

KEEN INDEPENDENT RESEARCH LLC

2015 CITY OF ATLANTA DISPARITY STUDY SUMMARY REPORT

The City of Atlanta has an Equal Business Opportunity (EBO) Ordinance and a Small Business Opportunity (SBO) Ordinance to promote full and equitable business opportunity for those doing business with the City. The City operates contract goals programs, a joint venture program and other initiatives to accomplish the objectives of these ordinances. The City adopted the ordinances in 2009, and had other minority and female business programs in place prior to the new ordinances.

Rosales Law Partners LLP retained Keen Independent Research LLC (Keen Independent) to conduct a disparity study that examines current marketplace conditions and the effectiveness of City programs from July 2009 through December 2012 (the 2015 Keen Study). This Summary Report outlines key results. Ten appendices provide supporting documentation. BBC Research & Consulting and Customer Research International (CRI) were part of the Keen Independent study team.

In addition to its own programs for City-funded contracts, the City of Atlanta operates the Federal Disadvantaged Business Enterprise (DBE) Program and the Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program for its U.S. Department of Transportation-funded contracts at Hartsfield-Jackson Atlanta International Airport. It also operates the Federal DBE Program for certain highway- and transit-related contracts funded by the Federal Highway Administration or the Federal Transit Administration. This disparity study did not examine these programs or any federally-funded contracts, nor contracts at the Airport awarded through the Atlanta Airlines Terminal Corporation, which is a private entity.

1. Organization of this Report

The disparity study was initiated in 2013. Keen Independent examined City-funded contracts awarded between July 2009 and December 2012. Because of the small number of contracts with SBE contract goals study through December 2012, the study team completed a supplemental analysis of 2013 and 2014 contracts under the SBE contract goals program. Appendix A describes contract data collection efforts. Based on July 2009 through December 2012 contract data, Keen Independent determined the study industries (construction, professional services, goods and other services) and the relevant geographic market area for City procurement (the 20-county Atlanta Metropolitan Area¹).

¹ The Atlanta Metropolitan Area refers to the 20-county area that until recently comprised the federally-defined Atlanta Metropolitan Statistical Area. This is the relevant geographic market area for City construction, professional services, goods and other services purchases (see Appendix A). The current EBO Program uses the 20-county area as its definition of the Atlanta Region.

Conditions in the Atlanta Metropolitan Area marketplace. The study team examined Atlanta Metropolitan Area marketplace conditions in five parts:

- Entry and advancement of minorities and women in local industries (Appendix E);
- Business ownership in local industries (Appendix F);
- Access to capital for business formation and success (Appendix G);
- Success of businesses in local industries (Appendix H); and
- Utilization of minority- and women-owned firms on other construction and design contracts within city limits (Appendix I).

Appendix J describes the data sources used for these marketplace analyses.

Utilization analysis. The study team’s analysis of the participation of minority-owned businesses (MBEs) and white women-owned businesses (WBEs) went beyond the City’s participation reports under the City’s EBO Ordinance. The disparity study includes certified and non-certified minority- and women-owned firms and also examines contracts not under the EBO Ordinance. Appendix B presents detailed results.

Availability analysis. Keen Independent developed benchmarks for the percentage of contract dollars that might go to MBEs and WBEs based on the relative availability of businesses for specific types and sizes of City prime contracts and subcontracts. The study team conducted telephone interviews with companies in the Atlanta Metropolitan Area to develop this availability information. Appendix C describes the approach and results of the availability analysis.

Disparity analysis. Keen Independent examined whether there were any disparities between the utilization of MBE/WBEs in City contracts (by group) and the availability benchmarks developed in the study. Appendix D presents detailed results of this disparity analysis.

Summary report organization. The balance of this Summary Report presents:

- Conditions for minorities and women, and minority- and women-owned firms, in the Atlanta Metropolitan Area marketplace;
- Utilization of minority- and women-owned firms in City-funded contracts;
- Availability and disparity analyses for City-funded contracts; and
- Summary of key results.

2. Conditions for Minorities and Women in the Local Marketplace

The study team examined new information regarding marketplace conditions for minorities and women, and minority- and women-owned firms, not examined in the 2009 Ayres Disparity Study Report (often because data became available after preparation of that report). The 2015 Disparity Study focuses on four industries:

- Construction;
- Professional services;
- Goods; and
- Other services.

These four categories describe the key areas of City contracting and align with different City procurement methods. Because more than 80 percent of City contract dollars go to firms with locations in the 20-county Atlanta Metropolitan Area, Keen Independent examined recent conditions within that area.

The study team examined U.S. Census data and other information about the local marketplace, and developed a database of 3,703 local businesses that provided information about their availability for City work. Data collected for these businesses include revenue, bid capacity, perceptions of barriers within the local marketplace, and race, ethnicity and gender ownership. Key results are summarized below.

a. Certain minority groups and women are underrepresented as employees in the construction, professional services, goods and other services industries. Any barriers for minorities and women in employment and advancement within the construction, professional services, goods and other services industries can affect the relative number of businesses owned by minorities and women in those industries. Appendix E presents this information.²

- There were disparities in employment in study industries for African Americans in the local construction and professional services industries, African Americans and Hispanic Americans in the goods industry and women in the construction, professional services, goods and other services industries based on U.S. Bureau of the Census data for 2008 through 2012 for the Atlanta Metropolitan Area.
- Several analyses focus on the local construction industry.
 - Examining employment in specific construction trades, opportunities for minorities and women appear to vary considerably between those trades. Employment was very low in certain construction trades (including first-line supervisors) compared with other trades.
 - Compared to non-Hispanic whites, African Americans, Hispanic Americans, and other minorities were less likely to be managers in the construction industry.

² These results are based on U.S. Bureau of the Census 2008 through 2012 American Community Survey data for the Atlanta Metropolitan Area, as discussed in Appendices E and J of this report.

Any disparities in opportunities to enter and advance within these industries can affect the number and success of minority- and women-owned businesses in these fields in the Atlanta Metropolitan Area.

b. There were disparities in business ownership in the Atlanta Metro Area for minorities and women in many of the industries examined in the study. Disparities in business ownership rates may indicate that there is not a level playing field for minorities and women to start and sustain businesses in certain industries in the Atlanta Metropolitan Area. Results may also indicate that the current availability of minority- and women-owned firms is lower than what might be expected if there were a non-discriminatory environment in which those firms were started and operated.

- There were substantial disparities in business ownership rates for minorities and women within the local construction industry.³
 - Business ownership rates for African Americans and Hispanic Americans working in construction were substantially lower than that of non-Hispanic whites in 2008 through 2012. Business ownership rates for women were substantially lower than that of men in 2008 through 2012. Business ownership rates for Asian-Pacific Americans and for Native Americans were also lower than non-Hispanic whites, but due to small sample sizes for those groups, these differences were not statistically significant.
 - Using regression analysis to statistically control for a number of race- and gender-neutral factors, fewer African Americans, Hispanic Americans and women were owners of construction businesses than similarly-situated non-Hispanic whites (or non-Hispanic white men). These were statistically significant differences.
- The study team identified disparities in business ownership in the professional services industry in the Atlanta Metropolitan Area:
 - Business ownership rates for African Americans, Asian-Pacific Americans and Subcontinent Asian Americans were substantially lower than that of non-Hispanic whites in 2008 through 2012. Business ownership rates for women were substantially lower than that of men in 2008 through 2012.
 - The study team used regression models to investigate the presence of race-, ethnicity- and gender-based disparities in business ownership rates after accounting for race- and gender-neutral factors such as education. The results indicated substantial disparities for African Americans, Subcontinent Asian Americans, and women working in the professional services industries in the 2008 through 2012 time period.

³ These results are based on the most recent five-year American Community Survey data for the Atlanta Area that were available at the time of the study, as discussed in Appendices F and J of this report.

- In the local goods industry, the study team examined disparities in business ownership rates:
 - Business ownership rates for Hispanic Americans and African Americans were substantially lower than that of non-Hispanic whites in 2008 through 2012. Business ownership rates for women were substantially lower than that of men in 2008 through 2012.
 - After statistically controlling for a number of race- and gender-neutral factors, substantially fewer African Americans and women owned goods businesses than similarly-situated non-Hispanic whites in 2008 through 2012.
- The study team also identified disparities in business ownership in the other services industry:
 - Business ownership rates for African Americans and Hispanic Americans were substantially lower than that of non-Hispanic whites in 2008 through 2012.
 - After statistically controlling for a number of race- and gender-neutral factors, substantially fewer African Americans and Hispanic Americans owned other services businesses than similarly-situated non-Hispanic whites in 2008 through 2012.

In sum, for some groups and some industries, the business ownership analysis indicates some race-, ethnicity- and gender-based disparities in business ownership in the Atlanta Metropolitan Area in recent years. But for these disparities, minority- and women-owned firms might comprise a greater share of businesses available for City of Atlanta contracts. Appendix F provides detailed results.

c. There is evidence that minorities and women face certain disadvantages in accessing capital that is necessary to start, operate and expand businesses. The 2009 Ayres Disparity Study Report examined available information concerning business lending. Home equity and home mortgages are also an important source of capital to start and expand businesses. Focusing just on data that recently became available, there were disparities in the Atlanta Metropolitan Area in accessing home equity and receiving home mortgages:

- Relatively fewer African Americans, Asian Americans, Hispanic Americans and Native Americans in the Atlanta Metropolitan Area own homes compared with non-Hispanic whites (2008-2012 data).
- African Americans, Hispanic Americans and Native Americans who do own homes tend to have lower home values, which can affect the amount of capital available to start or expand a business (2008-2012 data).

