
Disparity Study Update

BIPOC Business Advisory Committee
February 6, 2024





Agenda

- Project Background.
- Findings and Recommendations from Griffin and Strong, P.C.
- Preliminary Program and Policies.
- Questions & Discussion.



Project Background - Where We've Been

Early 2021

- The City Council requested that the City Manager and City staff to implement a Disparity Study and a Sheltered Market Program for WBE, MBE, Veteran's and LGBTQ+ businesses.
- In response to these council orders, Law Department determined that the City must conduct a Disparity Study prior to creating any type of Sheltered Market Program under state law.

Summer 2021

- Purchasing, Community Development, Law, and Office of Equity and Inclusion Departments worked together to put out the Disparity Study RFP around goods and services.



What is a Disparity Study?

A Disparity Study is an objective research tool that determines whether there are disparities in a governmental agency's procurement activities of certain groups. It further determines if those disparities are statistically significant and likely caused by the race and gender status of firm owners.

A Disparity Study's uses are:

- Bolster firms who may have previously been under-utilized.
- Determines a geographic area that creates a pool of firms to be used for the procurement process.



Study Parameters

Study Period: Fiscal Years 2017 – 2021

Relevant Geographic Market:

- Boston Metropolitan Statistical Area (MSA)
- Suffolk, Essex, Norfolk, Middlesex, and Plymouth Counties

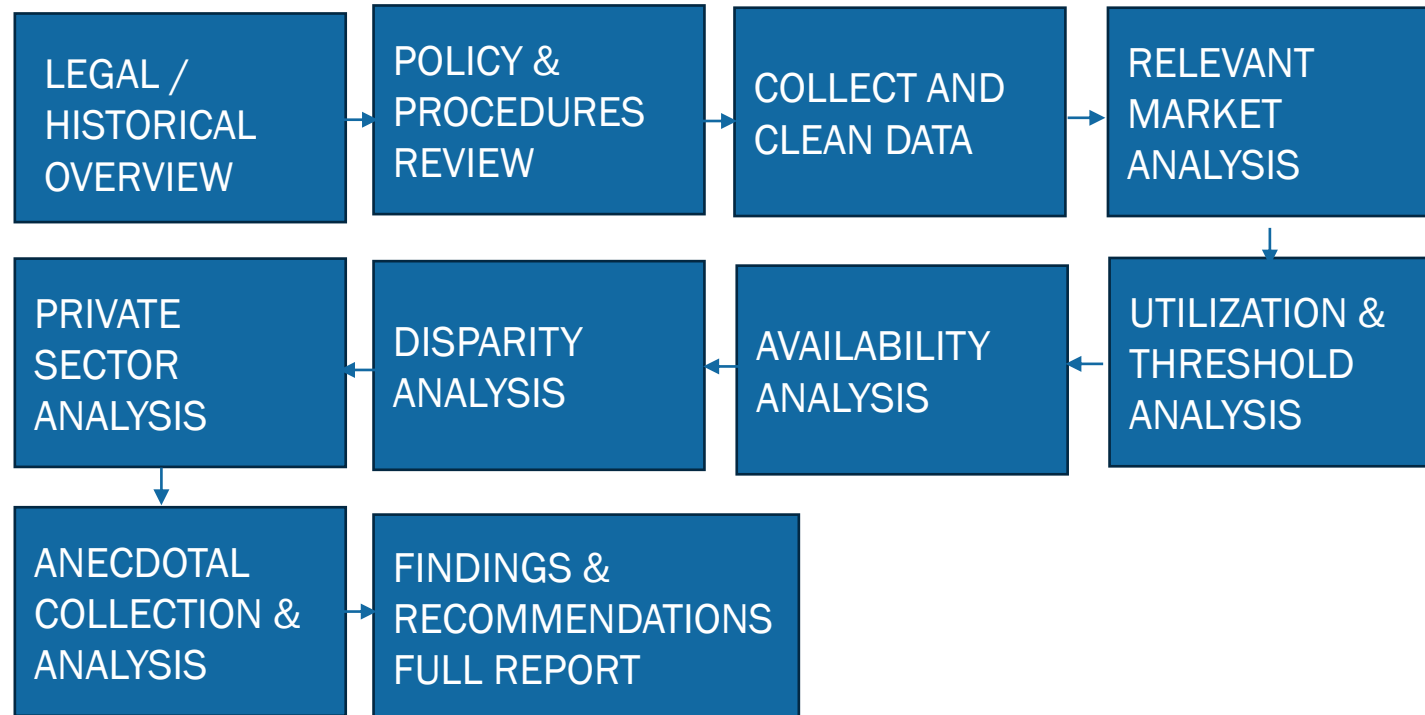
Procurement by Industry Categories:

- Professional Services : 82.58%*
- Other Services: 84.01%
- Supplies: 68.64%

Total of three (3) industry categories: 77.97% within the MSA.

