

**City of  
Berkeley**

# **Availability Study Findings Briefing**

November 16, 2021



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# Availability Study Findings Briefing

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# Study Overview



## **Study Purpose**

Determine if M/WBEs were underutilized as prime contractors or subcontractors at a statistically significant level during the study period

## **Study Period**

January 1, 2016 to December 31, 2019

## **Ethnic and Gender Groups Studied**

African Americans, Asian Pacific Americans, Asian Indian Americans, Hispanic Americans, Native Americans, Caucasian females, and Non-minority males

## **Industries Studied**

Construction, Professional Services (including Architecture and Engineering), and Goods and Services



# Legal Standard



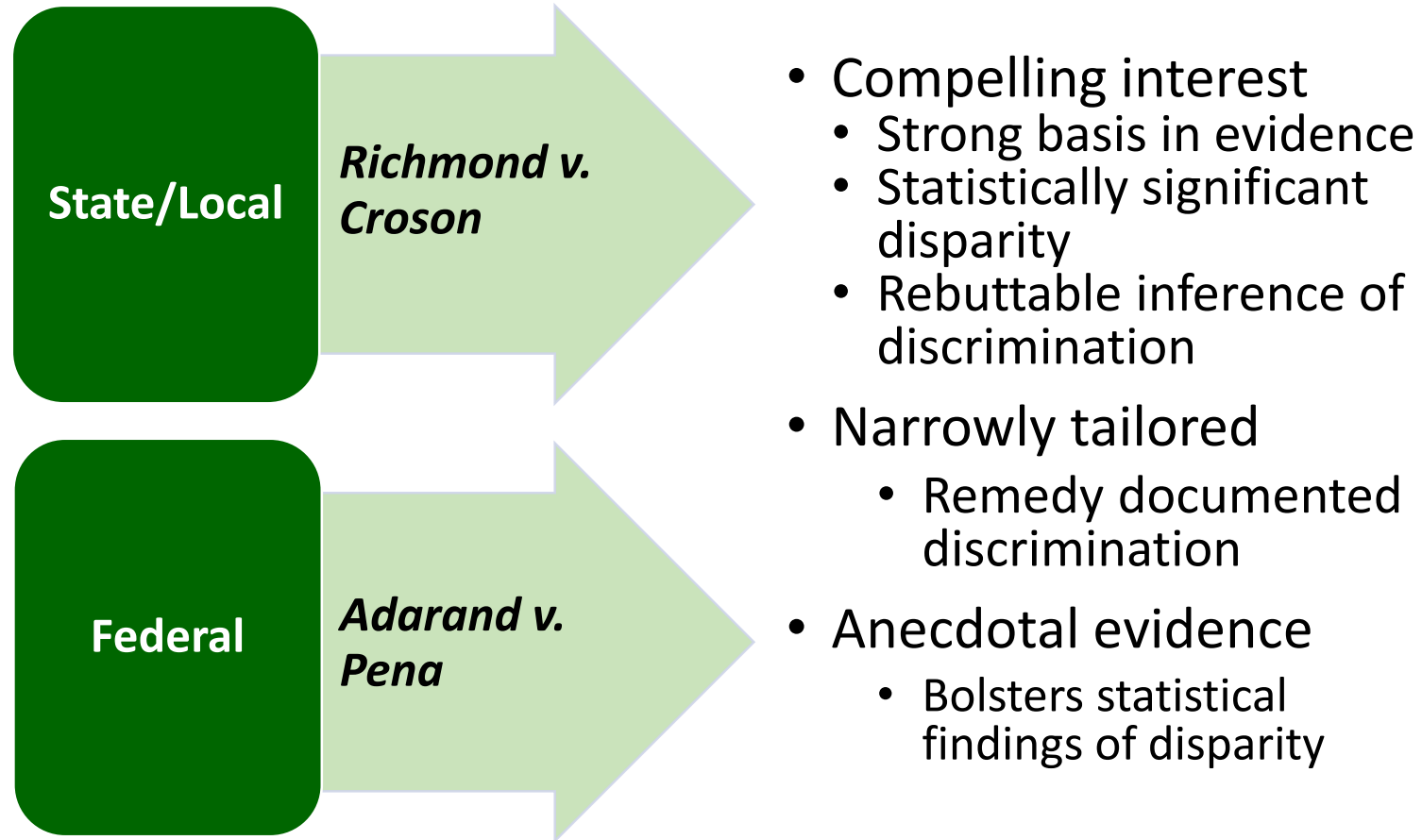
# *City of Richmond v. J.A. Croson*

## **The Facts:**

- 14th Amendment equal protection challenge to City of Richmond, Virginia's MBE contracting program
- City adopted a Minority Business Utilization Plan
- 30% subcontracting set aside for Minority Business Enterprises
- Supreme Court held that City of Richmond, Virginia's MBE contracting program violated equal protection clause of 14<sup>th</sup> Amendment



