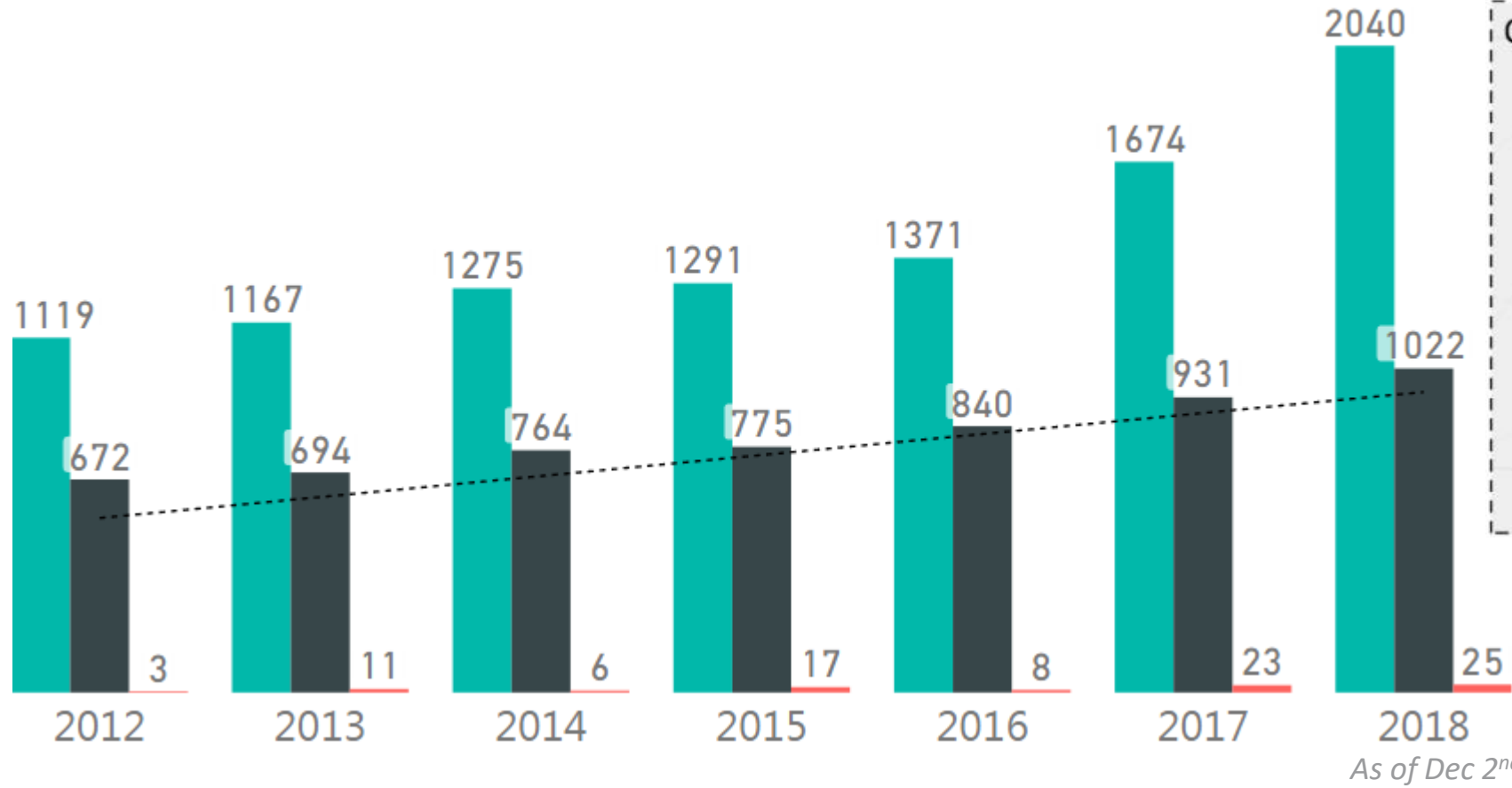


Certified Firms by Race/Ethnicity



# Certified firms over time.

● # of Certified Firms   ● # of MWBE Firms   ● # of Graduated Firms in at least one certification type



