

# Memorandum



CITY OF DALLAS

DATE May 8, 2020

TO Honorable Mayor and Members of the City Council

SUBJECT **Office of Business Diversity FY18-19 Diversity Accomplishments & Performance Report**

## **FY18-19 M/WBE Performance Report**

Please find attached a copy of the Office of Business Diversity FY18-19 M/WBE Performance Report. FY18-19 ended with a total spend of \$1.12B and \$298M in M/WBE spend which represents an overall M/WBE participation of 26.7%. This is a slight increase of 0.05% compared to FY17-18 which ended with 26.2% overall M/WBE participation (see slide 10). This is the second consecutive year in which the increase in M/WBE spend outperformed the increase in total spend at 7.79% compared to 5.72% respectively. As it relates to performance by procurement category (slide 11), the M/WBE goal was exceeded in every category except for goods. However, M/WBE participation for goods increased from 5.8% in FY17-18 to 14.7% in FY18-19.

As a reminder, the current M/WBE goals are:

<b>Architecture &amp; Engineering</b>	<b>Construction</b>	<b>Professional Services</b>	<b>Other Services</b>	<b>Goods</b>
25.66%	25.00%	36.30%	23.80%	18.00%

## **Intentional Outreach**

The Office of Business Diversity created the mantra “Intentional Outreach Yields Equitable Outcomes.” To live this mantra out, OBD, during FY18-19, participated in 132 vendor trainings, held 308 one-on-one meetings with various businesses, and most recently participated in the Procurement Services new Quarterly Procurement Opportunity Sessions. Additionally, OBD made several trips to Oklahoma to partner with the American Indian Chamber of Commerce of Oklahoma to recruit Native owned businesses to come and do business with the City of Dallas. This intentional outreach resulted in the creation of the Native American Business Association here in Dallas and a direct impact on the increase in Native American spend with the City of Dallas. OBD partnered with several departments including Housing, Homeless Solutions, Cultural Affairs, and Budget to host meetings with the non-profit community to share contracting opportunities and develop business inclusion strategies and partnerships with M/WBEs. Finally, several vendor diversity workshops were held in partnership with the Bond Program Office, Parks and Recreation, and Aviation to increase competition and diversity awareness in the business community.

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### **Other Notable Projects**

#### **2017 Bond Program**

The 2017 Bond Program has experienced great success as it relates to both equity and inclusion. During FY18-19 \$178M was awarded to fund 143 projects. \$70.3M or 39.4% went to M/WBE businesses. Out of the 143 projects, \$17.8M or 50 projects realized 100.0% M/WBE participation. Through more intentional outreach, increases by ethnicity were realized from the prior fiscal year. Although Hispanic business did realize a decrease from the prior year, they continue to have the highest M/WBE participations. We continue to make progress with direct and intentional outreach to identify and encourage minority and women owned businesses to compete on City contracts at the prime contracting level.

#### **Reimagine Red Bird Project**

The Red Bird Mall project has realized great success. As of February 2020, the Red Bird Mall project has experienced 64.0% overall M/WBE participation. This exceeds the 40% M/WBE goal committed by the developer. \$26.0M in contracts have been committed with \$16.6M going to M/WBE participation. As of February 2020, there have been \$15.8M in total payments with \$9.6M or 61.0% paid to M/WBEs.

#### **Dallas 365 Performance Measure**

The Office of Business Diversity's strategic priority is Government Performance and Financial Management with a target of 40.0% of the dollars spent going to local businesses. As of FY18-19 this goal was exceeded at 42.4% or \$555.2M spent with local prime contractors. \$123.6M was spent with M/WBEs that were prime contractors. 91.1% or \$112.6M was spent with local M/WBE prime contractors.

#### **A Look Ahead**

The availability and disparity study is scheduled to be complete in July 2020. A briefing regarding the A&D study outcome as well as a proposed new business diversity, equity, and inclusion policy will be presented to Government Performance and Financial Management committee in August 2020. Approval of the new policy and proposed goals (if necessary) will be on the September 2020 agenda.

Please feel free to contact me if you have any questions or should you require additional information.