# U.S. Supreme Court Standards



# Narrowly Tailored Remedies

- Disparity findings are race, gender, and industry-specific
- Subcontract goals are limited to ethnic and gender groups in industries with disparity findings
- Goals are defined by availability of the ethnicity and gender groups with disparity in each industry





# Court Approved Methodology

- *Midwest Fence Corporation v. Illinois Department of Transportation, et. al.*, Seventh Circuit Court of Appeals (2016)
  - Retained to perform post enactment study
  - Mason Tillman's methodology upheld
  - IDOT's DBE program survived strict scrutiny based on Mason Tillman's disparity study
  - Judge Hamilton, writing for the 7th Circuit Court, opined that the data from Mason Tillman's Disparity Study "**Helped show the IDOT has a strong basis in evidence to adopt its program**"
- *Kossman Contracting Co. v. City of Houston*, No. H-96-3100 (S.D. Tex 1996)
  - Retained to perform post enactment study
  - Court approved Mason Tillman's study
  - City's suspended M/WBE program reinstated



# Remedying Disparity Post-209

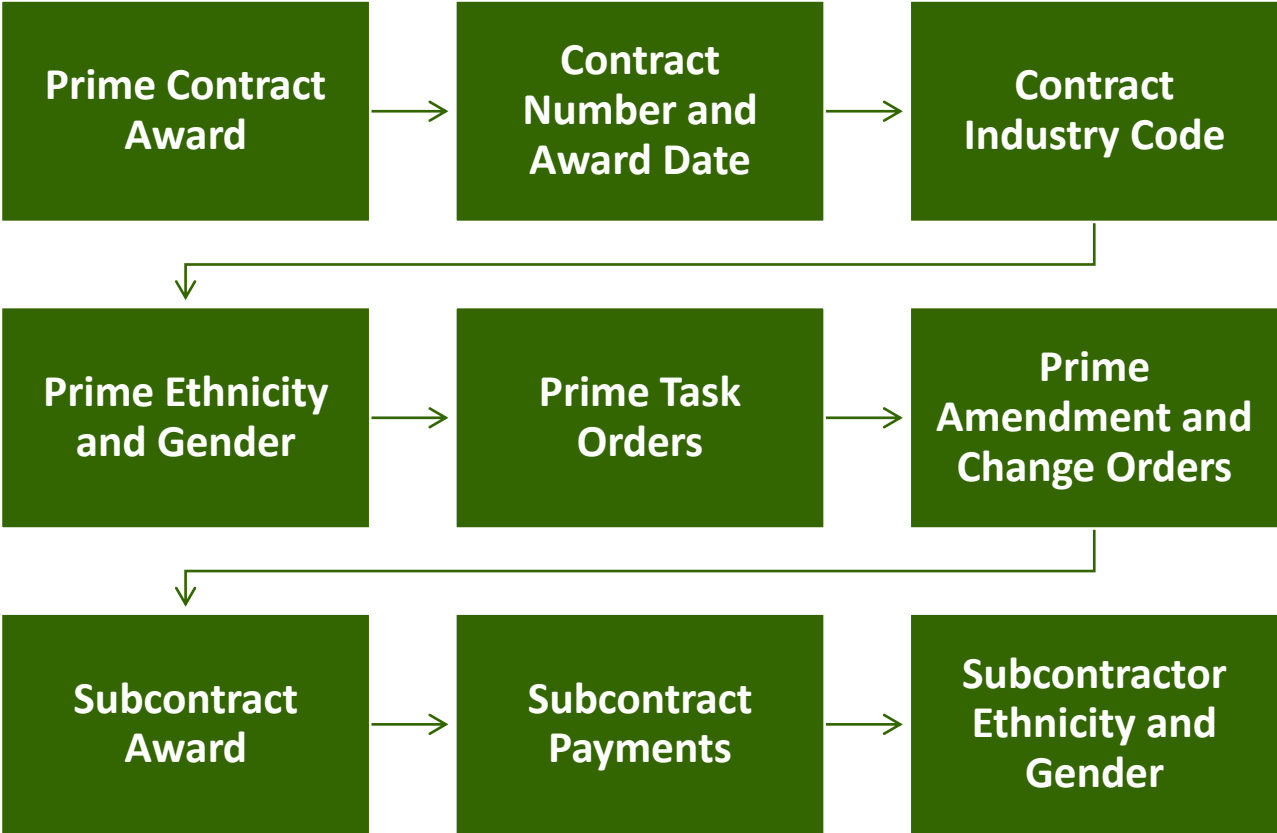
- Proposition 209 is codified in State of California Constitution Article 1, Section 31
- Section 31 bans preferential treatment of non-minority and minority/women owned firms in the award of local government contracts
- The Ninth Circuit Court of Appeal has ruled that Section 31 does not violate the equal protection clause of the 14<sup>th</sup> Amendment
- The California Supreme Court recognizes that a local government has a ***compelling interest*** in providing a remedy for race or gender discrimination
- The California Supreme Court has acknowledged where a political subdivision has engaged in ***intentional discrimination***, use of race-conscious or gender-conscious remedies may be appropriate



