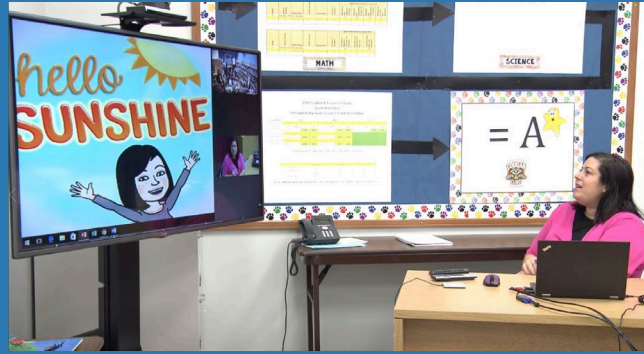




Keen Independent Research

2023 Disparity Study Update

December 5, 2023

ABOUT STUDY TEAM - Keen Independent Research



- National 26-person economic consulting firm
- Diverse staff combine strong quantitative and qualitative skills
- Substantial team experience performing disparity studies (200+)
- Methodology reviewed and approved by Ninth Circuit, US Department of Transportation and US Department of Justice
- Expert witness experience



Study team — Subconsultants



Holland & Knight

Keith Wiener

Legal framework



The Mosaic Group

Ann Marie Sorrell

Qualitative data collection

DBE-certified



Customer Research Intl.

Sanjay Vrudhula

Availability survey

DBE-certified



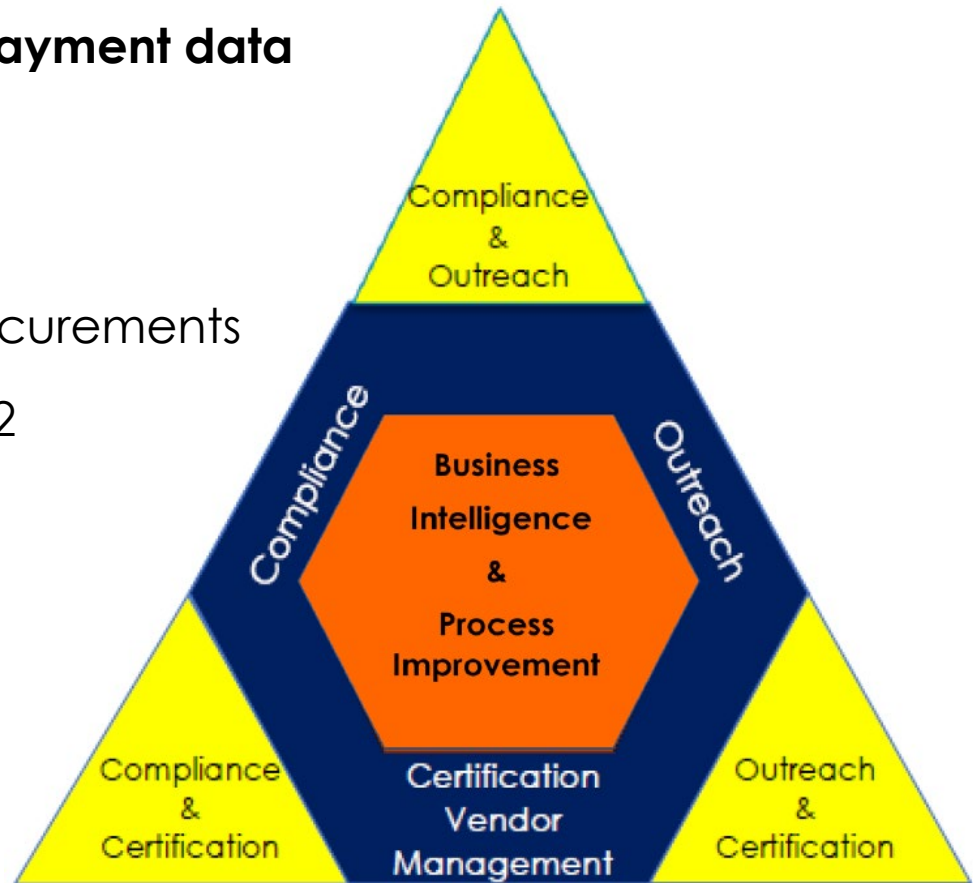
Contract data and background information

