

# 2017 New Orleans Disparity Study

## May Quarterly Oversight Committee Meeting



Keen Independent Research LLC  
David Keen, Principal  
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Cleveland Spears, Spears Group  
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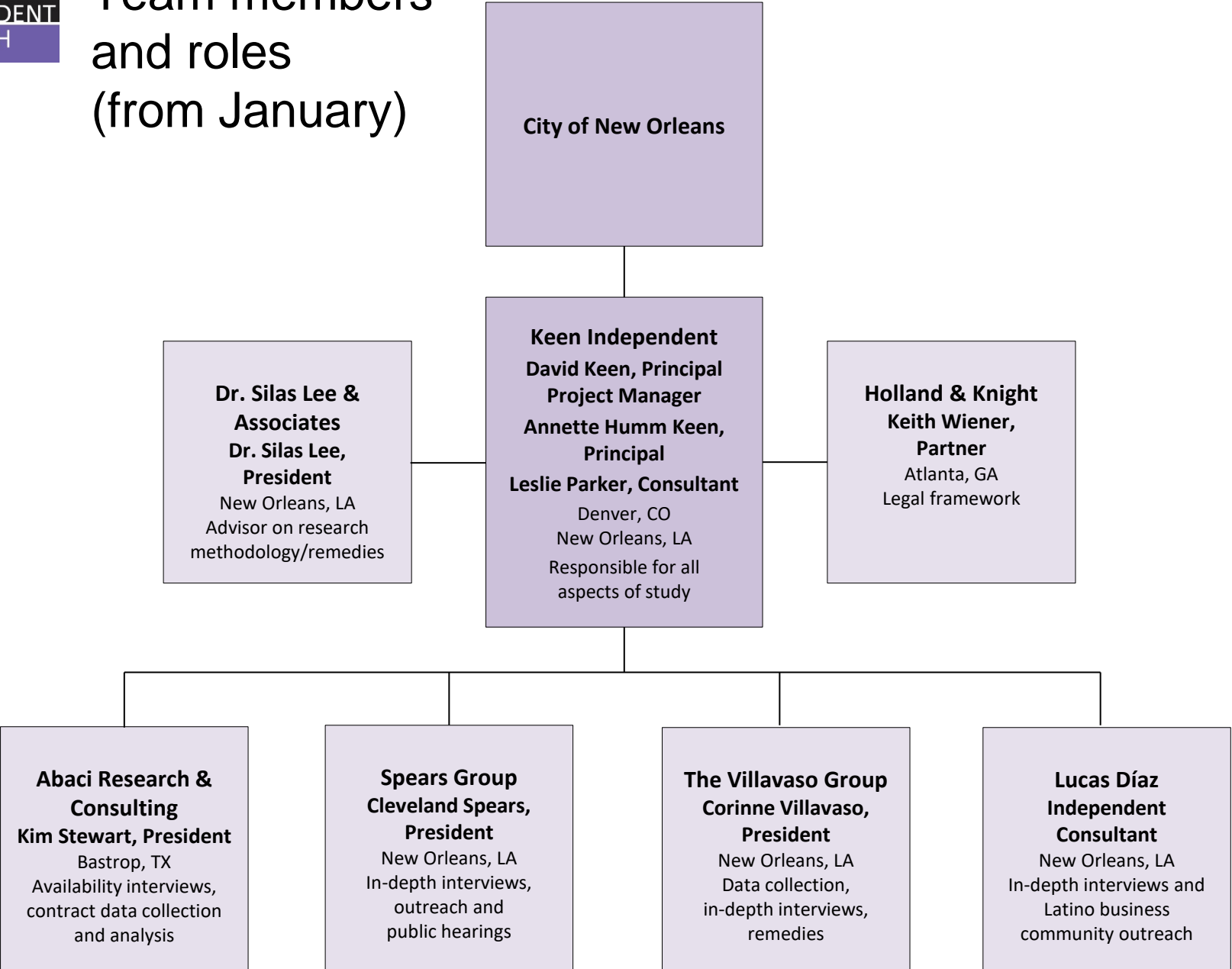
May 22, 2017



