



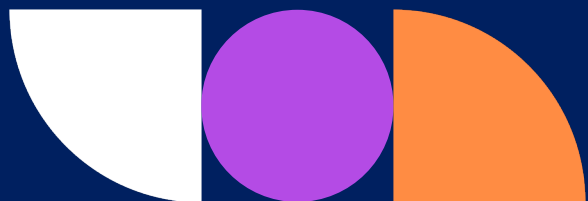
**DEPARTMENT OF
GENERAL SERVICES**
DISPARITY STUDY

CALIFORNIA DGS DISPARITY STUDY

Welcome

Our presentation will begin shortly

Presented by: Mason Tillman Associates, Ltd.





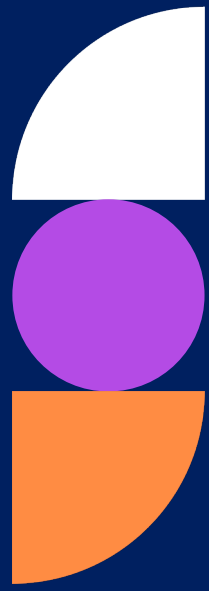
CALL TO ORDER

Danetta Jackson

Chief, Statewide Supplier
Diversity Program

Business Community Meeting Agenda

- Welcome and Opening Remarks
- Why the Disparity Study
- Introduction of Disparity Study Team
- Review of Legal Standard
- Explanation of Statistical Methodology
- Description of Anecdotal Process
- Overview of Doing Business with the State of California
- Receive Public Comment



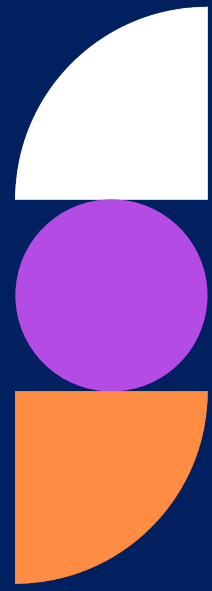
Welcome

**Ana M. Lasso
Director of California
Department of General
Services**

Link to YouTube Video:

[CA DGS Disparity Study Community Meeting Welcome Video Ana Lasso](https://www.youtube.com/watch?v=q54iVP2YuVw)

<https://www.youtube.com/watch?v=q54iVP2YuVw>



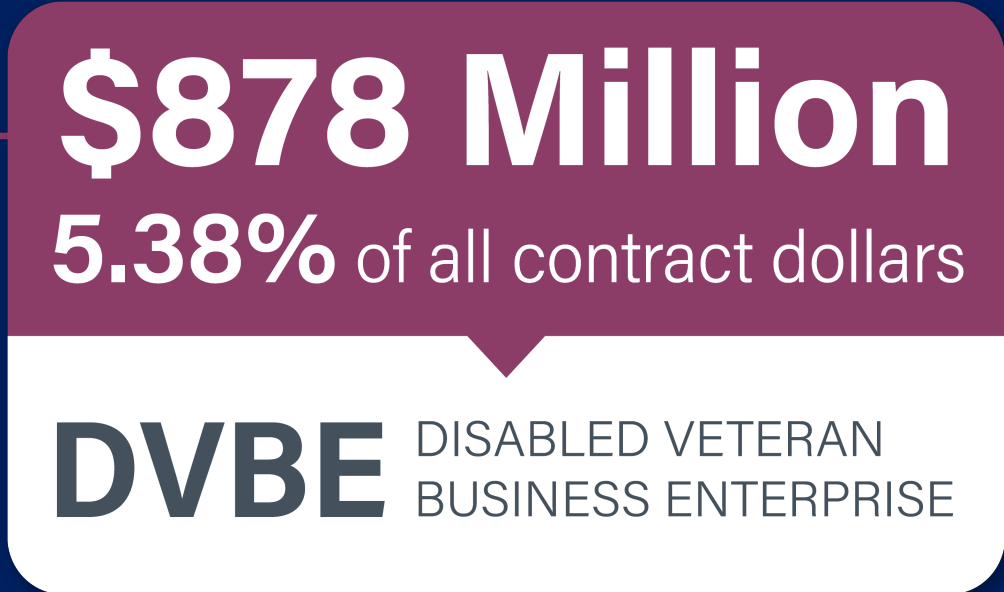
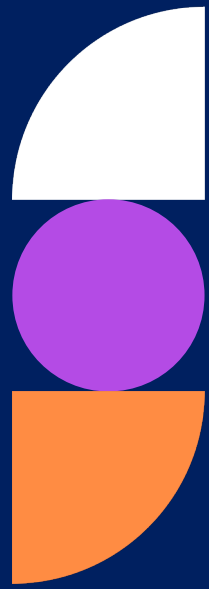
Office of Small Business Advocate (CalOSBA)