Consolidated contract and payment data

- Contract data (B2Gnow)
- Payment data (SAP)
- Analyzed about 4,100 procurements awarded in FY2018–FY2022

District procurement

- Engagement efforts
- Policies
- Programs



Legal framework

Strict scrutiny standard (*City of Richmond v. J.A. Croson Co.*)

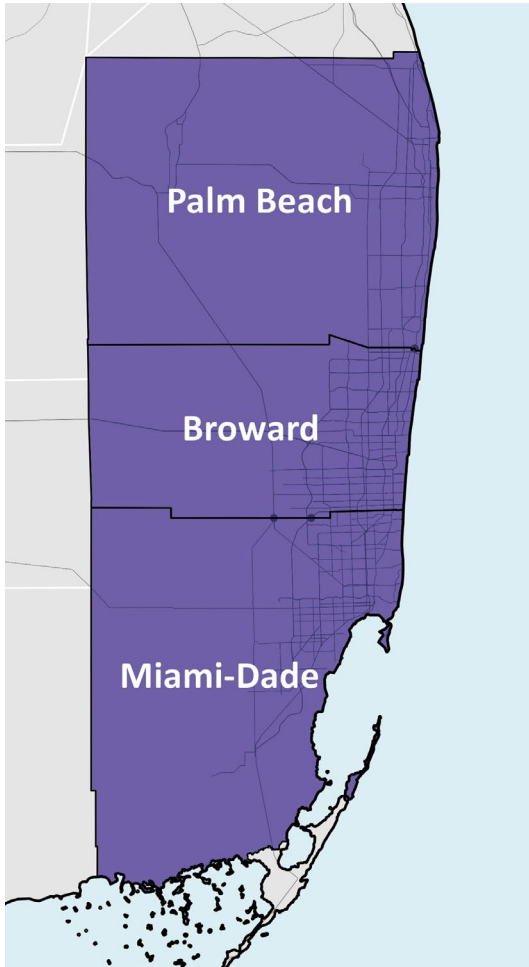
- Compelling governmental interest
- Narrow tailoring

Key disparity study elements

- Explicitly defined geographic market area
- Compare utilization of firms to availability of firms ready, willing and able to perform District contracts
- Multiple techniques to collect qualitative information
- Analysis of evidence relevant to marketplace discrimination