- High-income African American, Asian American, Hispanic American and Native American households applying for conventional home mortgages in the Atlanta Metropolitan Area were more likely than non-Hispanic whites to have their applications denied (examined 2006, 2009 and 2012).
- African American and Hispanic American mortgage borrowers in the Atlanta Metropolitan Area were more likely than non-Hispanic whites to be issued subprime home purchase and refinance loans in 2006, 2009 and 2012. Native Americans and Native Hawaiians or other Pacific Islanders were also more likely to receive subprime loans during the study period.

These results indicate that certain minority groups do not have the same access to capital necessary for business formation and success as non-minorities in the Atlanta Metropolitan Area. Appendix G provides supporting analyses.

d. There is evidence that firms owned by minorities in Georgia are more likely to close than non-minority-owned firms. A 2010 Small Business Administration study of minority business dynamics examined business closures, expansions and contractions between 2002 and 2006 in Georgia.⁴ Results showed:

- African American-, Asian American- and Hispanic American-owned firms were more likely to close than white-owned businesses; and
- African American-owned firms were less likely to expand than white-owned firms.

Disparities in the rates of closure for African American-, Asian American- and Hispanic American-owned businesses may be further evidence that the playing field is not level for these groups within the local marketplace (see Appendix H).

e. Data show disparities in business revenue in the overall local marketplace. The study team examined several different datasets to analyze business receipts and earnings for minority- and female-owned businesses, as discussed in Appendix H.

- These data generally showed lower revenue for African American-, Asian American-, Hispanic American- and women-owned businesses across the construction, professional services and other services industries.

⁴ U.S. Bureau of Labor Statistics data for May 2015 indicate that the Atlanta Metropolitan Area comprises about 60 percent of the Georgia economy based on non-farm employment. <http://www.bls.gov/regions/southeast/georgia.htm#tab-1> Accessed October 11, 2015.

- Regression analyses using U.S. Census Bureau data for the Atlanta Metropolitan Area for business owner earnings for 2007-2012 indicated that there were statistically significant effects of race and gender on business earnings, after statistically controlling for certain gender-neutral factors:
 - Being female was associated with lower business earnings in the construction, professional services, goods, and other services industries;
 - Being African American was associated with lower business earnings in the construction industry; and
 - Being Hispanic American was associated with lower business earnings in the goods industry.

- Revenue data collected by the study team indicated that minority- and women-owned firms are disproportionately small compared with majority-owned firms in the Atlanta Metropolitan Area. Considering construction, professional services, goods and other services firms, 77 percent of minority- and women-owned firms had annual gross revenue of less than \$1 million compared with 54 percent of majority-owned firms. Only 6 percent of MBE/WBEs exceeded \$5 million in revenue compared with 19 percent of majority-owned firms. These disparities in gross revenue were evident for each of these four industries.

- Keen Independent analyzed the share of firms in the availability database that would meet the U.S. Small Business Administration size standards for small businesses for their subindustry or specialization (the benchmark that the City of Atlanta uses for SBE certification). About 99 percent of African American-owned firms available for City contracts are small businesses by this definition, a higher percentage than majority-owned firms (91%). Between 96 and 97 percent of Asian American-, Hispanic American- and Native American-owned businesses in the availability analysis appear to qualify as small businesses. About 97 percent of white women-owned firms available for City contracts are small businesses. These results show that, even after controlling for types of work performed, minority- and women-owned firms in the Atlanta Metropolitan Area are disproportionately small businesses.

In sum, analysis of revenue data shows a pattern of disparities for minority- and women-owned firms in the Atlanta Metropolitan Area.

f. There were disparities in the bid capacity of minority- and women-owned firms among firms available for City contracts. As part of the availability data collection within the Atlanta Metropolitan Area, the study team collected information about the largest public or private sector prime contract or subcontract each firm had bid on or been awarded within the most recent five years. Defining “bid capacity” in that fashion, Keen Independent determined the median bid capacity of firms within each subindustry for the construction, professional services and other services industries.⁵ A firm was deemed to have “above-median” bid capacity if the largest contract it had bid

⁵ Keen Independent did not perform bid capacity calculations for goods firms, as those companies often have considerable flexibility to fill small or large orders.

on or been awarded within the most recent five years was in a size class larger than the median for that subindustry.

- Examining firms within the construction, professional services and other services industries, MBE/WBE firms were far less likely to have above-median bid capacity for their subindustry than majority-owned firms in those same subindustries.
- Regression analysis encompassing construction, professional services and other services indicated disparities in bid capacity for African American- and white women-owned firms after controlling for subindustry and length of time in business.
- Focusing just on the construction industry, regression analysis indicated a statistically significant disparity in bid capacity for African American-owned construction firms after controlling for specialization and length of time in business.

Appendix H further explains these analyses.

It appears that African American- and white women-owned firms do not have the same bid capacity as similarly-situated majority-owned firms. This may be further evidence of race- and gender-based differences in opportunities for businesses within the Atlanta Metropolitan Area.

These results are especially important because the study team's availability analysis for City contracts and for other public sector construction contracts controlled for bid capacity when developing availability benchmarks. Those availability benchmarks for African American-owned and white women-owned firms are lower than they would have been if there were no disparities in bid capacity for those groups.

g. There were disparities in the utilization of minority- and women-owned firms in non-City construction and design contracts within Atlanta city limits. The study team examined individual construction and design contracts within city limits from the following data sources:

- City building permits for commercial and public projects within Atlanta city limits for November 2009 through December 2012 (excluding projects for the City);
- Dodge Reports data for public sector construction projects within city limits with a start date of January 2009 through December 2012 (excluding projects for the City); and
- Design firm utilization for non-City public sector projects within city limits from Dodge Reports data (also excluding projects for the City).

For Dodge Reports data, Keen Independent examined the estimated value of the project and determined the utilization component of the disparity analysis based on these dollars. However, there were no reliable data on value of the contract for building permits. Dodge Reports data are for prime contractors and design consultants only, while building permit data are for the prime contractors and electrical, HVAC and plumbing contractors obtaining those types of permits. Appendix I explains data sources and detailed results for both the building permit and the Dodge Reports data.

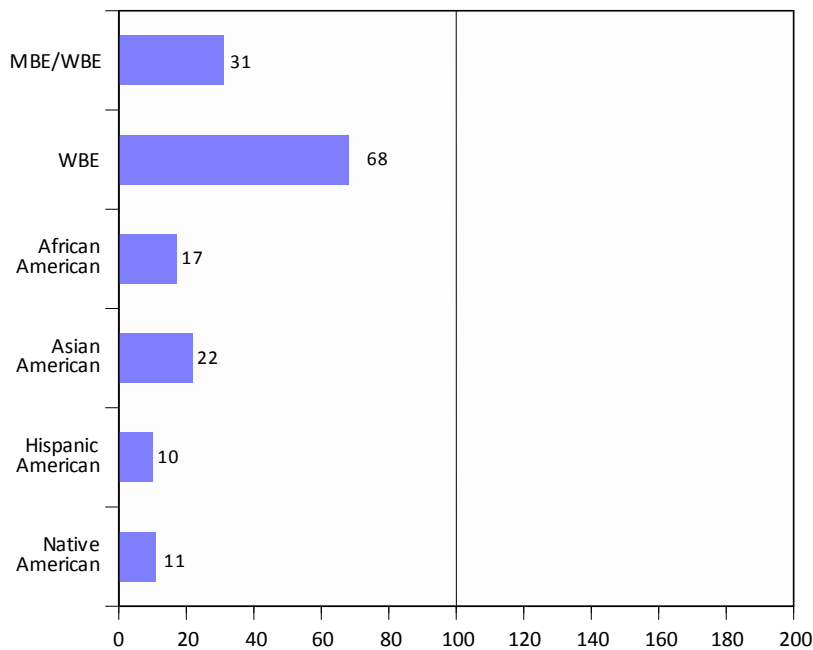
City building permit data. Keen Independent examined whether there were disparities between the percentage of commercial and public building permits in Atlanta going to each group and what might be expected based on the availability of minority- and women-owned firms to perform that work.

- Of the 21,981 building permits with usable data, contractors identified as minority-owned accounted for 1,041 permits, or 4.7 percent of the total permits.
- Contractors identified as white women-owned accounted for 1,598 permits (7.3%).
- Combined, MBE/WBE contractors received 12.0 percent of the commercial and public building permits examined.
- The availability analysis indicates that minority- and women-owned firms might be expected to be the contractors for 38.7 percent of these building permits.

Keen Independent compared percentage utilization with availability benchmarks by calculating a disparity index. The disparity index for MBE/WBEs for building permits was 31 (calculated by dividing 12.0% by 38.7% and then multiplying that value by 100). A value of “100” indicates parity between utilization and availability. Courts have ruled that a value less than 80 shows a substantial disparity between utilization and availability that is consistent with race or gender discrimination against that group.

Figure 1 shows that there were substantial disparities for each minority group and for white women-owned firms (WBEs) among the types of commercial and public sector construction work requiring City of Atlanta building permits (general contracting and electrical, plumbing and HVAC work).