Location of Certified Firms

# Firms are certified in many different industries.

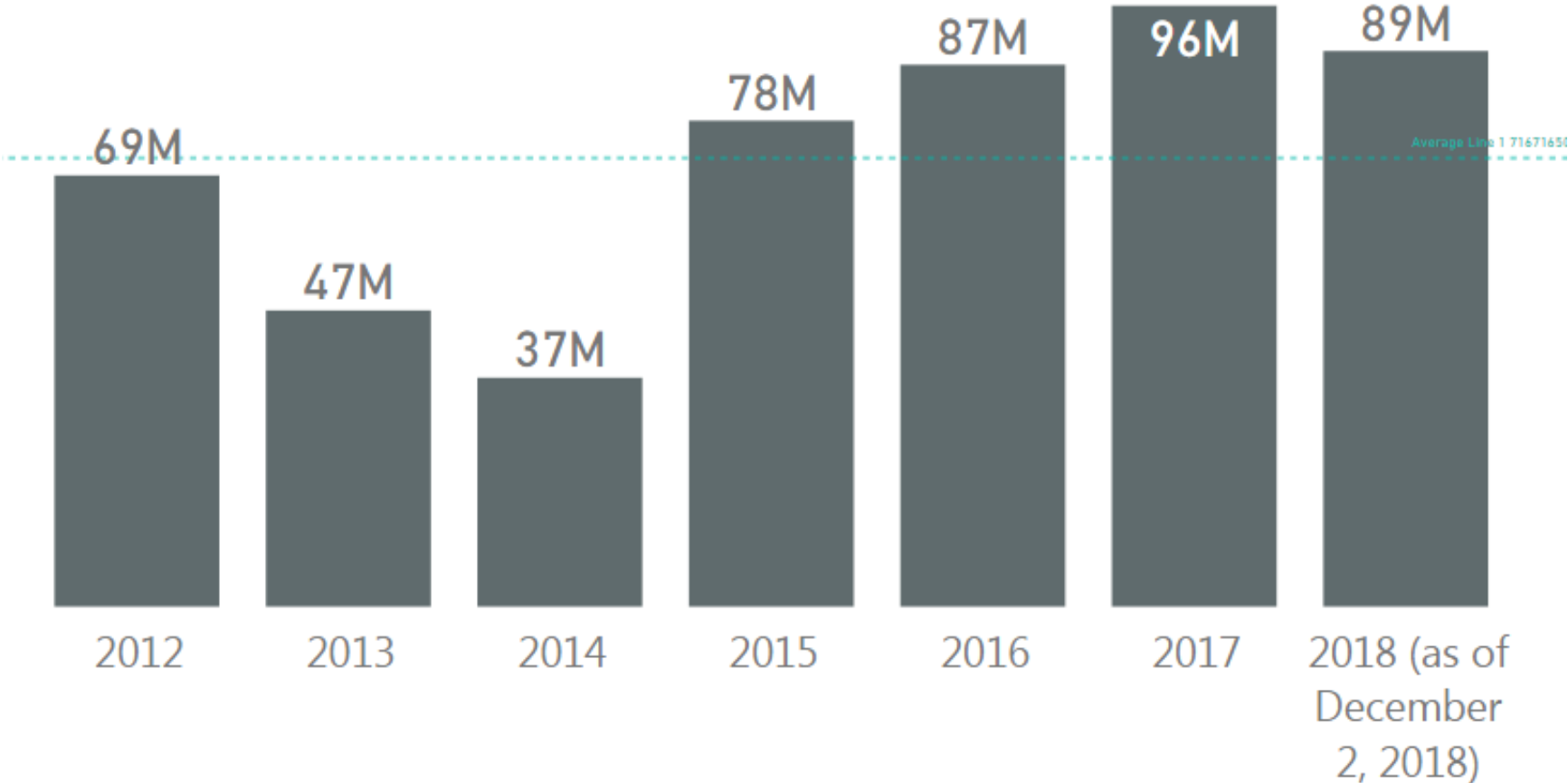
Certified Firms by Work Description



1. Project Management
2. Gravel Hauling
3. Top-soil Hauling
4. Dump Trucking
5. Sand Hauling
6. Construction Manag.
7. Wholesale Trade Agents
8. Civil Engineering
9. Interior Design
10. Environmental Consulting

# Awards to certified firms continue to increase.

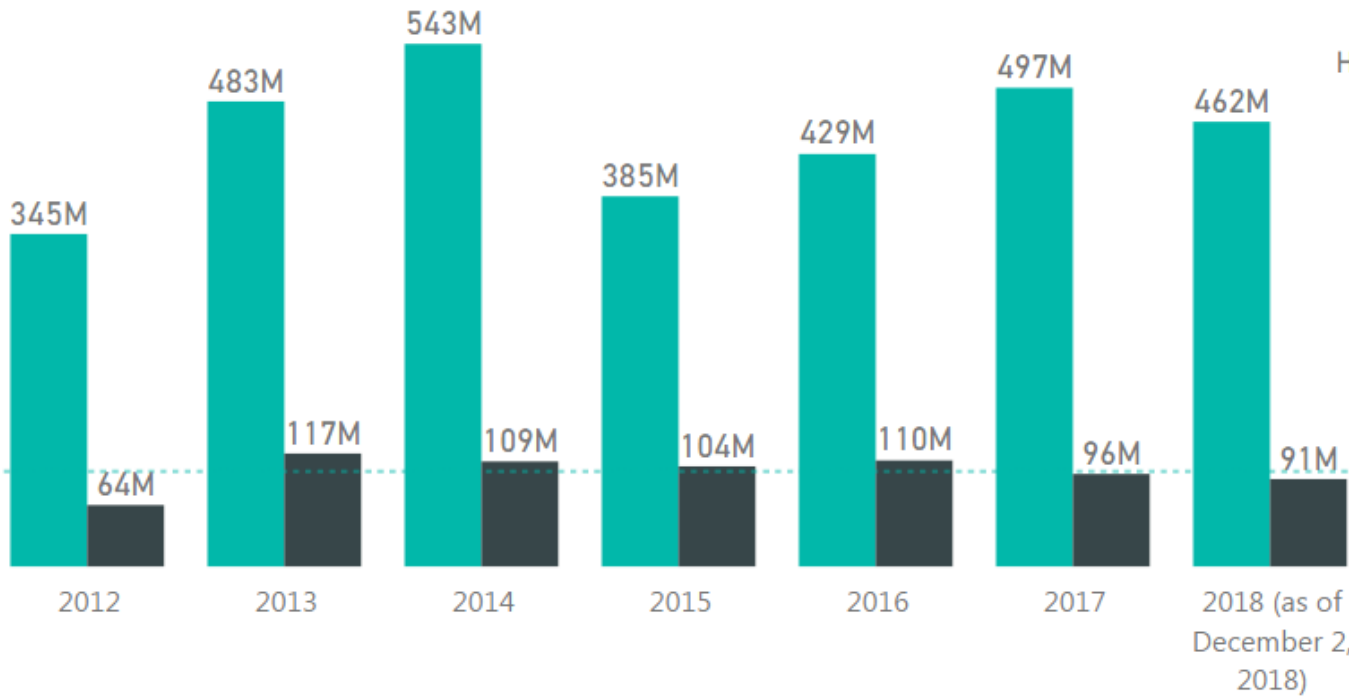
Total Awarded to Certified Firms by Year



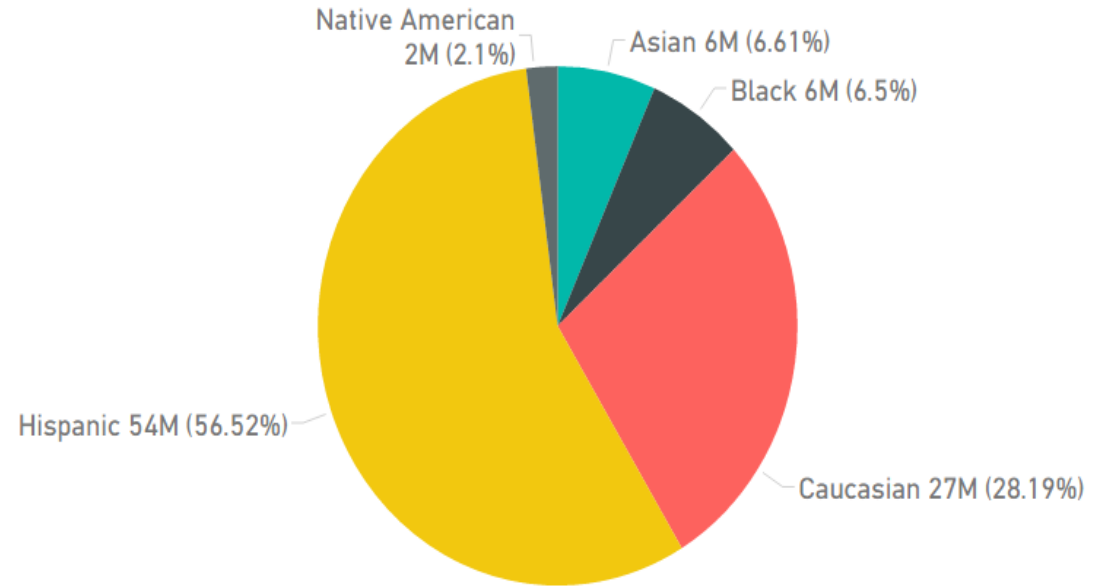
Payments to certified firms have remained relatively consistent for the last 5 years, with a slight decrease in 2017.