Availability survey

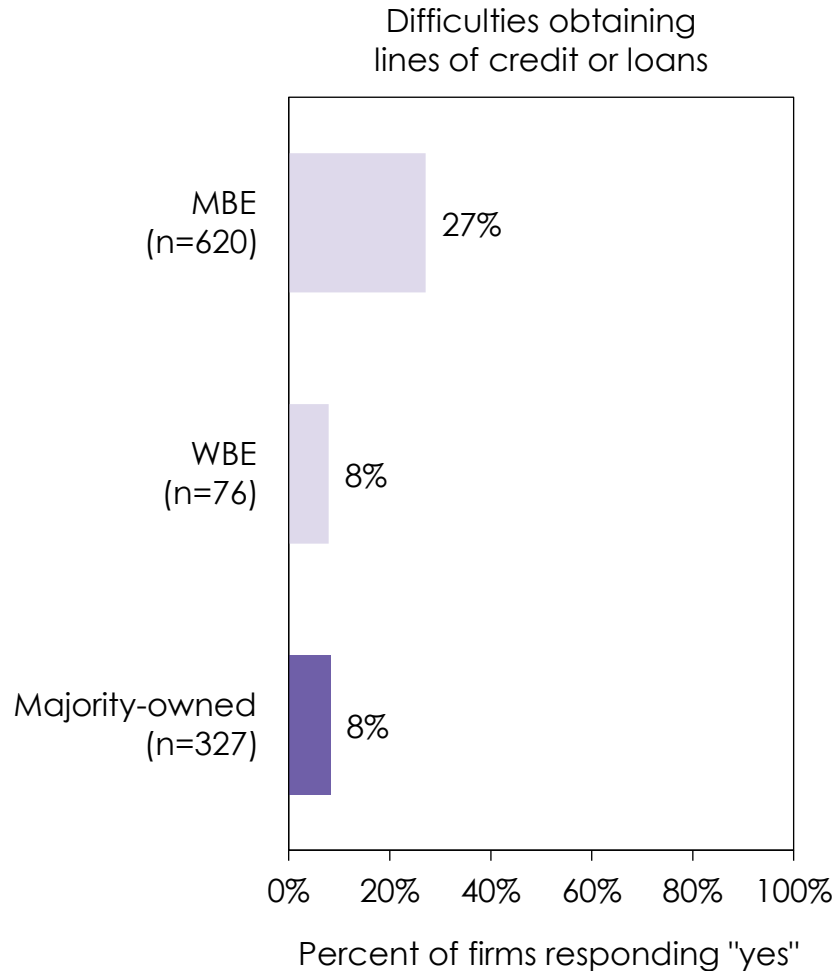


Thousands of businesses in market area surveyed

- Identify interested, qualified businesses
- Determine capabilities, bid capacity
- Retrieve ownership information
- Collect marketplace experiences
- Gauge interest in follow-up interviews and focus groups



Quantitative marketplace information



Examined marketplace barriers for:

- Minority-owned businesses (MBEs)
- White woman-owned firms (WBEs)

Evidence of barriers related to:

- Entry into study industries
- Advancement in study industries
- Business ownership
- Access to capital



Qualitative marketplace information

In-depth interviews, focus groups, Business Advisory Groups (BAGs) and other information from 400+ business owners and others

Evidence of barriers for MBE/WBEs

- Relationships with customers and prime contractors
- Access to capital and bonding
- “Good ol’ boy” and other closed networks
- Negative stereotypes and double standards
- Other barriers



Qualitative marketplace information

Doing business with Broward County Public Schools

I've heard [that] Broward County Schools is easier now to do business. I don't see a barrier.

I-13. African American male owner of an other services firm

The process with paperwork and too much information needed is too much. A person is needed to help with all the paperwork.

AS-178. Hispanic American male representative of a construction-related firm



Qualitative marketplace information

Barriers to subcontracting

Some of the Broward [prime] contractors don't pay in time or late. [They want to use] the rate of 15 years ago and we'll lose money.

AS-255. African American female owner of a professional services firm

Some practices like paying people to say they're a subcontractor, but you give them \$10,000 to really disappear. So obviously there's no learning. There's no growth for that company.

