

An aerial photograph of the Athens-Clarke County Government Center at dusk. The central building is a large, light-colored stone structure with a prominent green dome and a clock tower. To its left is a white building with columns. To the right is a red brick building. The sky is a mix of orange, pink, and blue. In the foreground, there are streets with cars and some trees. A yellow diamond graphic is overlaid on the left side of the image.

Athens-Clarke County Unified Government

2023 Disparity
Study



Agenda

Athens-Clarke County Unified Government
2023 Disparity Study

Introductions

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MGT

Nationally-recognized. Locally-focused.

We partner with cities and counties, school districts, higher education institutions, and state agencies to help them achieve high-value, transformational change through our capabilities and industry knowledge.

48 Years

Years of
Experience
in Public Sector
Management
Consulting

15K+

Client
Partnerships
Across the
Globe

230+

Successful
Disparity &
Equity related
projects

260+

Dedicated
consultants
across the
country

48 years

Almost a half century providing
consulting services



MGT Management Team



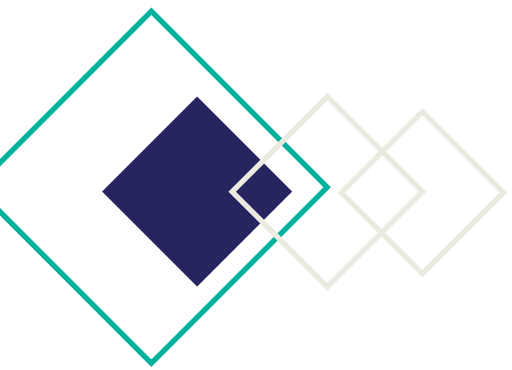
Andres Bernal, JD

Methodological Lead and Legal
Researcher



Vernetta Mitchell, CCA

Project Director, Qualitative Researcher,
Subcontractor Manager



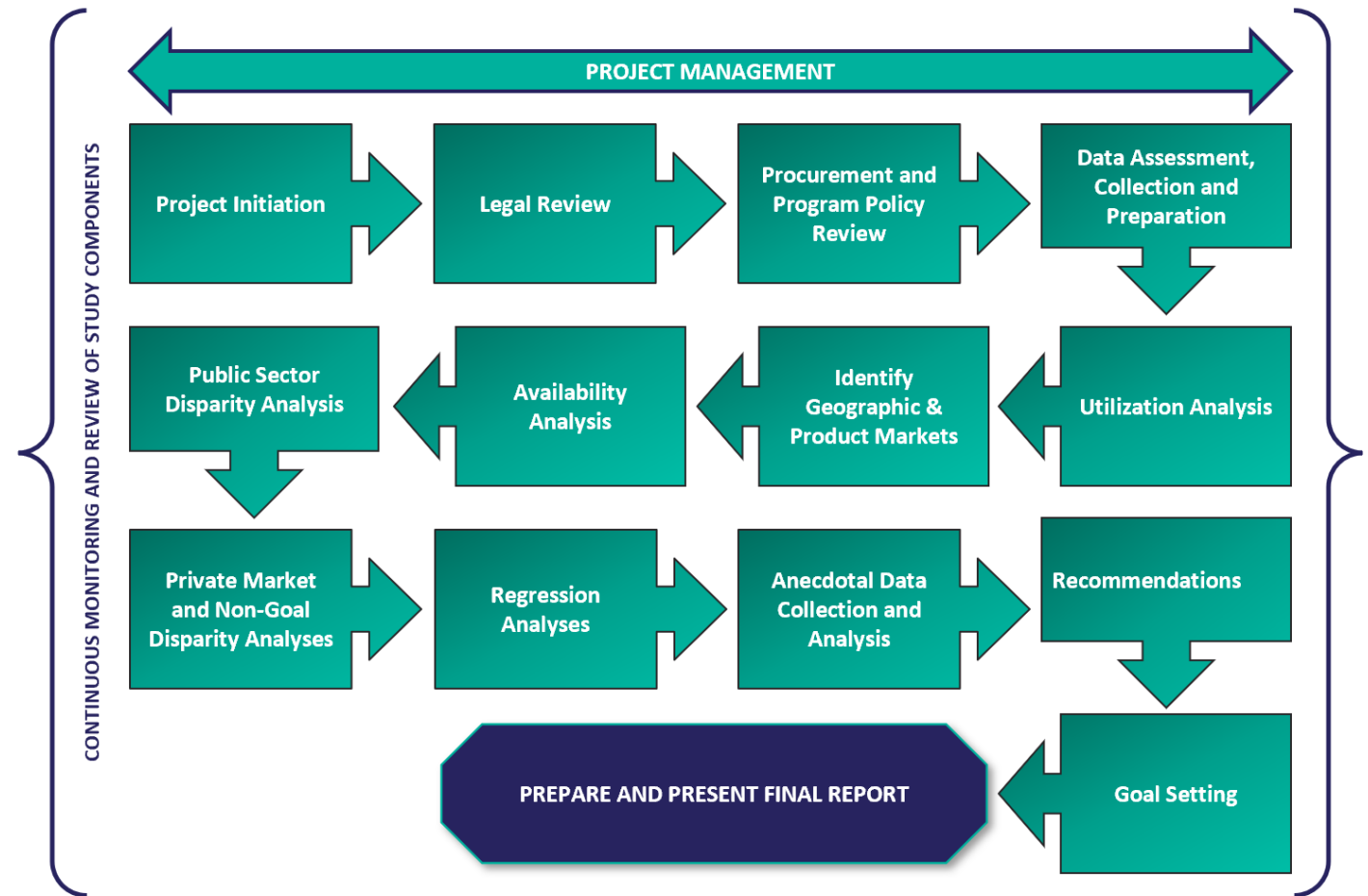