Tara Lynn Gray
Director of the California
Office of the Small
Business Advocate,
CalOSBA

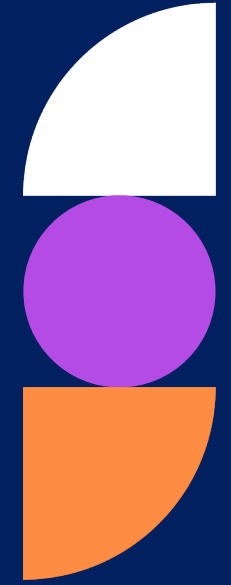
Link to YouTube Video:

[CA DGS Disparity Study Community Meeting Welcome Video Tara Lynn Gray](https://www.youtube.com/watch?v=WESkzLHP2Io)

<https://www.youtube.com/watch?v=WESkzLHP2Io>



2022-23 Fiscal Year



The state of California could be your biggest customer!

California's state government supports the 5th largest economy in the world, **spending billions of dollars on all types of products and services.**

State agencies are required to spend at least **25% of those billions with Certified Small Businesses and 3% with Disabled Veteran Business Enterprises.**

► It pays to **GET CERTIFIED** and become California's business partner at **caleprocure.ca.gov**

Products and services the state buys include:

- Building Maintenance
- Construction
- Environmental Services
- Food
- IT Equipment
- Landscaping
- Maintenance
- Office Products
- Printing
- Software
- Transportation
- Uniforms
- Much more!*

Questions?

Email **BusinessOutreach@dgs.ca.gov**

Assembly Bill 2019: Administrative Criteria

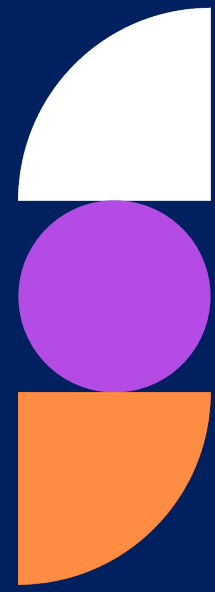
- Requires DGS to conduct a statewide procurement disparity study by December 31, 2025.
- Requires state departments to establish an overall minimum 25% SB participation goal in their annual state contracting spend
- Requires DGS Office of Small Business and DVBE Services (OSDS) to provide and display in Cal eProcure an option for SB/DVBE applicants to voluntarily self-identify as being at least 51% owned, managed, or controlled by individuals in specified women, minority, and LGBTQ categories.
- Requires OSDS to market the state SB certification benefits to federally certified Disadvantaged Business Enterprises (DBE).