TO-5. African American female representative of a trade association



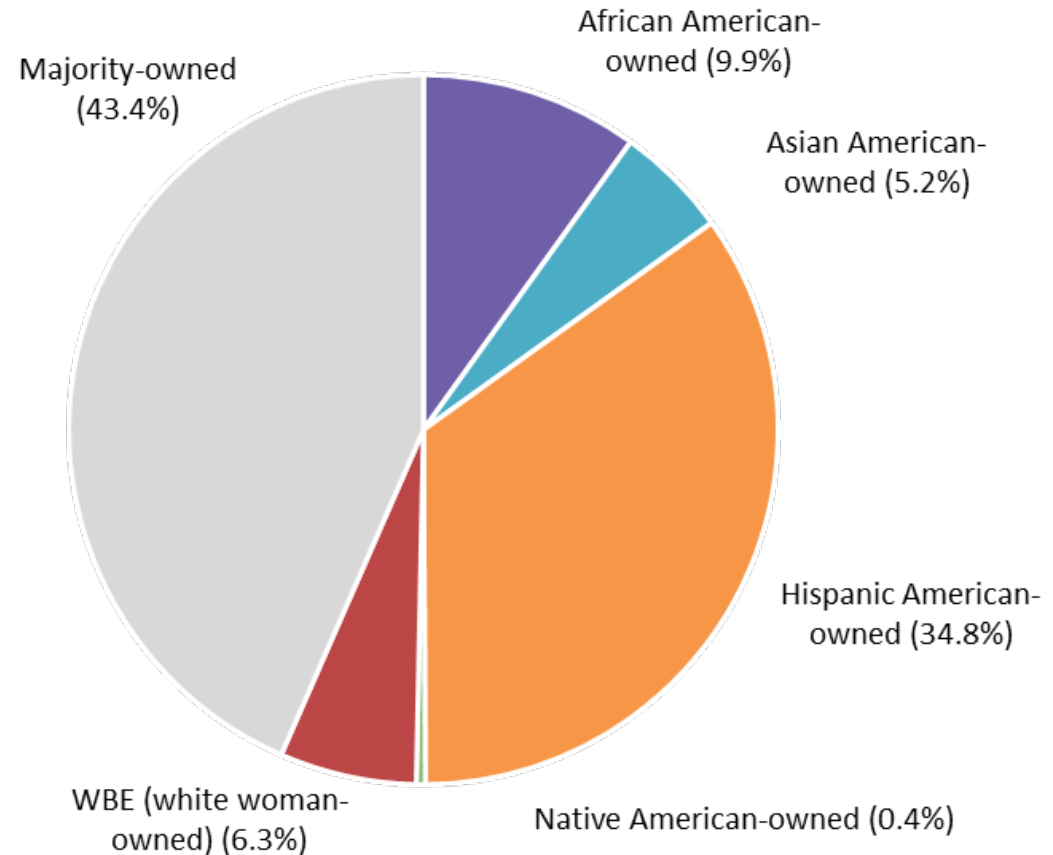
Study methodology — Weighted availability

Weighted availability:

- Contract-by-contract
- Dollar-weighted

Controls for:

- Contract size
- Type of work
- Bid capacity
- Contractor role
- When in business



Study methodology — Disparity analysis

Disparity index

$$\frac{\% \text{ utilization} \times 100}{\% \text{ availability}}$$

Courts consider
disparity indices below 80
to be “substantial”

Example:

- Actual utilization of MBEs = 1%
- Availability of MBEs = 2%
- $(1\% \times 100) \div 2\% = 50$

