

# FINAL REPORT

For the project entitled:

## CITY OF MOBILE DISPARITY STUDY 2010-2012

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Prepared for:

**CITY OF MOBILE**

**February 14, 2014**



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# INTRODUCTION

## **INTRODUCTION**

On July 8, 2013, the Mobile City government approved a Study to explore the comparative success of minority and women-owned firms in contracting and procurement. This report focuses on measuring the extent to which these firms receive contracts from the city government, on how it conducts its contracting practices and procurement process, and to determine if disparity exists in the utilization of Minority and Women-owned Business Enterprises (MWBE). The study analyzes availability, utilization, and process among Small, Minority, and Women-Owned businesses that attempt to do business with the City of Mobile and Quasi-City Government Agencies. The relevant study period extends from FY 2010 through FY 2012. The contract for the study was awarded to *Speeches, ETC., LLC*. The objectives of the Study are to:

- Determine the extent to which under-utilization of Minority and Women-owned Business Enterprises exists and, if it does, is it possibly a result of discrimination by participants in the Study and/or other factors within the relevant industries and relevant geographic market area.
- Determine if there might be discriminatory practices within specific procurement, trades, and services in the relevant geographic market area utilized most by members of the study group
- Determine if any identified discriminatory practices may have hindered or impeded the ability of MWBE to compete for and participate in the contracting opportunities with the City;
- Recommend actions designed to eliminate any procurement barriers that might be found to obstruct or hinder MWBE participation and utilization.

The City's Community Planning and Development Department identified the participant groups for the study. With the assistance of the Mobile Chamber of Commerce, the Minority Business Development Association, and departments and professional association lists; researchers identified as many businesses as time and resources allowed.

Participants in the Study include eight (8) **Agencies** and **Quasi-City Agencies**; Mobile County, Mobile Airport Authority, Mobile Housing Board, Mobile Health Department, The Mobile Area Chamber of Commerce, Mobile County School Board, Mobile Area Water and Sewer System, and Alta Pointe Health System; and all relevant **City Departments**, a total of thirty-five (35); were identified by the Community Planning and Development Department. Many of the departments identified. However many of these Department used the Purchasing Department for contracts and procurement. Discernable Minority and Women-owned Business Enterprises within the designated relevant market area totaled a raw number of 87, but after filtering for certifications and availability, thirty-two (32) MWBE made up the study group.

A team of seven (three researchers, a community consultant, a data analyst, a technology and resource assistant, and the project manager) worked together to complete this study. The *researchers* assisted with development of the surveys, and gathered all the data, aggregated it, described the collection process and summarized the findings. Each studied their respective group, surveying, interviewing, and searching data and procedures to determine if elements of disparity exist. The *analyst* assisted with graphic interpretation of the data. The *resource and technology assistant* located information and sources that helped inform, define, and explain unfamiliar, missing, or outdated information about the participants in the study; and worked when called upon to handle special technological needs of the study. The *community consultant* reviewed court decisions and laws relevant to Minority and Women-owned Business Enterprises. The *project manager* is responsible for the overall execution of the contract, and reporting and presenting the results. *Speeches* conducted the study in seven (7) stages:

1. Review of relevant court decisions on MWBE;
2. Familiarize with relevant market area where the industries are located;
3. Determine the availability of MWBE;
4. Conduct a business demographics analysis through tailored surveys;

5. Data collection on contracts awarded to MWBE using surveys and interviews;
6. Anecdotal analysis of experiences in contracting or attempting to contract with the City;
7. Determine disparity index.

# EXECUTIVE SUMMARY





## **EXECUTIVE SUMMARY**

Speeches Etc. conducted a study to determine if the current practice of procurement of goods and services is fair to all segments of the population of the City of Mobile; does disparity exist in awarding contracts to and acquiring goods and services from minority and women-owned (MWBE) businesses. A disparity occurs when there are more qualified and available minority and women-owned businesses to perform work for the City of Mobile than are utilized. The data collected covers three years of procurement activities from 2010-2012. All data of this study are applicable only to the City of Mobile. A total of eight (8) Agencies, thirty-five (35) City Departments, and eighty-seven (87) MWBE were initially identified for inclusion in the Study by the Department of Community Planning and Development.

### **Scope of Study**

- Facilitate at least three community stakeholders Town Hall meetings
- Review the policies and procedures of Mobile County, Mobile County Board of Education, The Airport Authority, Mobile County Health Department, Mobile Area Chamber of Commerce, and Mobile Housing Board
- Analyze jurisdictional data on demographics, revenue, location, employment, business profile
- Evaluate the jurisdiction's current MWBE program legal status, including complaints, finds of discrimination, trends and patterns related to disparity
- Review an analysis of contracts and vendor lists
- Review and analyze contracting policies and procedures
- Review and analyze documents, reports, statutes, regulations, studies, news articles and manuals
- Review and analyze utilization and availability data
- Establish study parameters
- Obtain evidence of disparity

- Research and collect data for the years 2010-2012
- Develop recommendations for program and policy revisions

The Study, initiated on July 15, 2013, focuses on whether contracts within the industries of construction, engineering, architectural engineering, and professional goods and services are being as fairly awarded to minority and women-owned business enterprises as to other businesses. Another question the study answers is how many of the MWBE are ready, willing, and able to be utilized.

A disparity is simply a difference between two groups on an outcome of interest. In contracting, researchers typically measure differences using a disparity ratio. The numerator in the ratio represents utilization, the share of contracts or contract dollars possessed by MWBE. The denominator represents the number of MWBE available for contracting as a percentage of all available firms. When the numerator is divided by the denominator, if it yields a ratio of one (index of 100) there is no disparity, but rather parity. However, when the ratio is less than one index indicates that disparity exists. As has been held by the courts, if the index is below 80 then there is significant under-utilization or disparity. When this is the case, specific steps should be taken toward a goal to address the disparity issue.

The quantitative findings of the study with the survey and interview results shed light on the use of, and the need for better data collection, management, and compliance authority to monitor progress and ensure that the City's contracting process is adhering to state and local ordinances designed to prevent and/or eliminate disparity.

The findings reveal under-utilization. Although disparity was found in this study, it does not necessarily imply discrimination because a number of factors could cause the difference which is a matter for another more extensive and in-depth study. However, finding disparities is a first step in identifying discrimination

against MWBE in the contracting and procurement process of local City government.

The report begins with a brief discussion of court actions the results of which serve as the underpinning legal authority for this study. The following section of the report presents a discussion of the data collected from the participants, the analysis of it, and the findings. A set of recommendations is provided for the City after the findings for each group and a combined list of all recommendations appears in the Appendix. Having presented the study' results, the section concludes with specific recommendations that could remove barriers to increased utilization of MWBE, thereby decreasing the disparity index.

The Study team prepared surveys to collect pertinent demographic information from the identified participants. Before using the surveys, the staff reviewed the instruments several times and pilot-tested them on select firms. The survey used for the City Departments and the Agencies were basically the same, the MWBE survey was modified for the needed data to be collected. The surveys were then e-mailed, faxed, and a minimum number delivered to MWBE participants. Some owners were contacted by telephone to obtain the necessary data. The researchers acquired signatures to verify the responses. Creative effort was made to acquire correct contact information and ensure that the companies performed work related to the industries targeted. The survey also requested a designation of certification as a Small Business Enterprise, a Minority Business Enterprise, Women-owned Business Enterprise, or a Disadvantaged Business Enterprise.

The surveys contain a total of 30 questions which allowed some qualitative data to be obtained. A range of questions covered anecdotal data from MWBE. There were questions concerning their qualifications to work within the targeted industry areas and their interest in doing business with the City of Mobile in the future. Many were open-ended questions that gathered insight into their experiences with the City's contracting and procurement process, the size of the

contracts for which they had bid and/or received from the City over the three-year study period, and the make-up of their firms, e.g., if at least 51% of their enterprise was minority or woman-owned. Other questions solicited feelings about the overall fairness and user-friendliness of the system and how they thought the City could improve or, at best, bring fairness to the process for all involved.