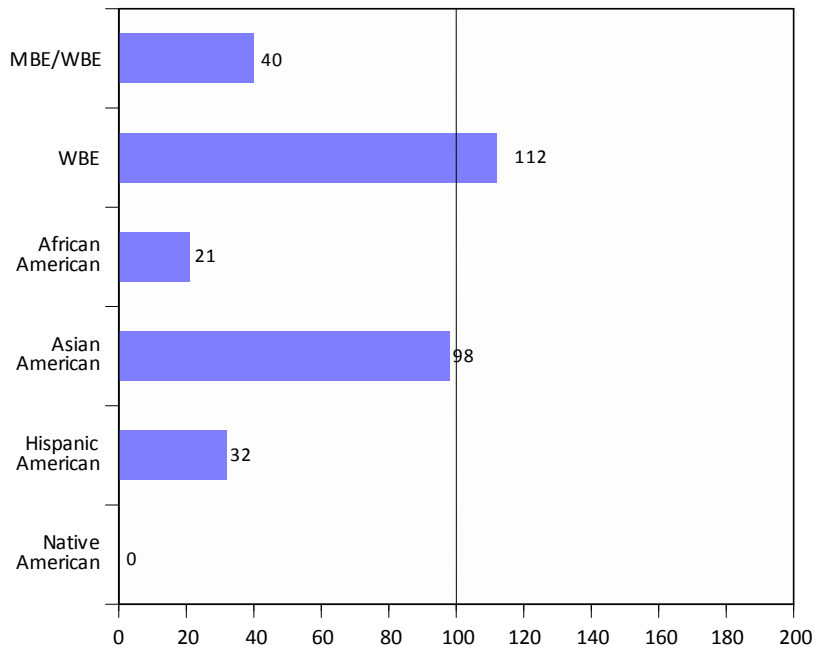
Figure 1.
Disparity analysis for non-City commercial and public construction contracts within Atlanta city limits, Nov. 2009-Dec. 2012



Note: WBE disparity index is 87 if limited to all firms where ownership status confirmed.
Source: Analysis of City of Atlanta building permits for commercial and public projects.

Dodge Reports data for prime contractors on public sector construction projects. Dodge Reports data for other public sector construction contracts within Atlanta city limits show a substantial overall disparity for MBE/WBEs as prime contractors as well as for African American-, Hispanic American- and Native American-owned firms.

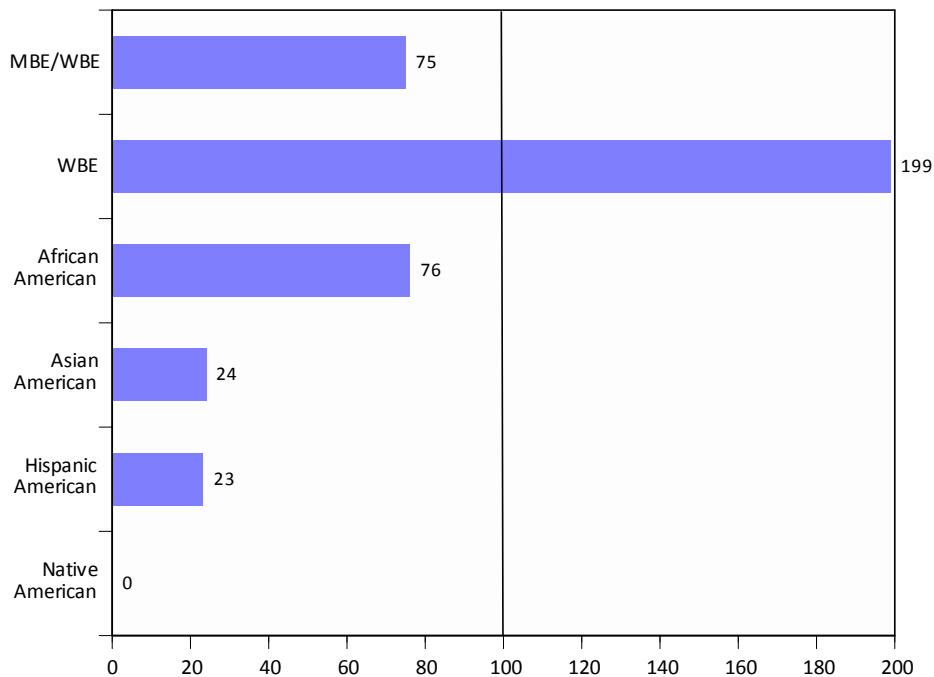
Figure 2.
Disparity analysis for other public sector construction contracts,
Jan. 2009–Dec. 2012



Source: Analysis of McGraw Hill Construction Dodge Reports data for non-City public projects within the City of Atlanta.

Dodge Reports data for design prime consultants on public sector projects. Dodge minority for design consultants on other public sector projects indicated substantial disparities for each minority group (see Figure 3).

Figure 3.
Disparity analysis for other public sector design contracts, Jan. 2009–Dec. 2012



Source: Analysis of McGraw Hill Construction Dodge Reports data for non-City public projects within the City of Atlanta.

h. Recent disparity studies for Clayton County and for the Georgia Department of Transportation identified disparities for minority- and women-owned firms in those public sector contracts. Clayton County and the Georgia Department of Transportation (“GDOT”) completed disparity studies in 2011 and in 2012, respectively.⁶ Each is relevant to the City of Atlanta based on types of contracts and because Clayton County is located within the same Atlanta Metropolitan Area marketplace and GDOT contracting includes the Atlanta Metropolitan Area.

Clayton County Disparity Study. Examining prime contracts under \$500,000 awarded in fiscal years 2004 to 2009, the Clayton County study indicated substantial disparities for:

- African American-, Hispanic American- and women-owned firms in County construction contracts;
- African American-, Asian American- and Hispanic American-owned firms in County professional services contracts; and

⁶ Mason Tillman Associates, Ltd. *Clayton County Disparity Study*. October 5, 2011.
BBC Research & Consulting. *2012 Georgia Department of Transportation Disparity Study*. July 15, 2012.

- African American-, Asian American- and women-owned firms in County goods and other services contracts.

There were disparities in the use of subcontractors on Clayton County contracts from FY 2004 to FY 2009 for:

- African American-, Asian American- and Hispanic American-owned firms on construction contracts; and
- African American-owned firms in professional services contracts.

Community meetings and in-depth interviews with local companies identified practices reported to negatively affect new and small companies as well as firms that were owned by minorities and women. The qualitative evidence from the Clayton County study included existence of a “good ol’ boy” network within the local marketplace that negatively affected minority- and women-owned firms. Some interviewees reported difficulty obtaining financing and bonding.

Georgia Department of Transportation Disparity Study. The 2012 GDOT Disparity Study identified substantial disparities for each minority group and for women-owned businesses when DBE contract goals did not apply.

- When examining GDOT state-funded contracts (no DBE contract goals applied), MBE/WBE utilization was 5.5 percent of contract dollars. There was about 22 cents of actual participation for every dollar that might be expected to go to minority- and women-owned firms from the availability analysis. There were substantial disparities in the utilization of each racial, ethnic and gender group included in the Federal DBE Program (firms owned by African Americans, Asian-Pacific Americans, Subcontinent Asian Americans, Hispanic Americans, Native Americans and white women).
- On contracts where DBE contract goals applied, there were still substantial disparities in the utilization of African American-, Asian-Pacific American- and Subcontinent Asian American-owned firms on GDOT contracts.
- There were disparities overall for construction contracts and for engineering contracts.
- GDOT utilization of MBE/WBEs was lower in the Atlanta Metropolitan Area (8.2%) than the state as a whole (12.4%), even though overall MBE/WBE availability was similar. The overall disparity for MBE/WBEs for GDOT contracts was more severe in the Atlanta Metropolitan Area (disparity index of 37) than for the state (disparity index of 56). African American-owned businesses, for example, obtained just 2.6 percent of contract dollars on Atlanta Metropolitan Area projects, even with DBE contract goals in place for some of these contracts.

GDOT also collected public comments as part of the disparity study, including at a public meeting held in Atlanta. Some comments indicated that DBEs were not given opportunities to perform the work. Others suggested that there were barriers that businesses faced in entering the market were based on pre-existing networks, or a culture of “good old boys.” Certain comments pertained to

bonding, and how bonding worked as a barrier to MBEs and WBEs to do business with GDOT and certain prime contractors. One group indicated that DBE capacity may be affected by barriers that minority-owned firms face when starting a business bank lending, bonding and packaging of contracts. Some comments directly pertained to GDOT, including allegations that GDOT has discriminated against small firms.

i. Quantitative analysis of perceived barriers in the local marketplace for minority-, women- and majority-owned firms. The study team’s telephone survey of companies in the Atlanta Metropolitan Area marketplace asked respondents whether or not they experienced certain difficulties in operating their businesses. Results indicated substantial differences between the relative number of MBEs, WBEs and majority-owned firms reporting certain difficulties.

- Minority-owned firms and white women-owned firms were substantially more likely than majority-owned firms to experience difficulties learning about bid opportunities, licensing or prequalification for work, obtaining lines of credit or loans, obtaining bonds, meeting insurance requirements and bidding on large projects.
- Minority-owned goods firms were more likely than majority-owned firms to experience difficulties related to brand name specifications, obtaining supply or distributorship relationships and obtaining favorable pricing from suppliers.

Appendix H further explains these results.

