

### **Disparity Study Implementation**

June 22, 2021

# 2021 Disparity Study Implementation

- Disparity Study Findings
- Engagement Process
- Key Program Elements
- Next Steps City Council Adoption
- Program Implementation



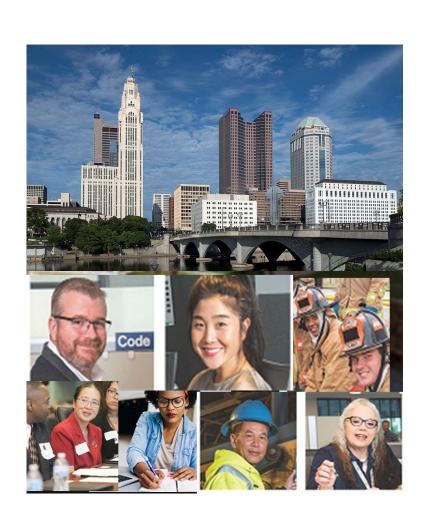
# Disparity Study Process Overview



Disparity Study commissioned in 2017

- Disparity Study objectives
  - Determine if statistically significant disparity exists
  - Ascertain practices affecting any documented statistical disparity
  - Provide detailed race-neutral program recommendations
  - Prepare a report with narrowly tailored race-specific remedies.





**Disparity Study Findings** 

January 1, 2012 – December 31, 2015



## City of Columbus Market Area

January 1, 2012 – December 31, 2015

Market Area: Franklin County

### **Total Dollars Awarded**

Within Market Area \$1,305,821,100 74.73% Outside Market Area \$441,674,667 25.27%





## Highly Used Prime Contractors by Industry

#### **Total Construction Prime Contracts**

Vendors	Total Dollars	Percent of Dollars	Number of Contracts
15 Highly Used Vendors	\$683,710,963	69%	162
220 Vendors	\$301,962,593	31%	841
235 Total Vendors	\$985,673,556	100%	1,003

#### **Professional Services Prime Contracts**

Vendors	Total Dollars	Percent of Dollars	Number of Contracts
23 Highly Used Vendors	\$285,879,443	70%	360
472 Vendors	\$123,781,373	30%	2,103
495 Total Vendors	\$409,660,816	100%	2,463

#### **Goods and Services Prime Contracts**

Vendors	Total Dollars	Percent of Dollars	Number of Contracts
89 Highly Used Vendors	\$246,799,675	70%	4,867
1,035 Vendors	\$105,361,720	30%	12,639
1,124 Total Vendors	\$352,161,395	100%	17,506





### Dollars MWBEs Lost by Industry

#### CONSTRUCTION

African Americans	\$21,459,308
Asian Americans	\$3,589,815
Hispanic Americans	\$2,309,461
Native Americans	\$2,092,878
Caucasian Females	\$5,214,363

#### **PROFESSIONAL SERVICES**

African Americans	\$13,931,697
Hispanic Americans	\$1,683,577
Native Americans	\$387,034
Caucasian Females	\$9,687,145

#### **GOODS AND SERVICES**

African Americans	\$6,107,442
Asian Americans	\$1,397,878
Hispanic Americans	\$192,910
Native Americans	\$270,412
Caucasian Females	\$1,632,990





