

# Memorandum



CITY OF DALLAS

DATE October 2, 2015

TO Members of the Budget, Finance & Audit Committee: Jennifer S. Gates (Chair), Philip T. Kingston (Vice Chair), Erik Wilson, Rickey D. Callahan, Scott Griggs, Lee M. Kleinman

SUBJECT Business Inclusion and Development Program Overview

On October 5, 2015 the Budget, Finance and Audit Committee will be briefed on a Business Inclusion and Development Program Overview. The briefing is attached for your review.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "Jeanne Chipperfield".

Jeanne Chipperfield  
Chief Financial Officer

## Attachment

c: Honorable Mayor and Members of City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Rosa A. Rios, City Secretary  
Craig D. Kinton, City Auditor  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, First Assistant City Manager

Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Mark McDaniel, Assistant City Manager  
Eric D. Campbell, Assistant City Manager  
Sana Syed, Public Information Officer  
Elsa Cantu, Assistant to the City Manager

# Business Inclusion and Development Program Overview

Business Development and Procurement Services

Budget, Finance and Audit Committee  
Monday October 5, 2015



# Purpose

- Provide an overview of program structure
- Provide an overview of the outreach efforts and strategy
- Provide an overview of the current Business Inclusion and Development (B.I.D.) program

## Business Development and Procurement Services

The Business Inclusion and Development (B.I.D.) Program has two divisions:

- ResourceLink (Vendor Outreach)
  - Recruit, educate, and assist the vending community
  - Consists of two staff
- B.I.D. (Compliance)
  - Ensure efforts are made to gain minority participation
  - Monitors, maintains, and reports M/WBE participation throughout the life of the contract
  - Consists of four staff



# RESOURCELINK Team (Outreach)

- Connects vendors to resources to do business with the City
  - Business Assistance Centers
  - Small Business Association
  - M/WBE Certification Agencies
  - Agency and Advocacy groups
- Provides training and informational seminars
- Compiles scope specific M/WBE subcontractor lists
- Recruits vendors to compete for City contracts
- Offers a four part training series based on a vendor's business capacity



# RESOURCELINK Team (Outreach)

- FY 14-15 (through Aug.) RLT:
  - Attended 75 events
  - Conducted 19 training sessions
  - Held 230 one-on-one meetings
  - Hosted 6 vendor orientation meetings
- Hosted a Vendor Symposium at Dallas Executive Airport
- Hosted a “How to Do Business” Forum
  - 11 different public entities participated
- Hosted an M/WBE Interest Meeting for the Millcreek Tunneling project
  - Utilized virtual meeting technology



## Efforts to Increase Competition and Participation

### Business Industry Group (B.I.G.) Opportunities Initiative

- Analyze the City's vendor database to determine vendor capabilities by industry
- Reach out to industry specific organizations and associations
- Identify businesses that can compete for contracts where there historically has had few vendors competing and/or had low minority participation
- Work with those industry specific organizations to get their minority business owners certified
- Invite the certification agencies to present to the industry specific organizations regarding the M/WBE certification process

Complements existing partnerships with the chambers and advocacy groups

# Business Inclusion and Development

## POLICY

- Encourages certified M/WBEs utilization to the greatest extent feasible on City contracts.
- Based on contract expenditures by the City
- A sub-contracting program

## BACKGROUND

- October 2008 Amendments
- Changed from Good Faith Effort to Business Inclusion and Development
- Added 15 points in evaluation criteria for items over \$250K
- Encouraged Joint Ventures

## ADMINISTRATION

- BDPS Contract Compliance Team
- Centralized location for contractors and subcontractors
- Evaluation of large contracts prior to advertising to identify unbundling opportunities

## PROCESS

- B.I.D. forms completed by respondent
- 15 point M/WBE evaluation (if applicable)
- Assist vendors to identify scopes and sub-contractors
- Planned M/WBE participation verified
- Participation monitored

## GOALS

- Utilizes local (Dallas County) M/WBEs
- Compliance based on the good-faith efforts
- Construction: 25.00%
- A & E: 25.66%
- Professional Services: 36.30%
- Other Services: 23.80%
- Goods: 18.00%
- No goals established for revenue contracts

## EVALUATION CRITERIA

- Applies to proposals greater than \$250K
- 7 points for sub-contractor team make-up (meaningful work)
- 4 points for historical M/WBE utilization
- 2 points for signed B.I.D. Affidavit
- 2 points for Ethnic Workforce Composition Form



# Business Inclusion and Development

## POLICY

It is the policy of the City of Dallas to:

- Involve Minority and Women-Owned Business Enterprises (M/WBEs) to the greatest extent feasible on City contracts
- Encourage growth and development of M/WBEs
- Not discriminate on the basis of race, color, religion, national origin, or sex in the award and performance of contracts

*Resolution in Appendix*

# Business Inclusion and Development

## BACKGROUND

- In 2001, the City commissioned Mason Tillman to conduct an Availability and Disparity study
  - Reviewed contract expenditure data from 1997 to 2000
  - Found disparity in prime contracting in all categories for M/WBEs
  - Found disparity in construction sub-contracting for African American and Asian American only
  - Revenue contracts not included in the study
- In 2003, the City commissioned Mason Tillman to conduct a “But For” study
  - Determined that without M/WBE goals participation would be lower
- In 2004, Council renewed the Good Faith Effort (GFE) program and adopted the GFE plan

*Note: State law does not allow contracts to be awarded to prime contractors on basis of race, religion, color, sex or national origin (Texas Civil Practice and Remedies Code 106.001) Therefore, goals are set for the use of M/WBE subcontractors*

# Business Inclusion and Development

## BACKGROUND (continued)

- On October 22, 2008 the City Council adopted the following amendments to the City's GFE plan:
  - Granted 15 evaluation points to encourage meaningful inclusion of M/WBE firms in response to evaluations of proposals estimated to be in excess of \$250K
    - 7 points for sub-contracting team make-up
    - 4 points for historical M/WBE utilization
    - 2 points for signed BID Affidavit
    - 2 points for Ethnic Workforce Composition
  - Changed name to Business Inclusion and Development (B.I.D.) Plan

# Business Inclusion and Development

## PROCESS

- B.I.D. forms are completed by the vendor responding to a solicitation
- Staff evaluates the proposal and allocates the 15 points for M/WBE participation for all proposals over \$250K (if applicable)
- FY 14-15, 16% of all solicitations reviewed by compliance staff included the 15 point evaluation; remaining 84% were awarded as low-bid contracts
- Participation is monitored, maintained, and reported throughout the life of the contract

# Business Inclusion and Development

## PROCESS (Continued)

M/WBE participation is monitored, maintained, and reported throughout the life of the contract for all expenditure contracts

### Pre-Bid/Proposal Conference

- Preliminary M/WBE subcontractor list distributed
- M/WBE policy reviewed
- Questions answered
- Sign-in sheet posted

### Compliance Phase

- Documented efforts to meet goal reviewed
- M/WBEs called to verify prime's efforts
- M/WBE participation compared to B.I.D. evaluation (if applicable)

### Sub-Contractors Confirmed

- Sub-contractor's M/WBE certification verified
- M/WBE sub-contractors utilization is confirmed