THE MASON TILLMAN TEAM

Eleanor Mason Ramsey

President, Mason Tillman Associates,
Disparity Study Project Manager



Mason Tillman Associates

Established in 1978

Public policy research and marketing professionals

***High-impact diversity consulting firm
with over 46 years of experience***

**Equity Service
Business Affirmative Action
Corporate Communications**

Distinguishing Qualifications

Based in Oakland, California since 1978

158 disparity studies

29 disparity studies in California

15 state disparity studies

Experienced, trusted, and credible subconsultants

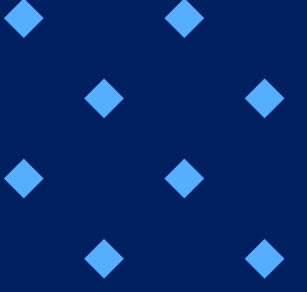




SUBCONSULTANTS

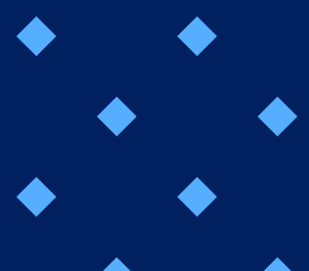
Certified Subconsultants

Entity: Contact Role in Study	MBE	WBE	SBE	DVBE	Location
Tonma: <i>Bendu Griffin, President</i> Availability Source Research and Data Collection	✓	✓	✓		Northern California
Communications Lab: <i>Arriana Barrios, CEO</i> Subcontractor Research	✓	✓	✓		Southern California
Redwood Resources: <i>Schena Rourk, CEO</i> Scheduling and Logistics for Business Community Meetings	✓	✓	✓		Southern California
AlphaGraphics: <i>Thomas Guminski, President</i> Graphic designer for study collateral				✓	Southern California