Payments to Certified Firms

● Total Payments to All Firms on DSBO Monitored Contracts ● Total Payments to Certified Firms



Payments to Certified Firms by Race/Ethnicity (2017)



Hispanic contractors received 56.52% of the payments to certified firms in 2017.

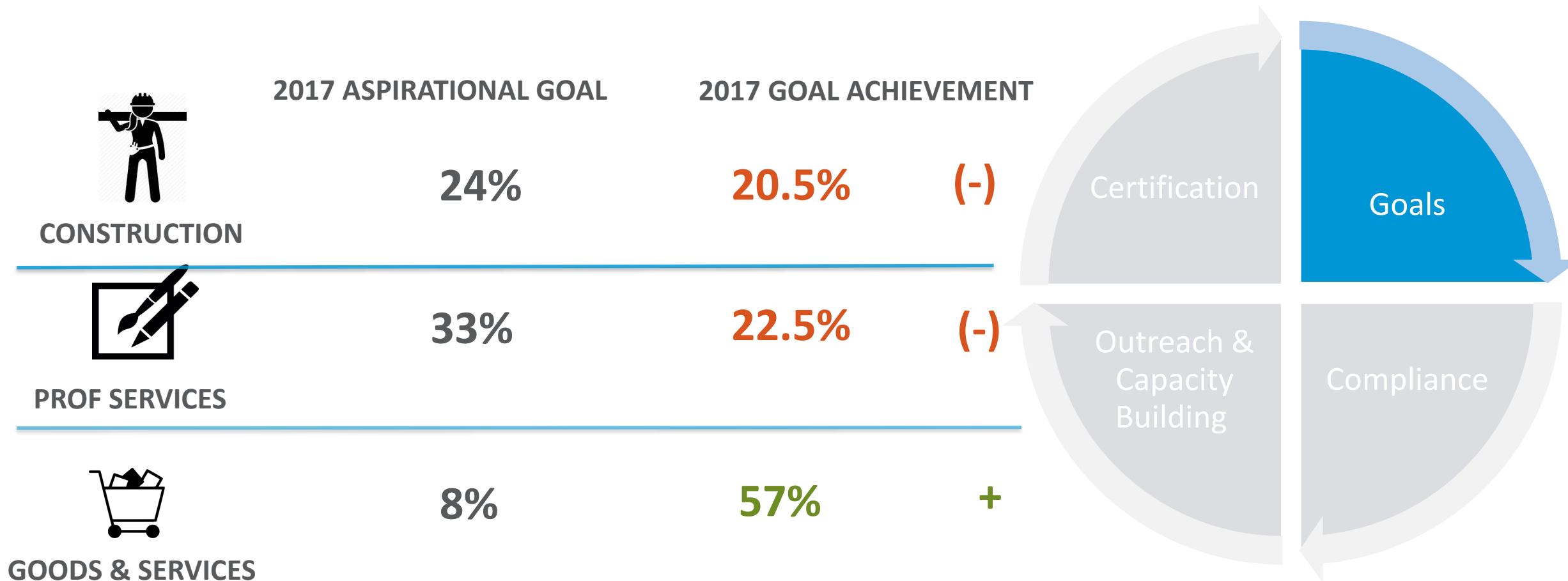
# DSBO and partnering agencies continue to work on increasing the number of certified firms participating on City contracts.

- **494 certified firms\*** are actively working on city contracts
  - 112 as **primes**
  - 443 as **subs**
- There are 141 prequalified firms on city contracts—just **23** of these are certified firms.



*\*Multiple firms can be working as a prime and sub at the same time.*

# What we achieved last year.





# Annual goal achievement over the last six years.

**Aspirational Annual Goal =**

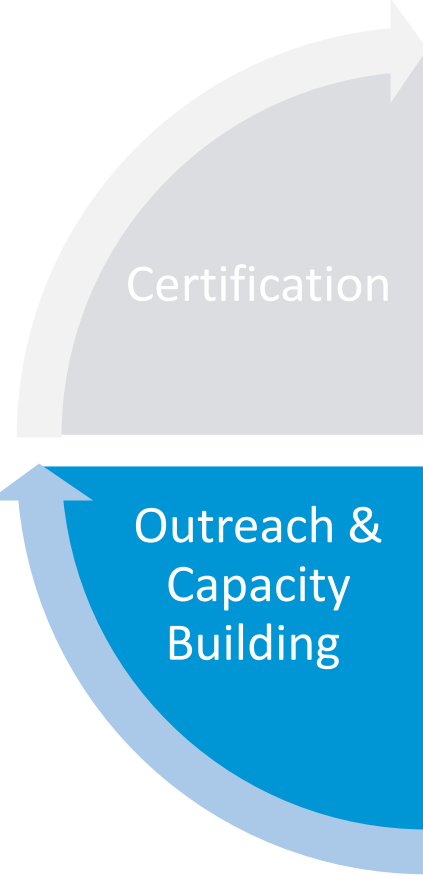
*Total Payments to MWBE firms on MWBE contracts*

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*Total Payments to ALL Firms on MWBE contracts*

Year	Construction	Professional Services	Goods & Services
2017	20.5%	22.5%	57%
2016	23%	30%	58%
2015	28%	35%	100%
2014	23%	37.05%	9.6%
2013	24.53%	22.35%	NO PROGRAM
2012	18.69%	12.32%	NO PROGRAM

# Outreach & capacity building



DSBO staff conducted research on capacity-building programs for M/WBEs offered by other major cities to design a pilot program with multiple nonprofit providers to offer technical assistance resources to certified firms.



# Outreach & Capacity Building efforts this year

- Partnered with Mi Casa Resource Center to conduct **75 one-on-one meetings with certified firms to provide assistance.**
- **15 electronic bulletins** were sent to certified firms and primes on program updates.
- **7 newsletters** were distributed to all our certified firms detailing program updates and upcoming opportunities & events.
- Conducted **11 certification trainings at various locations** around the City with an average attendance of 22 firms.
- Participated in **44 outreach events**, providing local firms with information on the DSBO program.

