

Legislation Text

File #: 15-18273, Version: 1

Minority and Women Business Enterprise Disparity Study

Action:

- A. Approve the Economic Development Committee recommendation to accept the findings and analysis of the 2022 City of Charlotte Minority and Women Business Enterprise Disparity Study Report, and**
- B. Amend Part A, Section 8 of the Charlotte Business INclusion Policy to extend race-conscious measures and/or gender-conscious measures through January 1, 2028.**

Committee Chair:

Malcolm Graham, Economic Development Committee

Staff Resource(s):

Phil Reiger, General Services
Steven Coker, General Services
Patrick Baker, City Attorney's Office

Explanation

- On January 15, 2021, the city retained Colette Holt and Associates to conduct a Minority and Women Business Enterprise (MWBE) Disparity Study, reviewing the city's expenditures for the period between July 1, 2017 and June 30, 2021.
- The purpose of the 2022 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 Charlotte Business INclusion (CBI) Program.
- The city last conducted an MWBE Disparity Study in 2017.
- The 2017 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, 2022.

Findings and Recommendations

- According to existing case law, the following is required 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.
- Colette Holt and Associates 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.

- Colette Holt and Associates compared contracts with subcontracting goals for minority businesses, women businesses, and small businesses ("Goal Contracts") to contracts with no subcontracting goals ("No-Goal Contracts").
- Colette Holt and Associates found disparity in all five of the city's contracting categories: Goods; Construction; Architecture & Engineering, Surveying; Professional Services; and Other Services.
- Colette Holt and Associates concluded that evidence exists to support the city's continuation of race-conscious and gender-conscious measures.
- The full report can be accessed at: www.charlottebusinessinclusion.com

Committee Discussion

- On August 1, 2022, Colette Holt and Associates presented its findings and analysis to the Economic Development Committee.
- At the August 1, 2022 Committee meeting, the Committee voted four to one to recommend that City Council accept the findings and recommendations set forth in Colette Holt and Associates' 2022 City of Charlotte MWBE Disparity Study Report.
- On September 12, 2022 Colette Holt and Associates presented its findings and analysis to City Council.

Attachment(s)

2022 City of Charlotte MWBE Disparity Study Executive Summary
Disparity Study Presentation