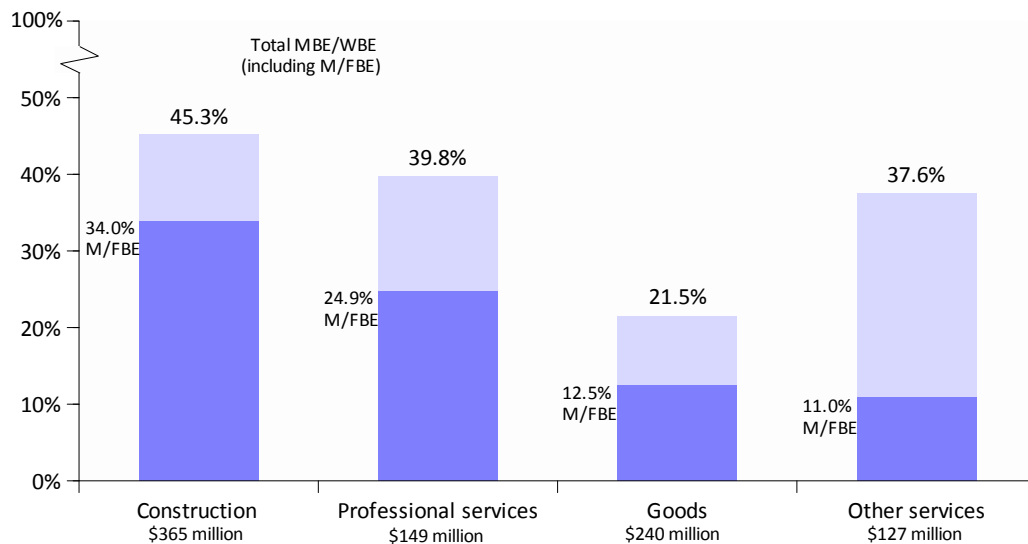
3. Utilization of Minority- and Women-owned Firms in City-funded Contracts

Keen Independent collected information about the percentage of City-funded contract dollars going to minority-, women- and majority-owned firms for contracts during the July 2009 through December 2012 study period. The study team also examined the utilization of firms certified as MBEs or FBEs (female business enterprises) based on contracts awarded within the study period. (Because of differences in the scope of the contracts examined, reporting periods and other factors, study results somewhat differ from City of Atlanta Office of Contract Compliance utilization reports). Appendix A discusses data collection and analysis methods. Appendix B provides additional information about utilization results.

a. Utilization of minority- and women-owned firms in City-funded contracts. Keen Independent identified 2,742 City-funded prime contracts and subcontracts during the study period totaling \$880 million. These contracts encompassed construction, professional services, goods and other services procurements. Of those prime contracts and subcontracts, 1,045 went to minority- and women-owned firms (624 to M/FBE-certified firms and 421 to non-certified minority- and women-owned firms).

Figure 4 presents overall MBE/WBE utilization (as a percentage of total dollars) on City contracts awarded during the study period. Results are for 2,742 prime contracts and subcontracts. The darker portion of the bar presents the utilization of MBE/WBEs that were M/FBE-certified.

Figure 4.
MBE/WBE and M/FBE share of City-funded contracts, July 2009-Dec. 2012



Note: Bottom portion of each bar reflects utilization of firms with certification as M/FBEs during the year of the contract award.

Includes prime contract dollars (retained amounts) and subcontracts.

Numbers rounded to nearest tenth of 1 percent.

Number of contracts/subcontracts analyzed is 767 for construction, 648 for professional services, 926 for goods and 401 for other services.

Source: Keen Independent from data on City contracts and payments July 2009-Dec. 2012.

Figure 5 presents detailed information for minority- and women-owned firms (top portion of the table) and certified M/FBEs (bottom portion of the table) for City-funded contracts during the study period. For each of these two sets of contracts, Figure 5 shows:

- Total number of prime contracts and subcontracts awarded to the group (e.g. 318 prime contracts and subcontracts to white women-owned firms);
- Combined dollars of prime contracts and subcontracts going to the group (e.g., \$73,750,000 to white women-owned firms); and
- The percentage of combined contract dollars for the group (e.g., white women-owned firms received 8.4 percent of total contract dollars).

As indicated in the top portion of Figure 5, African American-owned firms received the largest number of prime contracts and subcontracts (595), the most dollars (\$204,164,000) and the highest share of dollars (23.2%) out of all MBE/WBE groups. The second largest group was white women-owned firms (described in the bullets above) and the third largest group was Hispanic American-owned firms (\$37,680,000 or 4.3% of total dollars).

The bottom portion of Figure 5 indicates that certified M/FBEs owned by African Americans, white women and Hispanic Americans accounted for nearly all of the certified M/FBE participation on City-funded contracts. In total, certified M/FBEs received 624 prime contracts and subcontracts and \$205 million of City-funded contracts examined for the study period. This accounted for 23 percent of City-funded contract dollars.

Figure 5.
MBE/WBE and certified M/FBE share of City-funded contracts, by group, July 2009-Dec. 2012

	All industries		
	Number of contracts*	\$1,000s	Percent of dollars
MBE/WBEs			
African American-owned	595	\$204,164	23.2 %
Asian American-owned	52	5,910	0.7
Hispanic American-owned	64	37,680	4.3
Native American-owned	16	2,327	0.3
WBE (white women-owned)	<u>318</u>	<u>73,750</u>	<u>8.4</u>
Total MBE/WBE	1,045	\$323,832	36.8 %
Majority-owned	<u>1,697</u>	<u>556,486</u>	<u>63.2</u>
Total	2,742	\$880,318	100.0 %
M/FBE-certified			
African American-owned	386	\$127,402	11.3 %
Asian American-owned	21	3,085	0.3
Hispanic American-owned	38	30,345	2.6
Native American-owned	2	604	0.1
WBE (white women-owned)	<u>177</u>	<u>43,350</u>	<u>4.9</u>
Total M/FBE certified	624	\$204,786	23.3 %
Non-M/FBE	<u>2,118</u>	<u>675,532</u>	<u>82.0</u>
Total	2,742	\$880,318	100.0 %

Note: *Number of prime contracts and subcontracts.

Dollars include prime contracts (retained amount) and subcontracts.

Numbers rounded to nearest tenth of 1 percent. Dollars and percentages may not add to totals due to rounding.

Source: Keen Independent from data on City contracts and payments.

b. MBE/WBE utilization on contracts with M/FBE contract goals and without goals. Based on information provided by the City of Atlanta Office of Contract Compliance, Keen Independent separated procurements into those for which the City applied M/FBE contract goals and those without goals. (There were only a few contracts with SBE contract goals, which were examined separately.)

There were 180 contracts with M/FBE goals examined in the study totaling \$460 million. Figure 6 shows that minority- and women-owned firms were awarded one-half of those contract dollars. A large portion of that utilization (34 percentage points) was firms that had certification as M/FBEs in the year of those contracts. Much of this participation was as subcontractors, with 90 percent of the total subcontract dollars going to minority- and women-owned firms.

Keen Independent identified about 1,800 City-funded procurements for \$403 million that did not have M/FBE goals applied. In general, the types, sizes or procurement methods used for these contracts made them ineligible for application of EBO or SBO programs. They included:

- 926 goods procurements totaling \$240 million;
- 91 emergency contracts for \$36 million;
- 26 sole source procurements amounting to \$27 million;
- 595 construction, professional services and other services contracts less than \$100,000 (totaling \$26 million);
- 59 cooperative purchasing agreements from other agencies totaling \$18 million;
- 27 special procurements (\$14 million);
- 14 contracts related to artwork (\$4 million); and
- 45 other purchases not identified as EBO or SBO Program contracts for which the purchasing method could not be identified (\$38 million).

Minority- and women-owned firms received 21.5 percent of these dollars. Certified M/FBEs accounted for 11 percentage points of this utilization.

Figure 6.
MBE/WBE and certified M/FBE share
of City-funded contract dollars,
with and without M/FBE goals,
July 2009-Dec. 2012

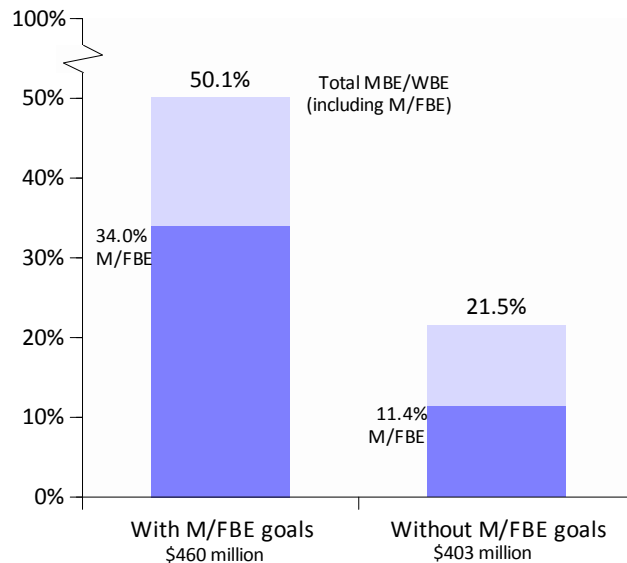
Note:

Dark portion of bar is certified M/FBE utilization.

Number of contracts/subcontracts analyzed is 876 for contracts with M/FBE goals and 1,811 for contracts without goals.

Source:

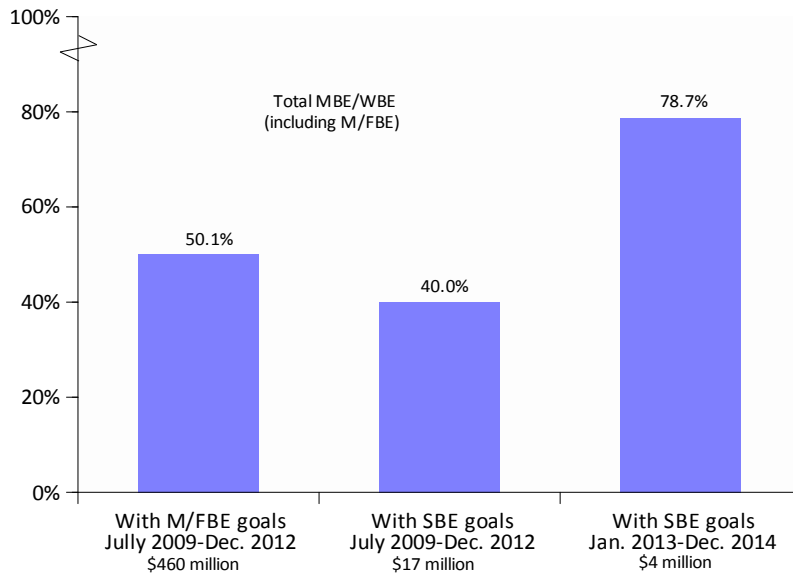
Keen Independent from data on City contracts and payments.