# Key Findings: Formal Construction Prime Contracts Over \$100,000

#### **All Construction Contract Awards:**

African Americans: 1.41%

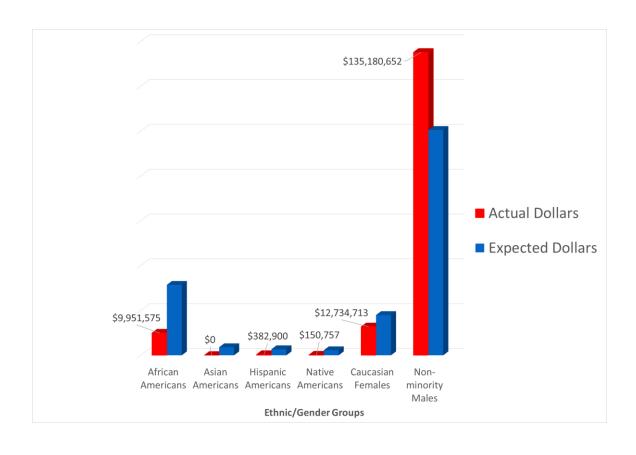
Asian Americans: 0.01%

Hispanic Americans: 0.06%

Native Americans: 0.02%

Caucasian Females: 2.71%

Non-minority Males: 95.80%





# Key Findings: Informal Construction Prime Contracts Awarded \$100,000 and Under

#### **All Informal Construction Contract Awards:**

African Americans: 7.23%

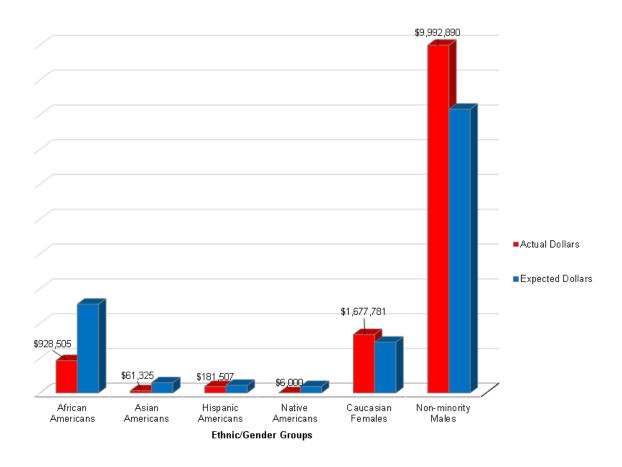
Asian Americans: 0.48%

• Hispanic Americans: 1.41%

Native Americans: 0.05%

Caucasian Females: 13.06%

Non-minority Males: 77.78%





## Key Findings: Construction Subcontracts

#### **Construction Subcontract Awards:**

African Americans: 3.07%

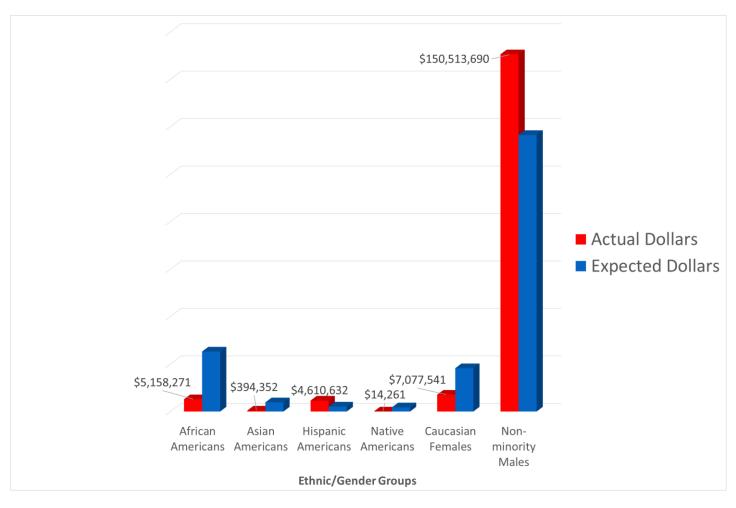
Asian Americans: 0.24%

• Hispanic American: 2.75%

Native Americans: 0.01%

Caucasian Females: 4.22%

Non-minority Males: 89.71%





# Key Findings: Formal Professional Services Prime Contracts Over \$50,000

#### **All Professional Services Contract Awards:**

African Americans: 4.29%

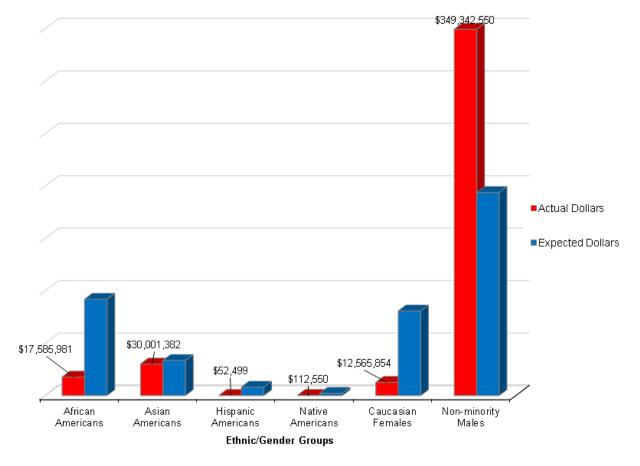
Asian Americans: 7.32 %

Hispanic Americans: 0.01%

Native Americans: 0.03 %

Caucasian Females: 3.07%

Non-minority Males: 85.28%





Key Findings: Informal Professional Services Prime Contracts \$50,000 and Under

# <u>All Informal Professional Services Contract</u> awards:

African Americans: 9.04%

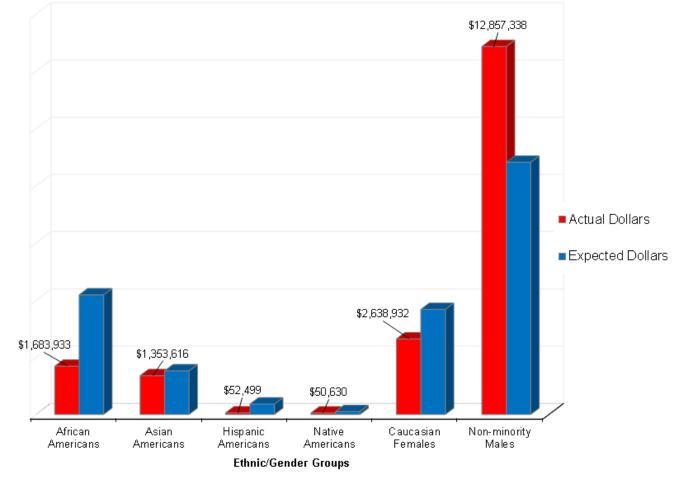
Asian Americans: 7.26%

Hispanic Americans: 0.28%

Native Americans: 0.27 %

Caucasian Females: 14.16%

Non-minority Males: 68.99%





■ Actual Dollars

■ Expected Dollars

## Key Findings: Professional Services Subcontracts

#### **Professional Services Subcontract Awards:**

• African Americans: 10.06 %

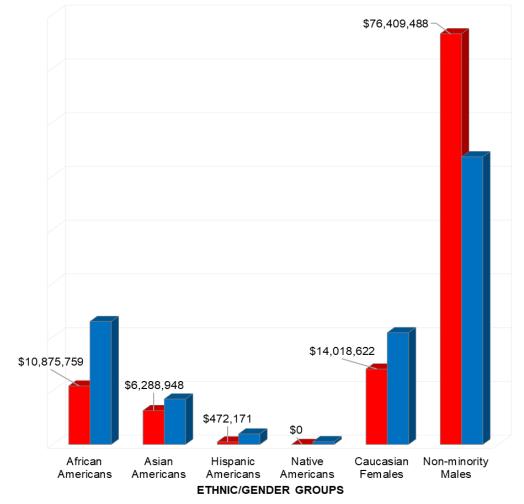
Asian Americans: 5.82 %

Hispanic American: 0.44 %

Native Americans: 0.00 %

Caucasian Females: 12.97 %

Non-minority Males: 70.71 %





# Key Findings: Formal Goods and Services Prime Contracts Over \$20,000

#### **All Goods and Services Contract Awards:**

• African Americans: 3.92%