Zarin D. Gracey  
Director  
Office of Business Diversity

c: T.C. Broadnax, City Manager  
Chris Caso, City Attorney  
Mark Swann, City Auditor  
Billierae Johnson, City Secretary  
Preston Robinson, Administrative Judge  
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Joey Zapata, Assistant City Manager  
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Dr. Eric A. Johnson, Chief of Economic Development and Neighborhood Services  
M. Elizabeth Reich, Chief Financial Officer  
Laila Aleqresh, Chief Innovation Officer  
M. Elizabeth (Liz) Cedillo-Pereira, Chief of Equity and Inclusion  
Directors and Assistant Directors

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**Zarin D. Gracey**  
**Director**  
**Office of Business Diversity**

**City of Dallas**

# Outline

- Mission Statement
  - Program Objectives
- 2019 Highlights - Outreach & Events
  - Intentional Outreach
  - Trainings & One-on-Ones
  - Awards & Recognitions
- 2019 Highlights - Diversity Accomplishments & Performance
  - 2017 Bond Program – M/WBE Participation
  - M/WBE Performance Report
  - M/WBE Performance Report by Procurement Category
  - Dallas 365 Performance Measure
- A Look Ahead
- Questions

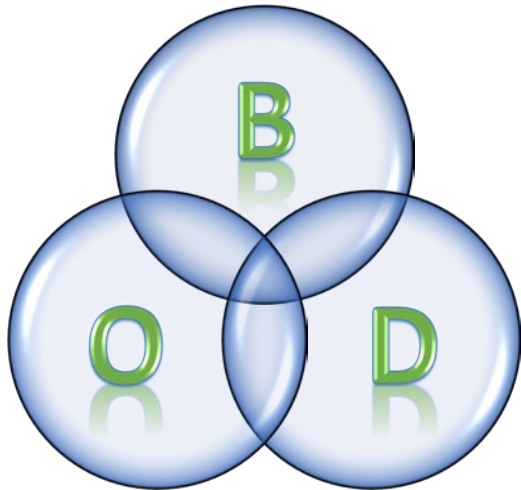


# Mission and Objectives

*“Intentional outreach, yields equitable outcomes”*

## Mission Statement

*To ensure non-discriminatory practices and eliminate barriers while resourcing businesses to the next step in their business life cycle.*



### **O**PPORTUNITY CREATION

Provide conditions for growth and development through training, communication, and resource connections.

### **B**UILDING CAPACITY

Develop strategic partnerships through intentional, coordinated, and mission-driven efforts aimed at strengthening the management and operations of S/M/WBE businesses to improve their performance and economic impact.

### **D**IVERSITY COMPLIANCE

Advocate for the importance of diversity and inclusion in the awarding of City contracts.

# 2019 Highlights - Outreach & Events



# 2019 Highlights - Intentional Outreach

## “Intentional Outreach Yields Equitable Outcomes”

### Internal

- “Doing Business” workshops with Non-profits to discuss diversity
  - Housing and Neighborhood Revitalization – NOFA Workshops
  - Office of Homeless Solutions – NOFA Workshops
  - Office of Cultural Affairs – Cultural Organization Program Workshops
  - Office of Budget – Community Development Workshops
- Vendor Diversity Workshops to increase Awareness and Opportunity in the Business Community
  - Bond Program Office
  - Parks and Recreation
  - Department of Aviation

### External

- Partner with American Indian Chamber of Commerce of Oklahoma to create the Native American Business Association (NABA) here in Dallas
- Specialized Contracting Outreach
  - Medical Provider networking with Cigna
  - Construction subcontractor networking with Developers

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# 2019 Highlights – Trainings & One-on-Ones

- 132 Vendor Trainings
  - Registration Assistance
  - Identify Upcoming Opportunities
  - Identify City Resources
- 308 One-on-One's
  - Advocate for minority business inclusion
  - Resource Business Connections
  - Resolve Vendor Related Issues
- New Quarterly Procurement Opportunity Sessions
  - Upcoming Opportunities
  - Bonfire Registration Process
  - BID Program Overview
  - Question and Answer Sessions





# 2019 Highlights - Awards & Recognitions

- Awards
  - 2019 WBCS Parade of Stars Corporate Advocate of the Year
  - 2019 SBA Emerging Leaders Partner Appreciation Award
  - 2019 Native American Business Association Partner Appreciation Award
- Nominations
  - Regional Hispanic Contractors Association Luna Awards
  - Diversity Advocate of the Year - 3 staff members nominated