Keen Independent identified 13 contracts from July 2009 through December 2012 that had SBE goals applied (\$17 million). Because of the relatively small number of SBE goals contracts during the study period, Keen Independent requested City information for SBE goals contracts awarded in 2013 and 2014.

As illustrated in Figure 7, about 40 percent of SBE goals contract dollars for July 2009 through December 2012 went to minority- and women-owned firms. Based on data for \$4 million of SBE goals contracts for 2013 and 2014, 79 percent of those dollars went to minority- and women-owned firms. (There were some other SBE goals contracts during 2013-2014 for which utilization data were not available.)

Figure 7.
 MBE/WBE and M/FBE share of City-funded contracts with
 M/FBE goals and SBE goals, July 2009-Dec. 2012, 2013-2014



Source: Keen Independent from data on City contracts and payments.

c. Utilization of minority- and women-owned firms, by group, by industry. Figure 8 examines the percentage of contract dollars by industry going to African American-, Asian American-, Hispanic American-, Native American- and white women-owned firms, including both certified and non-certified firms. African American-owned firms received the largest portion of City-funded contract dollars for construction, professional services and other services contracts (areas in which the EBO Program generally applied), but only 4.9 percent of contract dollars for goods purchases, where the EBO Program does not apply.

Figure 8.
 MBE/WBE share of City-funded contract dollars, by industry, July 2009-Dec. 2012

Race/ethnicity and gender	Construction	Professional services	Goods	Other services
African American-owned	30.0 %	31.7 %	4.9 %	28.1 %
Asian American-owned	0.7	1.4	0.3	0.4
Hispanic American-owned	6.4	0.5	5.4	0.4
Native American-owned	0.0	0.4	0.7	0.0
WBE (white women-owned)	<u>8.1</u>	<u>5.7</u>	<u>10.3</u>	<u>8.7</u>
Total MBE/WBE	45.3 %	39.8 %	21.5 %	37.6 %

Source: Keen Independent from data on City contracts and payments.

d. Number of MBE/WBEs receiving work. About 500 different minority- and women-owned firms obtained work on City-funded contracts during the July 2009 through December 2012 study period.

- **Construction.** There were 252 MBE/WBEs that received work on City-funded construction contracts (as prime contractors or subcontractors) during the study period.
- **Professional services.** Examining professional services contracts, there were 108 MBE/WBEs that obtained prime contracts or subcontracts during the study period.
- **Goods.** There were 74 MBE/WBEs receiving City-funded goods purchases during the study period.
- **Other services.** Over the study period, 67 MBE/WBE businesses received other services contract dollars (including as subcontractors).

Keen Independent examined the extent to which the MBE/WBEs receiving work were also small businesses. Focusing just on the MBE/WBEs obtaining the most City-funded contract dollars, about three-quarters of them appear to qualify as SBEs under the City's SBO Program. If all firms receiving work were examined, the share of those MBE/WBEs that qualify as SBEs would be higher.

4. Availability and Disparity Analyses for City-funded Contracts

The following discussion summarizes availability and disparity analyses for City-funded contracts. Appendix C further reviews the data sources and methods for analyzing availability. Appendix D explains how disparity analyses were performed.

a. Availability of minority-, women- and majority-owned firms for City-funded contracts.

The Keen Independent study team reached out to each company in the Atlanta Metropolitan Area identified by Dun & Bradstreet (D&B) that had a primary type of work that matched the types of construction, professional services, goods and other services involved in City-funded contracts. The D&B business database is the most comprehensive listing of business establishments commercially available for this research. Through telephone calls with firms on the D&B list and other means, the study team successfully contacted 12,893 business establishments from this list. Among the firms successfully contacted, 3,703 firms indicated qualifications and interest in City prime contracts or subcontracts and provided the information about their companies necessary for the availability analysis.

As shown in Figure 9, 43 percent of those firms were minority- or women-owned. (Figure 9 results are labeled as "headcount" as they simply portray an overall count of firms in the availability database indicating qualifications and interest in City work.)

Figure 9.
Total MBE/WBE availability – “headcount”

Race/ethnicity and gender	Number of firms	Percent of firms
African American-owned	837	22.6 %
Asian American-owned	185	5.0
Hispanic American-owned	117	3.2
Native American-owned	28	0.8
Total MBE	1,167	31.5 %
WBE (white women-owned)	426	11.5
Total MBE/WBE	1,593	43.0 %
Total majority-owned firms	2,110	57.0
Total firms	3,703	100.0 %

Source: Keen Independent from 2014-2015 Atlanta Availability Survey.

Figure 10 below shows the counts of firms available for construction, professional services, goods and other services contracts. (The totals in Figure 10 add to more than 3,703 companies because some firms are available for work in more than one industry.)

In terms of number of firms, minority- and women-owned firms account for the largest portion of firms available for other services contracts (about 54% of total available firms). MBE/WBEs represented the smallest percentage of available firms in the goods industry (28%).

Figure 10.
MBE/WBE availability by industry – “headcount”

Race/ethnicity and gender	Construction		Professional services		Goods		Other services	
	Number of firms	Percent of firms	Number of firms	Percent of firms	Number of firms	Percent of firms	Number of firms	Percent of firms
African American-owned	281	23.9 %	395	24.8 %	55	7.4 %	182	38.3 %
Hispanic American-owned	46	3.9	53	3.3	25	3.4	14	2.9
Asian American-owned	36	3.1	130	8.2	26	3.5	10	2.1
Native American-owned	13	1.1	6	0.4	6	0.8	2	0.4
Total MBE	376	32.0 %	584	36.6 %	112	15.0 %	208	43.8 %
WBE (white women-owned)	144	12.2	184	11.5	94	12.6	47	9.9
Total MBE/WBE	520	44.2 %	768	48.1 %	206	27.6 %	255	53.7 %
Total majority-owned firms	656	55.8	827	51.8	539	72.3	220	46.3
Total firms	1,176	100.0 %	1,595	100.0 %	745	100.0 %	475	100.0 %

Source: Keen Independent from 2014-2015 Atlanta Availability Survey.

The above counts of available firms only describe the number of firms available for City construction, professional services, goods and other services contracts from the availability research. To determine overall dollar-weighted availability, Keen Independent conducted a sophisticated contract-by-contract availability analysis and then calculated overall results by weighting contract-

specific availability by the size of the individual prime contract or subcontract. The dollar-weighted calculations described below are used in the disparity analysis for City-funded contracts.

The study team calculated benchmarks for the percentage of City-funded contract dollars one might expect to go to MBE/WBEs given the current availability of firms to perform specific types and sizes of City prime contracts and subcontracts. The availability analysis considered bid capacity of firms, only counting a company as available for sizes of contracts it had been awarded or had bid on in the local marketplace in the previous five years.

After conducting this contract-by-contract analysis, Keen Independent developed the “dollar-weighted” availability results presented in Figure 11. As shown, minority- and women-owned firms might be expected to obtain 38.7 percent of City-funded construction contract dollars during the study period after considering the specific types and sizes of prime contracts and subcontracts involved. Dollar-weighted availability is similar for professional services contracts (35.7%). Dollar-weighted availability is lower for goods contracts (27.5%) and for other services contracts (29.2%). The dollar-weighted availability figures in Figure 11 provide benchmarks for use in the disparity analysis.

Figure 11.
MBE/WBE availability for City-funded contracts – dollar-weighted (with bid capacity)

Race/ethnicity and gender	Construction	Professional services	Goods	Other services
African American-owned	17.0 %	15.2 %	8.0 %	18.1 %
Asian American-owned	3.7	8.4	2.7	2.9
Hispanic American-owned	6.0	2.9	2.7	0.6
Native American-owned	0.9	0.9	0.7	0.2
WBE (white women-owned)	<u>11.1</u>	<u>8.2</u>	<u>13.3</u>	<u>7.4</u>
Total MBE/WBE	38.7 %	35.7 %	27.5 %	29.2 %

Source: Keen Independent analysis of City-funded contracts and 2014-2015 Atlanta Availability Survey data.

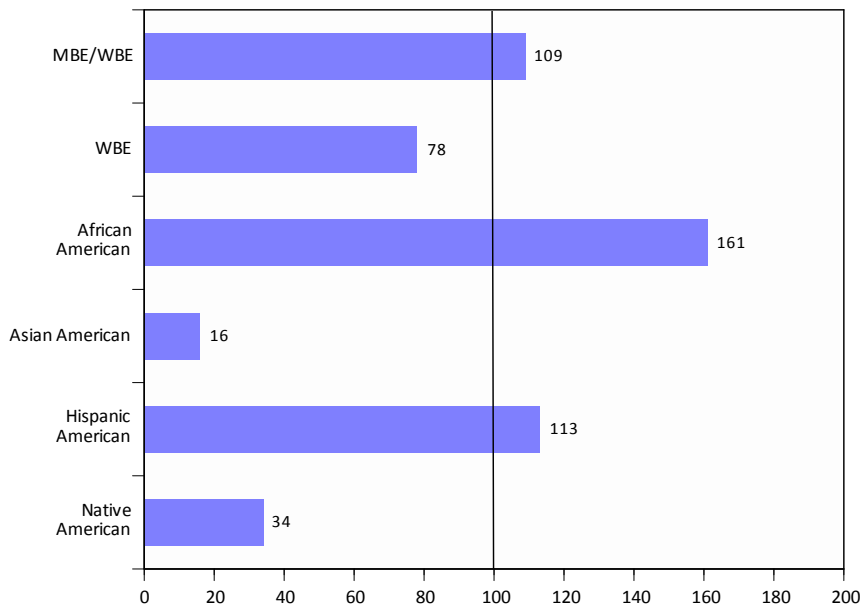
b. Disparity analysis for City-funded contracts overall. Keen Independent’s disparity analysis compares the dollars of City-funded contracts going to an MBE/WBE group with what might be expected from the availability analysis. Keen Independent presents results in terms of “disparity indices” where “100” equals “parity.”