Disparity Study Overview

- Disparity studies are used to determine whether there is evidence of intentional and/or unintentional statistical purchasing disparities in the market in which a public entity conducts business, and if such evidence permits the establishment of policies and programs to reduce and remedy the effects of statistical purchasing disparities.
- To determine if statistical purchasing disparities exist, Athens-Clarke County's disparity study collected and analyzed private and public sector quantitative and qualitative M/WBE market availability and purchasing.
- Disparity studies may provide actionable recommendations for use in establishing a narrowly tailored supplier diversity program.

2023 Disparity Study

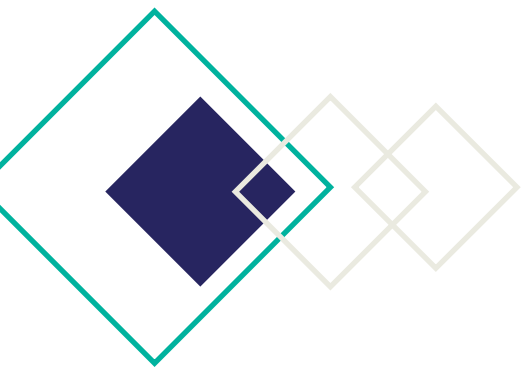
Study Objectives

- Determine if there are any statistical disparities between the utilization of minority and women business enterprises (M/WBEs) compared to the availability of M/WBEs in the marketplace
- Determine if statistical disparities that are found are consistent with the existence of intentional and or unintentional discrimination
- Determine if there is quantitative or qualitative evidence of discrimination in business-to-business private market purchasing in the 31-county area in which ACCGov conducts business
- Provide best practices recommendations to assist in the implementation of M/WBE policies and programs and the establishment of overall aspirational goals