# Methodology



# Contract Utilization Elements



# Utilization Analysis

## Prime contracts

- City extracted data
- Mason Tillman cleaned and organized data
  - Assigned industry to each contract
  - Determined business owner ethnicity and gender

## Subcontracts

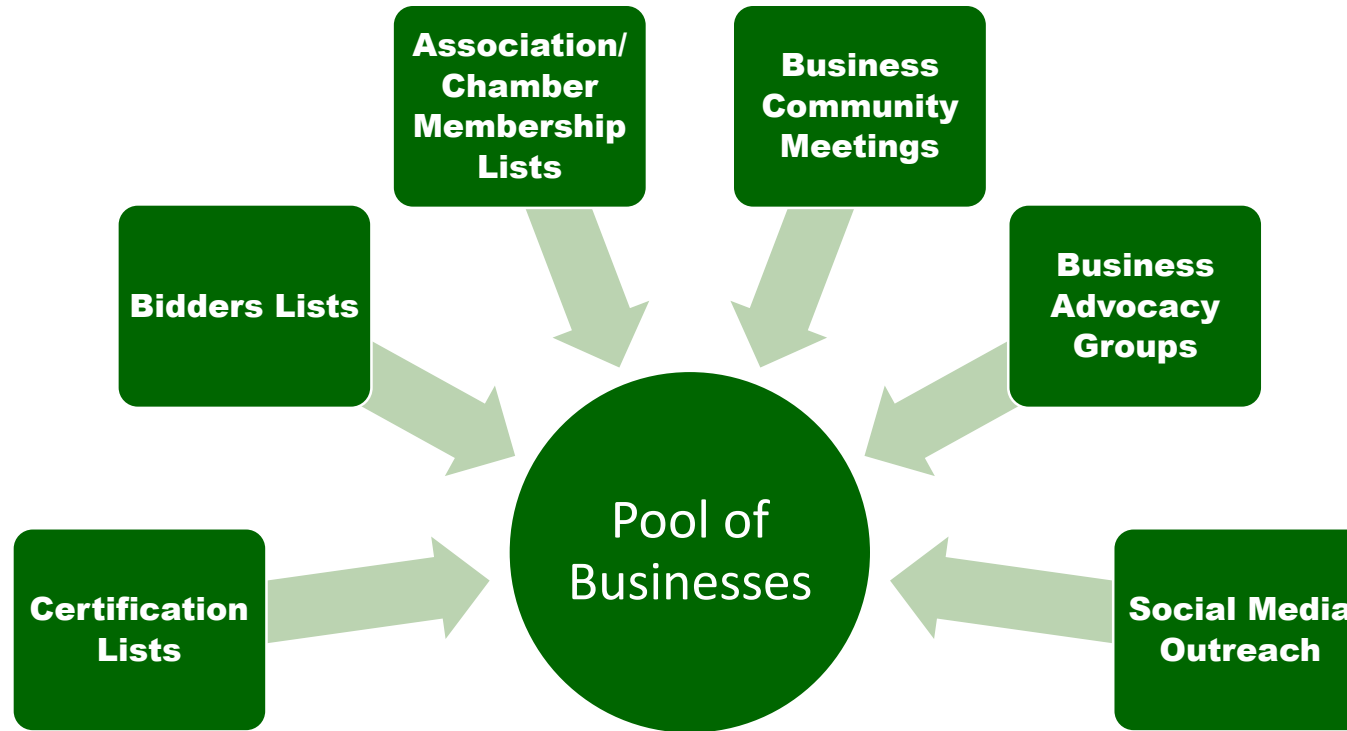
- City extracted data
- Mason Tillman conducting research to reconstruct complete subcontract data

## Market Area

- Geographic area where the City awarded its prime contracts defined market area



# Sources of Market Area Businesses



## Mason Tillman does not rely on:

- Dun & Bradstreet – undercounts small, new, and M/WBEs
- Business Licenses – are over-inclusive
- Vendors Lists – may not be current