Including contracts under the EBO Ordinance and those outside the program, the 36.8 percent of contract dollars going to minority- and women-owned firms from July 2009 through December 2012 was similar to the 33.8 percent benchmark for overall MBE/WBE participation in City-funded contracts. The disparity index was 109 (36.8%/33.7% times 100). This indicates that the City’s EBO and SBO Ordinances have been effective in encouraging overall utilization of minority- and women-owned firms in City-funded contracts to a level that eliminates any overall disparity in MBE/WBE participation. Figure 12 shows these results in the row for overall MBE/WBEs (top bar in Figure 12).

Keen Independent also calculated disparity indices for each racial and ethnic group of MBEs and for white women-owned firms. Figure 12 identifies substantial disparities for white women-owned firms (disparity index of 78), Asian American-firms (disparity index of 16) and Native American-owned firms (disparity index of 34). Although Native American-owned firms were not eligible for race- and gender-conscious programs under the 2009 EBO Ordinance, white women-owned firms and Asian American-owned firms were eligible within certain industries.

Utilization exceeded availability for African American-owned firms (disparity index of 161) and Hispanic American-owned firms (disparity index of 113). These two groups were eligible to meet M/FBE contract goals in certain industries during the study period.

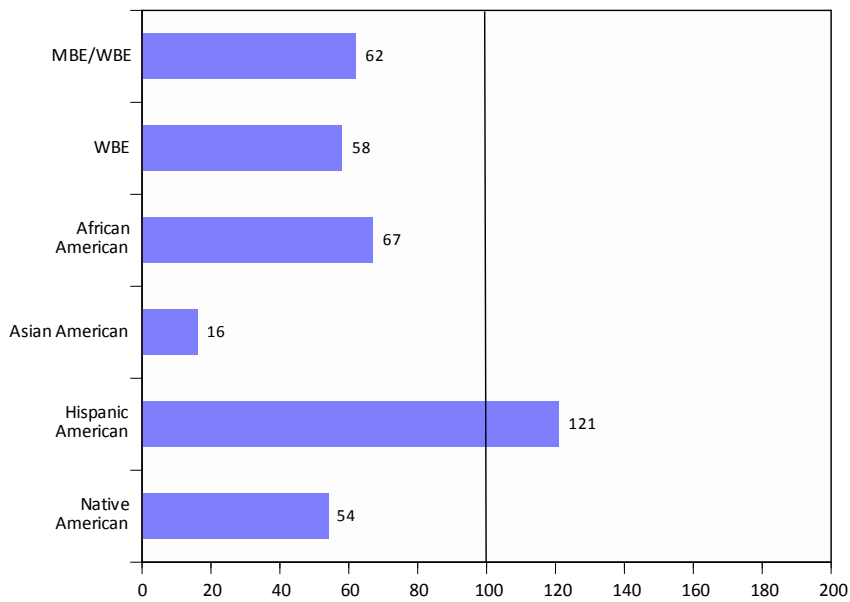
Figure 12.
Disparity indices for City-funded contracts, all industries,
July 2009-Dec. 2012 (100 = parity)



Source: Keen Independent analysis of City-funded contracts and 2014-2015 Atlanta Availability Survey data.

Keen Independent also performed disparity analyses for City-funded contracts when M/FBE or SBE goals did not apply. This required developing dollar-weighted availability benchmarks specific to those contracts. Overall, the 21.5 percent participation of MBE/WBEs in non-goals contracts was substantially below the availability benchmark for these contracts (34.8%). The disparity index of 62 indicates a substantial disparity. Figure 13 shows substantial disparities for WBEs and African American-, Asian American- and Native American-owned firms when goals were not applied. Utilization of Hispanic American-owned firms exceeded availability (disparity index of 121), primarily because of dollars going to one large Hispanic American-owned goods vendor.

Figure 13.
Disparity indices for City-funded contracts, all industries, without goals,
July 2009-Dec. 2012 (100 = parity)



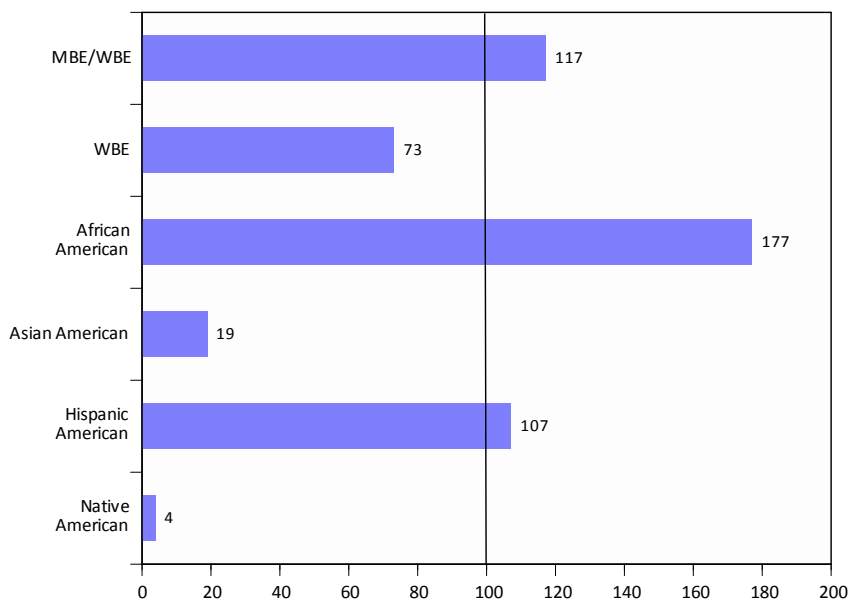
Source: Keen Independent analysis of City-funded contracts and 2014-2015 Atlanta Availability Survey data.

Keen Independent examined whether the results for MBEs and WBEs could be replicated by chance in contract awards (i.e., one measure of whether these results are “statistically significant”). Monte Carlo simulation analysis allowed the study team to reject chance in the procurement process as an explanation of the disparities for MBEs and WBEs. None of the 20,000 simulation runs could replicate the disparities identified for MBEs simply through random chance in contract awards. The results for WBEs could be replicated by chance in less than one-half of 1 percent of the simulations, allowing the study team to also reject chance as an explanation for disparities observed for white women-owned firms.

c. Disparity analysis for City-funded construction contracts. MBE/WBEs received 45.3 percent of City-funded construction contract dollars during the study period. This somewhat exceeded the availability benchmark for those construction contracts (38.7%), indicating success of the contract goals program the City applied for many of these contracts. The resulting disparity index was 117.

Figure 14 presents disparity indices for City-funded construction contracts by racial, ethnic and gender group. Although there was no overall disparity for these contracts, utilization of WBEs, Asian American-owned firms and Native American-owned firms was less than what might be expected from the availability analysis. Each of these disparities was substantial (disparity index less than 80).

Figure 14.
Disparity indices for City-funded construction contracts,
July 2009-Dec. 2012 (100 = parity)



Source: Keen Independent analysis of City-funded contracts and 2014-2015 Atlanta Availability Survey data.

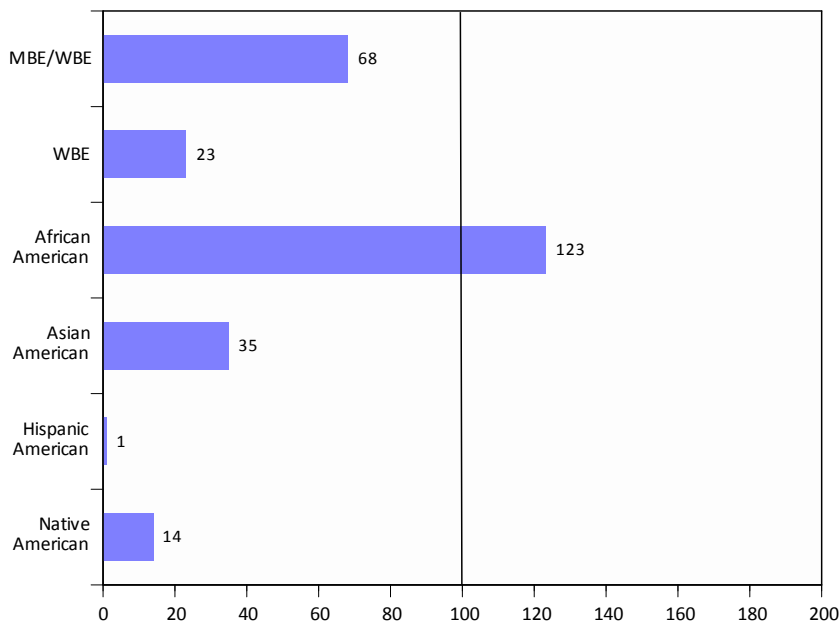
Keen Independent identified 244 city-funded construction contracts for \$50 million during the study period for which no goals applied. City records only contained prime contract information for these contracts, but as the average contract size was relatively small (about \$200,000), there might have been minimal subcontracting for these projects.

Overall utilization of minority- and women-owned firms (26.8%) was substantially less than what might be expected from the availability analysis for those contracts (39.4%). The disparity index of 68 indicates that, without contract goals, participation of minority- and women-owned firms in City-funded construction contracts might reach only two-thirds the level indicated from the availability analysis. Figure 15 provides disparity indices for MBE/WBEs overall and by group.

There were substantial disparities for WBEs and Asian American-, Hispanic American- and Native American-owned firms for City-funded construction contracts without contract goals. Utilization of African American-owned firms exceeded availability for non-goals construction contracts.