On November 6, 1985, the City of Mobile adopted Ordinance 65-020 relating to all contracts or agreements entered into by the City of Mobile or any entity thereof. The goal is to require that the awarded contractor, firm, or company utilize qualified MWBE for, at least, fifteen (15) percent of total dollars expended on construction, professional services, and purchase of goods and supplies. In addition, the City was to hire a consultant to provide technical assistance and recommend regulations to the City to insure that every reasonable effort was made to implement the Ordinance. This Ordinance was initiated to provide assistance, and protect the interests of socially and economically disadvantaged individuals and small business concerns in order to promote and encourage their full participation in the contracting and procurement competition in the City of Mobile.

The State Statute does not specially discuss Inclusion and or Diversity; however it does discuss doing what is best for the citizens of Alabama. Federal Statue and case law allows state and local municipalities to correct past pattern and practices of discrimination by designing a program that makes amends for past pattern and practices provided that the program is the least restrictive on the majority race. The City of Mobile, by using its current city ordinance, the Sate Bid Law and exceptions as stated in the state bid law, can render a solution.

# LEGAL AUTHORITY



## **LEGAL AUTHORITY**

City of Mobile

Ordinance 65-020 – Adopted November 6, 1985

“AN ORDINANCE RELATING TO ALL CONTRACTS OR AGREEMENTS ENTERED INTO BY THE CITY OF MOBILE OR ANY ENTITY THEREOF”.

Sponsored by: Councilwoman Irmatean Watson

Be it ordained by the City Council of the City of Mobile, Alabama, as follows:

SECTION ONE: All contracts or agreements entered into by the City or any entity thereof for any service of any kind, whether by bid or otherwise, including but not limited to, professional services and bond issues, shall make every reasonable effort to require that the contractor, firm, or company to which any such contract is awarded, must have at least fifteen (15) percent participation by socially and economically disadvantaged individuals or the City shall make every reasonable effort to insure that at least fifteen (15) percent of the total value of all such contracts or agreements described above, shall be awarded to qualified contractors or professionals who are socially and economically disadvantaged.

SECTION TWO: The City will hire a consultant to provide technical assistance and recommend regulations to the City of Mobile to insure every reasonable effort is made to implement Section One.

SECTION THREE: This Ordinance shall be in full force and effect upon its adoption and publication as required by law.

### **U. S. Supreme Court**

In 1989, the Supreme Court ruling in the case of City of Richmond vs. J. A. Croson resulted in new standards on how local governmental entities may increase the participation of minority and woman owned businesses through the use of programs. The ruling required the employment of a fact based approach to determine whether or not actual under-utilization of qualified firms ready, willing and able to contract with a governmental entity has occurred. Disparity studies

are generally that fact-based approach. Disparity studies look at the percentage of minority and woman owned businesses in the relevant market that are qualified to do work and compares that to the percentage of contract dollars awarded to the same kinds of businesses (515 US 200).

This study was designed to determine whether existing city efforts have eliminated active and passive discriminations to analyze city procurement trends and practices for the years 2010-2012; and to evaluate various options for future program development. The study also addresses and recommends solutions. The question before the City that has been answered by the U. S. Supreme Court is: Is the presumption of disadvantage based on race alone, and consequent allocation of favored treatment, a discriminating practice that violates the equal protection clause of the 14<sup>th</sup> Amendment as well as the Due Process clause of the 5<sup>th</sup> Amendment, acceptable?

### **State Statute (State Bid Law Code of Alabama)**

With the exception of Public Works whose competitive bidding requirements are governed exclusively by Title 39, all contracts of whatever nature for labor, services, work, or for the purchase or lease of materials, equipment, supplies, other personal property or other non-professional services, involving fifteen thousand dollars (\$15,000) or more, made by or on behalf of any state department, board, bureau, commission, committee, institution, corporation, authority, or office shall, except as otherwise provided in this article, be let by free and open competitive bidding, on sealed bids, to the lowest responsible bidder. This same bid requirement applies to Municipal agencies.

Notwithstanding any other laws to the contrary, when it is necessary for a county or an incorporated municipality to enter into a public contract . . . the county or municipality may, without soliciting and obtaining competitive bids, contract with a vendor or provider for the services at a price which does not

exceed the price of which the state has established through the competitive bid process for the same services under the same terms and conditions it pertains to a current and active bid on a non-statewide agency contract. The bid law was written to reduce graft and corruption while assuring the taxpayers of the state of Alabama that their money would be well spent. However, with the exemption in the statutes, federal case law, and local guidelines minority vendors should be able to participate in the process with certain advantages due to past patterns and practices of discrimination.

### **Legal Finding**

The State Statute does not specially discuss Inclusion and/or Diversity; however, it does discuss doing what is best for the citizens of Alabama. Federal Statute and case law allows state and local municipalities to correct past patterns and practices of discrimination by designing a program that makes amends for past patterns and practices, provided that the program is the least restrictive on the majority race. The City of Mobile, by using its current city ordinance, the exemptions as stated in the State Bid Law, the example from the Housing Authority, and the Federal case law can render a solution having Diversity and Inclusion in its awarding of contracts .

### **Recommendation**

- Hire a compliance officer to monitor and ensure Diversity and Inclusion in contracting practices



# DATA COLLECTION



## **DATA COLLECTION**

### **Agency Policy and Procedure Review**

Agencies appear to focus more on creating economic and business development opportunities for minority, women, disadvantaged, and small business firms. Advocacy to increase procurement and contracting opportunities within the state government and the public and private sectors promote job and business growth. By increasing visibility and awareness of state MWBE programs and missions, providing focused networking among professionals in the field, and creating a formal professional development and training program for the MWBE industry, are the mechanisms that agencies have in place to support and encourage MWBE.

Hundreds of federal agencies grant funds to states and local governments that are then used by those governments to procure goods and services. The Civil Rights Act of 1964 requires governments to provide equal opportunity for minorities (later extended to women) in the public procurement process. Three federal agencies that require the grantees or sub-grantees (states and local government) to have a program to ensure that minority and women-owned businesses (MWBE) have equal opportunity to compete for the federally-funded state or local contracts or sub-contracts are the U.S. Department of Transportation (USDOT), the U.S. Environmental Protection Agency (EPA), and the Housing and Urban Development (HUD) Agency.

Federal agencies provide millions of dollars each year to states and local governments for the procurement of goods and services for Departments of Agriculture, Commerce, Education, Health & Human Services, Labor, Energy, and Housing and Urban Development. Each year, for example, thousands of universities, school districts, and charter schools receive federal grants or sub-grants from the Department of Education. These grantees are told to comply with the equal opportunity contracting provisions of the Civil Rights Act, yet they are

given no guidelines or resources, nor is there any monitoring or accountability of performance for this provision.

Eight agencies were electronically contacted concerning the 2013 City of Mobile Disparity Study, of these, six responded. All agencies have a purchasing manager who answers to an executive director. Non-responsive agencies stated that their reason for not participating was oversight. Re-sending them the survey yielded no additional response.

Only four of the six responding agencies stated that they have a diversity policy in place. Reporting agencies acknowledged that they are in possession of an MWBE directory of some sort. They use word of mouth and their available contractors to obtain MWBE information for their needs. They are aware that in order for the directory to remain current there must be some sort of database that is regularly updated and maintained, but stated that there is no lack of MWBE participation in their procurement practices and processes.

Since this study is limited to the procurement of bids within the city limits of Mobile, all agencies responding to the study utilize the Alabama Bid Law or their respective Federal governing body policies, procedures, and procurement practices. Five of the respondents secure bids in the targeted areas of the study. One agency requires that bids be submitted in writing, while the others utilize local avenues namely the Minority Business Development Agency and the Mobile Chamber of Commerce. The Chamber of Commerce stated that its directory only lists its members. Alabama Bid Law limits agencies' use of marketing, therefore, most just use local print media.

All agencies stated that their data is readily available in both electronic and paper form. Three agencies regularly participate in disparity studies, and most maintain their data.