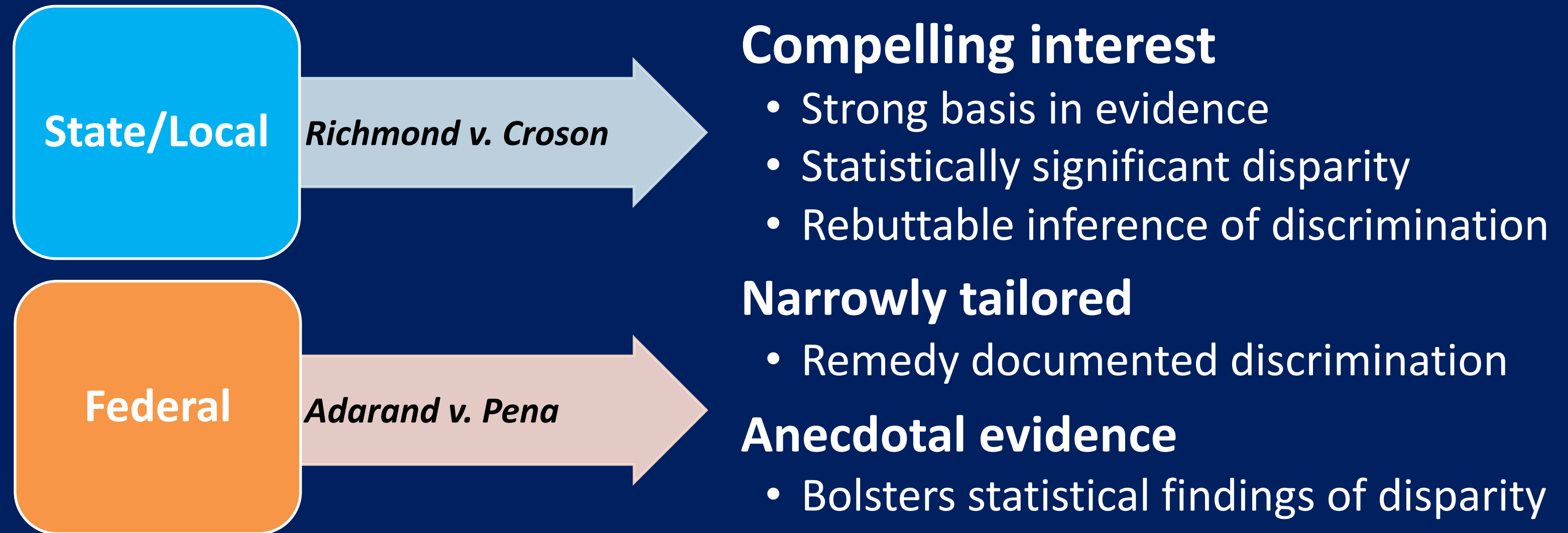


LEGAL PREDICATE FOR A DISPARITY STUDY

Don O'Bannon, Esq.
Outside Legal Counsel



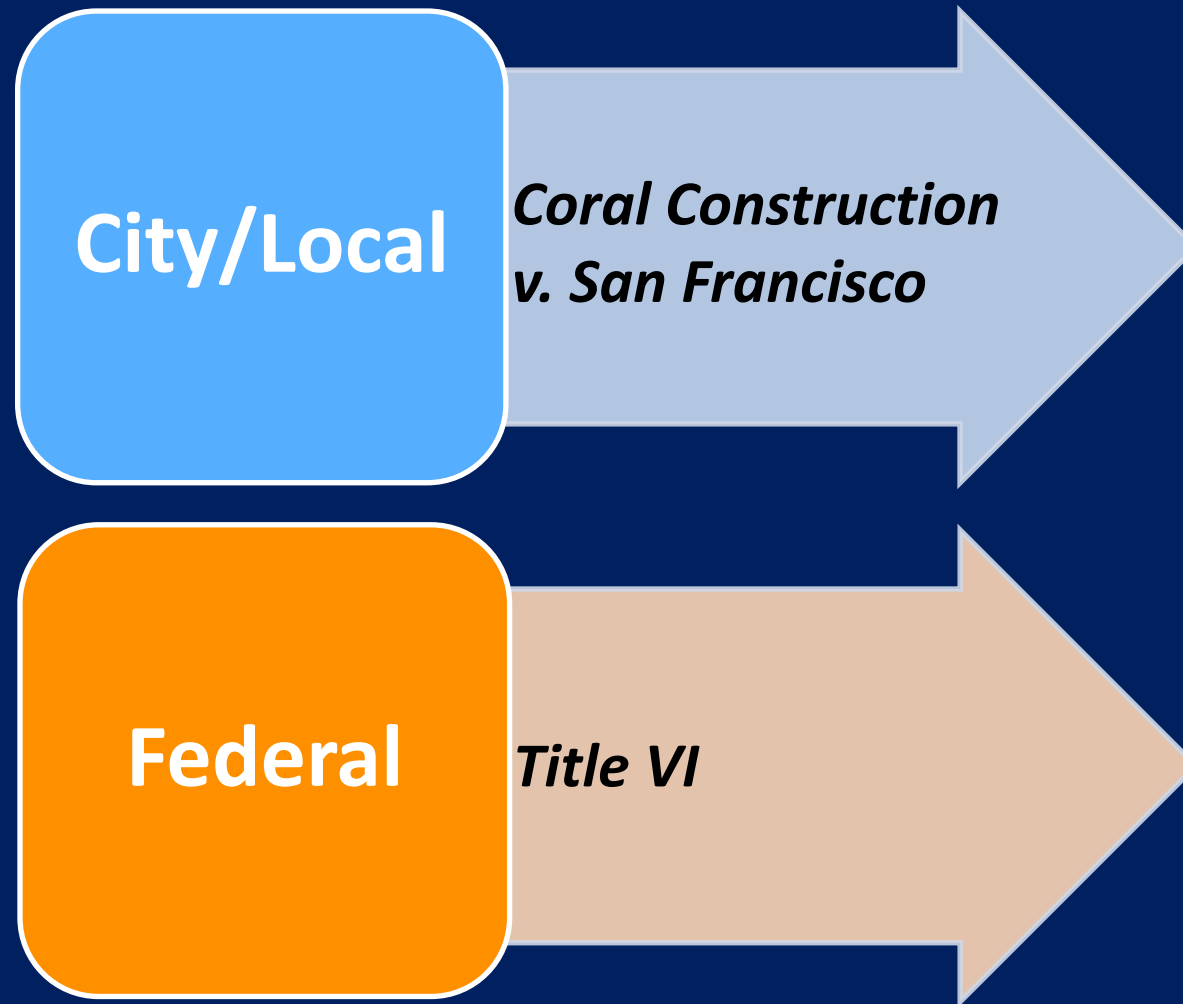
City of Richmond v. J.A. Croson





LEGAL STANDARD:
Ninth Circuit Court of Appeals

Coral Construction v. San Francisco



Extraordinary Justification

- Purposeful or intentional discrimination
- Remedy for discrimination

Narrowly Tailored

- Remedy documented discrimination

Race/Gender Conscious Remedy

- Only or most likely means of addressing injury

Disparate Impact

- May provide an inference of intentional discrimination

Discriminatory Circumstantial Evidence

- Discriminatory impact
- Historical background
- Irregularities in legislation
- Contemporary statements