# Continuous improvement ongoing in 2018

- ✓ Requiring Executive Director sign off for 0% goals
- ✓ Updating certification process to allow 3-year renewal
- ✓ Automating Goal-setting process
- ✓ Revamping Certification Workshops
- ✓ Increasing SBE Prime Contracting Opportunities
- ✓ Implemented all changes from 2017 Ordinance Amendment
- ✓ Improved B2G system to allow contractors to report payment discrepancies
- ✓ Prioritizing Joint Venture and Teaming Agreement program
- ✓ Developing data dashboards for “live” reporting
- ✓ Launching improved Mentor Protégé Program in early 2019

# 2018 Disparity Study

BBC  
RESEARCH &  
CONSULTING

Presented by

Kevin Williams, Managing Director



# 2018 CITY OF DENVER DISPARITY STUDY

DRAFT RESULTS

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December 12, 2018

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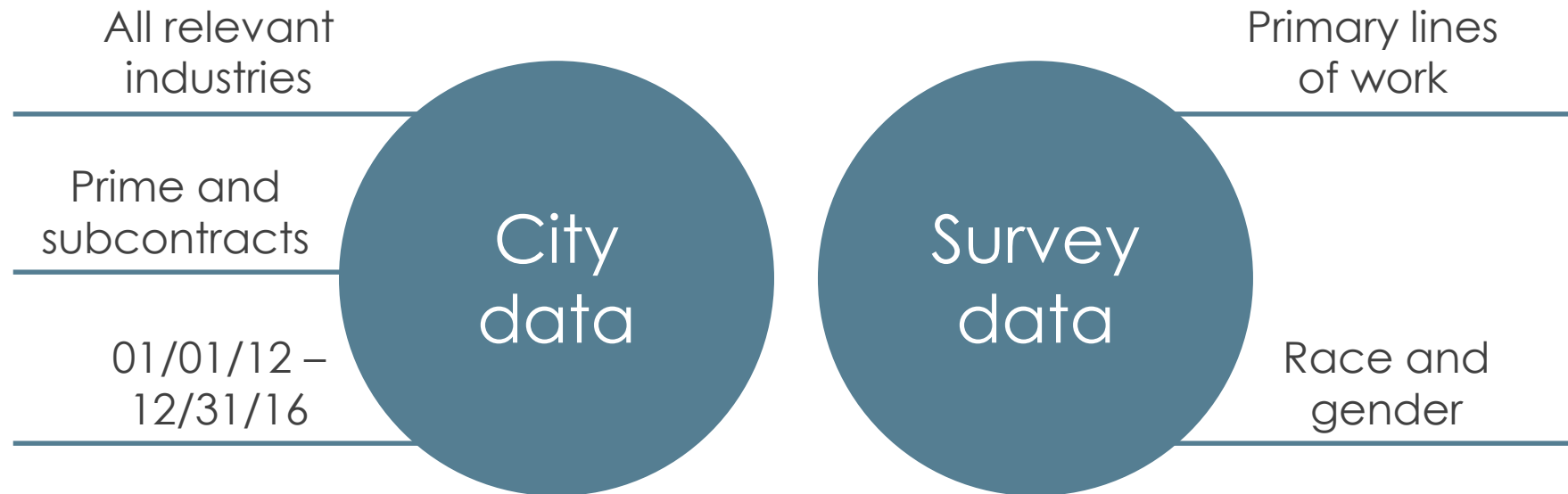
## PRIMARY OBJECTIVE

Do M/Ws face  
barriers in City  
contracting?