## **Finding**

No agency indicated a lack of desire to work with MWBE. It was repeated, however, that there is no real method of knowing who they are and what their capabilities and availabilities are. Although they have no specific policies in place to eliminate discrimination, they all expressed concern about the inability to properly track and employ MWBE. They also do not know of, understand, utilize, or follow any city, state, or federal guidelines in place regarding utilization of MWBE. There is no supervision or management in place to monitor such implementation.

## **Recommendations**

- Notify MWBE when they are not awarded contracts and provide an explanation as to why they do not receive the contract in order to guide their future applications
- Provide training and information concerning bid laws and competitive business practices of doing business with local government, utility agencies and Quasi--government agencies
- Centrally locate bid information and opportunities for all rather than require businesses to search each agency, some of which they may not know exist.

## **City of Mobile Departments**

A total of thirty-five (35) departments and agencies within the City of Mobile were contacted by the Office of the Mayor to take part in this study. The departments contacted include: Administrative Services, City Clerk, Electrical, Fire-Rescue Department, Garage, Human Resources, Keep Mobile Beautiful, Legal, Mobile Film Office, Municipal Court, Parks and Recreations, Police/Safety Department, Treasury, Urban Development, Animal Control/Shelter, Architectural Engineering, Community Planning and Development, Finance Administration/Financial Services, Geographic Information Systems, Inventory

Control, CitiSmart Program, Mobile Historical Development Commission, Mobile Museum of Art, Municipal Information Technology, Museum of Mobile/History Museum, Neighborhood and Community Service, Public Services, Purchasing, Traffic Engineering, Azalea City Golf Course, Accounting, Engineering, Cultural and Civic Development, Public Works, and Public Buildings.

Only two departments did not respond, of the thirty-five departments and agencies contacted. The majority, a total of twenty-four, noted that they did not contract for outside services or the department doesn't contract or bid directly. These departments identified the Purchasing Department as the sole entity responsible for procurement activities. For example, according to one Azalea City Golf Course official, "I request the item and it is up to the personnel in the Purchasing Department to award the purchases to a vendor. Any vendor information that is requested should be given by the Purchasing Department." This comment is similar to the other 23 responses received from the other departments.

The remaining nine provided insight into the policies and procedures used by the respective departments. These departments varied in the categories of goods and services that were contracted for with outside businesses, most of which chose multiple categories, which included construction, architectural/engineering, professional services, and goods/supplies. Most departments did note the existence of diversity policy and procedure for including minority and/or women owned businesses in procurement processes. Some departments even mentioned adherence to the Alabama Bid Law and Ordinance 65-020. However, four of the departments did not have a diversity policy or procedure for including minority and/or women owned businesses, one of those departments noted its dependence on the Purchasing Department to know and understand the policy.

In all but one case, it was noted that there was a lack of a well-maintained data base or directory of minority and/or women owned businesses for the city.

Community Planning and Development keeps an updated database of relevant businesses in its office. This database is updated continuously, significantly more than annually according to the department representative. Public Services pointed out that it did not maintain a directory for any type of business. While the Mobile Museum of Art does maintain a directory of minority and/or women-owned businesses, it did not discuss how often it is updated. Interestingly, it was noted that many departments without even having a directory of minority and women-owned businesses, had identified the availability of businesses in the local area that are capable and willing to do business with them. For example, Purchasing and Engineering Departments do not maintain a directory for minority and/or women owned businesses, but have identified businesses that are available and willing to work with the respective departments. This often occurs due to fostered relationships over time and even using business listings provided by the local Chamber of Commerce. A major drawback according to a department head who uses these directories is that many vendors are not listed or do not provide the needed products and services the department is looking for. Some departments, such as Geographic Information Services, find it very difficult to use minority and/or women- owned businesses due to the uniqueness/specialization of needed products. Conversely, Traffic Engineering and Public Services both noted that neither had a directory nor has identified minority and/or women-owned businesses in the marketplace.

Section 3, a provision in the Housing and Urban Development Act of 1968, seeks to enhance local economic development and improve neighborhoods and individual self-sufficiency. It does this using many different avenues, but most relevant to this study is the contracting opportunities to be provided for low or very low income residents in connection with projects and activities in the local area. Architectural Engineering, Engineering, Geographic Information Services, and Community Planning and Development all acknowledged understanding of the Section 3 requirements. These departments also noted that their procurements and purchases fall under Section 3, while Purchasing, Mobile Museum of Art

Traffic Engineering, and Public Services are unfamiliar with Section 3 and also have made no procurements under it.

Each department was asked about its availability and storage of procurement data. Most departments had the data available and kept it in paper form. Some department did have an electronic version usually found in an Adobe Acrobat file (pdf), but Purchasing uses Oracle. However, Traffic Engineering revealed that its department does not have recorded available and accessible procurement data from the past three years. Overall, the ability to mine data is very difficult in current conditions for most departments, especially in Purchasing. Data is being kept in a number of different forms; electronically, in certain databases, and in paper form. Using one database to maintain records, such as Purchase Orders, requests, and contracts would make maintaining data more orderly and accessible for reporting and monitoring progress. This was the number one request when department representatives were asked how information could be better maintained.

The 1985 City of Mobile Ordinance became one of the most split in terms of understanding and application procedures in the departments surveyed. According to Ordinance 65-020 that was adopted on November 6, 1985:

- a) All contracts or agreements entered into by the City or any entity thereof for any service of any kind, whether by bid or otherwise, including but not limited to professional services and bond issues, shall make every reasonable effort to require that the contractor, firm or company to which any such contract is awarded have at least fifteen (15) percent participation by socially and economically disadvantaged individuals, or the City shall make every reasonable effort to ensure that at least fifteen (15) percent of the total value of all such contracts or agreements described above shall be awarded to qualified contractors or professionals who are socially and economically disadvantaged.

- b) The City will hire a consultant to provide technical assistance and recommend regulations to ensure every reasonable effort is made to implement this section.

TABLE 1  
TOTAL DOLLAR AMOUNTS AWARDED BY CITY DEPARTMENTS

NAME	NUMBER OF MINORITY CONTRACTS	PERCENTAGE OF CONTRACTS AWARDED TO MINORITY	TOTAL DOLLAR AMOUNT CONTRACTED	TOTAL DOLLAR AMOUNT AWARDED TO MINORITY	PERCENTAGE OF DOLLAR AMOUNT CONTRACTED
Architectural Engineering	46	Unable to Calculate	NA	\$ 973,613.00	Unable to Calculate
Engineering	4	Unable to Calculate	\$ 14,157,048.82	\$ 548,895.29	4%
Financial Services	3	100%	\$ 361,365.00	\$ 361,365.00	100%
Geographic Information Services	0	0%	\$ 315,905.00	\$ -	0%
Mobile Museum of Art	NA	NA	NA	NA	NA
Public Services	2	100%	\$ 1,214,402.00	\$ 776,970.00	64%
Purchasing	NA	NA	NA	NA	NA
Traffic Engineering	0	NA	NA	NA	NA
Community Planning & Development	22	Unable to Calculate	\$ 413,543.00	\$ 195,893.00	47%



Architectural Engineering noted its knowledge of, and adherence to this ordinance. However, data proving fulfillment of this ordinance, was unavailable. The department noted that the data that could prove fulfillment of this ordinance was in project files, but not kept in a database, it was therefore very difficult to provide the data given the time constraints of the study. The department acknowledged and the researchers cited that while the information regarding minority and/or women-owned business contracts was available, the total numbers for overall contracts awarded by the department were not available. This made it difficult to determine the true impact of utilizing these businesses. Additionally, it had been established that no database or directory for these businesses existed. This issue was raised a number of times during the data collection process.

The Engineering Department also acknowledged adherence to the ordinance, but did not define or demonstrate to what degree. The department representative stated, "The requirements of the ordinance are in all of our contracts" was the answer given by the representative but data was not provided to show fulfillment of the terms of the ordinance. Over the defined three-year period (2010-2012) two (2) contracts were awarded to minority and/or women owned businesses. In terms of dollars, \$14,157,048.82 was awarded in total contracts with \$548,895.29 being awarded to minority and/or women-owned businesses. That total equates to approximately 3.87% of the total award going to minority and/or women-owned businesses from this department, which is below the fifteen (15%) percent required by the ordinance.

