



# Disparity Study Stakeholders Meeting

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# OBO Mission



The Office of Business Opportunity is committed to creating a competitive and diverse business environment in the City of Houston by promoting the growth and success of small businesses, with a special emphasis on historically underserved groups, by ensuring their meaningful participation in the government procurement process.

***This progress is measured, in part, by monitoring the extent of these groups' participation on City contracts.***



# Purpose of Disparity Study



- As required by Chapter 15 of the City Code of Ordinances, the City shall make its best efforts to conduct a disparity study to initiate a review of its minority and women business enterprise program at least every five years.
- Timeliness of a disparity study is critical in order to analyze recent utilization and updated availability of MWBEs and to determine the need for remedial programs. Additionally, an updated study ensures that the City's program is defensible to legal challenges.
- A disparity study allows the Office of Business Opportunity to put corrective measures in place to address any evidence of discrimination and enhance the City's program.



# Background of Last Studies



- In 2006, the City published a Disparity Study conducted by Mason Tillman that reviewed all city contracts types from July 1, 2003 – June 30, 2006.
- In 2012, the City published a Disparity Study conducted by NERA Consulting that reviewed city construction contracts from July 1, 2005 –December 31, 2009. This disparity study was conducted pursuant to a settlement agreement in the *Kossman* case.
- Each disparity study concluded that there were disparities in city contracting regarding Minority and Women businesses requiring that the City implement remedial measures to address those disparities.



# Current Goals Based on Previous Studies



**Based on 2006 and 2012 disparity studies the City implemented the current goals:**

- **Professional Services** - contracts (also known as regulated contracts) that often require a professional license e.g. architect, engineer, attorney, accountant. This category also includes consultants. The citywide goal for professional services contracts is 24%.
- **Goods & Services** - contracts provide for the supply of goods or nonprofessional services above \$100K. The citywide goal for Goods & Services contracts is 11%.
- **Construction** - contracts are related to construction projects above \$1M. Based on the 2012 Construction Disparity Study, citywide goals increased from 22% to 34%, consisting of MBEs, WBEs and SBEs.

\*Note: City Departments are encouraged to assign contract specific goals, or where frequency of contract scope dictates, a categorical goal.



# Proposed Disparity Study Scope Elements

- Covers a five-year period: FY2009-FY2014
- Approximately 4,000 professional services, goods & services, and construction prime contracts
- In addition to analysis of M/WBE availability and utilization, the study will look at veteran, DBE, and ACDBE availability and utilization
- Evaluation of the dollar threshold for regulated and goal oriented contracts
- Explore participation of certified firms for Purchase Orders & Purchase cards (Pcards) under \$50K
- Explore feasibility of whether implementation of M/WBE goals should be disaggregated by race



# Stakeholder Input and Procurement Process

## Stage One:

- Stakeholders are encouraged to provide input regarding the creation of the RFP Scope of Work during this stakeholder meeting.
- Additional input can be submitted through the City's website:  
[http://www.houstontx.gov/obo/disparity\\_study.html](http://www.houstontx.gov/obo/disparity_study.html)

## Stage Two:

- City will issue an RFI in next 30 days to gather information from potential respondents.
- After the RFI is released, we will initiate an RFP process to select a consultant.
- Once the consultant is selected they will conduct on-going stakeholder meetings.
- There will be further engagement through: focus groups and surveys as a part of the study process, conducted by the consultant.
- Disparity Studies generally take one to two years to complete.



# Discussion points



- Did you participate in the previous Disparity Studies conducted by the City?
- What are your expectations from this Disparity Study?
- Was there anything the City could have done differently in our overall execution of the previous Disparity study process?
- Are there areas that should be incorporated in the upcoming Disparity Study that were not addressed in the previous ones?
- What specific changes would you recommend for the City's current MWSBE program?





# Additional Feedback and Comments



To provide us with additional feedback and comments, please fill out our survey at:

<http://tinyurl.com/disparitystudy>

The survey will be available online until 5:30 PM on **September 15, 2015.**

For more information on the RFI, RFP, and all updates regarding the disparity study process, please continue to check our Disparity Study website at:

[http://www.houstontx.gov/obo/disparity\\_study.html](http://www.houstontx.gov/obo/disparity_study.html)



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# Questions



# Thank You.



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