



Louisville/Jefferson County Metropolitan Sewer District 2018 Disparity Study  
 Frequently Asked Questions

## What are the Prime Contract Disparity Study Findings?

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Ethnicity/Gender	Construction	Construction-related Services	Engineering and Professional Services	Materials, Commodities and Services
	Purchase Orders Valued \$10,001 to \$20,000			
African Americans	<i>Disparity</i>	<i>Disparity</i>	<i>Disparity</i>	<i>Disparity</i>
Asian-Pacific Americans	No Disparity	No Disparity	No Disparity	No Disparity
Asian-Indian Americans	No Disparity	No Disparity	No Disparity	No Disparity
Hispanic Americans	<i>Disparity</i>	<i>Disparity</i>	No Disparity	No Disparity
Native Americans	No Disparity	No Disparity	No Disparity	No Disparity
Caucasian Females	<i>Disparity</i>	No Disparity	<i>Disparity</i>	<i>Disparity</i>
Ethnicity/Gender	\$20,001 to \$1,710,000	\$20,001 to \$500,000	\$20,001 to \$460,000	\$20,001 to \$350,000
African Americans	<i>Disparity</i>	<i>Disparity</i>	<i>Disparity</i>	<i>Disparity</i>
Asian-Pacific Americans	<i>Disparity</i>	No Disparity	<i>Disparity</i>	No Disparity
Asian-Indian Americans	<i>Disparity</i>	No Disparity	No Disparity	No Disparity
Hispanic Americans	<i>Disparity</i>	No Disparity	<i>Disparity</i>	No Disparity
Native Americans	No Disparity	No Disparity	No Disparity	No Disparity
Caucasian Females	No Disparity	<i>Disparity</i>	<i>Disparity</i>	<i>Disparity</i>

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MSD conducted the 2018 Disparity Study to determine if there is a disparity between the available M/WBE prime and subcontractors and their utilization by MSD and their prime contractors. The Study also evaluated MSD's procurement practices.

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## FREQUENTLY ASKED QUESTIONS

*Prime purchase order awards from July 1, 2010, to June 30, 2015, were examined. The industries included construction services, construction-related services, engineering and professional services, and materials, commodities and services. The subcontract analysis was limited to construction prime purchase orders.*

*The 2018 Disparity Study identified Jefferson County as the geographic area where MSD spent the majority of its dollars.*

### What M/WBE Remedies Will There Be at the Prime Contract Level?

**Incentive Credits** Ten percent of the evaluation points assigned to each solicitation for engineering and professional services prime purchase orders will be assigned to the M/WBE groups that were found to have a disparity.

**Bid Discounts** A ten percent bid discount will be applied to bids submitted by the M/WBE groups that had a disparity on construction, construction-related, and materials, commodities and services prime purchase orders. The maximum discount will not exceed \$50,000 and will only apply to bids valued up to \$500,000.

The groups that are eligible for the incentive credits or bid discount are described in the table below.

Ten Percent Bid Discount Applies			
Ethnicity/Gender	Construction	Construction-related Services	Materials, Commodities and Services
African Americans	Yes	Yes	Yes
Asian-Pacific Americans	Yes		
Asian-Indian Americans	Yes		
Hispanic Americans	Yes	Yes	
Native Americans			
Caucasian Females	Yes	Yes	Yes
Ethnicity/Gender	Engineering and Professional Services Incentive Credits Apply		
African Americans	Yes		
Asian-Pacific Americans	Yes		
Asian-Indian Americans			
Hispanic Americans	Yes		
Native Americans			
Caucasian Females	Yes		

## FREQUENTLY ASKED QUESTIONS

### What are the Subcontract Disparity Findings?

Construction Subcontractors	
Ethnicity/Gender	Construction
African Americans	Yes
Asian-Indian Americans	Yes
Asian-Pacific Americans	No
Hispanic Americans	No
Native Americans	No
Caucasian Female Business Enterprises	Yes

*There were insufficient engineering and professional services subcontract records to perform a disparity analysis.*

### What are the M/WBE Subcontract Remedies?

**Construction Subcontracting Goals** A construction subcontracting goal will be set for African Americans, Asian-Indian Americans, and Caucasian Females. The M/WBE subcontract goal applies to construction contracts where the engineer’s estimate is valued at or above \$150,000. The construction subcontract goals will be based on each group’s availability. The availability for African Americans is 18.23%, 1.99% for Asian-Indian Americans, and 14.81% for Caucasian Female construction subcontractors.

**Evidence of Goal Attainment at Bid Opening** Prime contractors will be required to submit evidence of M/WBE goal attainment at the time of bid opening. Each goal must be met with one or more certified businesses that can provide a commercially useful function or an approved good faith effort document.

**Substitution of Listed M/WBE Subcontractors** MSD’s Interim Supplier Diversity Policy will include specific standards for M/WBE subcontractor substitution.

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*To be counted toward the contract goal, the M/WBE must perform a distinct and commercially useful scope of work for which it has the skill and expertise. The contractor must also perform the work with its own forces and manage and supervise the work.*

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## FREQUENTLY ASKED QUESTIONS

### What Policy Changes were Recommended in the Disparity Study?

#### **Implement a Small Local Business Enterprise Program**

A Small Local Business Enterprise (SLBE) Program to improve access to MSD contracts for small businesses within the market area. A 15% SLBE goal on construction, construction-related, engineering and professional services, and materials, commodities, and services purchase orders should be established to increase the participation of SLBEs.

The SLBE Program should include a small purchases rotation component for construction, construction-related services, engineering and professional services, and materials, commodities, and services prime purchase orders that do not exceed \$20,000.

#### **Community Benefits Program**

A Community Benefits Program (CBP) to mitigate the impact on service area communities from the rehabilitation of MSD's sewer system. The CBP will provide employment, contracting, education, and community improvements for the service areas impacted by MSD's sewer system rehabilitation projects. The CBP should also include eco-friendly programs and policies that reduce environmental impacts on MSD's service areas through a community grant program.

**Modify Change Order Requirements** Change orders should not exceed 15% of the original cost of the contract. If the cost exceeds 15% the new task or scope would be awarded through MSD's competitive solicitation process.

#### **Expanded M/WBE Technical Assistance Initiatives**

MSD should expand its technical assistance offerings to include a sponsored mentor protégé program and to promote the services offered through federal technical assistance programs, including the U.S. Small Business Administration's SCORE Program, Small Business Development Centers, and Women Business Centers

### How Can I Obtain a Copy of the Louisville/Jefferson County Metropolitan Sewer District Disparity Study?

The 2018 Disparity Report is available online at:

[http://louisvillemsd.org/sites/default/files/file\\_repository/Supplier%20Diversity/MSD%20Disparity%20Study%20Final%20Report%207-23-18.pdf](http://louisvillemsd.org/sites/default/files/file_repository/Supplier%20Diversity/MSD%20Disparity%20Study%20Final%20Report%207-23-18.pdf)