Financial Services adheres to Ordinance 65-020. It has fulfilled the terms of the ordinance each year under review. One contract each year has been awarded for a total of \$361,366. This (100%) amount has been awarded to a minority and/or woman-owned business each year. Conversely, Geographic Information Services (GIS) is not familiar with the ordinance and therefore does not adhere to it. The department is not fulfilling the terms of the Ordinance. It has

awarded \$315,905 over the past three years in contracts and no minority or woman-owned business has received an award. It did state that buying local, regardless of being minority and/or women owned, was very difficult due to it being focused on software and licensing driven companies.

Mobile Museum of Art is familiar with the Ordinance and does adhere to it. However, when asked to provide information on how this occurs, the museum requested that the "City" answer for them. Importantly, though the museum was unable to provide direct information regarding its city funding, it did, however, name at least five minority and/or women owned businesses utilized with its non-city funding.

Public Service understands the City Ordinance, but they admittedly do not adhere to it. According to the representative, it has not been something the City pursued; it had only recently been brought up to the representative. When reviewing the three years studied, in all years noted, the department did fulfill the Ordinance, at 44%, 91%, and 98% respectively. Four contracts over three years were awarded to minority and/or women-owned businesses. The total dollar value for all contracts awarded was \$1,557,642 for the three years, with minority and/or women owned businesses receiving \$1,113,110 or 71.46%. Though the department admitted it did not adhere to the Ordinance, it actually had been meeting standards consistently.

Purchasing was often named as the entity which other departments use to procure goods. It acknowledged awareness of Ordinance 65-020 and noted that it attempts to adhere to the Ordinance, but is unable to in the absence of someone to certify and qualify businesses. According to the department, the current system in use does not track the number of contracts awarded to MWBE. The system also does not track the total dollar value of all contracts the department awards. Data is located in multiple systems and it was impossible to review in time for completion of the study. This was very problematic when trying

to analyze how well the department most in charge of procurement was engaging minority and/or women owned businesses.

Traffic Engineering said that the department was unaware of the City Ordinance. However, it noted that it adheres to the Ordinance, but followed up by acknowledging that zero percent of it has been fulfilled over the past three years. The department also answered zero to the number of women and/or minority owned businesses with which the department does business, as well as zero to the total number of contract dollars overall being provided. To provide clarification the department commented, "We use the purchasing department for procurement, we do not bid for goods from this department. We also use yearly state and county contracts for purchasing. We have not had any professional service contracts in the recent years."

Community Planning and Development noted its familiarity with Ordinance 65-020 and that it adheres to it. The department is new; therefore it only had data for 2012, but in that year the department awarded 46 contracts totaling \$413,543; of these, \$195,893, or 47.36% were awarded to MWBE.

Outreach to MWBE can be viewed as one way to increase the amount of businesses that they receive. The preferred form of marketing for minority and/or women-owned businesses is through newspaper advertisements, local groups and membership meetings, the city website, telephone and e-mail solicitations. Other departments mentioned the use of request for quotations, trade shows, newspaper and internet-announcement of bids for products, reviewing previous bid lists, and contacts with vendors through various city officials. Still another department indicated that no marketing is completed under the state's bid laws. One department has taken its outreach to another level by conducting workshops and seminars to English and limited English-speaking populations.

The departments procure various goods and services. Most referenced

having standard policies and procedures existing for awarding contracts, and point out that the City Council awards the contracts and follows the bid laws for the State, some others even have federal statutes to abide by. However, more than 40% of the departments do not have a standard policy and procedure to award contracts. Of the 40%, many depend on the Purchasing Department to have and follow policies and procedures.

The reasons given for the under-utilization of minority and/or women-owned businesses varied within the City departments. Architectural Engineering stated that the State of Alabama Bid Law requirements prevented higher utilization. Of particular note is “the lowest responsible and responsive bidder” response in which the departments say that it would be unlawful to dictate that a portion of the work be performed by minority and/or women-owned businesses. This department went on to mention the difficulty it faces in trying to decipher a business’s status/designation. Engineering responded that under-utilization was due to a lack of qualified businesses with appropriate expertise and/or license. The department went on to say that small companies are not often set up to handle the requirements of federal contracts. Additionally, such companies also do not have the capital that enables them to wait on payments that can come months after a job begins. Public Services noted that “professional services contracts are awarded to those who apply and a number of local contractors”; there are not many firms in the area.

Geographic Information Services’ purchasing needs are very specialized; the companies used are usually publicly traded companies, large companies. Other departments chose not to answer the question. Of particular interest is Purchasing’s response in which it stated that it is “unable to identify or qualify [a] business as a minority, woman-owned, or disadvantaged business and they have not stepped forward to identify themselves to us.” On the other hand, Architectural Engineering does a great job in requiring contractors to sign documentation noting understanding and usage of the equal employment

opportunity clause provided for under Executive Order 11246. It also provides a socially and economically disadvantaged status form as a requirement for bidding, submitting of proposals and awarding of contracts. The Department of Community Planning and Development requires developers, contractors, recipients and sub-recipients to comply with its internal procurement policy including Federal requirements in procurement, equal employment and wages, and civil rights compliance. It would be in the interest of the City to implement some of the policies and procedures mentioned under other departments.

Three departments; Purchasing, Architectural Engineering, and Community Planning and Development mentioned existing plans for increasing the utilization of minority and women-owned businesses and Geographic Information Services emphasized that it should be a priority of the City to implement a plan. In an effort to increase utilization of these businesses, the Purchasing Department continues to seek new vendors. Architectural Engineering uses certifications to assist in the process of identifying socially and economically disadvantaged contractor/subcontractor status. Community Planning and Development provides support for small business development, technical assistance, and provides training to minority and/or women-owned businesses on contracting and other areas.

Importantly, it should be noted and re-emphasized that a trend remains within most departments of not having a well-maintained data base or directory of these businesses. In the same way, half of the departments surveyed either do not have or chose not to disclose whether there is a race/gender neutral initiative in place to eliminate discrimination in contracting or procurement. Engineering, Financial Services, Purchasing, and Community Planning and Development all have plans in place. Purchasing also referenced the State of Alabama Bid Law and the Act that created the current form of government for the City of Mobile as support for having initiatives in place.

The Disparity Study survey results from the City and Quasi-City Departments provided interesting insight into the utilization of minority and women-owned businesses. There seems to be a lack of use of these businesses across the board, however, what even more concerning is the lack of knowledge and understanding some departments have about the ordinances and Federal guidelines that are in place for them to follow. Ordinance 65-020 and Section 3 of the Housing and Urban Development Act of 1968, both discuss the guidelines for the utilization of those considered “socially and economically disadvantaged”, which equates to businesses owned by minorities and women. The Ordinance also provides for a consultant to ensure that these businesses are receiving, or at least being considered for contracts. Unfortunately, the City has not hired anyone to provide oversight in this area for quite some time. This is readily apparent when looking at the current data. Recommendations for the City have been mentioned throughout the narrative, but a more composite list is provided below.

**Recommendations:**

1. The City should have in place a diversity policy or procedure for including minority and women-owned businesses in the contracting and procurement process.
2. The Purchasing Department has already identified local minority and women- owned businesses. Compiling a comprehensive list and creating a directory that is updated yearly would be helpful to all departments. Or, this could be the task of the compliance officer for the City Ordinance 65-020. One possibility for this which could prove useful, would be to use information from the City Revenue Department, specifically business licensing, and begin requesting businesses socially and/or economically disadvantaged status.
3. It is imperative that a procurement plan covers all departments.
4. Procurement data for all departments should be available in electronic

form, making it more searchable. Also, it would be helpful for this data to be located in one central database with department and employee passwords to view but not change. Presently, it is extremely difficult for members of the staff to access and analyze needed information.