# Recap of Jan. 24 Oversight Committee Meeting

1. Introduced key study team members and explained role of the Oversight Committee
2. Reviewed communications protocols and reporting, and discussed future meeting schedule
3. Reviewed basics of the disparity study, key terms and concepts
4. Keith Wiener from H&K discussed legal framework for the study
5. Explained key tasks, deliverables and schedule
6. Received input on existing local information and key groups
7. Obtained input on key issues to be examined

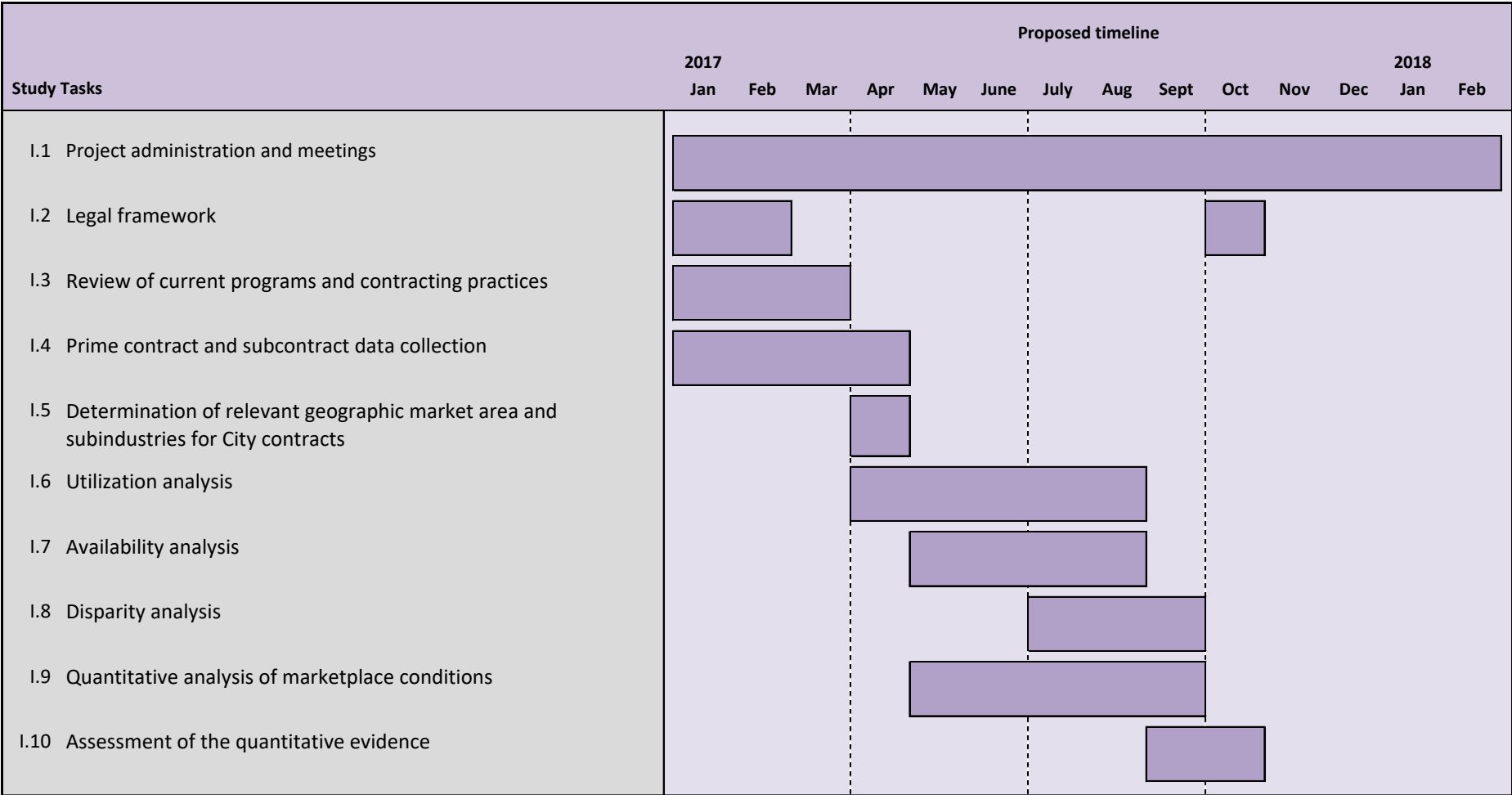
# Team members and roles (from January)



