

SCS releases plan to spend more dollars with companies owned by minorities and women

Memphis Commercial Appeal Published 5:09 p.m. CT June 20, 2018 | Updated 5:29 p.m. CT June 20, 2018

Shelby County Schools released the [first draft of a plan this week](#) that aims to direct more of its contracts and spending dollars to firms owned by women and minorities.

The district plans to set goals for use of minority firms in contracts for services including construction, architecture and engineering, professional and non-professional services and purchases.

SCS will also enhance its outreach to minority firms to increase awareness of opportunities to do business with the district.

The program, largely modeled after Shelby County government's, is in [response to a study the district commissioned](#) that showed only a fraction of contracting dollars from SCS were going to firms owned by minorities and women.

Less than 15 percent of dollars spent locally by SCS and the former Memphis City Schools over a six-year period went to companies owned by women or minorities, according to the study.

Those firms received about \$99 million in contracts between 2011 and 2016, compared with \$572 million paid to businesses owned by white men.

Of the \$671 million spent within Shelby County, less than 6 percent, about \$38 million, went to companies owned by African-Americans.

Superintendent Dorsey Hopson said in a city where two-thirds of the population and 90 percent of the district's student population are African-American, that's unacceptable.

"To think that such a small percentage goes to minority vendors is really shocking," Hopson said. "And I think that it's not surprising that the disparity study showed that there's been long-term vestiges of discrimination here that's had an impact on our contracting partners."

Hopson contends that discrimination for years was intentional, and may now be less intentional but is still a problem. The years of discrimination, he said, resulted in firms owned by women and minorities having fewer resources to participate in major projects.

As a government agency spending about \$300 million a year in contracts, it's the school district's responsibility to help "level the playing field," Hopson said.

That means SCS will help businesses find resources, like bonding assistance or financial management, to help them grow and qualify to bid on SCS projects.

Hopson said the district also must reach out to a diverse array of firms, as awareness of opportunities may hinder smaller businesses from bidding on a project.

The proposed plan sets the following goals, based on availability of vendors, for minority and women participation:

- Architecture and Engineering 13.68 percent
- Construction 24.17 percent
- Professional Services 35.24 percent
- Nonprofessional Services 32.57 percent
- Goods or Commodities 24.02 percent

The program would require bidders on SCS projects to hit goals regarding minority or women-owned enterprises or document "good faith" efforts made to do so.

The program would remain in place through October 1, 2025, unless extended by the board.

SCS will not certify that a company qualifies as a minority or woman-owned firm, but will rely on the list of qualified firms established by agencies like the City of Memphis, Shelby County, the state Department of Transportation and the state Minority Suppliers Development Council.

Board members reviewed the proposal for the first time Wednesday, with some expressing frustration over the document's lack of vetting by district lawyers and policy advisers. As a result, it could change in the coming weeks before going to the full board for a vote.

Board members also wanted the plan to reflect a greater preference for local vendors within Shelby County.

The district is allowed to consider race and gender in its contracting decisions only after the completion of a disparity study, which SCS received in November.

"We also have an organization to run, and we don't want to slow down the procurement process," board member Kevin Woods said.

The district has hired three people to help run the program once it is in place.

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