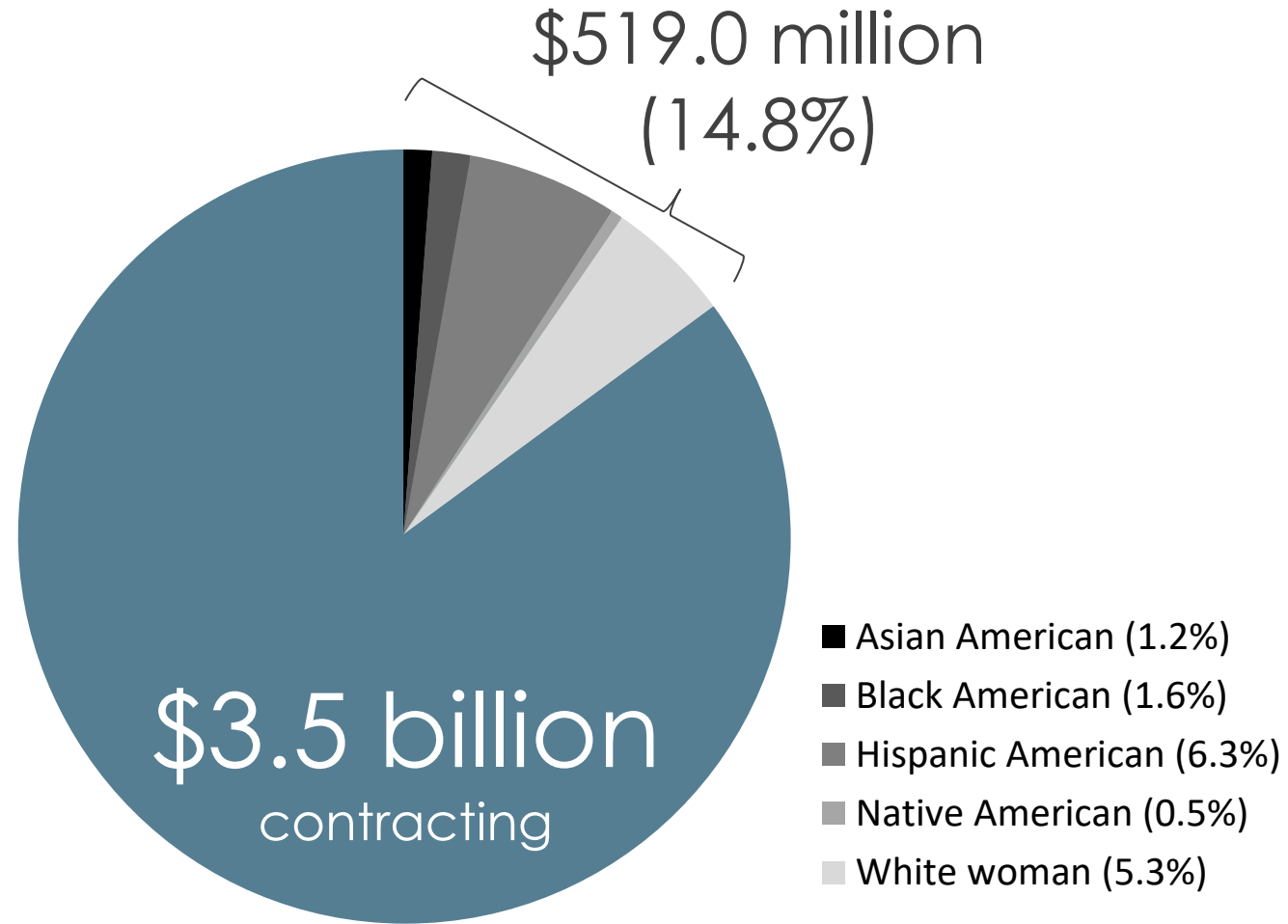
PARTICIPATION



# UTILIZATION ANALYSIS

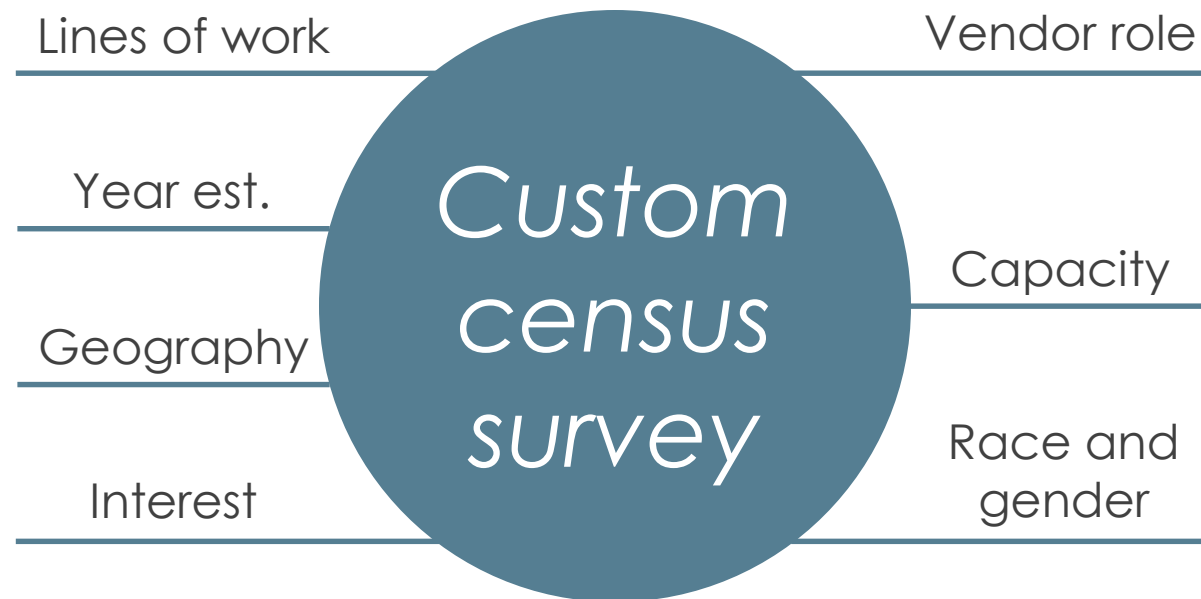


# RESULTS

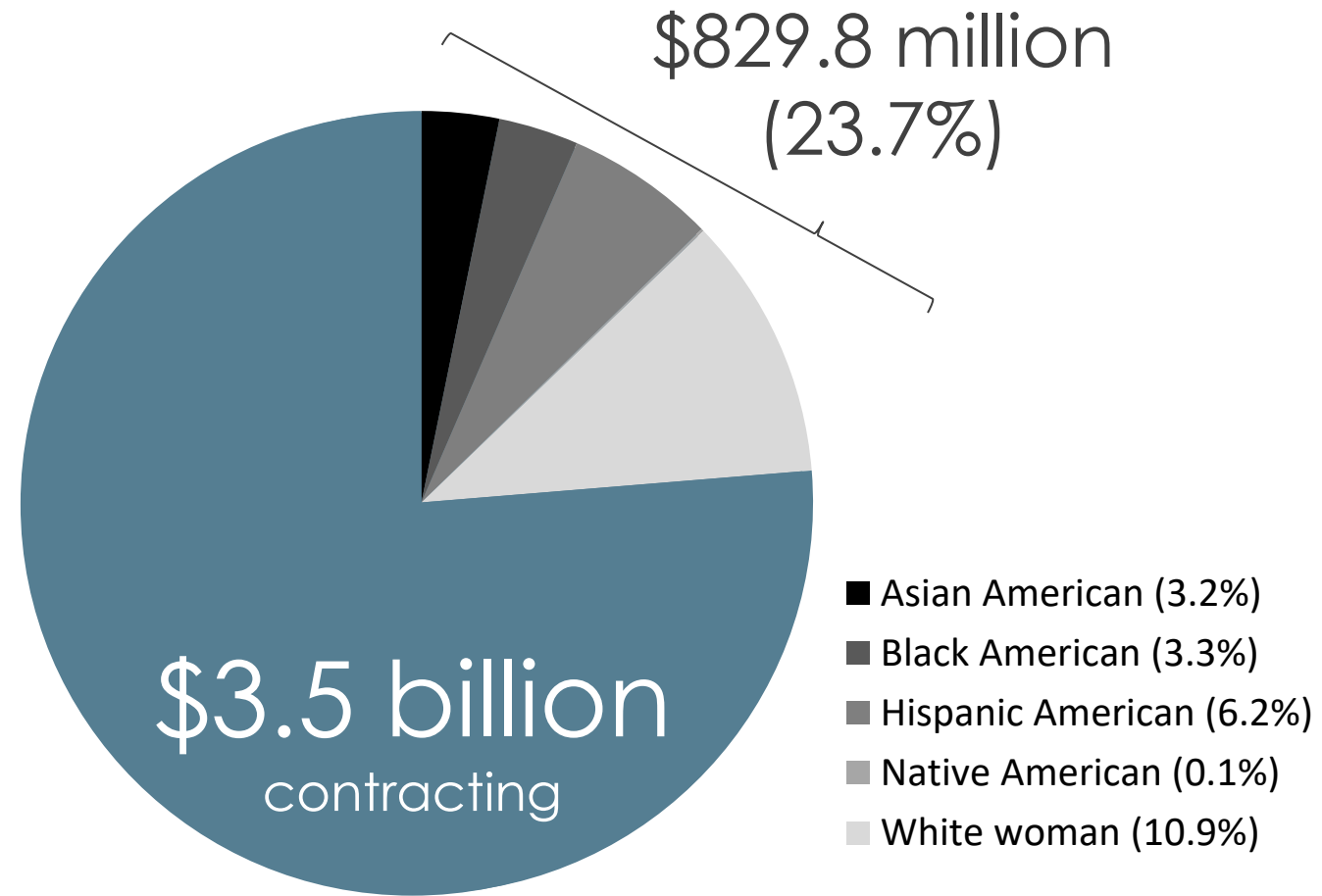


AVAILABILITY

# AVAILABILITY ANALYSIS



# RESULTS



DISPARITIES

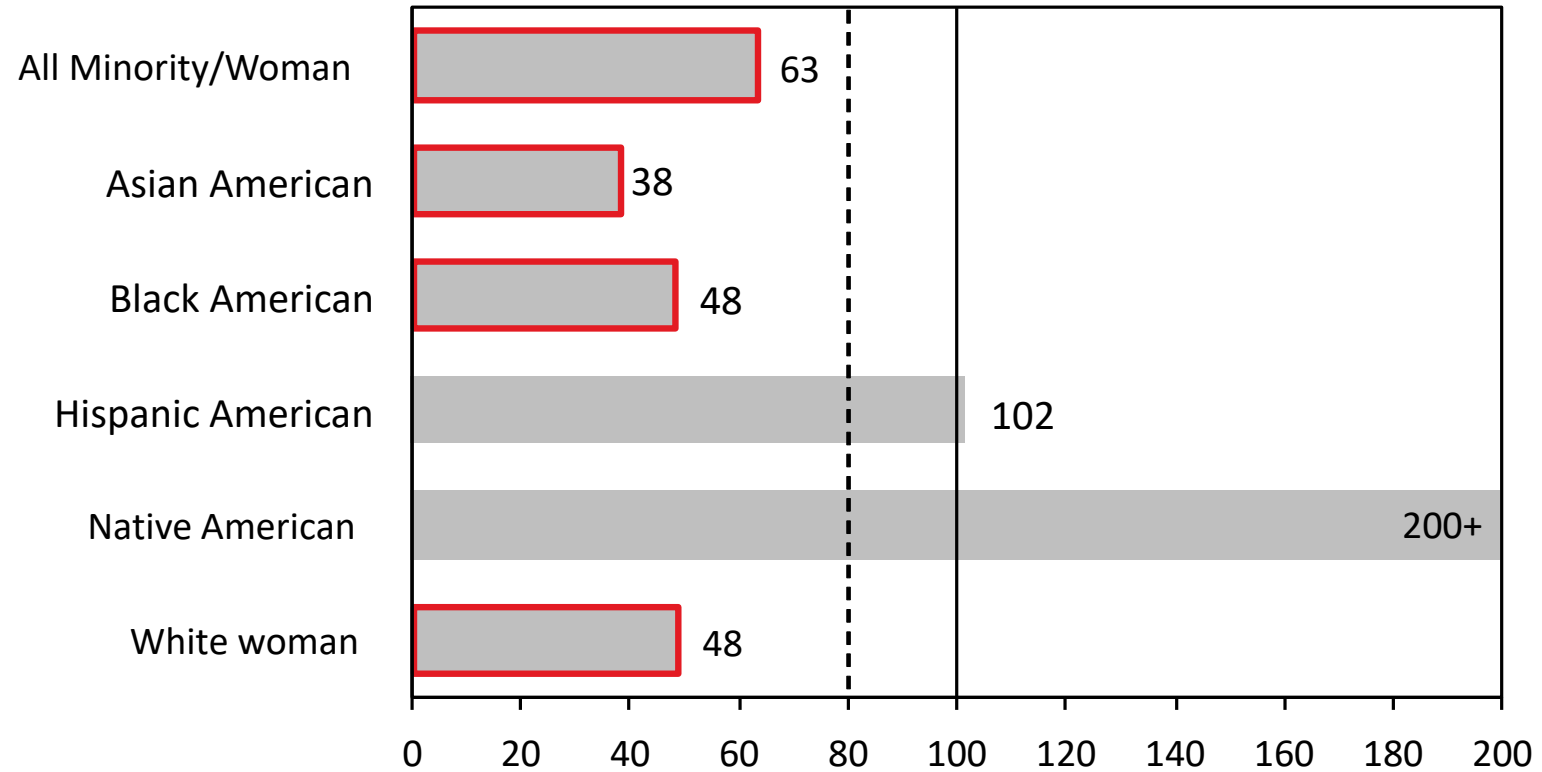