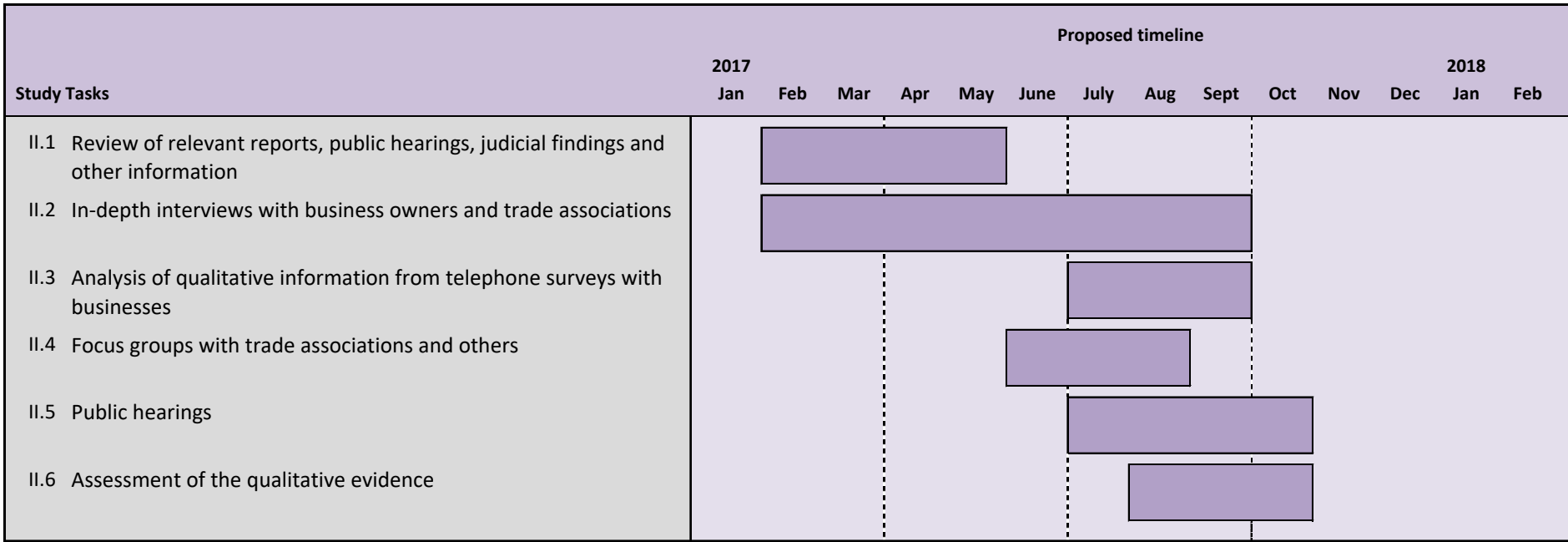
## Role as a Committee member (from January)

- Perspective on marketplace conditions is valuable
- Insights on program components also useful
- Can help provide input from and communicate study to interested groups
- In January, we asked that Oversight Committee members:
  - Serve as a sounding board as we perform the study
  - Provide your own perspectives about marketplace conditions, business assistance needs, contracting practices, components of programs, etc.
  - Point us to information and provide help when needed
  - Review the draft report in detail when released for public input