*Excludes public construction-related professional services such as architects, engineers and related professionals

Study Process





Community Engagement

Anecdotal Outreach

- Conducted interviews and hosted public meetings and focus groups (reaching 97 businesses).
- Sent a business survey to over 8,000+ businesses within the relevant market area.
 - Survey was translated into 5 languages.



General Findings

Findings are based on certified businesses in the market area.

- **Availability:** 16.9% of certified MBE/WBEs in the relevant market that are interested in and willing to provide the goods and services that the city procures.
- **Utilization:** During the study period, the City utilized/worked with .46% of certified MBE/WBEs.
- Therefore, certified available and interested MBEs/WBE companies in the marketplace are being underutilized.



Recommendations

Recommendation 1: Tracking Prime and Subcontracting Utilization of MWBEs and Veterans When Applicable

Recommendation 2: Internal Annual Aspirational Goals

Recommendation 3: Aspirational Contract Goals

Recommendation 4: Encourage Certification



Recommendations

Recommendation 5: Forecasting

Recommendation 6: Targeted Outreach

Recommendation 7: Contract Compliance

Recommendation 8: Data Reform

Vendor ID to state ethnicity, not just MBE certification

Commodity Codes to be utilized across data sources

Vendor State, City, Zip to be collected across data sources



Preliminary Programs Measures



Improving Current Procurement Policies

Ways to further encourage participation from M/WBEs

Current efforts

- Purchasing considers a vendor's V/M/WBE status as an element in determining “best value” when procuring goods and services through statewide contracts established by the state's Operational Services Division.
- Added a section on the City's Business Certificate form to better understand and track our businesses. Certificate additions include:
 - if a business owner identifies as a M/WBE.
 - if they would like to become a vendor with the City.



Evaluate Current Procurement Policies

Future efforts under consideration

- Evaluate the current insurance requirements for current city contracts.
- Think about prompt payment policy.
- Require Request for Proposals (RFPs) to include evaluation criteria that considers the V/M/WBE certification status of the responder.
- Continue to encourage City departments to purchase from V/M/WBEs when formal, competitive procurement is not required.
- Provide a list of V/M/WBEs on the City's internal training and resources website for commonly purchased commodities under \$10k.



Businesses Capacity Building

Current Technical and Financial Efforts for all small businesses, with a focus on V/M/WBE

- Technical assistance workshops:
 - Workshops with COMMBUYS, the state's procurement website.
 - "How to be a Vendor with the City" workshops.
 - Marketing and financial capacity training.
- Promote and advertise diverse businesses through the Diversity Directory.
- Provide small business technical and grant assistance programs.
- Assist vendors on how to do business with City on goods and services less than \$10K.



Business Capacity Building

Future Efforts Under Consideration

- Provide Cambridge businesses hands-on technical assistance for the State's certification process and explore various paths to certification.
- Succession planning programs in specific fields/sectors and entrepreneurship through acquisition models.
- Consider mentor/protégé programs.

Promoting Opportunities

Current effort:

- Continue to host and plan Supplier Diversity Fairs with fellow top Cambridge employers – last fair held on October 17th, 2023, at MIT.
- Data: 72 businesses attended and 21 buyers.

Top 5 Goods & Services Procured (from Fair buyers)

- Construction/Utilities/Contracting.
- Food & Hospitality. (Catering, Bakery, Mobile Food Services)
- Marketing.
- Janitorial/Landscaping.
- Graphic Design/Printing Services/Promotional Products.

Statement	% agreed or strongly agreed
I am interested in participating again, maybe every year. (n=28)	97
The fair was worth my time. (n=26)	90
The fair met my expectations. (n=25)	86
I made meaningful connections. (n=24)	83
I had enough information to prepare for this event. (n=24)	83
The location was convenient at MITs Walker Memorial. (n=23)	79
The vendors and buyers were well-matched. (n=21)	72



Promoting Opportunities

Possible future efforts:

- Forecasting purchasing needs - developing a bid book which includes services, supplies, and construction projects that are coming up in six months to a year to help businesses prepare to respond.
- Making the current BID site more user friendly.
- Expand advertisement of public procurements beyond the current 30B requirements.
 - Look at news sources that target historically disadvantaged, underserved, and underheard communities.
 - Work with organizations in the supplier diversity spaces, such as, but not limited to - Black Economic Council of Massachusetts and Greater New England Minority Supplier Council.



Develop Aspirational Goals

- The Disparity Study found that the City does not have aspirational goals for the participation of veteran, minority- and women-owned businesses in its goods and services contracting and procurement.
- City will look at study data to determine goal setting.
- Once developed, the City will work to internally educate staff on how to meet this goal and review it as needed.



Track Data

- Work with IT to start tracking V/M/WBE utilization and awards.
- Start tracking vendor ethnicity, race, gender, veteran and other disadvantaged identification status.
- Create a Procurement Dashboard.



Questions & Discussion