# Statistical Tests of Disparity

## Disparity ratio

- Disparity ratio is actual dollars spent (utilization) divided by expected contract dollars (availability)
- Expected contract dollars is the proportion of dollars to be spent with each group based on availability

$$\frac{\textit{Utilization}}{\textit{Availability}} = \text{Disparity ratio}$$

- Parity, overutilization, or insubstantial underutilization → no M/WBE goals
- Substantial WBE underutilization → WBE goals
- Substantial MBE underutilization → test statistical significance
  - No statistical significance → no MBE goals
  - Statistical significance → MBE goals



# Anecdotal eSurvey Analysis

- eSurvey distributed to the available businesses
- Survey data collected from M/WBEs and non-M/WBEs regarding contracting experiences with the City
- Anecdotal evidence used to inform the race and gender-neutral recommendations





# Size Distribution Analysis



# Prime Contract Size Distribution

## All Industries

Contract Amount	Non-minority				Minority				Total	
	Females		Males		Females		Males		Contracts	Percent
	Contracts	Percent	Contracts	Percent	Contracts	Percent	Contracts	Percent		
Under \$5,000	13	0.78%	295	17.72%	18	1.08%	10	0.60%	336	20.18%
\$5,000 - \$24,999	43	2.58%	541	32.49%	8	0.48%	25	1.50%	617	37.06%
\$25,000 - \$49,999	16	0.96%	191	11.47%	2	0.12%	14	0.84%	223	13.39%
\$50,000 - \$99,999	14	0.84%	134	8.05%	5	0.30%	13	0.78%	166	9.97%
\$100,000 - \$249,999	11	0.66%	133	7.99%	3	0.18%	9	0.54%	156	9.37%
\$250,000 - \$499,999	4	0.24%	62	3.72%	1	0.06%	11	0.66%	78	4.68%
\$500,000 - \$999,999	0	0.00%	37	2.22%	0	0.00%	10	0.60%	47	2.82%
\$1,000,000 - \$2,999,999	1	0.06%	23	1.38%	0	0.00%	5	0.30%	29	1.74%
\$3,000,000 and greater	1	0.06%	11	0.66%	0	0.00%	1	0.06%	13	0.78%
<b>Total</b>	<b>103</b>	<b>6.19%</b>	<b>1,427</b>	<b>85.71%</b>	<b>37</b>	<b>2.22%</b>	<b>98</b>	<b>5.89%</b>	<b>1,665</b>	<b>100.00%</b>

Contract Amount	Cumulative Total
Under \$25,000	57.24%
Under \$100,000	80.60%



# Highly Used Contractors



# Highly Used Construction Prime Contractors

## Construction Prime Contracts

Total Prime Contracts	113
Total Utilized Businesses	61
<b>Total Expenditures</b>	<b>\$127,236,940</b>

## Construction Prime Contracts Distributed by Number of Businesses

Businesses	Total Dollars	Percent of Dollars	Number of Contracts	Percent of Contracts
8 Highly Used Businesses	\$88,351,659	70%	18	16%
53 Businesses	\$38,885,280	30%	95	84%
61 Total Businesses	\$127,236,940	100%	112	100%



# Highly Used Professional Services Prime Contractors

## Professional Services Prime Contracts

<b>Total Prime Contracts</b>	440
<b>Total Utilized Businesses</b>	268
<b>Total Expenditures</b>	<b>\$51,370,633</b>

## Professional Services Prime Contracts Distributed by Number of Businesses

<b>Businesses</b>	<b>Total Dollars</b>	<b>Percent of Dollars</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>
38 Highly Used Businesses	\$35,880,278	70%	106	24%
230 Businesses	\$15,490,354	30%	334	76%
<b>268 Total Businesses</b>	<b>\$51,370,633</b>	<b>100%</b>	<b>440</b>	<b>100%</b>



# Highly Used Goods and Services Prime Contractors

## Goods and Services Prime Contracts

Total Prime Contracts	1,112
Total Utilized Businesses	692
<b>Total Expenditures</b>	<b>\$79,113,600</b>

## Goods and Services Prime Contracts Distributed by Number of Businesses

<b>Businesses</b>	<b>Total Dollars</b>	<b>Percent of Dollars</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>
73 Highly Used Businesses	\$55,382,963	70%	141	12%
619 Businesses	\$23,730,637	30%	971	88%
<b>692 Total Businesses</b>	<b>\$79,113,600</b>	<b>100%</b>	<b>1,112</b>	<b>100%</b>