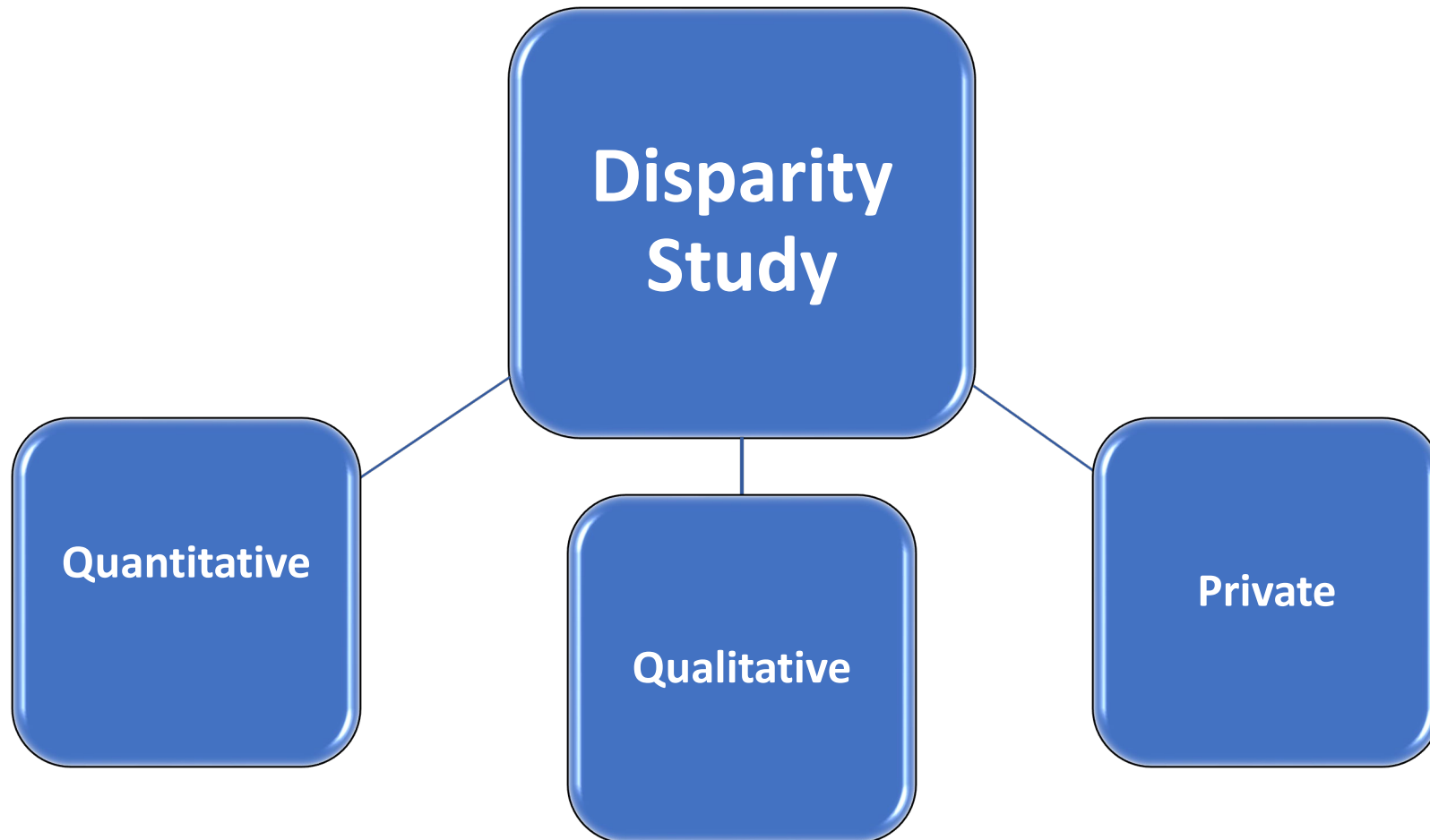


Athens-Clarke County Purchasing Policy Review

- MGT policy review focused on procurement policies, procedures, and practices to increase participation of M/WBEs. MGT's review shows that Athens-Clarke County has detailed policies and procedures that govern all aspects of procurement. Based on MGT's review, policy source documents provide ample guidance to departments and end users, and suppliers seeking procurement opportunities. MGT's policy review did not uncover any inherent or built-in barriers that intentionally restrain or constrain suppliers from participating in procurement opportunities.
- ACCGov has policies in place to facilitate opportunities for M/WBEs to engage in procurement and contracting activities. Several opportunities exist to further enhance the M/WBE Program and potentially expand the program, as feasible, based on Study results.
- In summary, the review conducted by MGT underscores the importance of recognizing that increasing equity and inclusion contracting opportunities must be an organization-wide responsibility and not solely the responsibility of the Purchasing Division. The extent to which Athens-Clarke County increases the participation of M/WBEs will be determined by the results of county-wide efforts and departments working collaboratively to increase awareness, interest, and participation in ACCGov contracting and procurement.
- MGT provides further information and examples in the Recommendations chapter.



Disparity Study Overview



Key Terms

Public Sector	The non-profit part of the economy that is controlled by the government.
Private Sector	The for-profit part of the national economy that is not under direct government control.
Narrowly Tailored	The necessity of race- and gender-based policy, the efficacy of alternative race-neutral policies, the planned duration of the policy, the relationship between the numerical goal and the percentage of minority group members in the relevant population, the flexibility of the policy, including the provision of waivers if the goal cannot be met, the burden of the policy on innocent third parties.
Qualitative Data	Information that business owners provide about their actual experiences on the effects of race and gender on their ability to do or attempt to do business with ACCGov, with prime contractors or vendors, and in the private sector. Qualitative data helps explain and lend credence to the statistical findings of the disparity study. It also helps identify whether discrimination prevents firms from participating in contracts.
Quantitative Data	Numerical, measurable, and other quantifiable information that is analyzed using mathematical and statistical modeling. Among other things, the quantitative analyses in a disparity study will include a comparison of the availability and utilization of minority- and women-owned businesses in the Athens-Clarke Government marketplace
Statistical disparity	Demonstrates whether Athens-Clarke County is a passive participant in private sector discrimination and/or lingering effects of past discrimination exist that rise to a compelling governmental interest for Athens-Clarke County.