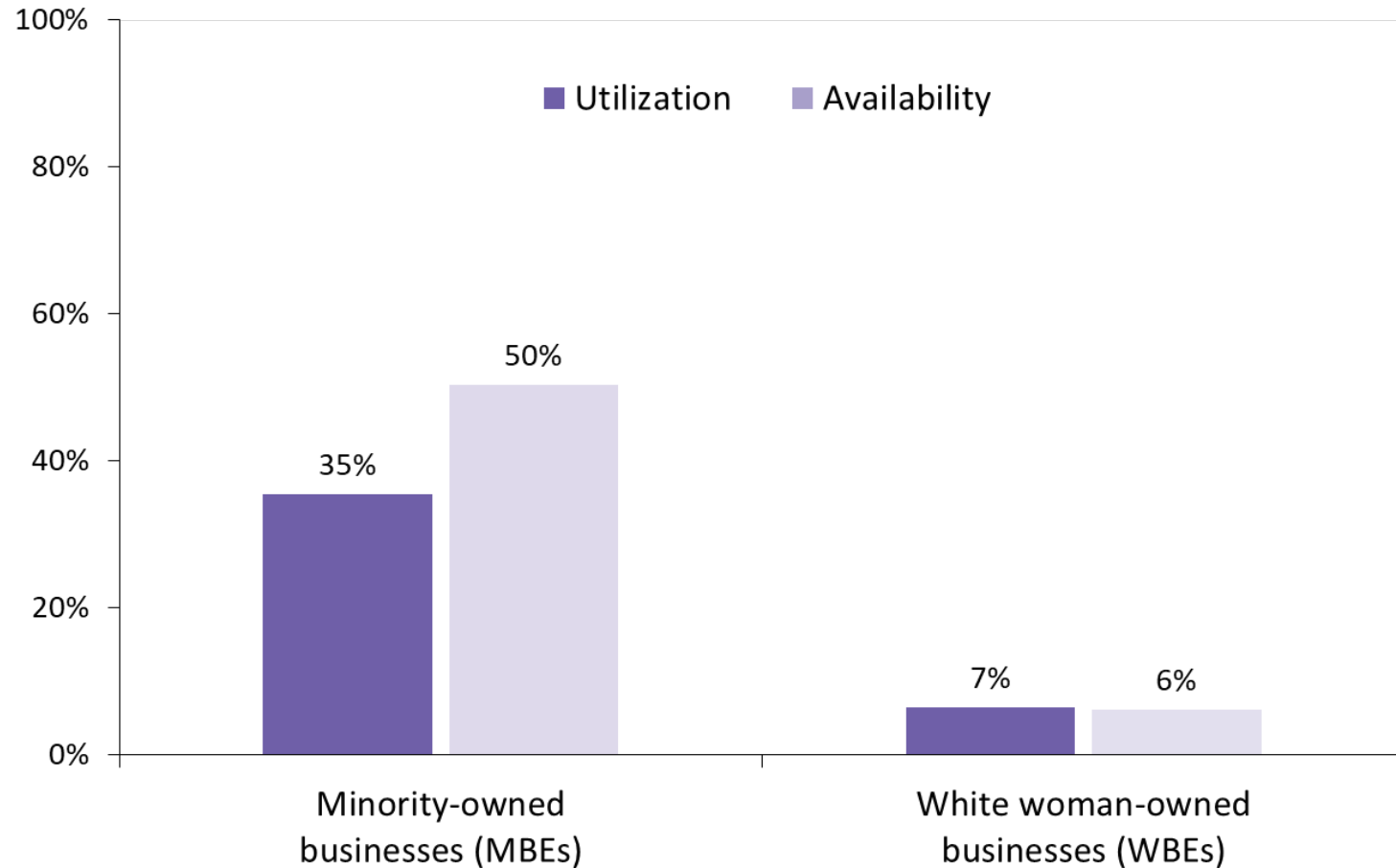
Disparity analyses performed

- All contracts
- By industry
- By role
- By application of goals (by type)



Disparity analysis — Overall

All District contracts (FY2018–FY2022)