# Study Findings



# M/WBE Dollars Lost

STUDY PERIOD			
January 1, 2016 to December 31, 2019			
TOTAL DOLLARS AWARDED DURING STUDY PERIOD			
\$89,175,639			
TOTAL DOLLARS EXPECTED FOR NON-MINORITY MALES			
\$51,237,755 or 57.46%			
TOTAL DOLLARS AWARDED TO NON-MINORITY MALES			
\$72,952,472 or 81.81%			
TOTAL DOLLARS EXPECTED FOR M/WBEs			
\$37,937,884 or 42.54%			
TOTAL DOLLARS AWARDED TO M/WBEs			
\$16,223,167 or 18.19%			
TOTAL DOLLARS M/WBEs LOST			
\$21,714,716 or 24.35%			
M/WBE ETHNICITY	DOLLARS EXPECTED	DOLLARS AWARDED	DOLLARS LOST
African Americans	\$12,849,743	\$1,255,606	\$11,594,136
Asian Pacific Americans	\$6,001,514	\$2,750,269	\$3,251,245
Asian Indian Americans	\$1,660,489	\$1,417,746	\$242,742
Hispanic Americans	\$6,931,259	\$6,704,368	\$226,891
Native Americans	\$512,297	\$0	\$512,297
Caucasian Females	\$9,982,583	\$4,095,178	\$5,887,405





# M/WBE Dollars Lost by Industry

CONSTRUCTION	
African Americans	\$4,629,758
Asian Pacific Americans	\$794,813
Asian Indian Americans	\$273,868
Native Americans	\$273,868
Caucasian Females	\$2,621,826
PROFESSIONAL SERVICES	
African Americans	\$3,186,839
Asian Pacific Americans	\$917,097
Hispanic Americans	\$810,656
Native Americans	\$115,248
Caucasian Females	\$2,661,307
GOODS AND SERVICES	
African Americans	\$3,777,540
Asian Pacific Americans	\$1,539,334
Asian Indian Americans	\$533,783
Hispanic Americans	\$1,675,116
Native Americans	\$123,181
Caucasian Females	\$604,272



# Formal Construction Prime Contracts Between \$25,000 and \$2,320,000

Ethnicity	Actual Dollars	Utilization	Availability	Expected Dollars	Dollars Lost	Disp. Ratio	P-Value
African Americans	\$938,897	2.73%	16.18%	\$5,568,655	-\$4,629,758	0.17	< .05 *
Asian Pacific Americans	\$1,030,975	3.00%	5.31%	\$1,825,788	-\$794,813	0.56	not significant
Asian Indian Americans	\$0	0.00%	0.80%	\$273,868	-\$273,868	0.00	----
Hispanic Americans	\$5,910,458	17.17%	10.61%	\$3,651,577	\$2,258,881	1.62	**
Native Americans	\$0	0.00%	0.80%	\$273,868	-\$273,868	0.00	----
Caucasian Females	\$299,436	0.87%	8.49%	\$2,921,261	-\$2,621,826	0.10	< .05 *
Non-minority Males	\$26,236,346	76.23%	57.82%	\$19,901,093	\$6,335,253	1.32	< .05 †
<b>TOTAL</b>	<b>\$34,416,111</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$34,416,111</b>			
Minority and Females	Actual Dollars	Utilization	Availability	Expected Dollars	Dollars Lost	Disp. Ratio	P-Value
Minority Business Enterprises	\$7,880,329	22.90%	33.69%	\$11,593,756	-\$3,713,427	0.68	not significant
Woman Business Enterprises	\$449,436	1.31%	14.06%	\$4,838,339	-\$4,388,904	0.09	< .05 *

( \* ) denotes a statistically significant underutilization.

( † ) denotes a statistically significant overutilization.

( \*\* ) this study does not test statistically the overutilization of M/WBEs or the underutilization of non-minority males.

( ---- ) denotes an underutilized group with no contracts awarded, too few contracts awarded, or too few available firms to test statistical significance.



# Informal Construction Prime Contracts \$25,000 and Less

Ethnicity	Actual Dollars	Utilization	Availability	Expected Dollars	Dollars Lost	Disp. Ratio	P-Value
African Americans	\$0	0.00%	16.18%	\$25,446	-\$25,446	0.00	< .05 *
Asian Pacific Americans	\$0	0.00%	5.31%	\$8,343	-\$8,343	0.00	----
Asian Indian Americans	\$0	0.00%	0.80%	\$1,251	-\$1,251	0.00	----
Hispanic Americans	\$28,158	17.90%	10.61%	\$16,686	\$11,472	1.69	**
Native Americans	\$0	0.00%	0.80%	\$1,251	-\$1,251	0.00	----
Caucasian Females	\$0	0.00%	8.49%	\$13,349	-\$13,349	0.00	----
Non-minority Males	\$129,106	82.10%	57.82%	\$90,938	\$38,168	1.42	< .05 †
TOTAL	\$157,265	100.00%	100.00%	\$157,265			
Minority and Females	Actual Dollars	Utilization	Availability	Expected Dollars	Dollars Lost	Disp. Ratio	P-Value
Minority Business Enterprises	\$28,158	17.90%	33.69%	\$52,978	-\$24,820	0.53	not significant
Woman Business Enterprises	\$0	0.00%	14.06%	\$22,109	-\$22,109	0.00	----

