



San Antonio Regional Business Disparity Causation Analysis Study

December 16, 2009

Policy and Planning Meeting

Ruby A. Webb

SMWB Program Manager

Background

- October 2005
 - Board of Trustees approves participation in the Regional Disparity and Business Availability Study
- 2006
 - SAWS joined City of San Antonio (COSA) and eight other governmental agencies to conduct study
 - COSA issues Request for Proposals
 - COSA awards contract to MGT America
 - Total Contract Amount = \$554,781
 - SAWS Contribution = \$40,000

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Study Participants / Contributions

City of San Antonio (Managing Agency)	\$224,881
Participating Agencies	
CPS Energy	\$50,000
University Health System	\$50,000
Port Authority of San Antonio	\$50,000
Bexar County	\$50,000
San Antonio Water System	\$40,000
Brooks Development Authority	\$25,000
San Antonio Housing Authority	\$24,900
Edwards Aquifer Authority	\$25,000
Alamo Regional Mobility Authority	\$15,000

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Study Definitions

- **Study Period**
 - January 1, 2002 through December 31, 2006
- **M/WBs**
 - Minority/Women Owned Businesses
- **SBE**
 - Small Business Enterprise

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Study Definitions

- **Availability**

- The % of minority & women firms that have preformed or indicated their willingness to perform work for SAWS.

- **Utilization**

- The % of minority & women firms that received contracts.
- The study results are based on the contracting data provided by SAWS for review. The utilization is broken down by business category, ethnicity and gender.

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Study Definitions

- **Disparity**

- The comparison between utilization and availability.

$$\text{Utilization / Availability} = \text{Disparity}$$

- Indicate whether the percentage of minority and women-owned firms are receiving a proportional share of payments/awards in the public and private sectors.

- **Disparity Index**

- Index of 0.00 – no utilization
- Index under 80.00 – substantial underutilization
- Index of 100.00 – parity
(EEOC 80% Rule Applied)

- **Aspirational Goals**

- based on estimated baseline percentage of available firms.

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Study Definitions

- **Business Categories**

- **Construction**

- General Building Contractors
- Heavy Construction
- Light Maintenance Construction
- Other related services (such as: water lining, asbestos abatement, draining)

- **Architecture and Engineering**

- State-Licensed architect
- Professional engineer
- Firm owned by parties with such designations

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Study Definitions

- **Business Categories**
 - **Professional Services**
 - Financial Services
 - Legal Services
 - Medical Services
 - Educational Services
 - **General Services**
 - Janitorial and maintenance services
 - Uniformed guard services
 - Computer services
 - Graphics, photography services
 - Landscaping

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Study Definitions

- **Relevant Market Area**
 - San Antonio MSA which includes the following counties: Atascosa, Bandera, Bexar, Comal, Guadalupe, Kendall, Medina, and Wilson.

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Purpose of Disparity Study

- Identify the availability of M/WBs
- Determine M/WB utilization
- Identify disparities in the utilization of M/WBs
- Determine whether existing SAWS efforts had eliminated active & passive disparity
- Recommend programs that remedy disparity

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



SAWS Disparity Study Timeline

2007	
January	MGT requested SAWS contracting policies, procedures and related documents
March	SAWS submitted lists of consulting and construction contracts for study period 2002-2006
April	SAWS submitted requested contracting data
2008	
January	MGT conducted on-site visit to review SAWS physical files of requested information
2009	
August	SAWS received draft report from MGT
December	Disparity Study Findings Presented to Board Public Input Period Begins
2010	
January	Public Input Period Continues
February	Board Consideration of Disparity Study Acceptance
March	Staff Begins Drafting new SMWB Policy

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Disparity Study Scope

- SAWS Prime Contractor Availability
- SAWS Prime Contractor Utilization
- Disparity in SAWS Prime Contractor Utilization
- Study Outcomes
- Recommended Goals

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Study Recommendations

(Based on Business Disparity Causation Analysis conducted by MGT of America)

- **Provides strong evidence to support continuation of a program to promote M/WBE utilization**
 - This recommendation is base primarily on statistical disparities in SAWS' current utilization and substantial disparities in the private marketplace.
 - The basic premise is “that were it not for programs that promote and advocate M/WBs participation, M/WBs would not be receiving a fair and equitable share of contracts”.

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Study Recommendations

(Based on Business Disparity Causation Analysis conducted by MGT of America)

- **Establish a new goal category for construction sub-contractors**
 - Prime contractors to document their outreach efforts and the reasons why they may have rejected qualified M/WBs.

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Study Recommendations

(Based on Business Disparity Causation Analysis conducted by MGT of America)

•Establish New Goals

Procurement Category	SAWS Current Goals	MGT Recommended Goals
Construction Prime Contractors	17%	15%
Construction Sub-Contractors	N/A	25%
Architecture & Engineering	25%	25%
Professional Services		30%
General Services	19%	25%

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Study Recommendations

(Based on Business Disparity Causation Analysis conducted by MGT of America)

- Provides other recommendations and Best Practices examples
 - Program Data Management System
 - Electronic filing of proposers
 - Vendor Registration System
 - RFP Language

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Introduction of MGT of America

- Hope E. Smith – Project Director
- Stephen Humphrey – Senior Partner

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Next Steps

SAWS Disparity Study Approval Process Timeline

Date	Event
November	<p align="center">Meet with San Antonio Hispanic Chamber of Commerce Topic: Proposed Disparity Study & SMWB Policy Timeline</p>
December 4	<p align="center">Brief President/CEO Topic: Proposed Timeline and SAWS Disparity Study Findings & Recommendations</p>
December 11	<p align="center">Executive Management Team Meeting Topic: SAWS Disparity Study Findings & Recommendations</p>
December 16	<p align="center">SAWS Policy and Planning Meeting Topic: MGT to present SAWS Regional Business Disparity Causation Analysis Study</p>
Dec 16- Jan 22	<p align="center">Public Comment Period</p>
TBD	<p align="center">1st Public Hearing</p>
January 14 – 22	<p align="center">Stakeholder Meetings</p>
February 2	<p align="center">SAWS Board of Trustee Meeting Topic: Consideration and acceptance of Disparity Study Findings and Public Comments for the Purpose of Policy Development</p>

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study



Next Steps

- Board Considers the Acceptance of Study
- Board provides direction on new SMWB Policy
- Staff to draft new SMWB Policy
- Staff to present draft Policy to Board
- Conduct Stakeholder Meetings
- Conduct Internal Meetings
- Board Considers the Adoption of the new SMWB Policy

December 16, 2009

San Antonio Regional Business Disparity Causation Analysis Study





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