Disparity analysis — Overall

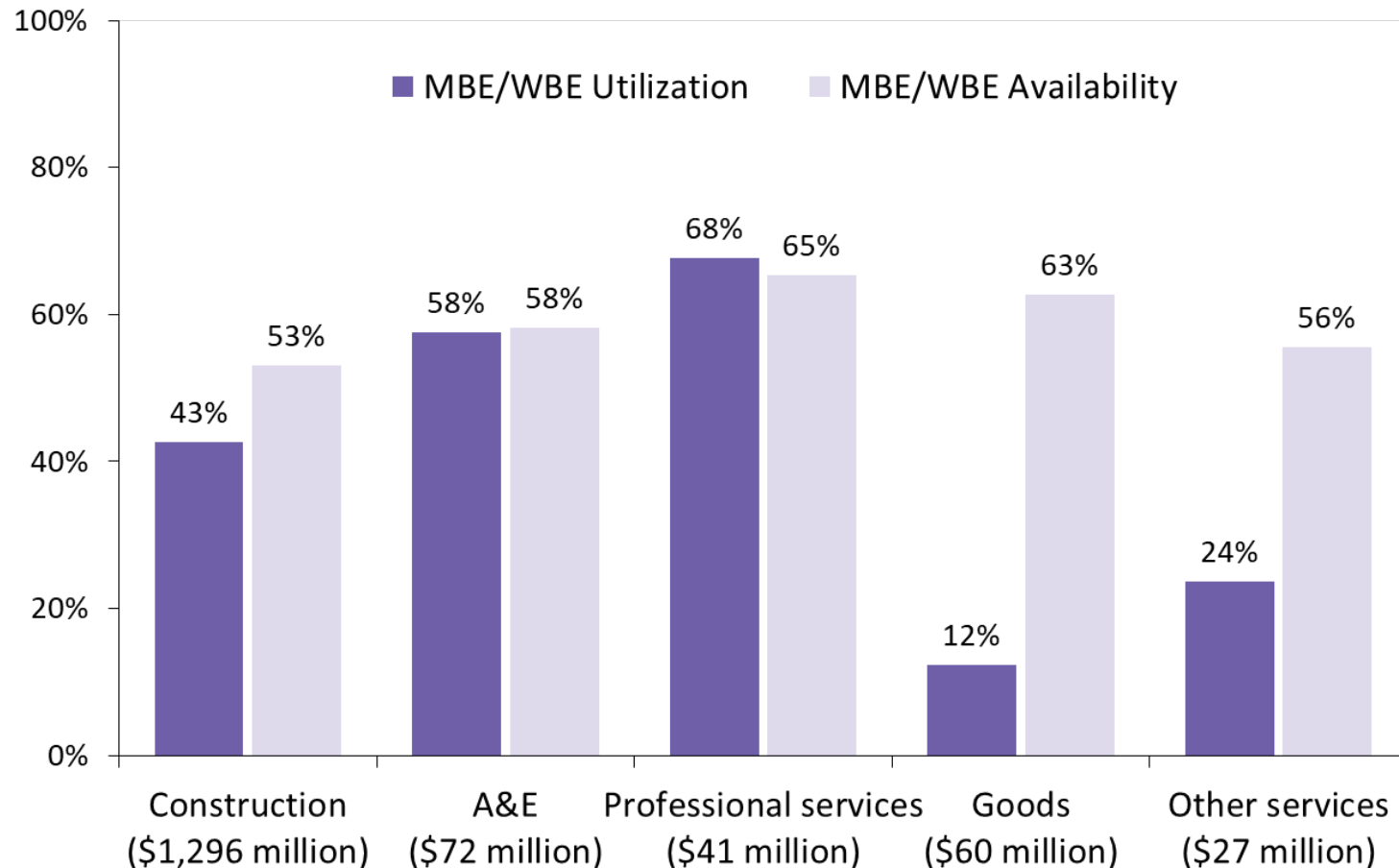
All District contracts (FY2018–FY2022)

	Utilization	Availability	Disparity index
African American-owned	3.5 %	9.9 %	35
Asian American-owned	1.1	5.2	20
Hispanic American-owned	24.4	34.8	70
Native American-owned	<u>0.0</u>	<u>0.4</u>	0
Total MBE	28.9 %	50.3 %	58
WBE (white woman-owned)	<u>6.5</u>	<u>6.2</u>	105
Total MBE/WBE	35.5 %	56.5 %	63
Majority-owned	<u>64.5</u>	<u>43.5</u>	148
Total	100.0 %	100.0 %	