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## DISPARITY ANALYSIS

$$\frac{\text{Dollars received}}{\text{Dollars available}} = \text{DISPARITY INDEX}$$

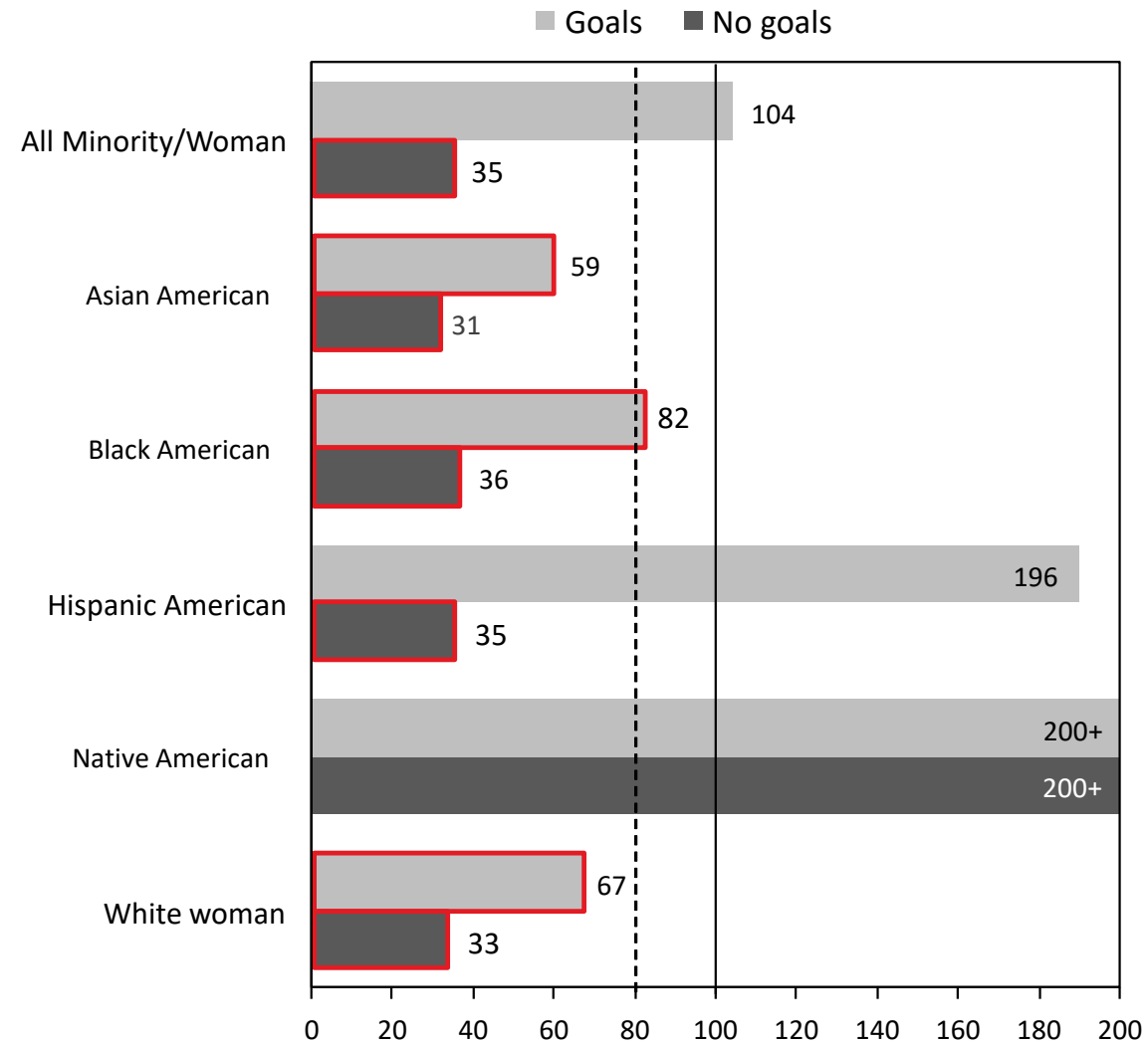
80% or less = *substantial* underutilization