# 2019 Highlights

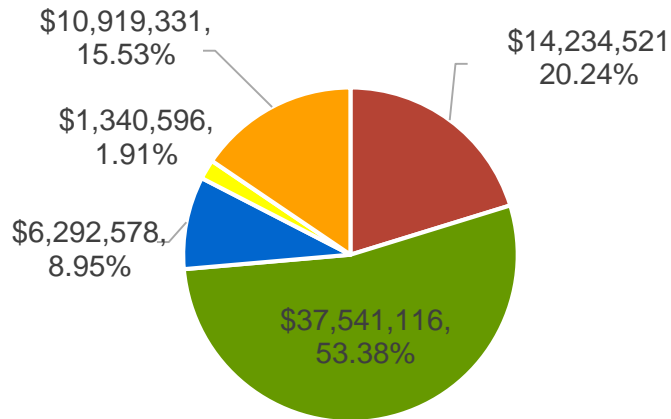
## Diversity Accomplishments & Performance Report

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# 2017 Bond Program – M/WBE Participation

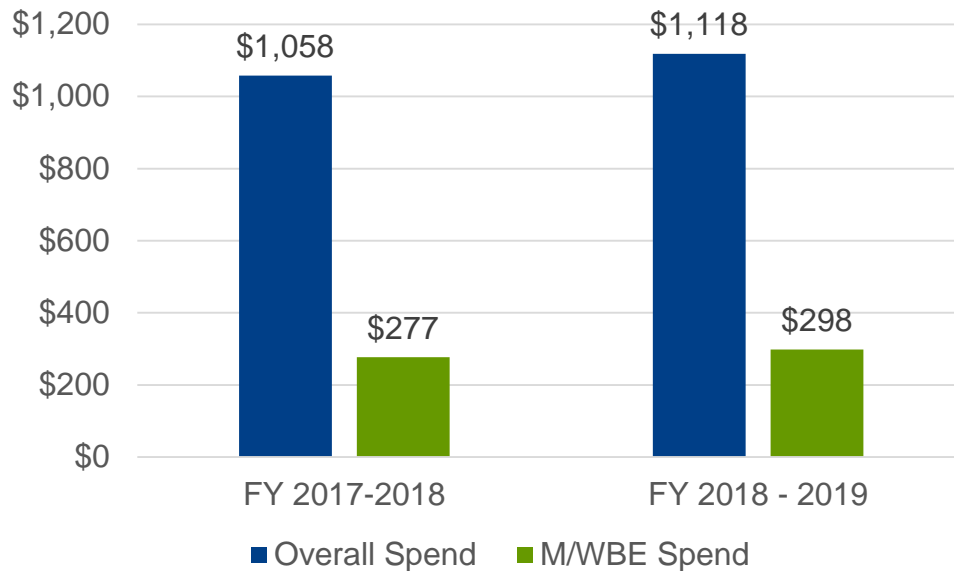
- **\$178M Awarded to fund 143 Projects in FY 2018-19**
  - \$70.3M or 39.43% M/WBE participation
  - 50 Projects totaling \$17.8M have 100.00% M/WBE participation