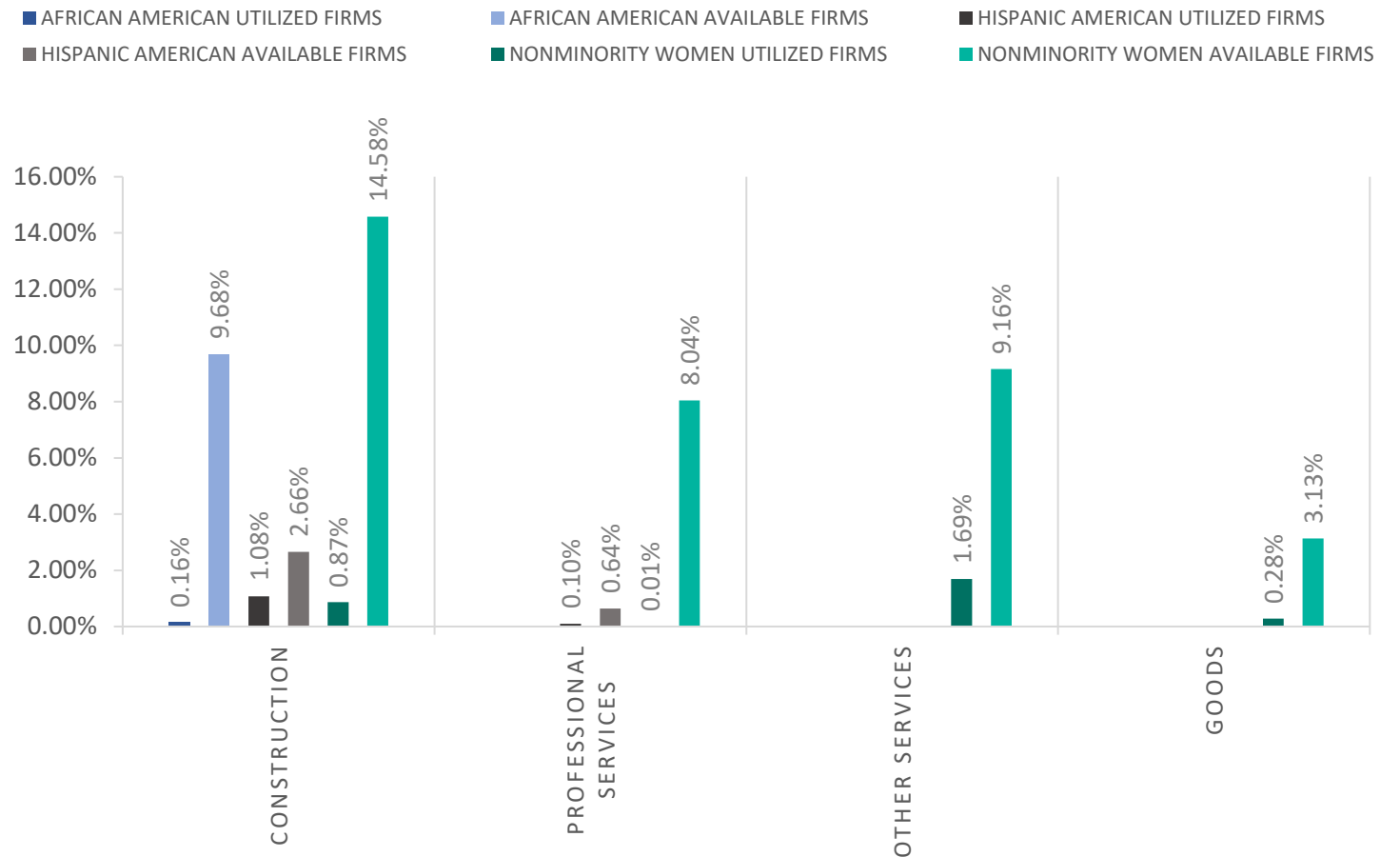
M/WBE Utilization – Total Spend FY 17 - 21

- ACCGov's M/WBE utilization totaled 1.01% across all procurement categories
- Construction represents the largest spend for MWBEs at 2.11% followed by Other Services at 1.69%, Goods at 0.28%, and 0.11% for Professional Services. There was no M/WBE spending on Architecture & Engineering

Availability Estimates

- Availability based on relevant geographic market area that includes the 31 counties in the Atlanta-Athens-Clarke County--Sandy Springs, GA-AL Combined Statistical Area