DISPARITY STUDY METHODOLOGY

Eleanor Mason Ramsey

President, Mason Tillman Associates,
Disparity Study Project Manager

Study Parameters

**Study Period:
July 1, 2019 to June 30, 2023**

**Architectural and
Engineering
Services**

**Professional
Services**

**IT (Goods and
Services) & Non-
IT Goods**

Construction

Utilization Analysis

Prime Contracts

- Extracted from FI\$CAL SCPRS
- Cleaned and normalized
- Industry assigned
- Owner's ethnicity, gender, and veteran status determined

Subcontracts

- Extracted from FI\$CAL SCPRS
- Collected from prime contractors
- Compiled from department records

Market Area

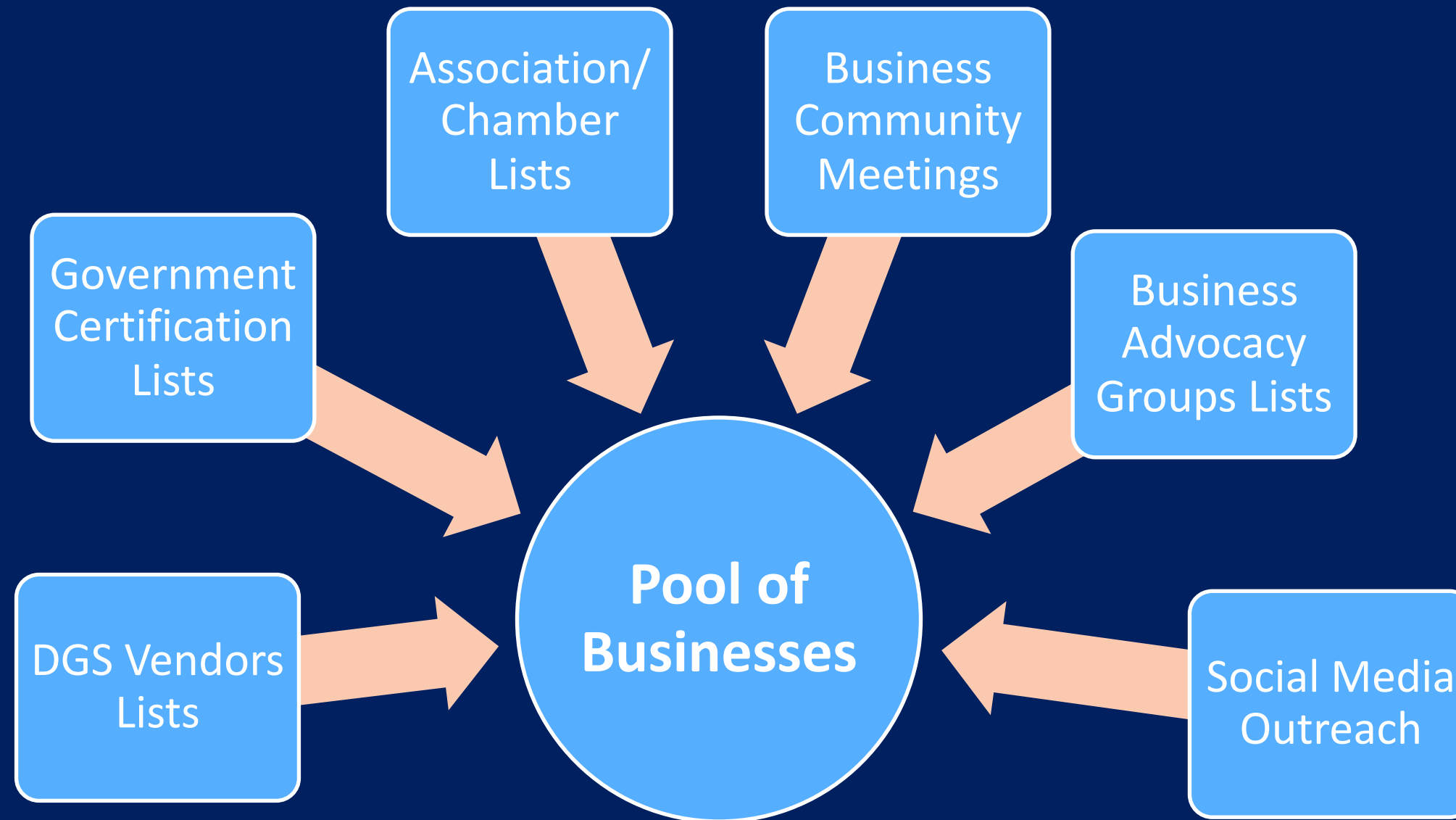
- Defined by where DGS awarded majority of the prime contracts