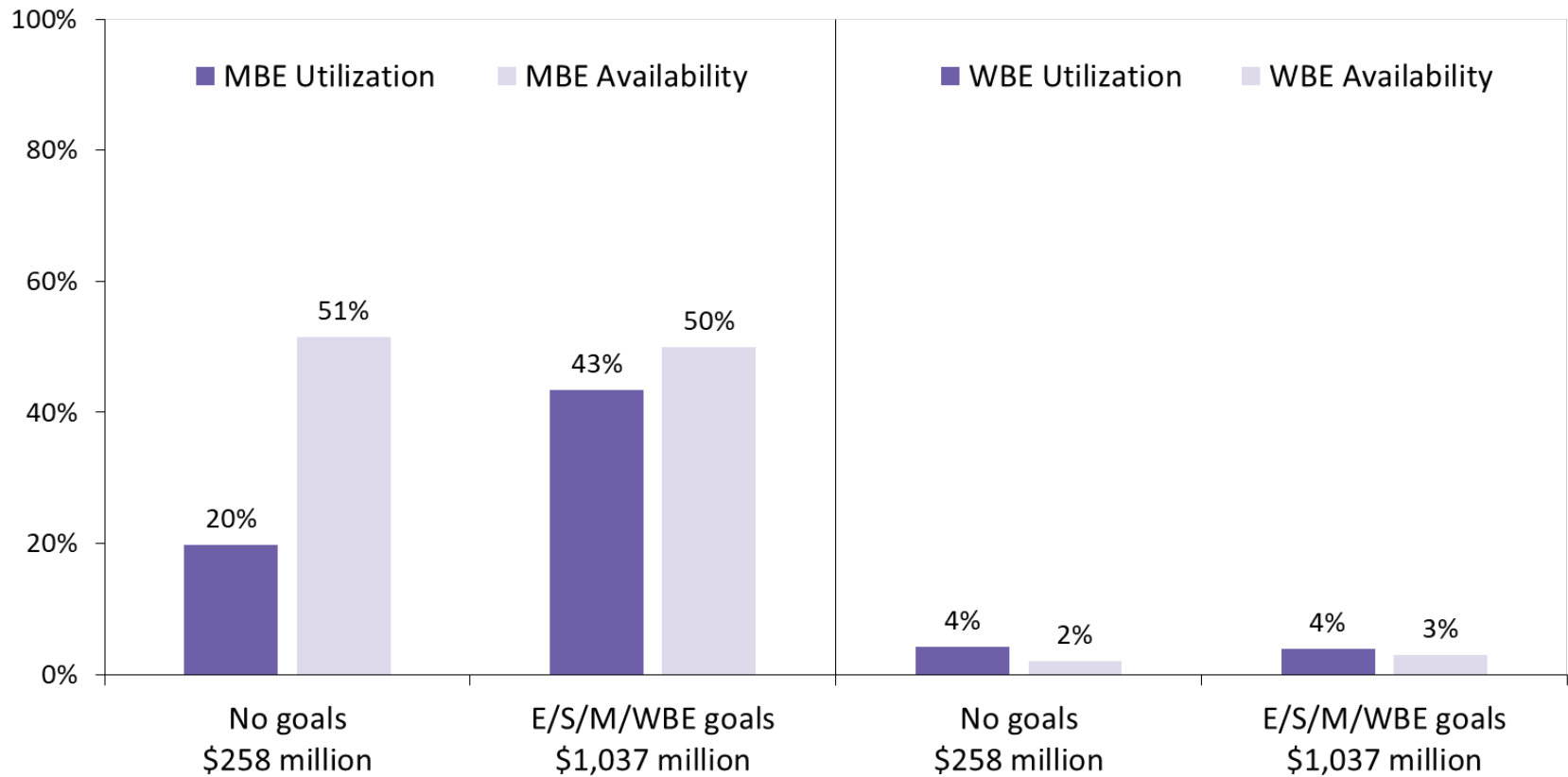
Disparity analysis — By study industry

All District contracts (by industry)