UTILIZATION PERCENTAGES & AVAILABILITY ESTIMATES



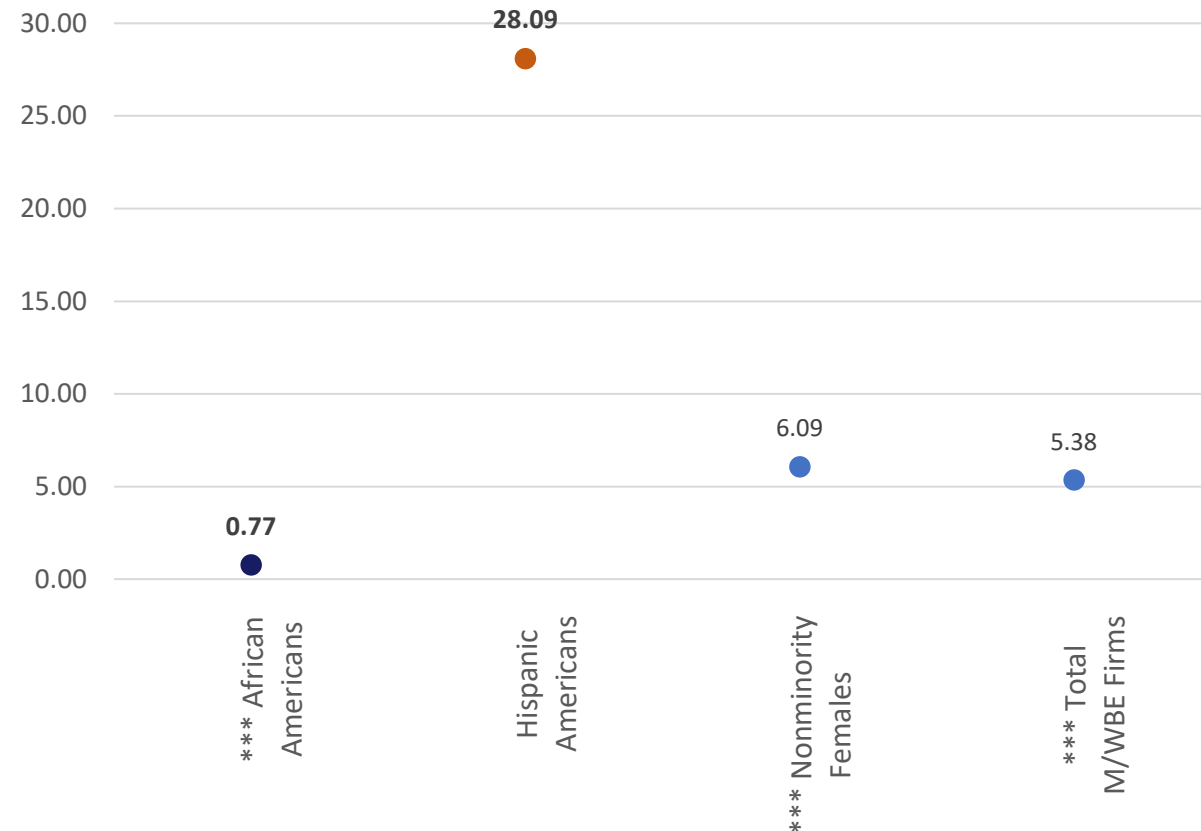
MWBE firms make up 18.80% of estimated availability in the relevant market area.

Data shown excludes Availability numbers for MBEs who had no Utilization.

Disparity Results – ACCGov Data

- A Disparity indices
 - value of zero (0.00) indicates absolutely no utilization and, therefore, absolute disparity
 - 100 indicates that utilization is perfectly proportionate to availability, therefore indicating the absence of disparity
 - Value below 80 indicates a “substantial disparity.”
- Substantial and statistically significant disparity gives evidence of discrimination within the public sector
- M/WBEs combined have substantial and statistically significant disparities in all categories

Disparity Indices All Procurement Categories



Note: **BOLD** indicates substantial statistically significant disparity. Disparity index values may vary slightly from calculations of depicted figures due to rounding of presented levels of utilization and availability. “*” indicates an adverse disparity that is statistically significant at the 15% level or better (85% confidence). “**” indicates the disparity is significant at a 10% level or better (90% confidence). “***” indicates significance at a 5% level or better (95% confidence).

Data shown excludes Disparity Indices for MBEs who had no Utilization.



Private Sector Analysis

- Private sector analyses assess whether there was evidence of discrimination in the private sector marketplace, and the findings support the need for any supplier diversity program
- M/WBE firms earned significantly less than self-employed nonminority males, holding all other variables constant
- Holding all factors consistent, race, and ethnicity play a role in the lower level of self-employment for M/WBEs



Qualitative/Anecdotal Results

Approximately 7,200 firms were solicited to participate in one of the qualitative activities

1. Business Engagement Meeting
2. Business Survey
3. In-Depth Interview
4. Online Comment

Collectively, 393 firms participated in the qualitative/anecdotal data collection activities.