Availability Analysis

- Willing and able businesses enumerated from government and non-government sources
- Available businesses classified by industry, ethnicity, gender, size, and veteran status

Sources of Available Market Area Businesses



Mason Tillman does not rely on:

- **Dun & Bradstreet** – undercounts small, new, and M/WBEs
- **Business Licenses** – are over-inclusive
- **Vendors Lists** – may not be current

Determination of Willingness

Willingness Affirmed

- Utilized businesses
- Certified businesses
- Pre-qualified businesses
- Bidders and proposers
- Community meeting registrants

Willingness Confirmed

- Trade association members
- Chambers of Commerce members

Ethnicity and Gender Determination

Research Methods

- Determine if certified by the government agency
- Survey business to request the owner's ethnicity and gender
- Review the company website for owner's ethnicity and gender
- Search for business owner's digital footprint

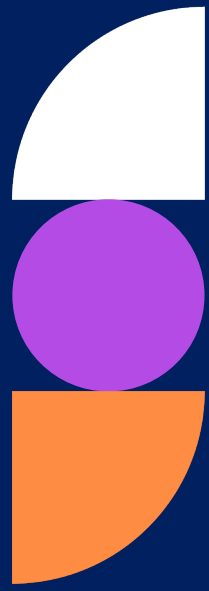
Statistical Tests of Disparity

Disparity Ratio

- Disparity ratio is actual dollars spent (utilization) divided by expected contract dollars (availability)

$$\frac{\textit{Utilization}}{\textit{Availability}} = \text{Disparity ratio}$$

- Parity, overutilization, or insubstantial underutilization → no M/WBE goals
- Substantial WBE underutilization → WBE goals
- Substantial MBE underutilization → test statistical significance
 - No statistical significance → no MBE goals
 - Statistical significance → MBE goals



In-depth Interview Process

1

Identify
potential
interviewees

2

Screen and
select
interviewees

3

Conduct 125
in-depth
interviews

4

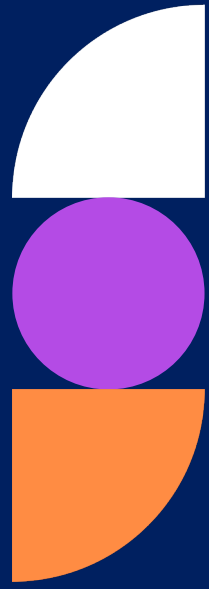
Transcribe,
code, and
analyze
interviews

5

Assess and
describe
patterns and
practices



DOING BUSINESS WITH THE STATE OF CALIFORNIA



California State Government Marketplace

Your home for California's State Procurement and Certification Programs

California State Contracts Register (CSCR)

Search Bid Opportunities

[START SEARCH](#)

How do I...

Sell to the State



Register in Cal eProcure to receive bid notifications. Search for bid opportunities in the California State Contracts Register (CSCR).

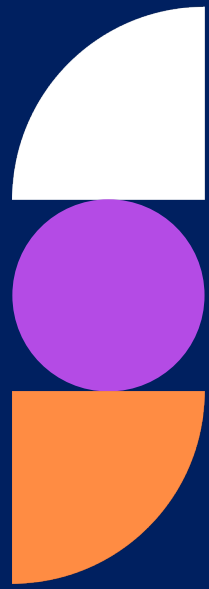


Get Certified/Search for SB/DVBE



Learn about California's Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) certification program, apply for SB/DVBE certifications, and search for certified SB/DVBE firms.





