



Minority/Women Business Enterprise (MWBE) Participation FY 2010 First Half Report

Presented to
The School Reform Commission
March 10, 2010
Office of Procurement Services



ANTI-DISCRIMINATION (AD) POLICY

- Adopted by the School Reform Commission (SRC) in March 2003 with the intent to ensure “*equal opportunity*” in all contracts awarded by the District.
- The policy was adopted in order to:
 1. Ensure nondiscrimination in the award and administration of School District contracts;
 2. Create a level playing field on which MWBEs can compete fairly for School District contracts;
 3. Assist in the development of MWBEs that can compete successfully for School District contracts; and
 4. Help remove barriers to the participation of MWBEs in School District contracts.



ANTI-DISCRIMINATION POLICY (cont'd)

- Discard Stereotypes that only large companies can provide quality goods and services to the District.
- Hold prospective vendors and SDP departments accountable for including certified MWBEs in District contracts.
- Make District contracts competitive so that opportunities are available to more local companies.
- Promote and require utilization of MWBE as sub-contractors on contracts that exceed \$100,000.



IMPACT OF AD POLICY

PRIOR TO ADOPTION

- No SDP MWBE Goals
- MWBE Participation – 2%
- No MWBE Contract Ranges
- No Outreach to MWBEs or MWBE Advocacy Groups
- No Database of MWBEs
- No Contract Compliance and Enforcement

SINCE ADOPTION

- SDP MWBE Goal – 20%
- MWBE Participation – 27.3%
- Ranges for Contracts \$100,000 +
- Extensive Outreach to MWBEs and partnerships with Advocacy Groups
- Database of over 2,000 MWBEs
- Contract Compliance, Tracking and Enforcement



3 MAJOR CONTRACTING AREAS

	PROCUREMENT	DESIGN & CONSTRUCTION	PROFESSIONAL SERVICES
<p>Primary Functions Include:</p>	<p>Purchases of office supplies, computers, furniture, equipment, textbooks and food</p>	<p>New school construction; major building renovations and upgrades, replacement of outdated electrical and mechanical systems</p>	<p>Contractual services of attorneys, accountants, appraisers, researchers, translators, social services agencies, universities, and IT professionals</p>
<p>SDP Owner</p>	<p>Procurement Services</p>	<p>Capital Program</p>	<p>Program Managers</p>



MWBE PARTICIPATION GOALS

- Prior to adoption of AD Policy by SRC – *No MWBE Goals!*
- Since adoption of AD Policy: SDP Organizational Goal -- 20%
- Sub-Category Goals For 3 Major Contracting Areas:
 - » Professional Services -- 15%
 - » Procurement Services -- 20%
 - » Design/Construction -- 30%



MWBE PARTICIPATION RANGES

- Ranges for SDP contracts are established on a contract by contract basis and are included in all competitive Bids and RFPs in excess of \$100,000.
- Ranges are Obtained from City of Philadelphia – *Office of Economic Opportunity* (OEO).
- Ranges are based on statistical formula prepared by OEO of the percentage of certified MWBEs that can provide the services or supplies requested by the District
- Ranges serve as a *Floor -- not a Ceiling* for MWBE participation.



MWBE PARTICIPATION: SOURCE DATA AND ADJUSTMENTS

- **Source of MWBE Data** -- Resolutions approved each month by the SRC
- **Adjustments** -- Large contracts and payments are excluded from the calculations in cases where the School District has little or no control over MWBE participation:
 - **Utilities** (e.g., PECO, Gas, Fuel, Water)
 - **Education in residential treatment facilities** for students placed by the Department of Human Services, the City's behavioral health system or the Courts
 - **“Piggyback” contracts** where the School District takes advantage of previously negotiated State/Federal Contracts with their own MWBE programs -- e.g., Commonwealth Cooperative Purchasing Program (COSTAR), General Services Administration (GSA), Pennsylvania Education Purchasing Program for Microcomputers (PEPPM)
 - **SEPTA Student Transpasses**
 - **U.S. Postage Fees**



FY 2010 MWBE Participation by Contract Type (First Half) Before and After Adjustments *