5. The rules set forth in Ordinance 65-020 and approved by the City Council should be adhered to, including the hiring of a compliance officer to provide technical assistance and monitor progress. This person could assist in creating a full process for certifying local businesses, removing some burden from the Purchasing Department.
6. A standard policy and procedure should be established for awarding contracts within all departments, including a socially and economically disadvantaged status form as a requirement for bidding, submitting of proposals and awarding of contracts. This is similarly being done in the Engineering Department. Community Planning and Development has this policy in place in compliance with Federal Regulations. It also has an affirmative marketing outreach policy for MWBE.
7. The City of New Orleans has written in its contracting process the following:

“The City shall at all times maintain a policy to maximize the use of socially and economically disadvantaged business enterprises (DBE) in accordance with applicable laws and goals. DBE participation is a component of the RFP and RFQ process. All firms qualifying under an RFP or RFQ solicitation must submit with their proposals a statement as to how they intend to meet the City’s DBE goals.” This came directly as an Executive Order from the Mayor’s office, which emphasizes its importance to him and the City. A statement such as this from the City of Mobile Mayor, in conjunction with education of all staff, could prove to be the changing tide the City of Mobile needs.

**Observations:**

When collecting data for this study, the researcher began with survey responses and phone interviews for source responses. The surveys were e-mailed to the directors of the departments or a designee. Approximately, fifty percent (50%) was returned without a need for follow-up. The remaining fifty percent (50%) had to be followed-up at least once. A total of two departments had no responses at all, even after two follow-up attempts. Another issue was difficulty in clarifying some responses, as many calls went unanswered, and voice-mails unreturned. Some departments even left questions unanswered on the survey. Additionally, data was based on the department-reporting. In future, more in-depth studies; it could prove more effective and useful for researchers to retrieve data from the accounting office. The researcher followed up with office visits to the departments. Office visits were very informative and all department representatives were ready with suggestions and some even noted the need for such an inquiry, as this was the first time such an initiative had been mentioned. It should be noted that all personnel interviewed wanted more education on Ordinance 65-020 and Section 3, even though all do not receive HUD funds. Concern was also raised about the use of this information for action or as just another report.



## **Summary of Data Maintenance and Future Capabilities:**

Each department was asked about its availability and storage of procurement data. Most departments had the data available and kept it in paper form. Some departments did have an electronic version usually found in an Adobe Acrobat file (PDF), but Purchasing uses Oracle. Traffic Engineering revealed that it does not have recorded available and accessible procurement data from the past three years. Overall, the ability to mine data is very difficult under current conditions for most departments, especially in Purchasing. Data is being kept in different forms, electronically, in certain databases, and in paper form in others. Having one database to maintain records such as Purchase Orders, requests, and contracts, would make maintaining data more orderly and easier to access. This was the number one request when department representatives were asked about how better information could be maintained.

## **Minority and Women-owned Business Enterprises (MWBE)**

The initial database used for the survey was taken directly from the Mobile Minority Business Development Agency (MBDA) 2013 business directory and was later placed in excel format to meet the technological needs of the research team. Efforts were made to identify Mobile businesses certified as minority or women- owned business enterprises. The initial database used to make contact and request participation in the study rendered eighty seven (87) potential participants.

Attempts to broaden the sample size included site visits to those who were interested in taking the survey by phone but had not committed to a specific time to complete the survey. Additionally, a visit with the executive director of Mobile's Minority Business Development Agency (MBDA) yielded more business names. Members of the research team shared names gathered from interviews with the Mobile Airport Authority and the City's Architectural/ Engineering Department also

participating in the Study.

Efforts to make initial contact with each business required a minimum of two telephone call attempts, a message, and call back information. Next, two separate e-mails were sent to each accessible e-mail account. Google and The Yellow Pages were utilized throughout the entire search process in an effort to expand the contact pool. A final attempt to increase participation in the study was a phone call and an e-mail that gave a final date to participate in the study. All phone interviews were accompanied with signatures by way of site visits or a scanned PDF signature.

The total responses were less than expected given that the impact of the Study could be beneficial in the future for participating MWBE. Ultimately, the total number of MWBE contacted was eighty (**80**). This total includes: not interested (**6**), no longer in business (**4**), request to be taken off the list, (**2**). Other exclusions are those for whom a voice message or return call request was left but no response, ten (**10**). Eighteen (**18**) telephones were disconnected, two (**2**) surveys which were requested by business owners to be faxed were not returned, four (**4**); calls yielded persistent busy signals, and one (**1**) business was not accepting calls. The result was a total of thirty-two (32) validated participants.

Business owners and co-owners who were interviewed self-identified in these categories: Black 72%, White 13%, Hispanic 5%, Asian 2.5%, Native American 5% and Biracial 2.5%. Categorically, business owners and co-owners according to Gender\_totaled sixty-nine percent (69%) male and thirty-one (31%) percent female. They certified as; Minority Business Enterprises, nineteen (19); Women-Owned, seven (7); Disadvantaged, eleven (11); and Small Business Enterprises, twelve (12). Six (6) MWBE revealed being certified with MBDC and/or MAWSS. Additionally, three businesses were certified through the South Region Minority Supplier Development Council (SRMSDC) and American Power Conversion (APC). When questioned about their data-keeping practices, the

responses revealed no significant difference in record-keeping between the overwhelming number of businesses (29 of 32) that did not utilize electronic business accounting and those that did.

Respondents indicated an interest in receiving training that would assist business owners in seeking federal contracts as well as city contracts. However, some business owners felt it was not a lack of training or resources to compete for contracts because they had and continue to obtain contracts in other states. When asked whether they submitted applications to the City, fourteen **(14)** reported **Yes** and eighteen **(18)** reported **No**. Keeping in mind that all respondents did not respond completely to all questions on the survey, the firms that identified the type of submission made reported eleven **(11) Bids**, five **(5) Proposals** eighteen **(18)**, and **Price Quote** one **(1)**. Nine (9) of the respondents reported receiving the awards in the capacity of Prime Contractor, one (1) as Sub-Contractor, and two (2) as Suppliers. Twelve (12) of the 32 responding firms reported receiving awards from the City of Mobile within the years of 2010-2012.

When questioned about the sufficiency of notification to compete, twenty-seven firms responded that there was insufficient notice, two (2) answered that the notification was sufficient, and three (3) did not respond. Sufficiency in this question referred to enough time and clarity of instructions in order to make application. *Speeches* recognizes that its meaning could have been misinterpreted in this particular question given that the respondents' answers indicate their interpretation of sufficiency to mean enough varied sources of advertisement to reach everyone given that not everyone uses the same or one information source. *Speeches* also acknowledges that businesses should be knowledgeable of the sources that the City uses for listings if they are interested in competing which does not negate the message from the respondents suggesting diversity of media to reach a diverse community.

Table 2

SELF-REPORT OF TOTAL DOLLAR AMOUNT AWARDED TO MWBE 2010-2012

ID	TYPE	KIND	CAPACITY	TOTAL DOLLAR AMOUNT AWARDED	YEAR
Manuel Masonry	Construction	Masonry	Prime Contractor	\$150,000	2010
				\$150,000	2011
				\$150,000	2012
Nu Vision Services	Construction	Demolition	Prime Contractor	\$9,000	2010
				\$8,000	2011
				\$8,000	2012
Caribbean Design	Construction	Demolition	Prime Contractor	\$15,000	2010
				\$15,000	2011
Marion's Paint	Construction	Painting	Prime Contractor	\$7,000	2012
Superior Masonry	Construction	Masonry	Prime Contractor	\$4,000	2011
Dorsey & Dorsey	Architecture Engineering	Engineering		\$45,000	2011
BNI LLC Business Resource & Copy Center	Profess. Ser.	Business/Printing	Supplier	\$2,209	2010
				\$2,517	2011
Gulf Coast Federal	Profess. Ser.	Financial Institution	Supplier	\$100,000	2010
Proudfoot Contracting	Services	Maintenance & Home Repairs	Prime Contractor	\$60,000	2010
				\$60,000	2011
				\$60,000	2012
All Clean	Services	Janitorial Services	Prime Contractor	\$174,564	2010

This Table provides self-reported accounts for all MWBE that were awarded contracts from the city of Mobile for 2010-2012.