2017 Bond Program Participation:  
FY 2018-19 M/WBE Spend

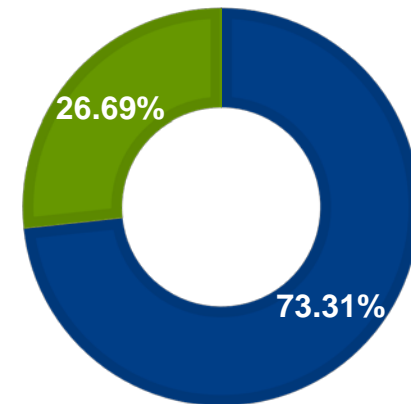


- African Am.
- Asian Am
- Caucasian Woman
- Hispanic
- Native Am

# 2019 Diversity M/WBE Performance Report

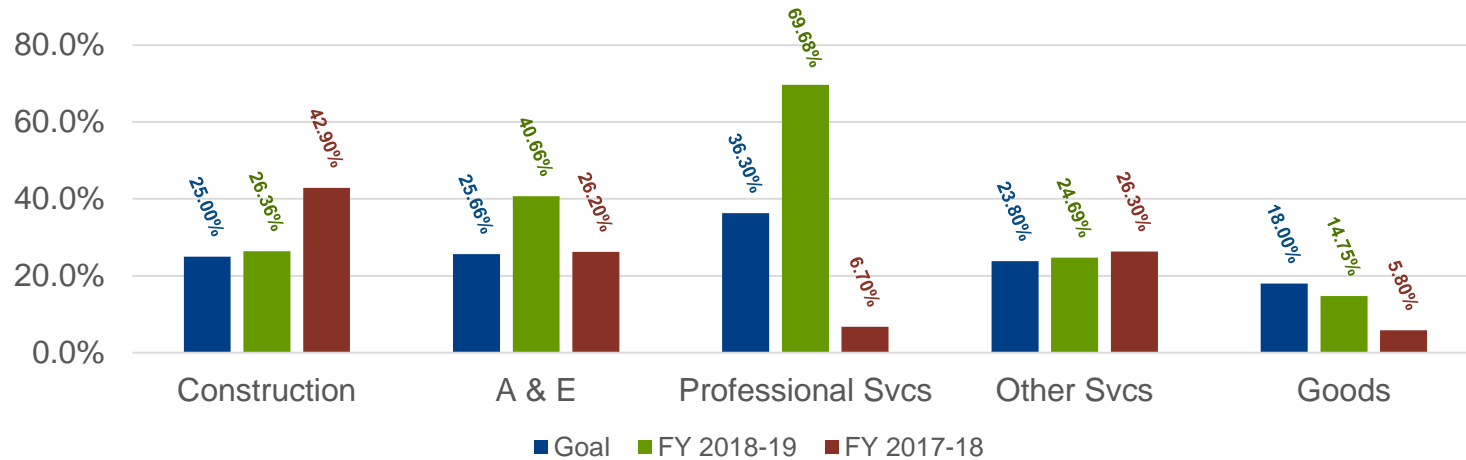


FY 2018-19 M/WBE SPEND



- M/WBE Spend = \$298.6M, 26.69%
- M/WBE Spend increased \$21.58M, 7.79% from prior year
- M/WBE Spend increased at a greater rate than Overall Spend
  - 7.79% M/WBE increase compared to 5.72% Overall increase

# 2019 Diversity Accomplishments & Performance Report By Procurement Category



Procurement Category	Goal	M/WBE %	M/WBE \$	Comments
Construction	25.00%	26.36%	\$161.0M	Exceeding participation goal by 1.36%
A&E	25.66%	40.66%	\$48.2M	Exceeding participation goal by 15.00%
Professional Services	36.30%	69.68%	\$3.2M	Exceeding goal by 33.38% - Intentional Outreach with Asian CoC and Contractors Associations resulting in exceeding M/WBE goal
Other Services	23.80%	24.69%	\$73.1M	Exceeding participation goal by 0.89%
Goods	18.00%	14.75%	\$13.0M	Not meeting participation goal - goods purchased directly from manufacturer result in limited opportunity or availability for minority participation on most goods contracts

# Dallas 365 Performance Measure

- **Strategic Priority**
  - Government Performance and Financial Management
- **Percentage of Dollars Spent with Local Business**
  - Target = 40.00%
  - Overall Local = 42.37%
  - FY 2018-19 Year End - On Target
- **Percentage of M/WBE Dollars Spent with Local Business**
  - Target = 40.00%
  - Overall Local = 91.09%
  - FY 2018-19 Year End - On Target



# A Look Ahead

- Availability and Disparity Study
  - Scheduled to be complete in July 2020
  - Brief results in August which includes recommended new goals if necessary
  - Approve new business inclusion policy in September
- B.U.I.L.D.
  - MOU with the Dallas Entrepreneur Center at Red Bird
  - Brief this committee in June
- Job Order Contracts for Streets and Alleyways Projects
  - Unbundle procurements into smaller packages
  - Award multiple vendors
  - Increased inclusion of small businesses in COD capital construction projects

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