The relative success of African American-owned firms as prime contractors for non-goals construction contracts might be due to the City's past and current race-conscious programs, including the joint venture program. The joint venture program encourages racial and gender diversity in the prime contractors working on certain sizes and types of City-funded contracts and many of the past participants have been African American-owned firms. Further, some of the African American-owned construction firms receiving non-goals prime contracts participated in the M/FBE subcontracting goals program during the study period.

Figure 15
Disparity indices for City-funded construction contracts without goals,
July 2009-Dec. 2012 (100 = parity)

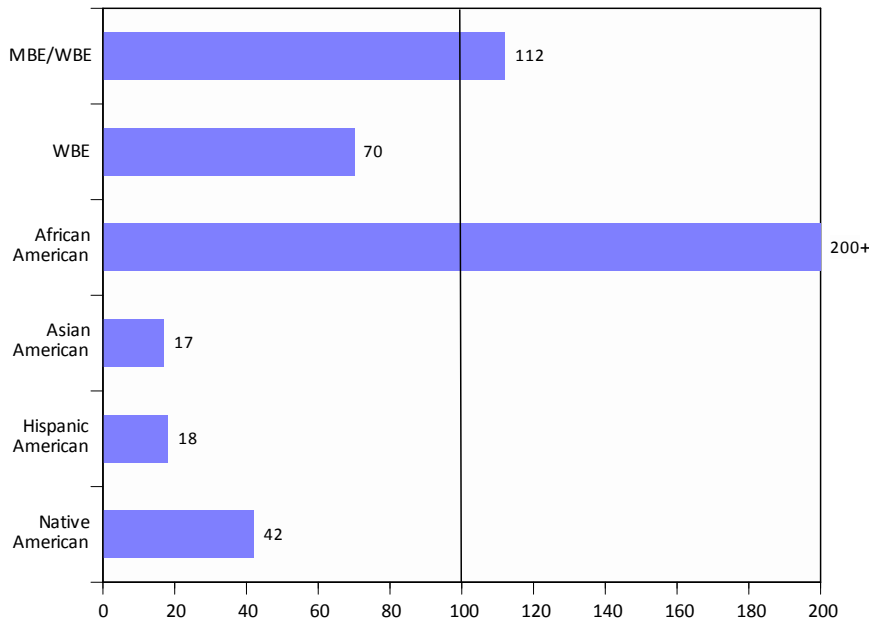


Source: Keen Independent analysis of City-funded contracts and 2014-2015 Atlanta Availability Survey data.

d. Disparity analysis for City-funded professional services contracts. MBE/WBEs received 39.8 percent of City-funded professional services contract dollars from July 2009 through December 2012. As with construction, MBE/WBE utilization in professional services contracts was close to the availability benchmark for those contracts (35.7%). The resulting disparity index was 112, indicating success of the EBO and SBO Ordinances in encouraging overall MBE/WBE participation.

As shown in Figure 16, there were disparities, however, in the utilization of WBEs and Asian American-, Hispanic American- and Native American-owned firms on professional services contracts, even with the EBO and SBO Ordinances in place. Utilization of African American-owned firms on these contracts (31.7%) exceeded what might be expected from the availability analysis (15.2%).

Figure 16.
Disparity indices for City-funded professional services contracts, July 2009-Dec. 2012 (100 = parity)

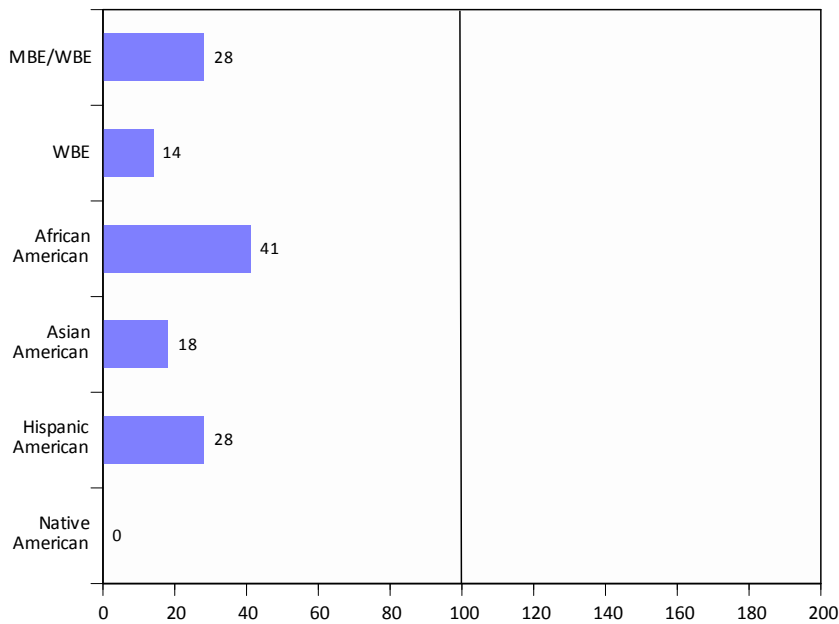


Source: Keen Independent analysis of City-funded contracts and 2014-2015 Atlanta Availability Survey data.

Among all professional services contracts examined, there were 284 contracts for which no goals appeared to be applied. As with construction contracts, the City only records prime consultant information for these contracts, but because the average contract size was relatively small (about \$200,000), there might have been minimal subcontracting.

MBE/WBE utilization as prime consultants on non-goals professional services contracts was 12.6 percent, substantially less than what might be expected from the availability analysis for those contracts (44.1%). The disparity index was 28, indicating a substantial disparity in the utilization of minority- and women-owned firms when the EBO and SBO Ordinances did not apply. Figure 17 shows substantial disparities for WBEs and each MBE group.

Figure 17.
Disparity indices for City-funded professional services contracts without goals, July 2009-Dec. 2012 (100 = parity)



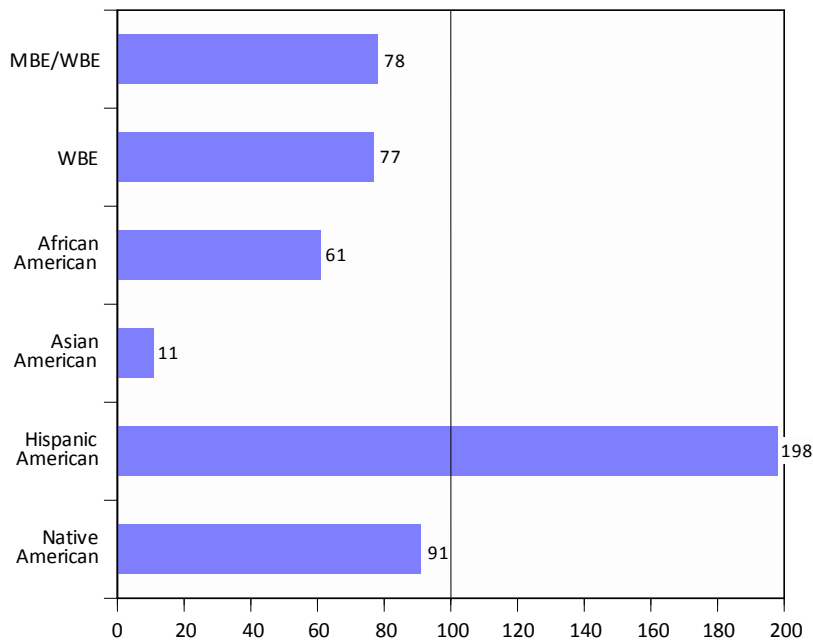
Source: Keen Independent analysis of City-funded contracts and 2014-2015 Atlanta Availability Survey data.

e. Disparity analysis for City-funded goods contracts. The City’s EBO Program did not apply to goods contracts during the study period. MBE/WBEs received 21.5 percent of City-funded contract dollars, less than the 27.5 percent MBE/WBE availability identified for these procurements.

In addition to the substantial disparity for MBE/WBEs overall (disparity index of 78), there were substantial disparities for WBEs and African American- and Asian American-owned firms. Utilization of Hispanic American-owned firms exceeded availability, primarily because of one vehicle vendor.

Figure 18 provides disparity indices for each group for City-funded goods contracts.

Figure 18.
Disparity indices for City-funded goods contracts,
July 2009-Dec. 2012 (100 = parity)

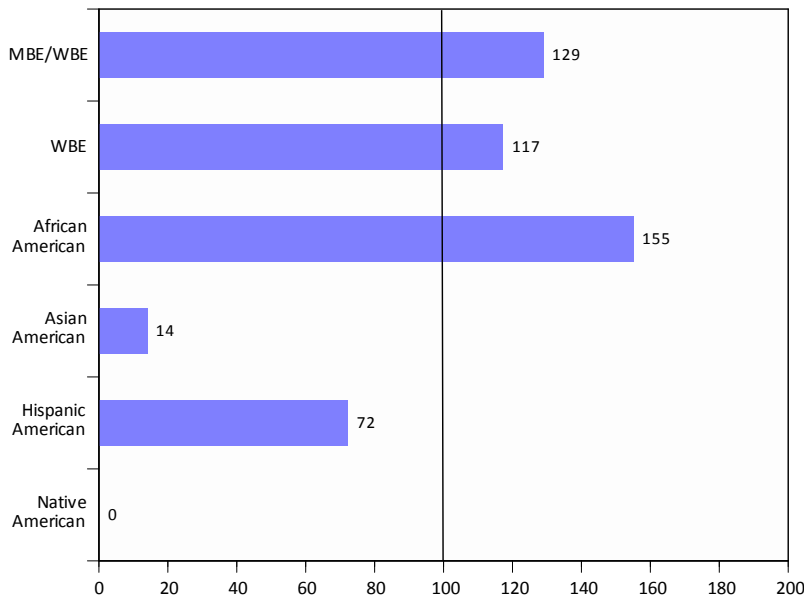


Source: Keen Independent analysis of City-funded contracts and 2014-2015 Atlanta Availability Survey data.

f. Disparity analysis for City-funded other services contracts. Minority- and women-owned firms obtained 37.6 percent of City-funded other services contract dollars during the study period. These contracts include environmental clean-up and specialized waste removal, building cleaning and maintenance, local transportation services, parking lot and parking-related services, repair services and security services. The City applied contract goals on some of these procurements.

