

Legislation Text

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Minority and Women Business Enterprise Disparity Study Adoption

Action:

Adopt the Economic Development Committee recommendation to:

- A. Accept and adopt findings and analysis of the 2017 City of Charlotte Minority and Women Business Enterprise (MWBE) Disparity Study Report, and**
- B. Amend Part A, Section 8 of the Charlotte Business INclusion (CBI) Policy to extend race-conscious measures and/or gender-conscious measures through January 1, 2023.**

Staff Resource(s):

Robert Hagemann, City Attorney
Randy Harrington, Management and Financial Services
Thomas Powers III, City Attorney's Office
Nancy Rosado, Management and Financial Services

Explanation

- On June 13, 2016, the City retained BBC Research and Consulting to conduct a Minority and Women Business Enterprise (MWBE) Disparity Study, reviewing the City's expenditures for the period between July 1, 2011 and June 30, 2016.
- The purpose of the 2017 MWBE Disparity Study was to:
 - determine whether disparity exists between the number of MWBE firms available to perform on City contracts and the City's utilization of those firms;
 - determine if there is a legally defensible basis for the continued use of race-conscious and gender-conscious measures; and
 - provide data and information that could be used to consider modifications to the City's CBI Program.
- The City last conducted an MWBE Disparity Study in 2011.
- The 2011 MWBE Disparity Study provided the basis for the City Council's current race-conscious and gender-conscious measures in the CBI Policy. The use of race-conscious and gender-conscious measures in the CBI Policy sunsets December 31, 2017.

Findings and Recommendations

- According to existing case law, the following is required in order to continue using race-conscious and gender-conscious measures:
 - statistical data showing disparity,
 - anecdotal evidence of discriminatory barriers, and
 - evidence that a race-neutral and gender-neutral program will not be adequate to eliminate the disparity.
- BBC Research and Consulting concluded that:
 - there is statistical evidence showing disparity,
 - there is sufficient anecdotal evidence of discriminatory barriers, and
 - the City's use of race-conscious and gender-conscious measures has been effective in increasing the utilization of minority business enterprises and women business enterprises.
- With regard to the statistical analysis, BBC Research and Consulting compared contracts with subcontracting goals for minority businesses, women businesses, and small businesses ("Goal

Contracts”) to contracts with no subcontracting goals (“No-Goal Contracts”).

- BBC Research and Consulting found disparity in all five of the City’s contracting categories: Goods; Construction; Architecture & Engineering, Surveying; Professional Services; and Other Services.
- BBC Research and Consulting concluded that evidence exists to support the City’s continuation of race-conscious and gender-conscious measures.
- The full report can be accessed at:
<http://charlottenc.gov/mfs/cbi/Pages/Study%20Results.aspx>

Committee Discussion

- On November 9, 2017 BBC Research and Consulting presented its findings and analysis to the Economic Development Committee
- The Committee unanimously approved a motion to recommend that City Council accept and adopt the findings and recommendations set forth in BBC Research and Consulting’s 2017 City of Charlotte MWBE Disparity Study Report (Mitchell, Eiselt, Mayfield, Ajmera, Ivory).
- On November 13, 2017 BBC Research and Consulting presented its findings and analysis to the City Council.

Attachment(s)

2017 City of Charlotte MWBE Disparity Study Executive Summary
Disparity Study Presentation