	<u>Design and Construction</u>	<u>Procurement Services</u>	<u>Professional Services SRC Resolutions</u>	<u>Professional Services LCAs **</u>	<u>Total</u>
Total Dollars <u>Before</u> Adjustments	\$63,652,170	\$99,335,542	\$347,402,681	\$2,896,500	\$513,286,893
Dollars to MWBEs	\$26,127,566	\$5,071,372	\$19,712,062	\$973,074	\$51,884,073
% of Dollars to MWBEs	41.0%	5.1%	5.7%	33.6%	10.1%
Total Dollars <u>After</u> Adjustments	\$63,652,170	\$26,018,586	\$95,481,901	\$2,896,500	\$188,049,157
Dollars to MWBEs	\$26,127,566	\$4,474,972	\$19,712,062	\$973,074	\$51,287,673
% of Dollars to MWBEs	41.0%	17.2%	20.6%	33.6%	27.3%

* Adjustments: utilities, education in residential treatment facilities, “Piggyback” contracts, SEPTA student transpasses, postage

** Contracts up to \$15,000 not subject to SRC approval



MWBE PARTICIPATION From FY 2009 Full Year to FY 2010 First Half

	FY 2009 Full Year	FY 2010 First Half
Design & Construction	34.4 %	41.0 %
Procurement Services	16.9 %	17.2 %
Professional Services	17.2 %	20.6 %
Total Participation Rate	21.0 %	27.3 %

- **Design and Construction increased from 34.4% to 41.0%**
- **Procurement held steady year-to-year at about 17%**
- **Professional Services increased from 17.2% to 20.6%**
- **Overall Participation increased from 21.0% to 27.3%**



Design & Construction (MWBE Goal – 30%)

	<u>Total Dollars</u>	<u>Total MWBE Dollars</u>	<u>Total MWBE%</u>
FY2010 (First Half)	\$ 63,652,170	\$ 26,127,566	41.0%
FY2009	\$123,025,761	\$ 42,297,501	34.4%

MAJOR CONTRACTORS

FY10 MWBE

•Joule Electric - \$6,095,354	Non Local	CHALFONT, PA	WBE	White American
•Merchant Construction - \$4,508,892	Non Local	WOODBURY, NJ	MBE	African American
•Decision Distributers - \$3,598,736	Non Local	YARDLEY, PA	MBE	Hispanic American
•Hispanic Ventures - \$1,210,721	Non Local	ABSECON, NJ	MBE	Hispanic American
•Robert Ganter - \$1,098,000	Non Local	QUAKERTOWN, PA	WBE	White American
•Markias Inc. - \$876,729	Non Local	WILLINGBORO, NJ	MBE	African American

FY09 MWBE

•JBD Contractors - \$2,240,500	Local	PHILADELPHIA, PA	MBE	African American
•Gem Mechanical - \$2,803,340	Non Local	GLEN MILLS, PA	WBE	White American
•Joule Electric - \$2,197,198	Non Local	CHALFONT, PA	WBE	White American
•CE Franklin - \$1,196,981	Local	PHILADELPHIA, PA	MBE	African American
•Brown & Guarino Roofing - \$672,277	Non Local	BLACKWOOD, NJ	WBE	White American
•Hamada Roofing - \$611,757	Local	PHILADELPHIA, PA	MBE	Polynesian American



Procurement Services (MWBE Goal – 20%)

	<u>Total Dollars</u>	<u>Total MWBE Dollars</u>	<u>Total MWBE%</u>
FY2010 (First Half)	\$ 26,018,586	\$ 4,474,972	17.2%
FY2009	\$ 185,180,535	\$ 31,235,215	16.9%

MAJOR CONTRACTORS

FY10 MWBE

- School One.Com - Internet Service Provider - \$792,000
- Walker Com. - Telecommunications - \$631,200
- Cardinal U.S.A. - Fuel Oil - \$497,400
- S & W Equipment - \$382,100
- 503 Corporation - Polybags - \$335,664
- Strategic Staffing - LAN Services - \$334,400
- Admiral Integration - Network Equipment - \$275,000

