

September 28, 2015

FOR YOUR INFORMATION MEMO

To: Mayor and Members of City Council
From: Harry Black, City Manager **HB**
Subject: Disparity Study Report and Findings

Attached is a copy of the Disparity Study commissioned by the City at the request of the Mayor and City Council and performed by Mason Tillman Associates. What follows is a summary of the study scope and findings.

Scope

The Disparity Study consisted of an extensive review of the existing City procurement process for construction, professional services, and supplies and services contracts.

The Disparity Study also documented the City's past utilization of both aggregated and disaggregated minority-owned business enterprises (MBEs) and aggregated and disaggregated woman-owned business enterprises (WBEs) as prime contractors and as subcontractors of contracts awarded through a competitive process during the study period (January 1, 2009 to December 31, 2013).

Finally, the Disparity Study examined prime contract utilization at 4 contract value levels: \$5,000 and under; \$5,001 to \$50,000; \$50,001 to \$249,999; and \$250,000 and over.

Findings

A number of study findings were identified as summarized below:

- Determined the majority of City contracts were awarded within Hamilton County and limited disparity analysis to the relevant Hamilton County market area.
- Analyzed availability of market area businesses willing and able to contract with the City by ethnicity (African-American, Asian-American, Hispanic-American, Native-American, Caucasian), gender and industry (construction, professional services, and supplies and services).
- Compared ethnic and gender make-up of businesses awarded contracts during the study period to the ethnic and gender make-up of all available businesses in the market area.

- Found statistically significant underutilization of African-American businesses, Asian-American businesses, MBEs, Caucasian woman-owned businesses, and WBEs as well as statistically significant overutilization of Non-minority male businesses in prime contracts at various contract value levels for aggregated industries.
- Found statistically significant underutilization of African-American businesses, Asian-American businesses MBEs, Caucasian woman-owned businesses, and WBEs as well as statistically significant overutilization of Non-minority male businesses at various contract value levels for construction prime contracts.
- Found statistically significant underutilization of African-American businesses, Hispanic-American businesses, MBEs, Caucasian woman-owned businesses, and WBEs as well as statistically significant overutilization of Non-minority male businesses at various contract value levels for professional services prime contracts.
- Found statistically significant underutilization of African-American businesses, Asian-American businesses, MBEs, Caucasian woman-owned businesses, and WBEs as well as statistically significant overutilization of Non-minority male businesses in supplies and services prime contracts at all four contract value levels.
- Found statistically significant underutilization of African-American businesses, MBEs, Caucasian woman-owned businesses and WBEs in both construction and professional services subcontracts.

Recommendation

The Disparity Study made recommendations for both race and gender neutral and race and gender conscious remedies to identified disparities in City of Cincinnati contracting.

Conclusion

The Disparity Study findings have confirmed that a demonstrated pattern of disparity exists with regard to City contracting. While the historic numbers are disturbing, a solid basis now exists for the City to implement specific remedies to help ensure all segments of the population are given an opportunity to compete for public dollars.

Based on Disparity Study findings, the City Administration is in the process of preparing a series of ordinances for presentation to the Mayor and City Council.