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# Formal Professional Services Prime Contacts Between \$25,000 and \$450,000

Ethnicity	Actual Dollars	Utilization	Availability	Expected Dollars	Dollars Lost	Disp. Ratio	P-Value
African Americans	\$316,710	1.27%	14.00%	\$3,503,549	-\$3,186,839	0.09	< .05 *
Asian Pacific Americans	\$1,410,919	5.64%	9.30%	\$2,328,016	-\$917,097	0.61	< .05 *
Asian Indian Americans	\$1,417,746	5.66%	3.41%	\$852,838	\$564,909	1.66	**
Hispanic Americans	\$457,076	1.83%	5.06%	\$1,267,731	-\$810,656	0.36	< .05 *
Native Americans	\$0	0.00%	0.46%	\$115,248	-\$115,248	0.00	----
Caucasian Females	\$1,648,980	6.59%	17.22%	\$4,310,287	-\$2,661,307	0.38	< .05 *
Non-minority Males	\$19,780,503	79.02%	50.55%	\$12,654,265	\$7,126,238	1.56	< .05 †
<b>TOTAL</b>	<b>\$25,031,934</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$25,031,934</b>			
Minority and Females	Actual Dollars	Utilization	Availability	Expected Dollars	Dollars Lost	Disp. Ratio	P-Value
Minority Business Enterprises	\$3,602,451	14.39%	32.23%	\$8,067,382	-\$4,464,931	0.45	< .05 *
Woman Business Enterprises	\$2,559,849	10.23%	30.57%	\$7,652,488	-\$5,092,639	0.33	< .05 *

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# Informal Professional Services Contracts \$25,000 and Less

Ethnicity	Actual Dollars	Utilization	Availability	Expected Dollars	Dollars Lost	Disp. Ratio	P-Value
African Americans	\$33,679	1.56%	14.00%	\$302,279	-\$268,600	0.11	< .05 *
Asian Pacific Americans	\$130,192	6.03%	9.30%	\$200,857	-\$70,665	0.65	not significant
Asian Indian Americans	\$33,535	1.55%	3.41%	\$73,581	-\$40,046	0.46	not significant
Hispanic Americans	\$40,823	1.89%	5.06%	\$109,377	-\$68,554	0.37	< .05 *
Native Americans	\$0	0.00%	0.46%	\$9,943	-\$9,943	0.00	----
Caucasian Females	\$336,103	15.56%	17.22%	\$371,883	-\$35,779	0.90	not significant
Non-minority Males	\$1,585,373	73.41%	50.55%	\$1,091,785	\$493,588	1.45	< .05 †
<b>TOTAL</b>	<b>\$2,159,705</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$2,159,705</b>			
Minority and Females	Actual Dollars	Utilization	Availability	Expected Dollars	Dollars Lost	Disp. Ratio	P-Value
Minority Business Enterprises	\$238,229	11.03%	32.23%	\$696,038	-\$457,809	0.34	< .05 *
Woman Business Enterprises	\$415,071	19.22%	30.57%	\$660,241	-\$245,170	0.63	< .05 *

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# Formal Goods and Services Prime Contracts Between \$25,000 and \$380,000

Ethnicity	Actual Dollars	Utilization	Availability	Expected Dollars	Dollars Lost	Disp. Ratio	P-Value
African Americans	\$0	0.00%	12.71%	\$3,777,540	-\$3,777,540	0.00	< .05 *
Asian Pacific Americans	\$308,375	1.04%	6.22%	\$1,847,710	-\$1,539,334	0.17	< .05 *
Asian Indian Americans	\$0	0.00%	1.80%	\$533,783	-\$533,783	0.00	< .05 *
Hispanic Americans	\$336,834	1.13%	6.77%	\$2,011,950	-\$1,675,116	0.17	< .05 *
Native Americans	\$0	0.00%	0.41%	\$123,181	-\$123,181	0.00	----
Caucasian Females	\$2,146,762	7.22%	9.25%	\$2,751,034	-\$604,272	0.78	< .05 *
Non-minority Males	\$26,935,623	90.61%	62.85%	\$18,682,397	\$8,253,226	1.44	< .05 †
<b>TOTAL</b>	<b>\$29,727,594</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$29,727,594</b>			
Minority and Females	Actual Dollars	Utilization	Availability	Expected Dollars	Dollars Lost	Disp. Ratio	P-Value
Minority Business Enterprises	\$645,210	2.17%	27.90%	\$8,294,163	-\$7,648,954	0.08	< .05 *
Woman Business Enterprises	\$2,349,846	7.90%	19.75%	\$5,871,610	-\$3,521,764	0.40	< .05 *