### Post Award

- Reporting
- Provide prime and sub-contractor assistance

# Business Inclusion and Development

## GOALS

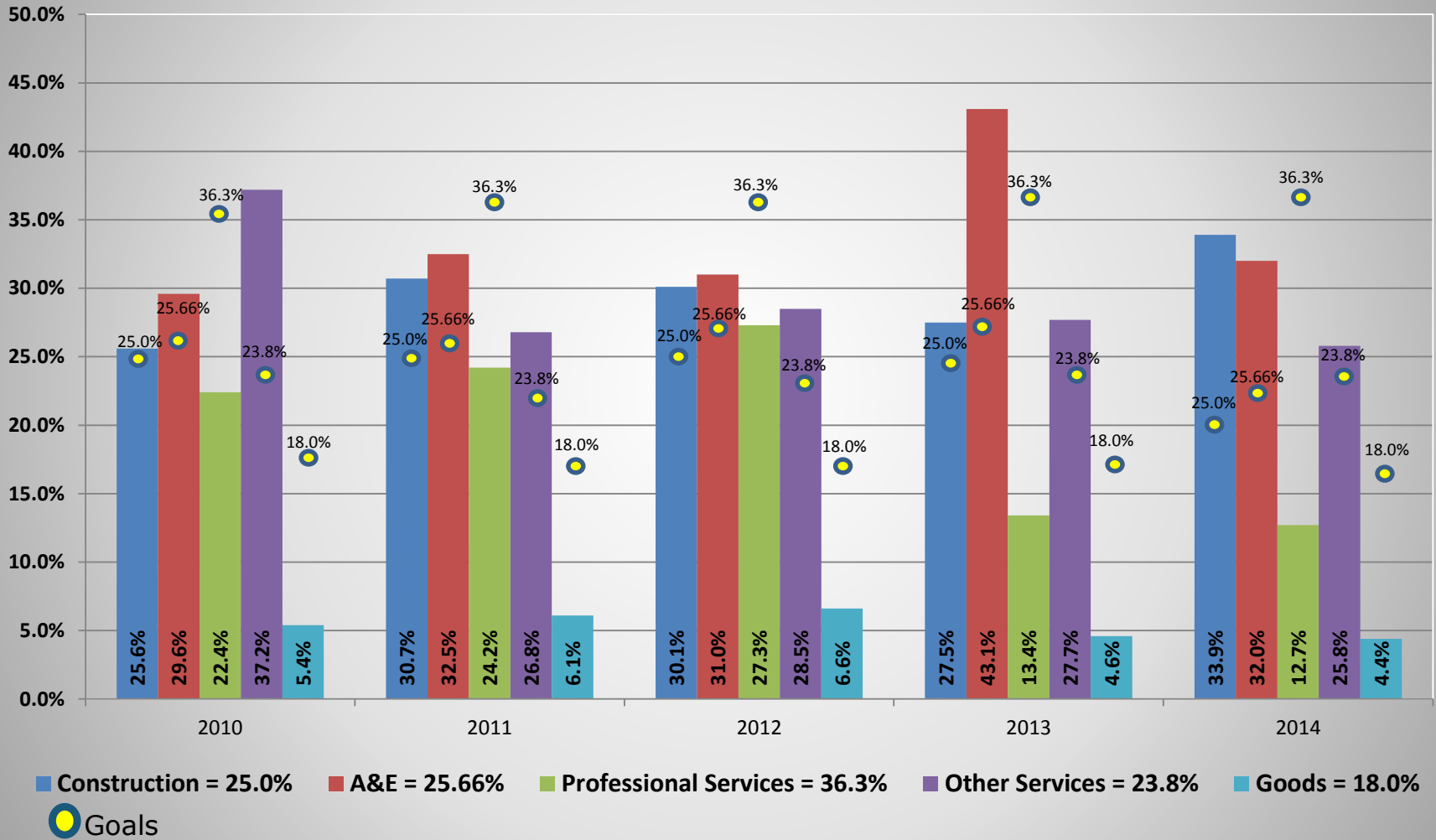
- Construction = 25.00%
- Architecture and Engineering = 25.66%
- Professional Services = 36.30%
- Other Services = 23.80%
- Goods = 18.00%
- No goals established for revenue contracts
  - Federal goals are required for Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

# Questions

# Appendix



# Total M/WBE Historical Performance by Contract Type



October 22, 2008

**WHEREAS**, on the August 20, 2008 the City Council was briefed on recommended amendments to the City's Good Faith Effort (GFE) Plan; and,

**WHEREAS**, among the amendments being recommended are: (1) changing the name from GFE Plan to Business Inclusion and Development (BID) Plan to reflect both inclusion and development of Minority and Women-Owned Business Enterprise (M/WBE) firms, (2) granting evaluation points to encourage meaningful inclusion of M/WBE firms in response to the evaluation of proposals including best value bids estimated to be in excess of \$250,000 and, (3) encouraging bidders and proposers on City projects to create joint ventures, when feasible, to increase capacity and build stronger and larger M/WBE firms in the market; and,

**WHEREAS**, it is in the best interest of the City of Dallas to adopt the recommended amendments to the GFE plan;

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the proposed amendments to the City's Good Faith Effort Plan, attached hereto as Exhibit B - BID Plan, are hereby adopted.

**SECTION 2.** That the Good Faith Effort Plan is hereby renamed the "Business Inclusion and Development (BID) Plan."

**SECTION 3.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas and it is accordingly so resolved.

**DISTRIBUTION:**

City Manager's Office  
City Attorney's Office  
Business Development and Procurement Services

APPROVED BY  
CITY COUNCIL

OCT 22 2008

  
City Secretary

## Exhibit B

**City of Dallas****Business Inclusion and Development Plan****Policy Statement**

It is the policy of the City of Dallas to involve Minority and Women-Owned Business Enterprises (M/WBEs) to the greatest extent feasible on the City's construction, procurement and professional services contracts. It is the policy of the City of Dallas to encourage the growth and development of M/WBEs that can successfully compete for contracting opportunities. The City and its contractors shall not discriminate on the basis of race, color, religion, national origin, or sex in the award and performance of contracts. In consideration of this policy, the City of Dallas has adopted the Business Inclusion and Development (BID) Plan for all City of Dallas contracts.