During interviews, some businesses that had obtained contracts with the

City did not have the specific amounts available so they checked the \$100,000 or less category, and indicated that some awards ranged below \$5,000. Only specific dollar amounts are included in the total of \$845,726 for MWBE contracts during the three-year study period. Without knowledge of the total available dollars, there is no way to calculate a percentage or the disparity index.

### **Observational Findings:**

Although varied and combined efforts rendered a small sample of Minority and Women-owned Business Enterprises (MWBE), the effort to obtain participation in the study using e-mail, site visits, phone calls, and city business agendas played a role in increasing it. An added dimension throughout the solicitation process was discovery of the “digital divide theory” at work. This theory supports the belief that segments of the American population are dated regarding use of technology in both their homes and businesses. Evidence of such a theory operating within the MWBE was reflected through e-mail address uncertainty, inoperable computers, e-mail account sharing between family and business, and non-existent or poorly developed web page information.

Other vulnerabilities discovered among this group of potential participants included being on the verge of closing their business due to poor business health, anticipated retirement, and financial burdens. The poor business health of this group is tied to the malfunctions in the heart of the business, i.e., lack of front line employees available to answer phones, respond to e-mail, receive or solicit potential business. The majority of these businesses had five or less employees, except one outlier with three to four hundred employees within the study period of 2010 through 2012.

**Conclusion:**

Although the sample is small considering the effort put forth to solicit participation in the disparity study, the data and informational findings from this study demonstrate that the content of those responses are noteworthy and cohesive in thought. Interviews revealed a sense of indifference regarding the degree of commitment that will be given by the City to effectively expand the opportunities for MWBE through the recommendations offered in the study. However, it should be noted that this study was viewed by others as a “good faith” gesture on the part of the City administration as well as a ray of hope for change through efforts of the new administration. The recommendations listed below result from data gathered through all efforts and from all sources. They are recommended by the research team based solely on the facts of that data, not on the opinions of the participants.

**Recommendations**

1. Follow-up on the study in the future to determine the extent of efforts toward change in the City’s contracting and procurement practices.
2. Establish sound collaborative efforts that promote up-to-date and correct MWBE contact information and sharing among interested City Agencies, Quasi-Agencies and Departments
3. Use electronics and automation throughout the entire procurement process for all offices and departments to solicit bids and quotes, track activities, collect and store data on contract and procurement processes and outcomes; and make information more accessible and available to the public, transparent, and equally distributed in a consistent and timely manner (e.g. monthly, quarterly).
4. Identify MWBE through the Mobile County License Commission, City Revenue department, and cross-reference with the MBDA for developing and maintain a valid, up-dated MWBE directory.
5. Create and maintain bid lists that are more visible, better advertised, and distributed more widely in a timely and more efficient manner

6. Research sister cities and other states with comparative demographics for best practices
7. Develop a Diversity Executive Committee or task force that includes the Mayor and MWBE professionals and skilled workers to develop and implement an inclusive City action plan for Diversity and Inclusion
8. Employ a Compliance Officer to monitor implementation of 1985 City Ordinance 65-020, evaluate and maintain data, maintain an updated and valid MWBE directory, report on the progress of contract and procurement practices and activities, and share with the Mayor and City Council
9. View and consider the factors (below) as disadvantages that render businesses unavailable.

**TABLE 3**  
**FACTORS THAT LIMIT MWBE PARTICIPATION IN CONTRACTING**

FACTORS THAT AFFECT OBTAINING WORK WITH THE CITY OF MOBILE	LEVEL OF RISK AFFECT IN OBTAINING WORK
Access to credit	<b>12.5%</b>
Bundling of contracts	<b>43.8%</b>
Bond/insurance Assistance	<b>33.4%</b>
Brand name requirements	<b>18.6%</b>
Timely payments from Prime Contractors	<b>21.9%</b>
Timely payments from the City	<b>25%</b>
Other	<b>8%</b>

This table lists variables that MWBE rated as affecting their availability

10. Consider unbundling contracts
11. Consider a priority point system for applications from local contractors when competing against non-local applicants
12. The City should create and maintain opportunities for dialogue and

relationships with MWBE to show itself as a friendly entity and minimize its perceived position as a user unfriendly City for business

13. Prime contractors should offer clarity and accountability regarding the use of MWBE to meet their diversity goals. Additionally, the City of Mobile should build on local City demographics in meeting diversity goals for national and international trade opportunities to obtain contracts for the City to support the ever growing needs of its racially and ethnically diverse citizenship.
14. Take accountable measures to ensure that the MWBE goal is achieved
15. Training and Resources should be made available that cover how to start a business with a focus on taxes, licensure, and City permits, improved marketing strategies and doing business with local government and quasi-local government agencies.



# DISPARITY ANALYSIS



## **DISPARITY ANALYSIS**

When the initial database of MWBE was compiled, it was filtered to ensure valid contact information, and firms that are presently operational and are qualified, willing, and able to work with the City of Mobile. Upon filtering for firms within the categories of the industries being studied based on ownership and analysis of information from all sources that classified them as MWBE, thirty two (32) firms emerged from the initial count of eighty-seven (87) as operational, qualified, and available for utilization by the City of Mobile. These firms listed location within the city parameters and doing business within the areas of construction, Architectural Engineering, and professional goods and services. They are classified as Minority and Women-owned firms because of the small numbers.

### **Availability Data**

The initial list of available MWBE was established using the Mobile Chamber of Commerce's Master Directory, but it was discovered that the directory only contained businesses that are members of the Chamber. Secondary data was gathered using lists from the following agency lists:

- Minority Business Development Agency
- City of Mobile Purchasing Department
- University of South Alabama Small Business Development Center
- Local Business and Community organizations
- Contractor Data
- Internet

### **Utilization Data**

The data collected from the City Departments shows that of the total dollars paid to Prime and Subcontractors, MWBE received 2.1% in Construction; 6.7% Architectural Engineering, and 1.9% in Professional Goods and Services.

Availability and Utilization Data were analyzed to determine if MWBE were

receiving a fair share of the City's available contracting dollars and if the practice and procedure for awarding these dollars is fair. Overall, the City Departments reported a total of 44 MWBE listed as having received contracts from the City within the study period, 2010-2012 and a total of 77 contracts recorded as having been awarded from the City to MWBE during that time.

When using the City Departments data, contracts awarded to MWBE represent fifty-seven percent (57%) overall utilization of Minority businesses divided by forty percent (40%) availability equals a **1.42% x 100 = 142 disparity index**; above 100, representing no level of disparity or over utilization. Using the MWBE database, percent of availability (32 available divided by 80 identified MWBE equals 40% availability). These businesses, self-identified as twenty-eight (28) MBE 87% and four (4) WBE, 12%, were available to do business with the City.

Women-owned Business Enterprises were awarded five (5) contracts, 11% utilization of the available 40% total contracts awarded equals **27.5% disparity index** for WBE, far below the index of eighty (80). Only four businesses self-identifying as women-owned within the MWBE database indicates a large discrepancy between the number receiving contracts and the number identified as available. Only one business from the MWBE survey self-identified as woman-owned that received a contract from the city. The discrepancy between the number of MWBE receiving contracts from the city, and the number identified from the survey can be the result of poor record-keeping on the part city departments and businesses, poor directory development, or lack of participation by M/WBE in the study. Minority Business Enterprises received 22 of the available contracts, 50%. Fifty percent (50%) divided by forty percent (40%) equals 125% - **no disparity index**.