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# Informal Goods and Services Prime Contracts \$25,000 and Less

Ethnicity	Actual Dollars	Utilization	Availability	Expected Dollars	Dollars Lost	Disp. Ratio	P-Value
African Americans	\$0	0.00%	12.71%	\$795,746	-\$795,746	0.00	< .05 *
Asian Pacific Americans	\$40,843	0.65%	6.22%	\$389,224	-\$348,380	0.10	< .05 *
Asian Indian Americans	\$6,862	0.11%	1.80%	\$112,442	-\$105,580	0.06	< .05 *
Hispanic Americans	\$149,061	2.38%	6.77%	\$423,821	-\$274,760	0.35	< .05 *
Native Americans	\$0	0.00%	0.41%	\$25,948	-\$25,948	0.00	----
Caucasian Females	\$292,043	4.66%	9.25%	\$579,511	-\$287,468	0.50	< .05 *
Non-minority Males	\$5,773,364	92.19%	62.85%	\$3,935,482	\$1,837,882	1.47	< .05 †
TOTAL	\$6,262,174	100.00%	100.00%	\$6,262,174			
Minority and Females	Actual Dollars	Utilization	Availability	Expected Dollars	Dollars Lost	Disp. Ratio	P-Value
Minority Business Enterprises	\$196,767	3.14%	27.90%	\$1,747,181	-\$1,550,414	0.11	< .05 *
Woman Business Enterprises	\$360,203	5.75%	19.75%	\$1,236,866	-\$876,663	0.29	< .05 *

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# On-Call Contracts Awarded

## All Industries

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	0	0.00%	\$0	0.00%
Asian Pacific Americans	6	5.94%	\$2,218,261	10.65%
Asian Indian Americans	1	0.99%	\$899,785	4.32%
Hispanic Americans	0	0.00%	\$0	0.00%
Native Americans	0	0.00%	\$0	0.00%
Caucasian Females	6	5.94%	\$2,301,622	11.05%
Non-minority Males	88	87.13%	\$15,412,419	73.98%
TOTAL	101	100.00%	\$20,832,087	100.00%





# On-Call Contracts

## Size of Purchase Orders/Task Orders/Work Orders

Range	Number of POs	Percent of POs
\$500,000 - \$999,999	1	0.26%
\$250,000 - \$499,999	4	1.02%
\$100,000 - \$249,999	28	7.14%
\$50,000 - \$99,999	25	6.38%
\$25,000 - \$49,999	34	8.67%
\$5,000 - \$24,999	127	32.40%
Under \$5,000	173	44.13%
<b>GRAND TOTAL</b>	<b>392</b>	<b>100.00%</b>



# On-Call Contracts Awarding Departments

Department	Divisions	Number of On-Call Construction Contracts	Number of On-Call Professional Services Contracts	Number of On-Call Goods and Services Contracts
City Manager and Administration	Not Specified	0	0	1
Fire Department	Chief and Administration	0	0	5
Berkeley Public Library	Main Branch	1	0	0
Planning and Development	Building and Safety	0	1	0
Planning and Development	Land Use	0	9	0
Parks, Recreation & Waterfront	Not Specified	0	0	3
Parks, Recreation & Waterfront	Marina	0	0	1
Parks, Recreation & Waterfront	Administration	0	3	9
Public Works	Not Specified	0	0	1
Public Works	Corporation Yard	0	1	0
Public Works	Electrical	1	0	0
Public Works	Engineering	0	25	2
Public Works	Facilities Management	0	0	4
Public Works	Administration	0	11	1
Public Works	Streets	0	0	1
Public Works	Transfer Station	0	1	0
Public Works	Transportation	0	9	0
Police Department	Not Specified	0	0	1
Not Specified	Not Specified	0	8	2
<b>TOTAL (101)</b>		<b>2</b>	<b>68</b>	<b>31</b>



# Local Vendor Preference Utilization Findings

- Local Vendor Preference Program was established in 1983
- Three program objectives:
  - Stimulate the local economy
  - Create opportunities for local businesses
  - Create opportunities for local female and minority-owned businesses
- Program applied to contracts for supplies, equipment, and non-professional services (goods and services)
- Berkeley businesses received less than 8% of the dollars, and M/WBEs received even fewer dollars
- Data shows program objectives were not achieved



# Local Vendor Preference Program Findings

## Distribution of Dollars Paid to Berkeley Businesses for Supplies, Equipment, and Non-Professional Services

Business Location	Amount of Dollars	Percent of Dollars
City of Berkeley	\$5,944,951	7.51%
Outside of City of Berkeley	\$73,168,649	92.49%