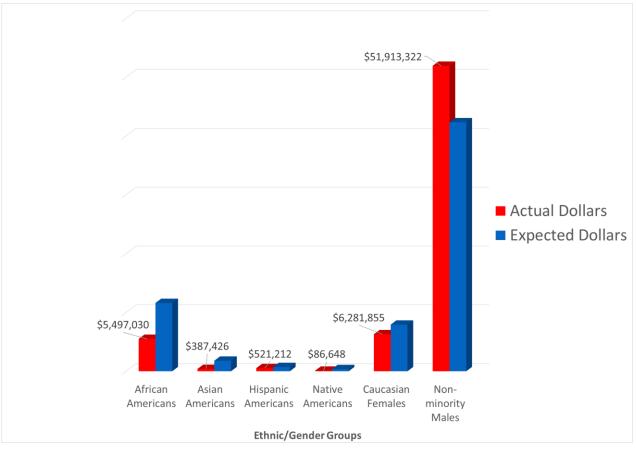
Asian Americans: 1.25%

Hispanic Americans: 0.18%

Native Americans: 0.07%

• Caucasian Females: 6.13%

Non-minority Males: 88.45%





# Key Findings: Informal Goods and Services Prime Contracts \$20,000 and Under

# All Informal Goods and Services Contract Awards:

African Americans: 3.46 %

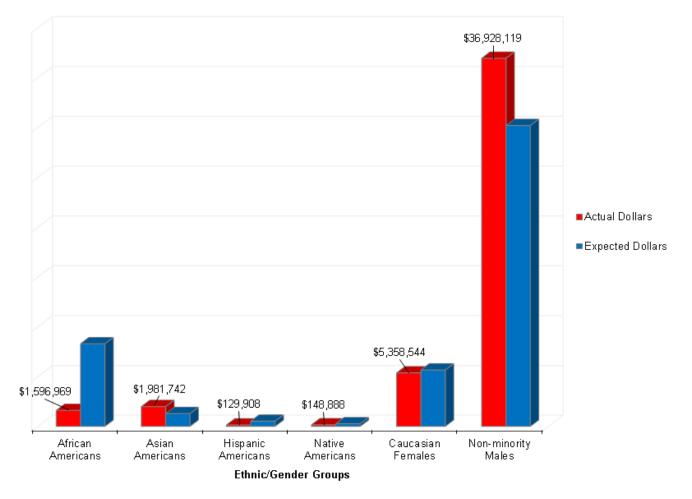
Asian Americans: 4.29 %

Hispanic Americans: 0.28%

Native Americans: 0.32 %

Caucasian Females: 11.61 %

Non-minority Males: 80.03 %





## Disparity Study Conclusions

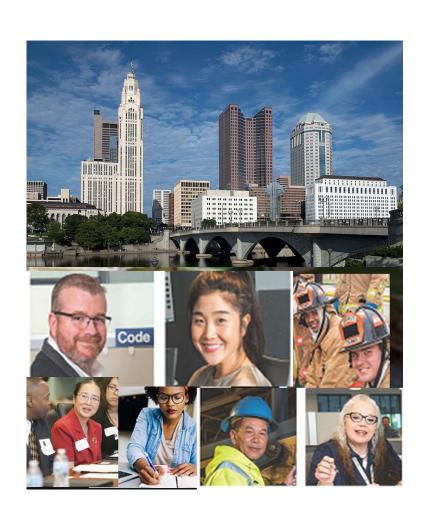
- Disparity documented in the award of construction prime and subcontracts
- Disparity documented in the award of professional service prime and subcontracts
- Race and gender-conscious goals, evaluation points and discounts recommended
- Race and gender-neutral best management practices recommended



# MWBE Goals – Limited to Groups with Disparity

Industry	Eligible MBEs	Overall MBE Goal	Overall WBE Goal
	African Americans		
Professional Services	Caucasian Females	25%	19%
	All Minority Females		
Construction	All certified MWBEs <b>except</b> Hispanic Males	19%	11%





# Study Recommendations Review Process



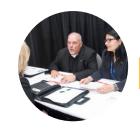
# Internal and External Stakeholders Consensus Building Background

- July 2019, Columbus City Council accepted disparity study findings
- Office of Diversity and Inclusion instructed to develop an implementation plan to address the documented disparities
- External and internal stakeholder groups rules of engagement established

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### Components of Engagement Process







#### Internal Stakeholder Engagement

Development

Finance &

Management

**Public Safety** 

**Public Service** 

**Public Utilities** 

Recreation & Parks

City Attorney

# **External Stakeholder Engagement**

**AACG** 

**NAACP** 

**COMTO** 

**NAMCO** 

**ODI Advisory Council** 

**WSBA** 

**NAWBO** 

#### Peer City Review

**Atlanta** 

Charlotte