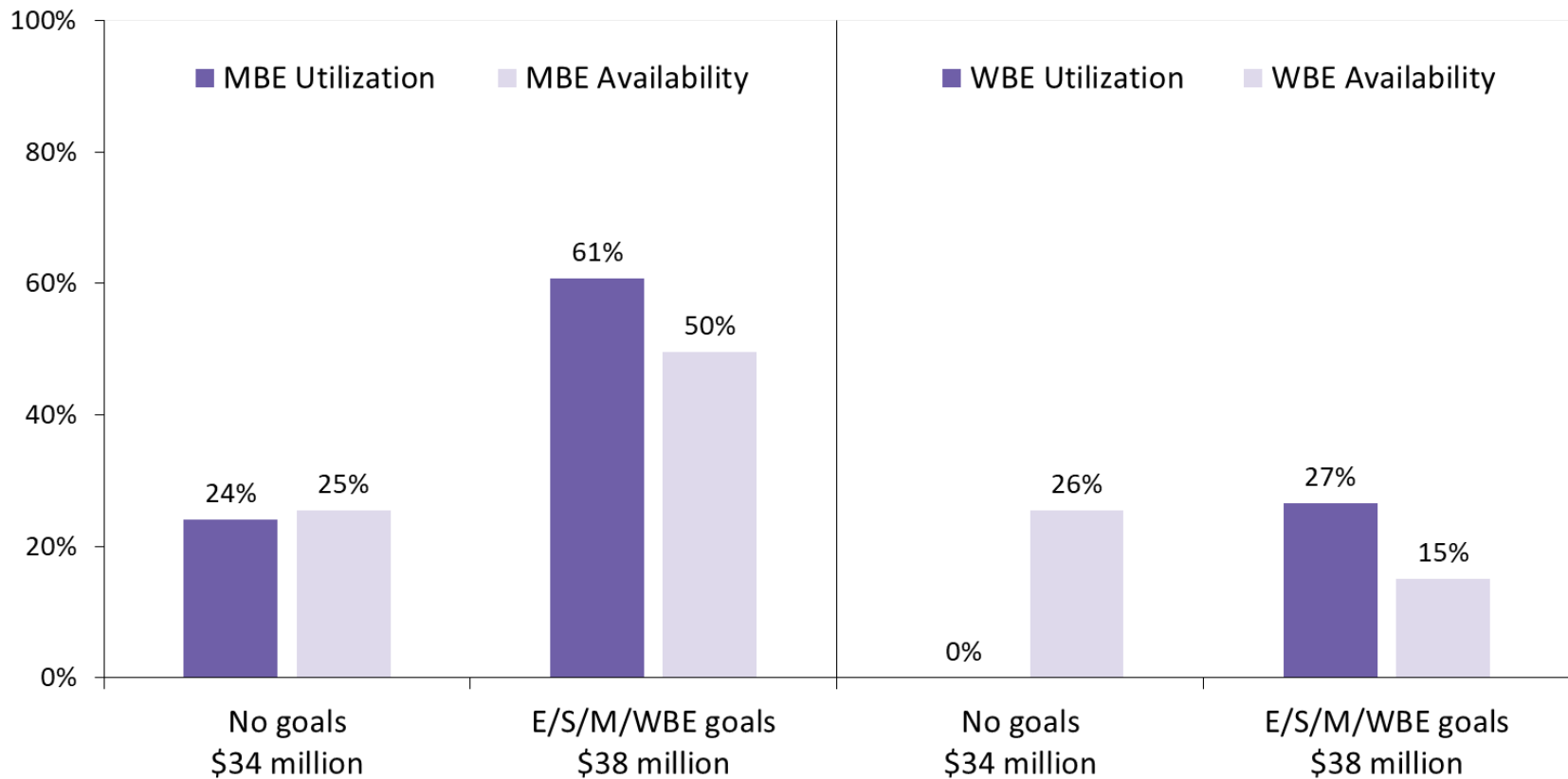
Disparity analysis — By contract goal type

District construction prime contracts and subcontracts



Disparity analysis — By contract goal type

District A&E prime contracts and subcontracts



Conclusions and recommendations

Summary of Keen Independent disparity analyses Broward County Public Schools contracts, FY2018–FY2022

Construction

Substantial disparities without contract goals for:

- African American-owned firms
- Asian American-owned firms
- Hispanic American-owned firms
- Native American-owned firms

Professional services

Substantial disparities with application of APIs for:

- Asian American-owned firms
- Native American-owned firms

Architecture & Engineering

Substantial disparities on contracts overall for:

- Native American-owned firms
- White woman-owned firms

Substantial disparities without contract goals:

- Hispanic American-owned firms

Substantial disparities on subcontracts:

- African American-owned firms

Goods and services

Substantial disparities for all groups



Conclusions and recommendations

Refine and Reauthorize the SDOP

1. SDOP Reauthorization
2. Update aspirational MBE/WBE goals
3. Refine Affirmative Procurement Initiatives
4. Modify evaluation preferences
5. Revise program compliance through self-performance



Conclusions and recommendations

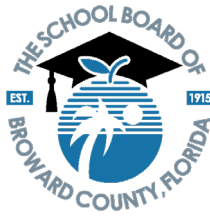
Continue Operating SDOP Elements

6. Continue targeted MBE/WBE outreach efforts
7. Continue tracking and reporting MBE/WBE participation
8. Other APIs (e.g., vendor rotation, Direct Owner Purchasing)

Enhance Program Elements and Operations

9. Small and local price preference for goods and other services
10. Review, enhance and simplify internal procedures
11. Fully staff the Economic Development & Diversity Compliance Department





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