# Impact of Preference Program

## Distribution of Dollars Paid to Businesses Within and Outside Berkeley, All Industries

Business Location	Amount of Dollars	Percent of Dollars
City of Berkeley	\$17,510,737	6.79%
Outside of City of Berkeley	\$240,210,435	93.21%

## Dollars Paid to Berkeley Construction Businesses

Business Location	Amount of Dollars	Percent of Dollars
City of Berkeley	\$771,732	0.61%
Outside of City of Berkeley	\$126,465,207	99.39%

## Dollars Paid to Berkeley Professional Services Businesses

Business Location	Amount of Dollars	Percent of Dollars
City of Berkeley	\$10,794,054	21.01%
Outside of City of Berkeley	\$40,576,579	78.99%



# Dollars Paid to Berkeley Businesses by Ethnicity and Gender

Ethnicity and Gender	Amount of Dollars Paid to Berkeley Businesses	Percent of Dollars Paid to Berkeley Businesses
African American Females	\$0	0.00%
African American Males	\$0	0.00%
Asian Pacific American Females	\$268,362	1.53%
Asian Pacific American Males	\$3,757,075	21.46%
Asian Indian American Females	\$0	0.00%
Asian Indian American Males	\$264,410	1.51%
Hispanic American Females	\$69,417	0.40%
Hispanic American Males	\$8,805	0.05%
Native American Females	\$0	0.00%
Native American Males	\$0	0.00%
Caucasian Females	\$2,829,458	16.16%
Non-minority Males	\$10,313,211	58.90%
<b>TOTAL</b>	<b>\$17,510,737</b>	<b>100.00%</b>



# Evidence of Intentional Discrimination Systemic Practices

- Disparity identified in prime contracts bid by the City
  - One bid = one purchase order, work order, or task order awarded through an advertised contract
  - One bid = multiple purchase orders, work orders, and task orders issued through an advertised on-call contract
- Disparity identified in informal prime contracts awarded by managers
  - Public notice not required on contracts \$25,000 and less
- Disparity identified in subcontracts awarded by prime contractors
- Disparity identified in Local Vendor Preference Program



# Recommendations





# Race and Gender-Specific Prime Contract Remedies

- Consider bid discounts in award of **construction** prime contracts for African Americans, Caucasian females, and woman business enterprises
- Consider evaluation points for **professional services** contracts for African Americans, Asian Pacific Americans, Hispanic Americans, Caucasian females, and woman business enterprises
- Consider bid discounts for **goods and services** contracts for African Americans, Asian Pacific Americans, Asian Indian Americans, Hispanic Americans, Caucasian females, and woman business enterprises



# Race and Gender-Specific Subcontract Remedies

- Consider construction subcontract goals for African Americans, Asian Pacific Americans, and woman business enterprises
- Consider professional services subcontract goals for African Americans, Caucasian females, and woman business enterprises
- Implement quantified **good faith effort criteria**



# Procedures to Remedy M/WBE Disparity

- Institute M/WBE certification requirements with reciprocity
- Assess penalties for failing to achieve M/WBE subcontract goals
- Staff and empower Office of Racial Equity
- Track and monitor prime contractor and subcontractor utilization
- Establish M/WBE Oversight Business Advisory Council
- Conduct M/WBE Program staff training
- Require targeted M/WBE business outreach



# Enhancements to Procurement Standards

- Establish prompt payment program
- Publish prime contractor payments
- Track subcontractor participation after award
- Implement subcontractor payment verification program
- Establish dispute resolution standards
- Implement a sheltered market rotation program
- Unbundle large procurements into smaller contracts
- Provide debriefing sessions to unsuccessful bidders



# Enhance Local Vendor Preference Program

- Modify Local Vendor Preference forms
  - Capture ethnicity and gender of business owner
  - Publish forms in multiple languages
  - Assign certified business bid discount during evaluation process
- Publish a Local Vendor Preference list
- Extend preference to professional services and construction contracts
- Increase the bid discount from 5% to 8%
- Implement 10% professional service preference points



# Reevaluate the Use of On-Call Contracts

- Single competitive on-call award
  - Multiple small and large projects are bundled in a single on-call contract
  - Work orders, task orders, and purchase orders issued against the on-call contract without competition
- Procurement method used without policy
- Preferential treatment manifested in the award of prime contracts and assignment of projects



감사합니다! Merci!

धन्यवाद! cảm ơn!

**THANK YOU!**

謝謝! Grazie! متشكراً

¡Gracias! Спасибо!

Dziękuję Ci Obrigado!



# Questions