**Scope of BID Plan**

The BID Plan shall apply to all contracts for the purchase of goods or services over \$50,000 with special emphasis on those contracts with first tier subcontracting opportunities. The provision of the BID Plan takes precedence over any departmental plans or procedures in conflict herewith, except for specific requirements mandated by the terms or conditions of agreements in force between the City and the Federal Government or the State of Texas that require different procedures than those described in the BID Plan.

**Objectives**

The objectives of the BID Plan are to:

- promote inclusion of M/WBEs by providing equal opportunity for participating in City construction, procurement and professional services contracts
- provide procedures for monitoring compliance with M/WBE requirements

## Exhibit B

**Administration of the BID Plan**

The City Manager will take all usual and legal administrative actions necessary to implement the BID Plan and is ultimately responsible for the administration of the BID Plan.

The City Manager is designated to serve as the City's M/WBE Liaison Officer for the BID Plan. The Liaison Officer is responsible for implementing, coordinating and managing the BID Plan. The M/WBE Liaison Officer has appointed Business Development and Procurement Services (BDPS) to be responsible for the following:

- Developing, managing, implementing, and evaluating the BID Plan
- Disseminating information related to business opportunities
- Maintaining and providing a directory of certified and registered City of Dallas M/WBE vendors
- Tracking and monitoring M/WBE participation including subcontractor utilization with emphasis on subcontractors utilization post council award
- Granting evaluation points to encourage a meaningful inclusion of M/WBE participation in response to proposals including best value bids estimated to be in excess of \$250,000.
- Advising prospective contractors/proposers on Business Inclusion and Development compliance requirements
- Communicating M/WBE goals and BID compliance requirements
- Maintaining and submitting accurate and current reports on M/WBE performance
- Providing opportunities for networking among contractors and firms

**Procedures to Ensure Equal Opportunity**

BDPS will facilitate participation of M/WBEs in construction, procurement and professional services contracts. To ensure compliance with the BID Plan, at a minimum, BDPS will:

- Conduct outreach functions to communicate contracting and procurement opportunities and procedures
- Provide bonding, financing, and technical assistance services
- Explain Business Inclusion and Development compliance procedures

- Encourage prime and subcontracting relationships
- Communicate the City's M/WBE goals and Business Inclusion and Development requirements
- Maintain and distribute a directory of certified and registered M/WBEs
- Review Business Inclusion and Development documentation to ensure compliance with the BID Plan

#### **Certification of M/WBEs**

The City of Dallas is a member of the North Central Texas Regional Certification Agency (NCTRCA), DFW Minority Business Council, and Women Business Council-Southwest. The agencies certify M/WBE ownership and control and provide M/WBE certification service for the City of Dallas.

The City reserves the right to accept M/WBE certifications issued by other certifying organizations or agencies that use the same essential criteria for certification.

#### **Other Provisions**

In addition to this goal-based policy, it is the preference of the City of Dallas for the workforce of its contractors to be reflective of the diversity of the citizens of the City of Dallas. In accordance with Chapter 15 B of the Dallas City Code, awardees of construction contracts involving the expenditure of more than \$10,000 and awardees for the procurement of goods and services involving an expenditure of more than \$50,000 are required to incorporate an equal employment opportunity clause which provides that the contractor shall not discriminate against any employer or applicant for employees because of race, age, color, sex, sexual orientation or national origin. The City reserves the right to request a contractor's affirmative action plan or equal opportunity plan. In addition, if the contractor plans to hire additional staff to complete the contract, the City reserves the right to request a local hiring plan.

The BID Plan or the diverse workforce preference is not to be construed to require the City of Dallas to award a contract to anyone other than the lowest responsible bidder, best value, or most advantageous proposer. The BID Plan is also not to be construed to require contractors/proposers to award subcontracts/sub-proposals to or make significant material purchases from M/WBEs who do not submit the lowest responsible sub-bid.

Before award of a contract, the City of Dallas will require bidders/proposers to document good faith efforts to meet established goals.

Failure to adequately document a good faith effort to obtain M/WBE participation may result in award to the next-lowest bidder or advantageous proposer.

Failure to utilize M/WBEs listed in Business Inclusion and Development forms without proper documentation to explain the change will be considered in future awards.

The City Manager's Office is responsible for procedures and processes related to the administration of this Plan.

**BID Plan Goals**

Construction:	25.00%
Architectural & Engineering:	25.66%
Other Professional Services:	36.30%
Other Services:	23.80%
Goods:	18.00%