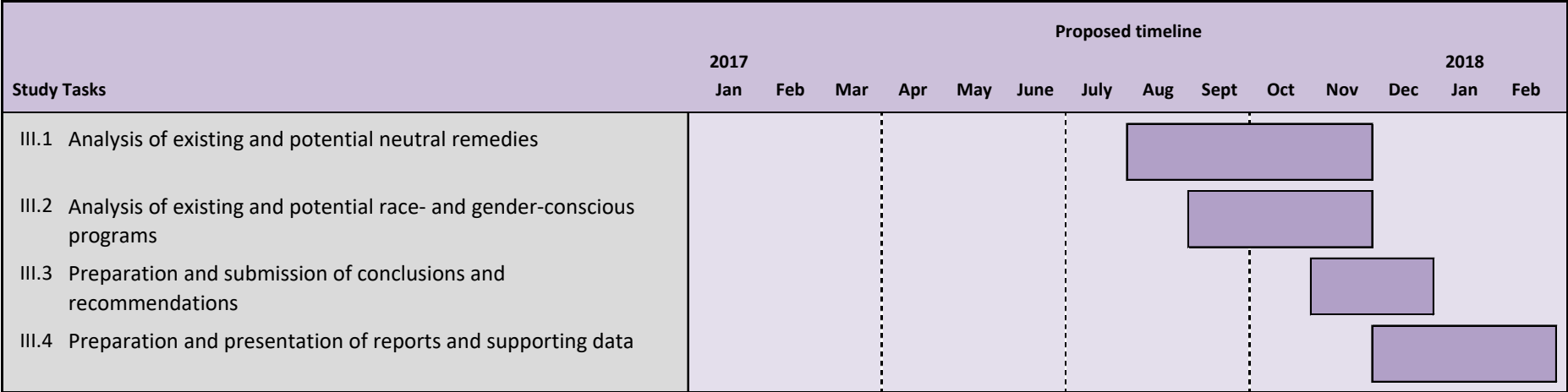
# Task I - Disparity analysis (original timing)



# Task II – Anecdotal evidence summary (original timing)

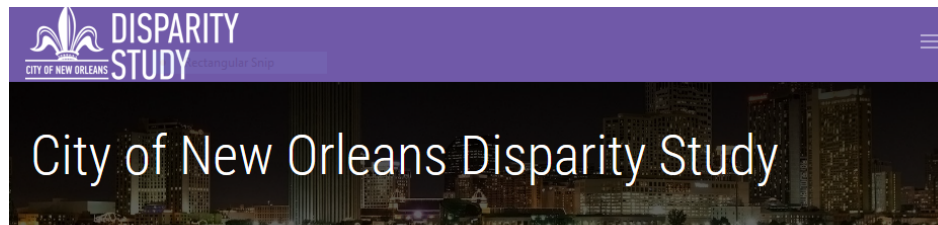


# Task III – Remedies (original timing)



# Update on anecdotal evidence tasks and communications

- Compiled past reports and other research
- Will soon start in-depth interviews with trade associations, businesses and other groups
- Communications update:
  - Communications plan prepared for City review
  - Dates for public meetings under consideration
  - Website launched, with plan for ongoing updates [www.cityofneworleansdisparitystudy.com](http://www.cityofneworleansdisparitystudy.com)



## Purpose

The City of New Orleans Disparity Study is analyzing whether there is a level playing field for minority- and women-owned firms when competing for City contracts. The study team, led by Keen Independent Research, is assessing what the City might do to increase opportunities for minority- and women-owned firms, and other small businesses.



# Compilation of procurement and payment data

	<b>Construction</b>	<b>Professional services</b>	<b>Goods</b>	<b>Other Services</b>
Prime contracts and amounts	BuySpeed	BuySpeed; City Council	BuySpeed	BuySpeed
Payments to primes	Quickbase; PDU invoices	Quickbase; PDU invoices	Great Plains	Great Plains; DPM tracking and invoices; PDU invoices
Payments to subcontractors	PDU invoices; B2GNow	PDU invoices; B2GNow	PDU invoices; B2GNow	PDU invoices; B2GNow

## Compilation of procurement and payment data (continued)

- Successfully obtained procurement and payment data
- Reviewed data received, asked follow-up questions and received supplemental data
- For requirements contracts, consolidated payment records into individual procurements (required assumptions about which payments were for the same procurement)
- Coded the type of work involved in each procurement
- Identified government agencies, membership organizations and not-for-profit organizations, which are not included in utilization analyses
- Identified types of procurements typically not included in utilization analyses (regulated utilities, for example)