Non Local	CLEVELAND, OH	WBE	White American
Non Local	PEARLAND, TX	MBE	Hispanic American
Local	PHILADELPHIA, PA	WBE	White American
Local	PHILADELPHIA, PA	MBE	African American
Local	PHILADELPHIA, PA	MBE	Hispanic American
Non Local	DETROIT, MI	WBE	White American
Non Local	CHERRY HILL, NJ	MBE	Hispanic American

FY09 MWBE

- Mil-Ray Foods \$14,668,679
- SAJ Publishing - \$708,333
- Suntex - Textbooks - \$708,333
- Learning Wheels - Textbooks - \$708,333
- Harry Wong Publications - \$708,333
- Cachet Star Media Relations - Textbooks - \$708,333
- Product Search International - \$708,333

Non Local	SICKLERVILLE, NJ	MBE	African American
Non Local	SPRINGFIELD, PA	MBE	African American
Non Local	EASTON, PA	MBE	Asian American
Non Local	RICHARDSON, TX	WBE	White American
Non Local	MT VIEW, CA	MBE	Asian American
Local	PHILADELPHIA, PA	MBE	African American
Local	PHILADELPHIA, PA	MBE	African American



Professional Services -- SRC Resolutions (MWBE Goal – 15%)			
	<u>Total Dollars</u>	<u>Total MWBE Dollars</u>	<u>Total MWBE %</u>
FY2010 (First Half)	\$ 95,481,901	\$ 19,712,062	20.6%
FY2009	\$ 241,831,062	\$ 41,521,130	17.2%

MAJOR CONTRACTORS

FY10 - MWBE

•Congreso de Latinos Unidos - \$867,433	Local	PHILADELPHIA, PA	MBE	Hispanic American
•Montage Diversity Consultants- \$535,819	Local	PHILADELPHIA, PA	MBE	African American
•Aspira -\$362,589	Local	PHILADELPHIA, PA	MBE	Hispanic American
•Karma Agency - \$200,000	Local	PHILADELPHIA, PA	WBE	White American
•Philadelphia Anti-Drug, Anti-Violence - \$257,848	Local	PHILADELPHIA, PA	MBE	African American

FY09 - MWBE

•Team Clean - \$12,747,529	Local	PHILADELPHIA, PA	MBE	African American
•Aspira - \$2,034,854	Local	PHILADELPHIA, PA	MBE	Hispanic American
•Scholarchip - Student Attendance - \$900,000	Local	PHILADELPHIA, PA	MBE	Hispanic American
•Lighthouse - Early Childhood - \$674,087	Local	PHILADELPHIA, PA	MBE	Hispanic American



FY 2010 First Half by Ethnic Group and Gender

Total Dollars After Adjustments	\$63,652,170	\$26,018,586	\$95,481,901	\$2,896,500	\$188,049,157
Dollars to MWBEs	\$26,127,566	\$4,474,972	\$19,712,062	\$973,074	\$51,287,673
% of Dollars to MWBEs	41.0%	17.2%	20.6%	33.6%	27.3%
African-American	\$8,926,202	\$615,599	\$14,967,425	\$493,008	\$25,002,234
Hispanic-American	\$5,249,064	\$1,526,104	\$1,367,797	\$13,660	\$8,156,625
Asian-American	\$516,619	\$10,710	\$184,822	\$27,450	\$739,601
Native American	\$203,200	\$	\$-	\$-	\$203,200
WBE (not in other categories)	\$11,232,481	\$2,322,558	\$3,192,018	\$438,955	\$17,186,013

**Largest Spend: African-American Vendors \$25M;
Women Vendors \$17M; and Hispanic Vendors \$8M**



SDP v. Other Public Entities (FY 2009)

	School District of Philadelphia	City of Philadelphia	SEPTA
MWBE Goals	20.0 %	25%	14.0 %
MWBE Achieved	21.0 %	17.8%	13.4 %
Total Spend	\$ 553,612,932	\$760,073,260	\$131,678,446
MWBE Spend	\$116,190,551	\$135,267,721	\$17,664,115

- Source of Data: City of Philadelphia - OEO "FY 2008 Report (April 2009)
- City of Philadelphia total and MWDBE spends are for FY 2008
- Source of Data: SEPTA "FY 2010 Disadvantaged Business Enterprise Goal and Goal Setting Methodology" (August 2009)



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