As dollar-weighted MBE/WBE availability was 29.2 percent, overall utilization of minority- and women-owned firms on other services contracts exceeded availability (disparity index of 129). It appears that the contract goals program was successful in encouraging overall MBE/WBE participation. However, there were substantial disparities for Asian American-, Hispanic American- and Native American-owned firms in other services contracts. Figure 19 presents these results.

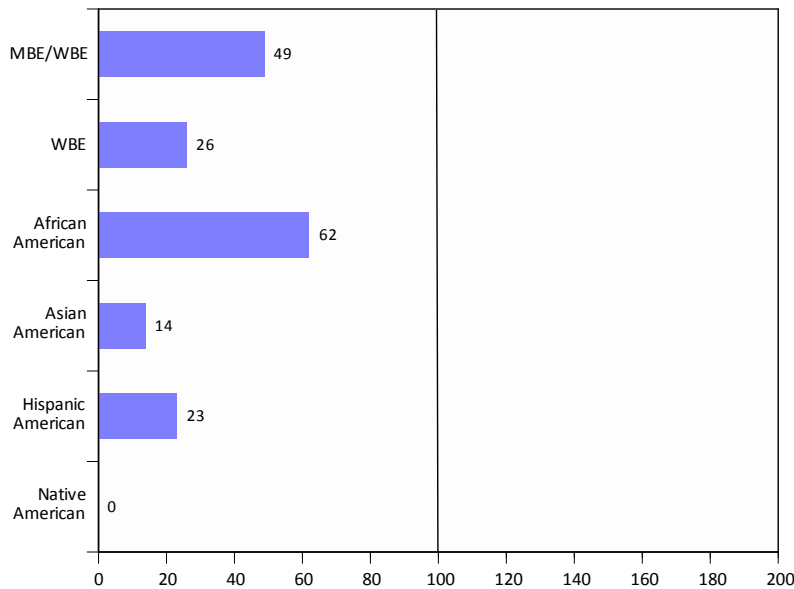
Figure 19.
Disparity indices for City-funded other services contracts,
July 2009-Dec. 2012 (100 = parity)



Source: Keen Independent analysis of City-funded contracts and 2014-2015 Atlanta Availability Survey data.

When examining other services contracts outside the EBO and SBO Ordinances, utilization of minority- and women-owned firms was only one-half of what might be expected from the availability analysis. Figure 20 shows substantial disparities for WBEs and African American-, Asian American-, Hispanic American- and Native American-owned firms.

Figure 20.
Disparity indices for City-funded other services contracts, without goals, July 2009-Dec. 2012 (100 = parity)

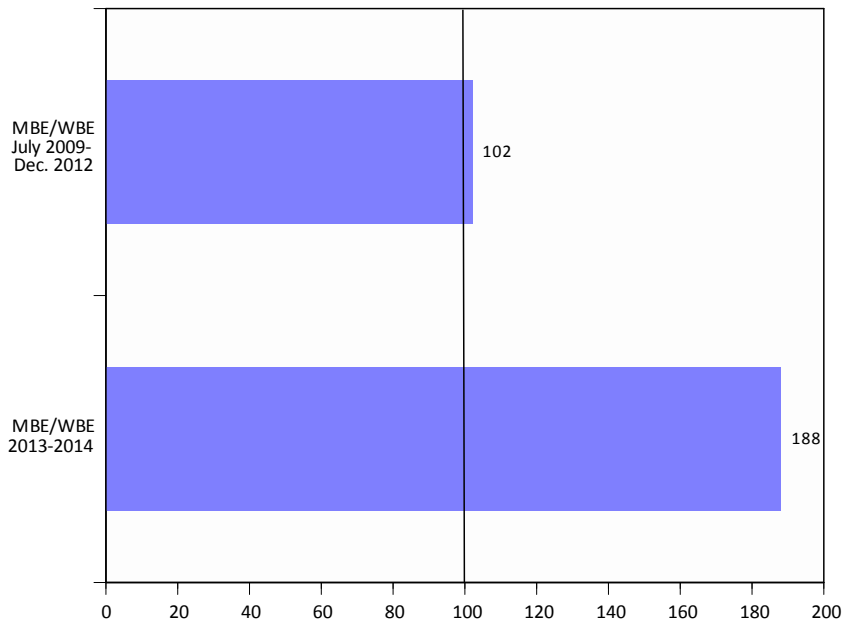


Source: Keen Independent analysis of City-funded contracts and 2014-2015 Atlanta Availability Survey data.

g. Disparity analysis for City-funded contracts under the SBO Program. Keen Independent analyzed information concerning the prime contracts and subcontracts awarded when SBE contract goals applied. Based on the data from July 2009 through December 2012 that could be analyzed, MBE/WBE utilization was about the same as what might be anticipated from the availability analysis (disparity index of 102). Utilization of MBE/WBEs exceeded availability for the small number of SBE goals contracts that could be examined for 2013 and 2014. Figure 21 presents overall disparity results for contracts with SBE goals.

Based on City certification data from 2015, about one-half (259) of the 509 SBEs certified at that time were also M/FBE-certified. Because of the small size of the program and its limited marketing to potential participants, it appears that firms already certified as M/FBEs with the City were more likely than other firms to become certified and participate in the program. This limits the conclusions that can be drawn about the effectiveness of this program. It may only be possible to fully evaluate the success of the SBE contract goals program if it grows in scale and is more broadly marketed.

Figure 21.
 Disparity indices for City-funded contracts with SBE goals,
 July 2009-Dec. 2012 and 2013-2014 (100 = parity)



Source: Keen Independent analysis of City-funded contracts and 2014-2015 Atlanta Availability Survey data.

5. Summary of Study Results

Key results of the 2015 Disparity Study are summarized below.

Marketplace conditions. The pattern of disparities in City-funded contracts when contract goals were not applied is consistent with information about the Atlanta Metropolitan Area marketplace. This includes disparities for the contractors obtaining building permits for commercial and public construction projects within Atlanta city limits as well as prime contract dollars going to construction prime contractors and design prime consultants on non-City public sector projects within city limits.

Effectiveness of the EBO and SBO Ordinances. The EBO and SBO Ordinances enacted in 2009 appear to be effective in encouraging participation of minority- and women-owned firms in City-funded contracts during the July 2009 through December 2012 study period. Without the EBO and SBO Ordinances, the evidence suggests there would have been disparities in the overall utilization of minority- and women-owned firms in these contracts.

Even with the EBO and SBO Ordinances, there were substantial disparities in the utilization of certain MBE/WBE groups for City-funded contracts.

SBE contract goals. Although data for SBE goals contracts for July 2009 through December 2012 and for 2013 through 2014 might be too limited to reach definitive conclusions, results suggest that the SBE contract goals program encourages utilization of at least African American-owned firms and white women-owned businesses on City-funded contracts. The City might consider expanded use of SBE contract goals for City-funded contracts. Such efforts might include greater outreach to other groups to become certified as SBEs.

One-half of the SBEs certified as of 2015 were also certified as M/FBEs, just slightly more than the share of small businesses in the availability database that were MBE/WBEs (45%). However, data for the 509 SBE-certified firms in 2015 indicated that only ten were Hispanic American-owned and also certified as MBEs with the City. Just eight SBE-certified companies were Asian American-owned and MBE-certified. By comparison, there were 186 African American-owned firms that were both MBE- and SBE-certified and 55 women-owned companies that were both FBE- and SBE-certified.

Analysis of the minority- and women-owned firms receiving the most dollars of City-funded contracts shows that most would qualify as small businesses under the City's size standards for SBE certification. Such results suggest that greater use of SBE contract goals could still include many of the MBE/WBEs that have been most successful in obtaining City work.

Results for Native American-owned firms. The EBO Program currently does not include Native American-owned firms. (Like other businesses, Native American-owned companies can still be certified as SBEs under the SBO Program.) Less than 1 percent of firms available for City contracts are Native American-owned, which makes disparity analysis for this group more difficult than groups with greater availability. Even so, utilization of Native American-owned firms was substantially below availability for City-funded construction, professional services and other services contracts.

Overall aspirational goals for MBE/WBE participation. In implementing the EBO Ordinance, the City has used availability benchmarks for each industry to gauge participation of minority- and women-owned firms on City-funded contracts. If it continues to use such benchmarks, the City might consider the availability information in Figure 11. These dollar-weighted availability figures are based on the types and sizes of City-funded prime contracts and subcontracts for each industry within the July 2009 through December 2012 study period. They are most useful as future benchmarks if the types and sizes of upcoming contracts within each industry are similar to those within the study period.

If the City continues to set M/FBE and SBE contract goals, it should continue to do so on a contract-by-contract basis, and only where there appears to be subcontracting opportunities for which there appear to be certified firms to perform the work.

Joint venture program element. The City might further evaluate the effectiveness of the joint venture program authorized by the EBO Ordinance. Much of the participation in the program has been by African American-owned companies, which was the group that did not experience disparities in City-funded construction prime contracts outside the EBO and SBO Ordinances. Such results for African American-owned prime contractors are consistent with an effective joint venture program that pre-dates the 2009 Ordinances, although additional research is needed.