Qualitative/Anecdotal Results

Indications of discriminatory treatment were reported highest by African American firms, with an overall rate of 10 percent. For specific barriers, M/WBEs reported experiencing higher levels of each discriminatory treatment, in particular:

1. Private good old boy networks that excluded their firms from doing business,
2. M/WBE firms that were solicited for projects with M/WBE goals are seldom or never solicited for projects without goals.
3. Private sector predatory business practices, e.g., price discrimination, bid shopping, etc.
4. Private sector double standards in performance.



Findings

- Statistical disparity was identified in ACCGov's utilization of M/WBE firms compared to the availability of firms in the relevant geographic marketplace.
- Up to 10% of the qualitative/anecdotal accounts report discriminatory behavior/barriers in ACCGov's marketplace, particularly by African American firms.
- Statistical disparity in self-employment earnings for M/WBE firms compared to non-M/WBE firms was identified in the private sector marketplace.

Recommendations – Race- and Gender-Neutral

- **Establish a Business Inclusion Office**
 - Establish a business inclusion office with dedicated staff to execute program management, outreach, reporting, and compliance. Applicable to race- and gender-neutral and race- and gender-based recommendations. The average cost for a staff of four is \$600K.
- **Establish a Small Business Enterprise (SBE) Program**
 - Include targeting specific contracts for competition among registered SBEs. SBE programs have the advantage that they are generally not subject to constitutional challenges.
- **Expand Data Collection & Management**
 - Expands the contract data collected in the current financial system to include commodity codes that align with the purchase order description, contact name, address, phone number, and email addresses of vendors, establish a list of interested M/WBE firms that is available to departments and primes, and collect M/WBE and non-M/WBE subcontract data on ACCGov's contracts.

Recommendations – Race- and Gender-Neutral

- **Develop a Formal Strategy for Business Relationships with Organizations**
 - Develop a formal and structured business relationship with organizations that promote M/WBE growth and development for a more comprehensive and effective outreach and technical assistance effort.
- **Adopt an Audit Clause for Contracts**
 - Require companies contracted with Athens-Clarke County to maintain contract files and data for an established period of time and require companies to provide Athens-Clarke County with any data or information requested in the execution of the company's contract.
- **Develop a Long-Term Procurement Forecast**
 - Develop and make available a six to 12-month procurement forecast of planned contracting opportunities in all industries, including anticipated capital improvement projects and informal procurements.

Recommendations – Race- and Gender-Conscious

- **Narrowly Tailored M/WBE Program**
 - Any new M/WBE Program implemented to address the findings of this study should be narrowly tailored to specifically address the identified disparity in accordance with guidance from case law regarding race-based procurement programs.
- **Unbundle Contracts**
 - Simplify public procurement processes for smaller M/WBE firms, including unbundling large contracts, removing unnecessary contract specifications, writing procurement documents in plain language, routinely providing feedback to bidders and proposers, and prompt payment. Unbundling contracts will create bidding opportunities for smaller M/WBE firms to compete.
- **Implement Contract-Specific Subcontracting Goals**
 - Project-specific subcontracting goals should be established where there is availability for specific scopes of work across all procurement categories, e.g., construction, professional services, architecture and engineering, etc., and based on the historical participation of M/WBE on identical or similar projects.

Recommendations – Race- and Gender-Conscious

- Adopt Annual Aspirational MWBE Goals
 - Adopt agency-wide annual aspirational goals for contracting across all industry categories. The aspirational goals are not rigid goals and should not be applied to specific contracts.

CONSTRUCTION	13%
ARCHITECTURE & ENGINEERING	12%
PROFESSIONAL SERVICES	9%
OTHER SERVICES	10%
GOODS	2%
OVERALL	9%

- M/WBE Program Sunset
 - Review of the M/WBE Program to determine if an evidentiary basis to continue every five years and that it should be continued only if there is strong evidence that discrimination continues to disadvantage M/WBEs in the relevant market area. The MBE Program sunset date should be scheduled in 2029 and re-evaluated prior to the sunset period.



Q & A