**TABLE 4  
CONSTRUCTION DISPARITY ANALYSIS – 2010-2012**

CLASSIFICATIONS	NUMBER OF AWARDS	TOTAL AMOUNT AWARDED	PERCENT & DOLLARS TO MWBE	PERCENT FOR MWBE	DISPARITY INDEX	DISPARITY IMPACT: OVER/UNDER
<b>Minority Businesses</b>	<b>22</b>	\$413,543	47% \$195,893	<b>40</b>	<b>55%</b>	<b>Under</b>
<b>Women-owned Business Enterprises (non-minority)</b>	<b>5</b>				<b>12%</b>	<b>Under</b>

Construction: Minority and Women-owned Business Enterprises were under-utilized at 15.95% creating a significant disparity index of **67**

**TABLE 5  
ARCHITECTURAL ENGINEERING DISPARITY ANALYSIS – 2010-2012**

CLASSIFICATIONS	NUMBER OF AWARDS	TOTAL AMOUNT AWARDED	PERCENT & DOLLARS TO MWBE	PERCENT FOR MWBE	DISPARITY INDEX	DISPARITY IMPACT: OVER/UNDER
<b>Minority Businesses</b>	<b>52</b>	\$15,371,450	<b>15%</b> \$2,299,478	<b>40</b>	<b>None 130</b>	<b>Over</b>
<b>Women-owned Business Enterprises (non-minority)</b>	<b>0</b>					

Architectural Engineering:

Minority Business Enterprises were over-utilized by a disparity index of **+50**

Women-owned Business Enterprises were under-utilized by a disparity index of **0**

**TABLE 6  
PROFESSIONAL GOODS AND SERVICES DISPARITY ANALYSIS – 2010-2012**

CLASSIFICATIONS	NUMBER OF AWARDS	TOTAL AMOUNT AWARDED	PERCENT & DOLLARS TO MWBE	PERCENT FOR MWBE	DISPARITY INDEX	DISPARITY IMPACT: OVER/UNDER
<b>Minority Businesses:</b>	<b>3</b>	\$677,270	<b>54%</b> \$365,361	<b>40</b>	<b>7.5%</b>	<b>Under</b>
<b>Women-owned Business Enterprises (non-minority)</b>	<b>0</b>					<b>Under</b>

Professional Goods & Services:

Minority Business Enterprises were under-utilized with a disparity index of **7.5**

Women-owned Business Enterprises were under-utilized with a disparity index of **100**

# APPENDIX

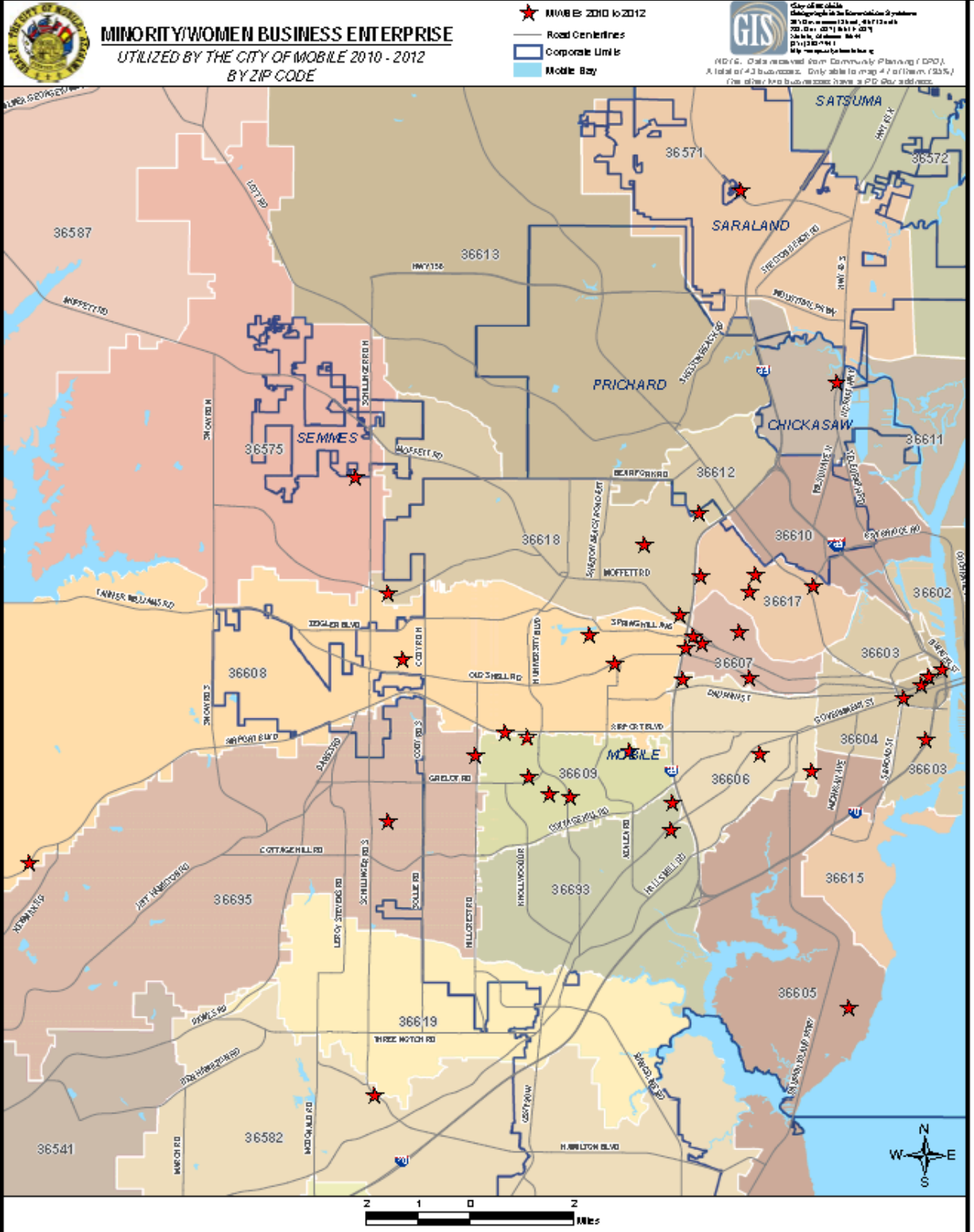
**APPENDX**

**APPENDIX A  
WORK PLAN FOR DISPARITY STUDY**

<b><i>CITY OF MOBILE 2013 DISPARITY STUDY ACTIVITIES AND DELIVERABLES</i></b>	
1.	Project Orientation
2.	Forum I
3.	SMWBE Profiles Data Collection
4.	Jurisdictional Data Research and Collection
5.	Evaluation of SMWBE Legal Status (Documentation of Grievances)
6.	Review and Analysis of Utilization and Availability Data
7.	Disparity Analysis of Agencies
8.	Policies and Procedures Review
9.	Analysis of Policies
10.	Contracting Review
11.	Forum II
12.	Project Management
13.	Project Expenses
14.	Forum III
15.	Project Management
16.	City Council Report
<b>DELIVERABLES</b>	
1.	Forum I
2.	SMWBE database
3.	Summary Report of data utilization; Disparity Findings
5.	Contract Analysis
6.	Forum II
7.	Study Report Draft
8.	Recommendations
9.	Final Report
10.	Forum III; Presentation of Findings
11.	City Council Report