# ALL CONTRACTS

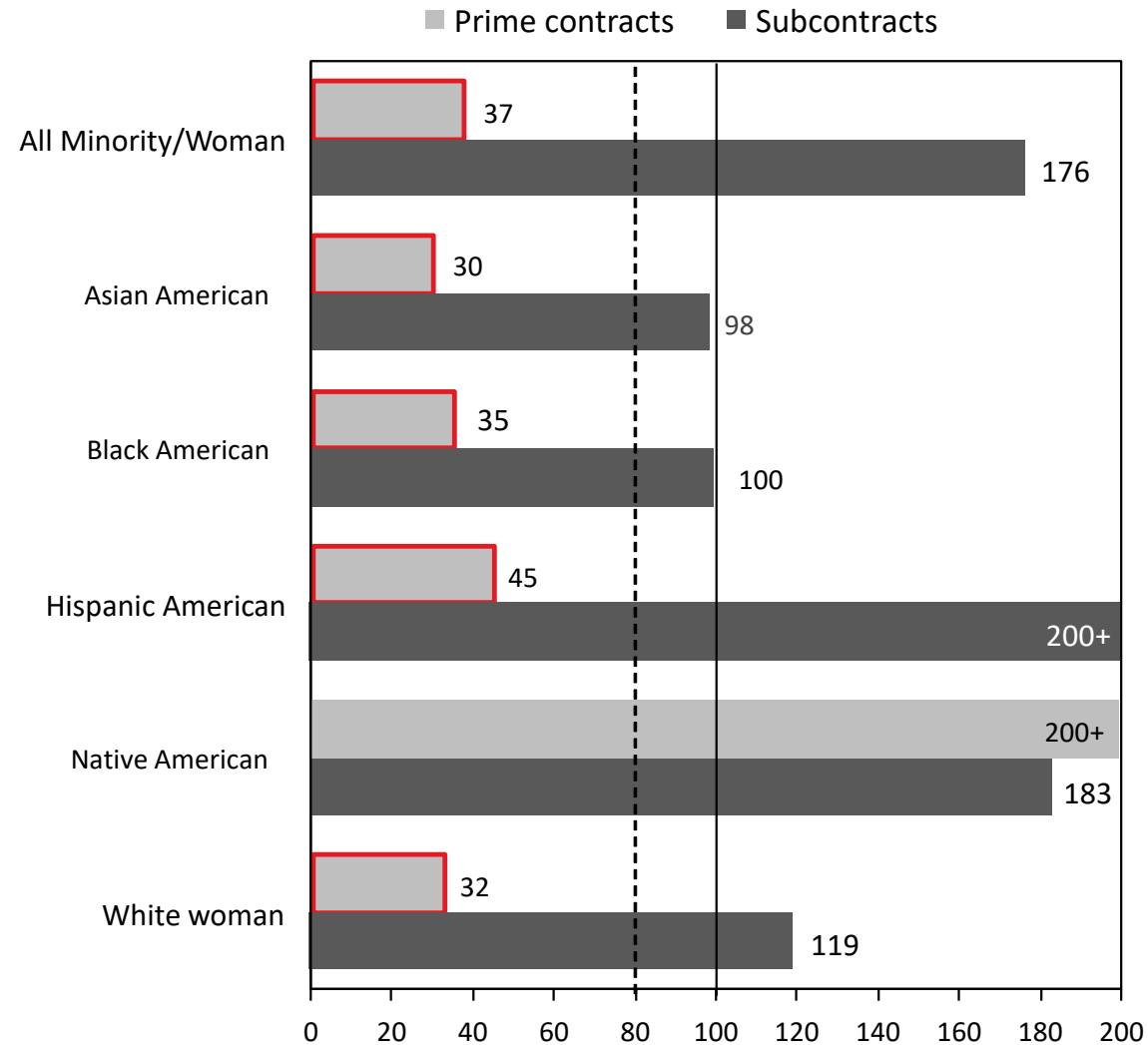




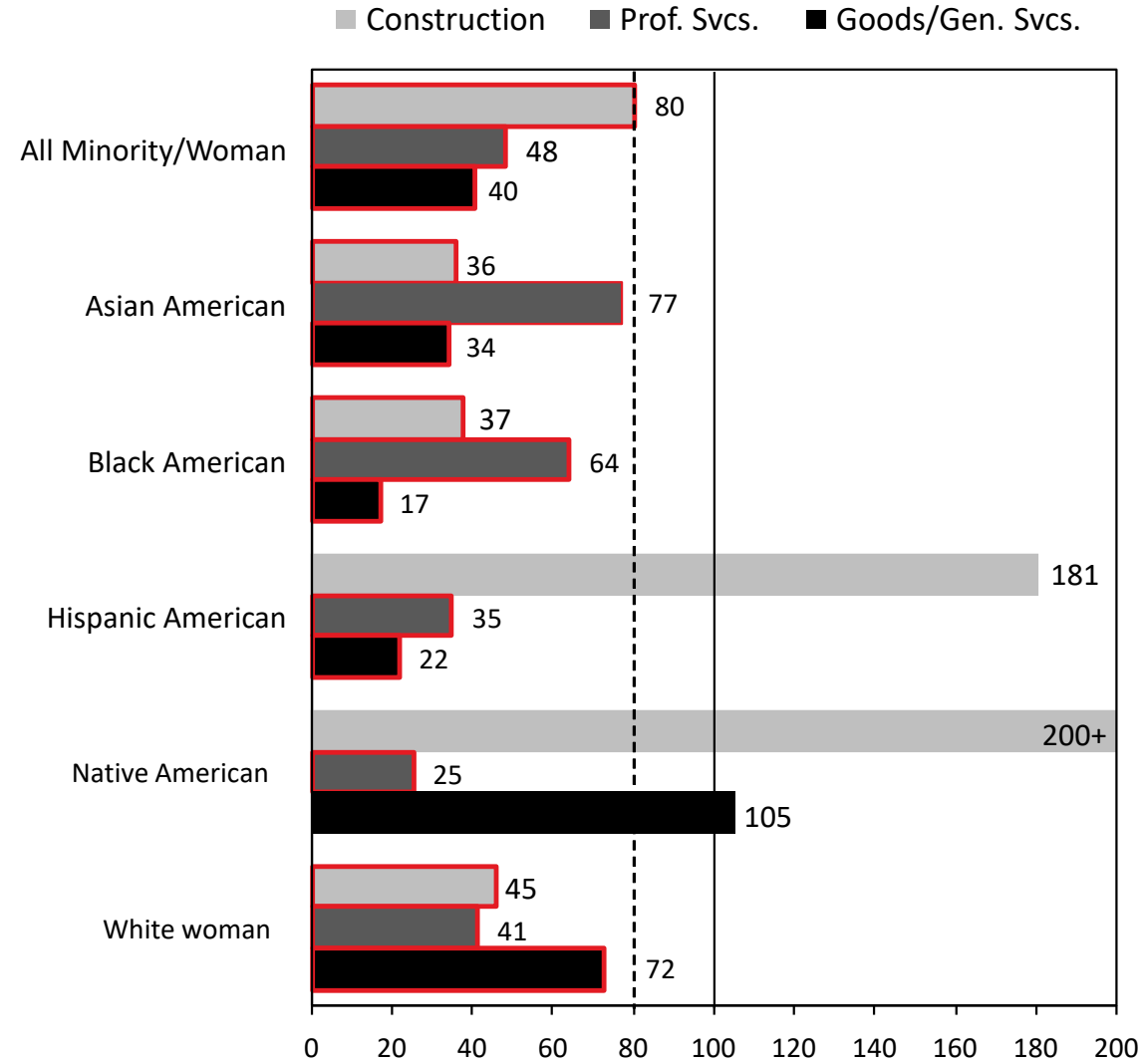
# GOALS V. NO GOALS



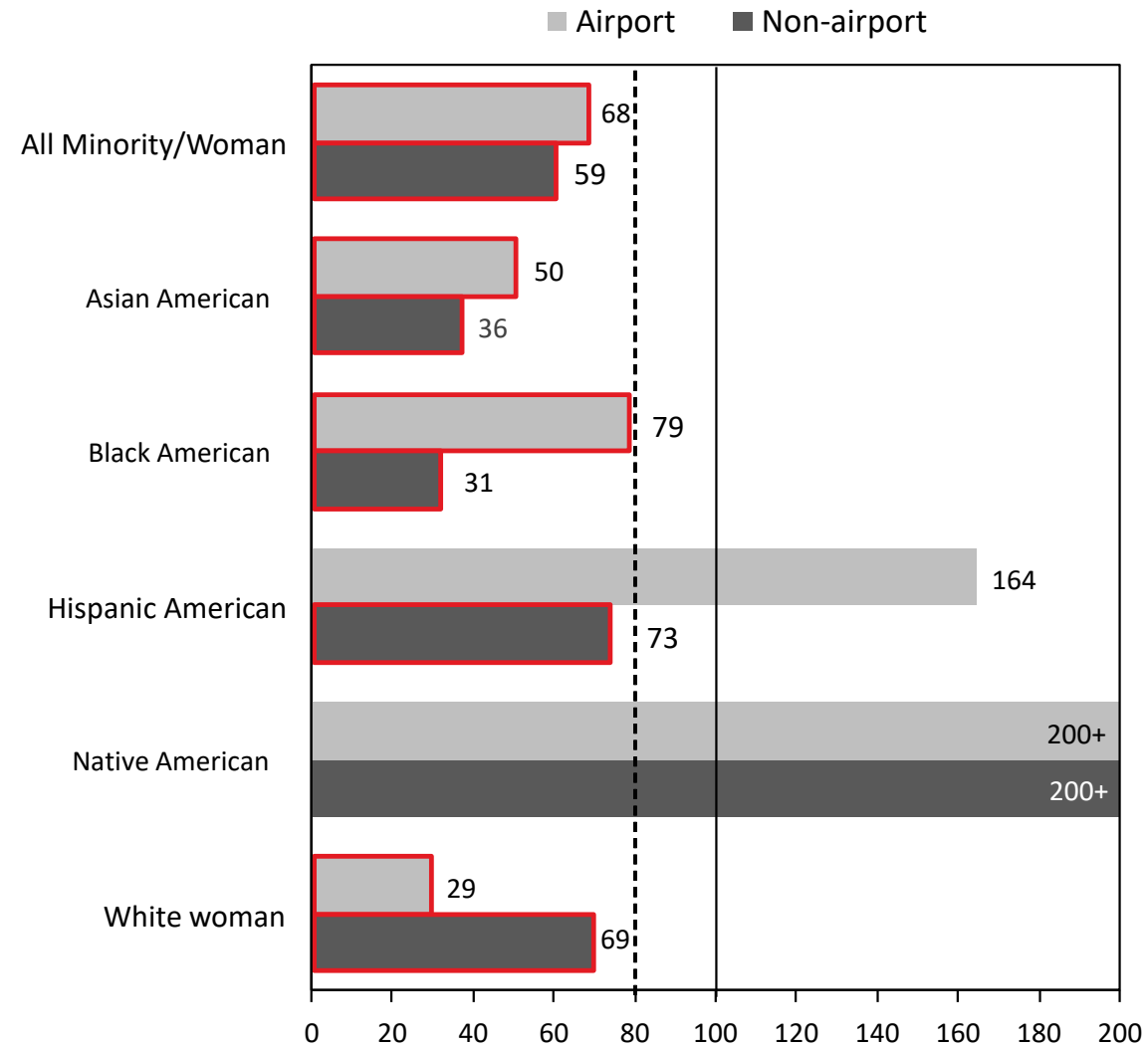
# PRIME CONTRACTS V. SUBCONTRACTS



# INDUSTRY



# AIRPORT V. NON-AIRPORT



CONSIDERATIONS

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# CONSIDERATIONS

- Unbundle large contracts
- Expand small business set asides
- Enforce timely payment
- Continue M/WBE contracting goals
- Provide guidance for annual goal-setting

# NEXT STEPS FOR ANNUAL GOAL-SETTING PROCESS

	Current goal	Availability* (2012-2016)	2019 goal
Construction	24%	17%	TBD
Prof. services	33%	40%	TBD
Goods/services	8%	20%	TBD

\* Based on availability of businesses that are currently M/WBE-certified or appear they could be M/WBE-certified based on revenue requirements.

# DSBO Next Steps



# DSBO Next Steps

- **Establish process to set 2019 Aspirational Goals**
- **Work with community to execute program and Ordinance recommendations**
- **Partner with city agencies on small, minority and women-owned utilization plans**
- **Launch Improved Mentor Protégé program**



# QUESTIONS