Cal eProcure





State Business Certification Requirements:

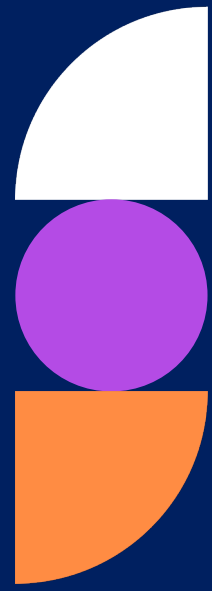
Small Business (SB) and Small Business for the Purpose of Public Works (SB-PW):

- Independently owned and operated
 - Gross annual receipts of \$18 million or less for SB, \$43 million or less for SB-PW
 - 100 or fewer employees for SB, 200 or fewer employees for SB-PW
- ▶ **Businesses with the SB certification are already eligible for public works projects and should not apply for the SB-PW certification**

Disabled Veteran Business Enterprise (DVBE):

- 51 percent owned by one or more disabled veterans
- Disabled veterans must have a service-connected disability ranking of 10 percent or higher
- Principal office located in California
- The disabled veterans who own and manage the firm must be domiciled in California

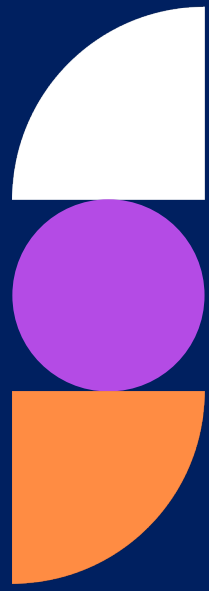
For more eligibility information and to apply, go to caleprocure.ca.gov



Diversity Data Information

- Ethnicity, race, gender, sexual orientation, voluntary
- Supports diversity, equity, and inclusion
- Evaluate outreach effectiveness
- Supports targeted outreach efforts

www.dgs.ca.gov/PD-Supplier-Diversity-Program



Schedule a Consultation



Introduction to state contracting



Cal eProcure registration and certification



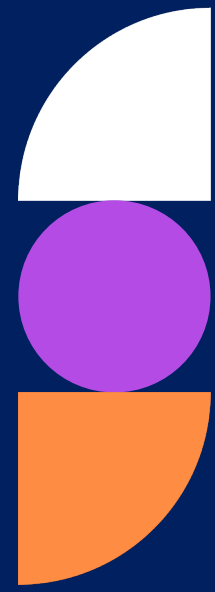
Update Cal eProcure profiles



Find contract opportunities



BusinessOutreach@dgs.ca.gov



Business Development Resources

Small Business Development Centers for New Businesses

- Business consulting, planning, marketing and access to capital

Apex Accelerators for Established Businesses

- Government contracting opportunities

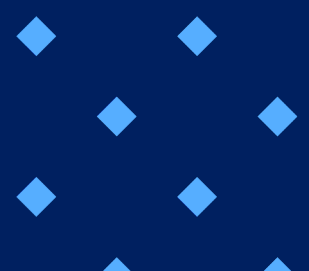
SCORE for Business Mentoring

- Business planning and development

Visit: [The California Office of Small Business Advocate \(CalOSBA\)](https://calosba.ca.gov)
<https://calosba.ca.gov>



GET INVOLVED



Partner with Us

- Scan QR code
- Complete business survey
- Agree to an anecdotal interview



<https://www.cadgsdisparitystudy.org>

Contact Us

Email	CAdgsDisparityStudy@mtaltd.com
Register for a Confidential Interview	https://cadgsdisparitystudy.org/interview/
Business Survey	https://cadgsdisparitystudy.org/survey/
Mail	Mason Tillman Associates, Ltd. 1999 Harrison Street Suite 1800 Oakland, CA 94612
Telephone	(916) 237-5320



**DEPARTMENT OF
GENERAL SERVICES**

DISPARITY STUDY

Thank You!