## APPENDIX B MWBE RELEVANT MARKET AREAS

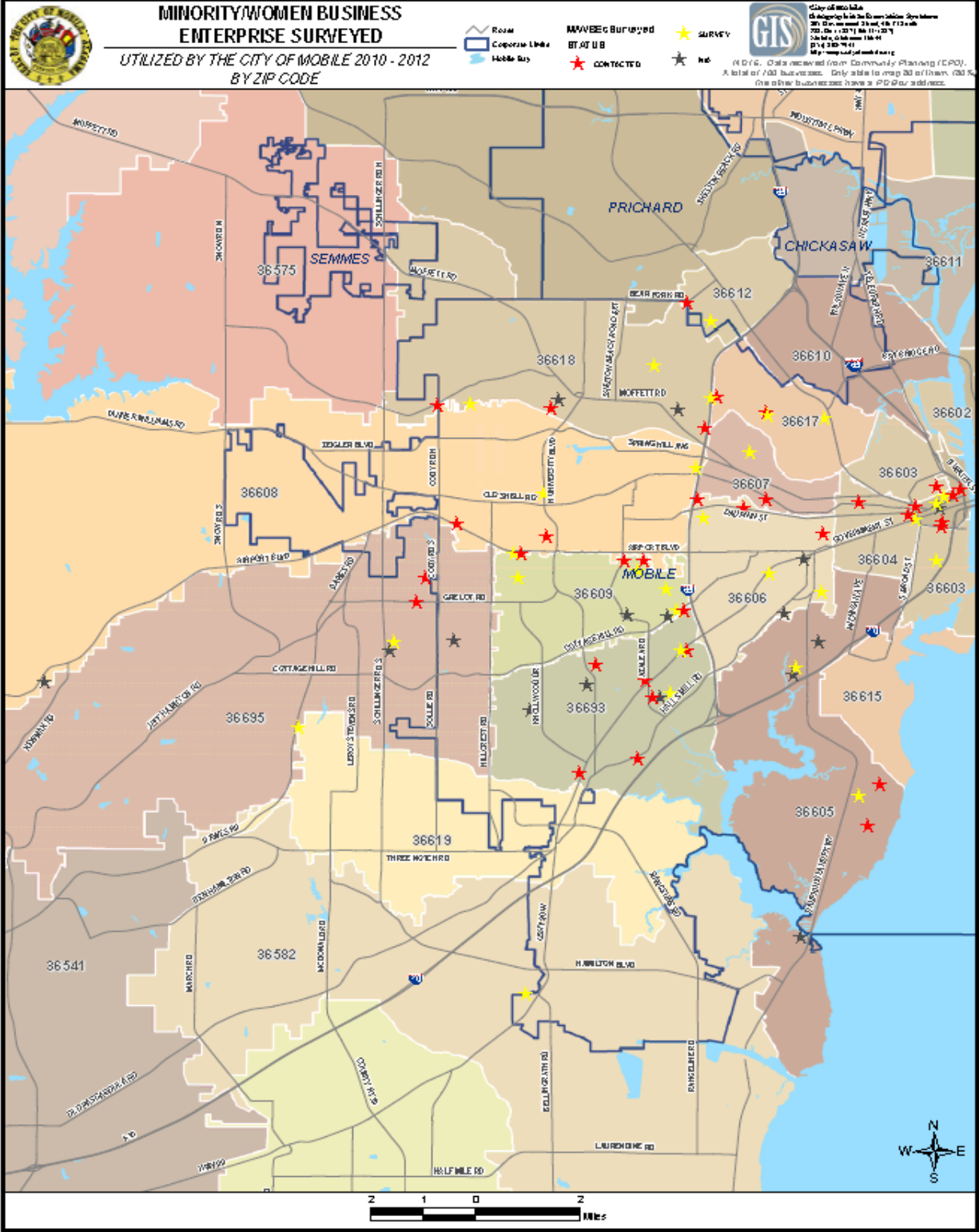
### MINORITY WOMEN BUSINESS ENTERPRISE UTILIZED BY THE CITY OF MOBILE 2010-2012 BY ZIP CODE





# APPENDIX C MWBE SURVEY AREAS

## MINORITY WOMEN BUSINESS ENTERPRISE SURVEYED UTILIZED BY THE CITY OF MOBILE 2010-2012 BY ZIP CODE



## **APPENDIX D SUMMARY OF RECOMMENDATIONS**

### **Recommendations for Agencies:**

- Notify MWBE when they are not awarded contracts and provide an explanation as to why they do not receive the contract to guide future applications
- Provide training and information concerning bid laws and competitive business practices of doing business with local government, utility agencies and Quasi--government agencies
- Centrally locate bid information and opportunities for all agencies rather than require businesses to search each agency, some with which they may not know exist.

### **Recommendations for City Departments:**

1. All departments should have in place a diversity policy or procedure for including minority and women-owned businesses in process.
2. The Purchasing Department has already identified local minority and women- owned businesses. Compiling a comprehensive list and creating a directory that is updated yearly would be helpful to all departments. Or, this could be the task of the compliance officer for the City Ordinance 65-020. One possibility for this which could prove useful, would be to use information from the City Revenue Department, specifically business licensing, and begin requesting businesses socially and/or economically disadvantaged status.
3. It is imperative that a procurement plan covers all departments supported within the Purchasing Department. This department must review and understand Section 3 of the Housing and Urban Development Act of 1968 since other departments seem to depend heavily on it when questioned about these regulations.

4. Procurement data for all departments should be available in electronic form, making it more searchable. Also, it would be helpful for this data to be located in one central database with department and employee passwords to view but not change. Presently, it is extremely difficult for members of the staff to access and analyze needed information.
5. The rules set forth in Ordinance 65-020 and approved by the city Council should be adhered to, including the hiring of a compliance officer to provide technical assistance and monitor progress. This person could assist to create a full process for certifying local businesses, removing some burden from the Purchasing Department.
6. A standard policy and procedure should be established to award contracts within all departments, including a socially and economically disadvantaged status form as a requirement for bidding, submitting of proposals and awarding of contracts. This is similarly being done in the Engineering Department. Community Planning and Development has this policy in place in compliance with Federal Regulations. It also has an affirmative marketing outreach Businesses.
7. The City of New Orleans has written in its contracting process the following:

“The City shall at all times maintain a policy to maximize the use of socially and economically disadvantaged business enterprises in accordance with applicable laws and goals. DBE participation is a component of the RFP and RFQ process. All firms qualifying under an RFP or RFQ solicitation must submit with their proposals a statement as to how they intend to meet the City’s DBE goals.” This came directly as an Executive Order from the Mayor’s office, which emphasizes its importance to him and the City. A statement such as this from the City of Mobile Mayor, in conjunction with education of all staff, could prove to be the changing tide the City of Mobile needs.

## **Recommendations for MWBE:**

1. Follow-up on the study in the future to determine the extent of efforts toward change in the City's contracting and procurement practices.
2. Establish sound collaborative efforts that promote up-to-date and correct MWBE contact information and sharing among interested City Agencies, Quasi-Agencies and Departments
3. Use electronics and automation throughout the entire procurement process for all offices and departments to solicit bids and quotes, track activities, collect and store data on contract and procurement processes and outcomes; and make information more accessible and available to the public, transparent, and equally distributed in a consistent and timely manner (e.g. monthly, quarterly).
4. Identify MWBE through the Mobile County License Commission and cross reference with the MBDA for developing and maintain a valid, up-dated MWBE directory.
5. Create and maintain bid lists that are more visible, better advertised, and distributed more widely in a timely and more efficient manner
6. Research sister cities and other states with comparative demographics for best practices
7. Develop a Diversity Executive Committee or task force that includes the Mayor and MWBE professionals and skilled workers to develop and implement an inclusive City action plan for Diversity and Inclusion
8. Employ a Compliance Officer to monitor implementation of 1985 City Ordinance 65-020, evaluate and maintain data, maintain an updated and valid MWBE directory, report on the progress of contract and procurement practices and activities, and share with the Diversity Committee/Task Force
9. View and consider the factors (below) as disadvantages that render businesses unavailable.
10. Consider unbundling contracts
11. Consider a priority point system for applications from local contractors

when competing against non-local applicants

12. The City should create and maintain opportunities for dialogue and relationships with MWBE to show itself as a friendly entity and minimize its perceived position as an unfriendly business City
13. Prime contractors should offer clarity, incentive, and accountability regarding the use of MWBE businesses to meet their diversity goals. Additionally, the City of Mobile should build on local City demographics in meeting diversity goals for national and international trade opportunities to obtain contracts for the City to support the ever growing needs of its racially and ethnically diverse citizenship
14. Take accountable measures to ensure that MWBE are not restricted to “set-asides” only
15. Training and Resources should be made available that cover how to start a business with a focus on taxes, licensure, and City permits, improved marketing strategies and doing business with local government and quasi-local government agencies.