Chicago

Cincinnati

Cleveland

Houston

Pittsburgh

Philadelphia

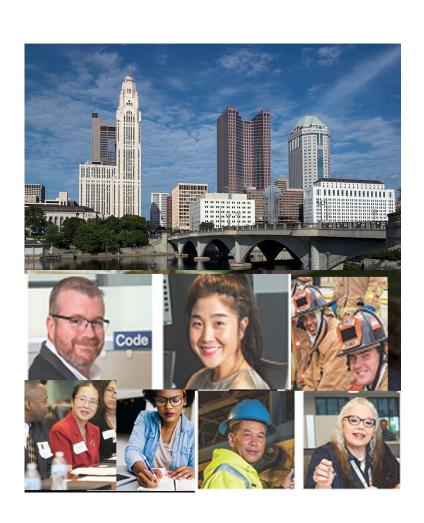
San Diego



## Internal and External Stakeholders Consensus Building

- Each stakeholder group deliberated April to September 2020
  - Recommendations from Disparity Study reviewed and prioritized
  - Peer cities' best management practices incorporated
  - Blueprint for the MWBE program standards drafted





**Charting a New Path Forward** 



## Introducing Increase Diversity!



The City of Columbus Increase Diversity Program reflects our commitment to equity in the procurement process, the recognition of the value of a diverse supplier base, and the positive impact supplier diversity has on both City government operations and the greater Columbus community.





The City of Columbus Increase Diversity Program is a comprehensive approach to address disparities in the City's contracting procedures, and to make an affirmative contribution to the growth and development of small, minority and women-owned business enterprises in Central Ohio.



### Race and Gender-Neutral Recommendations

- Establish SLBE Sheltered Market Program
- Unbundle large and multi year projects
- Implement small contracts bond waiver standards
- Enhance certification process
- Expand business outreach program
- Monitor subcontract payments and awards



### Race and Gender-Conscious Recommendations

- MBE/WBE construction and professional service subcontract goals
- Good Faith Efforts standards as waiver provision
- Professional services incentive credit
- Construction bid discount
- Goods and services bid discount



## **Next Steps**

#### July 2021

Seek City Council adoption of revisions to City of Columbus Municipal Code

#### July - December 2021

- Operationalize the MWBE Program Manual
- Update procurement procedures and solicitation documents to support the manual

#### October-November 2021

Conduct City of Columbus staff training

#### January 2022

Program effective date

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¡Gracias!

Спасибо!