# Purchases usually not included in utilization analysis

- Purchases of buildings or land, rent of buildings or land
- Payments to governments or not-for-profits
- Regulated utilities, phone service, payments to financial institutions, insurance
- Travel expenses
- Products or services predominantly purchased from a national market
- Very small purchases

# Vendor location coding

- Code vendor location as a first step in defining the “relevant geographic market area” for construction, professional services, goods and other services procurements
- Analyze based on dollars
- Use “most local” address of a vendor/supplier when it has multiple locations
- Based on results defining the relevant geographic market area:
  - Analyze Census data about the local marketplace
  - Conduct in-depth interviews with businesses and trade associations
  - Develop additional lists of firms for the availability survey

## Preliminary results of vendor location coding

- City spends construction, professional services and other services dollars with firms that have locations in the New Orleans metro area
- Still studying firm location 
  - Data in BuySpeed vendor tables often for HQ or billing address, not local office
  - Still compiling procurement data, especially subcontracts
  - Will conduct more review of data over next few weeks
- Still studying firm location for subcontractors

# Percent of dollars to firms within New Orleans MSA (very preliminary)

- 80%+ of construction
- 80%+ of professional services
- 95% of goods
- 88% of other services



# Worktype coding of procurement and payment data

- For example, “electrical work,” “architecture and engineering,” “office supplies” and “staffing services”
  
- Identified types of work involved in procurements to determine:
  - Subindustries to include in the marketplace analyses
  - Types of firms for in-depth interviews
  - Types of firms to be added to the availability survey list (from D&B)
  - Subset of available firms to be counted when determining availability on a contract-by-contract (and subcontract-by-subcontract) basis

# Worktype coding of procurement and payment data (continued)

- Initial list of worktypes from experience, past studies and knowledge of the scope of services, add or subtract from the list as examine City data
  
- Worktypes are grouped within four industries:  
construction, professional services, goods and other services
  
- Designate a worktype to each procurement based on:
  - Project descriptions field (e.g., “Utility advisor for City Council”)
  - Research on individual vendors
  
- Future review of utilization data will include worktypes assigned



# Worktypes accounting for large share of City construction dollars (preliminary)

- Commercial or public building construction
- Road construction or paving
- Excavation, site prep, grading and drainage
- Underground utilities, including water and sewer lines
- Landscape contracting
- Electrical work
- Plumbing, heating and air conditioning
- Other subindustries to be added

# Worktypes accounting for large share of City professional services dollars (preliminary)

- Architecture and engineering
- IT and data services
- Accounting
- Other scientific and technical services
- Other subindustries to be added

# Worktypes accounting for large share of City goods dollars (preliminary)

- Fuel
- Janitorial supplies
- Office supplies
- Building materials
- Other subindustries to be added

# Worktypes accounting for large share of City other services dollars (preliminary)

- Waste disposal
- Staffing services
- Landscape maintenance
- Property management
- Guards and security services

# Launch of availability survey

- Survey instrument to refined over the next few weeks
- In June, test and launch availability survey
- Provide information about availability survey for trade associations and other groups to distribute
- Keen Independent creates a online and phone survey list using data from:
  - City interested firm list
  - Businesses within relevant subindustries with locations in New Orleans metro area
- Multiple attempts to contact each business over 3 to 4 weeks
- Firms can also go to study website to complete a survey
- Will be some firms that do not participate in the survey

# Determining ownership of utilized firms

- Match vendors in procurement data against certification lists/other lists
- Match vendors against information collected in availability survey
- Contact vendors for ownership information through a utilization survey
- Before analyzing results, will provide list to City for review  
(will review other data, including worktype, at same time or before)

# Other issues and questions?

- Data collection
- Qualitative research
- Other topics
- Next Oversight meeting in late summer/early fall once can discuss availability survey, marketplace analyses and certain other analyses