

CITY OF GREENSBORO, NORTH CAROLINA

2024 DISPARITY STUDY

FINDINGS AND RECOMMENDATIONS



**GRIFFIN
&
STRONG**



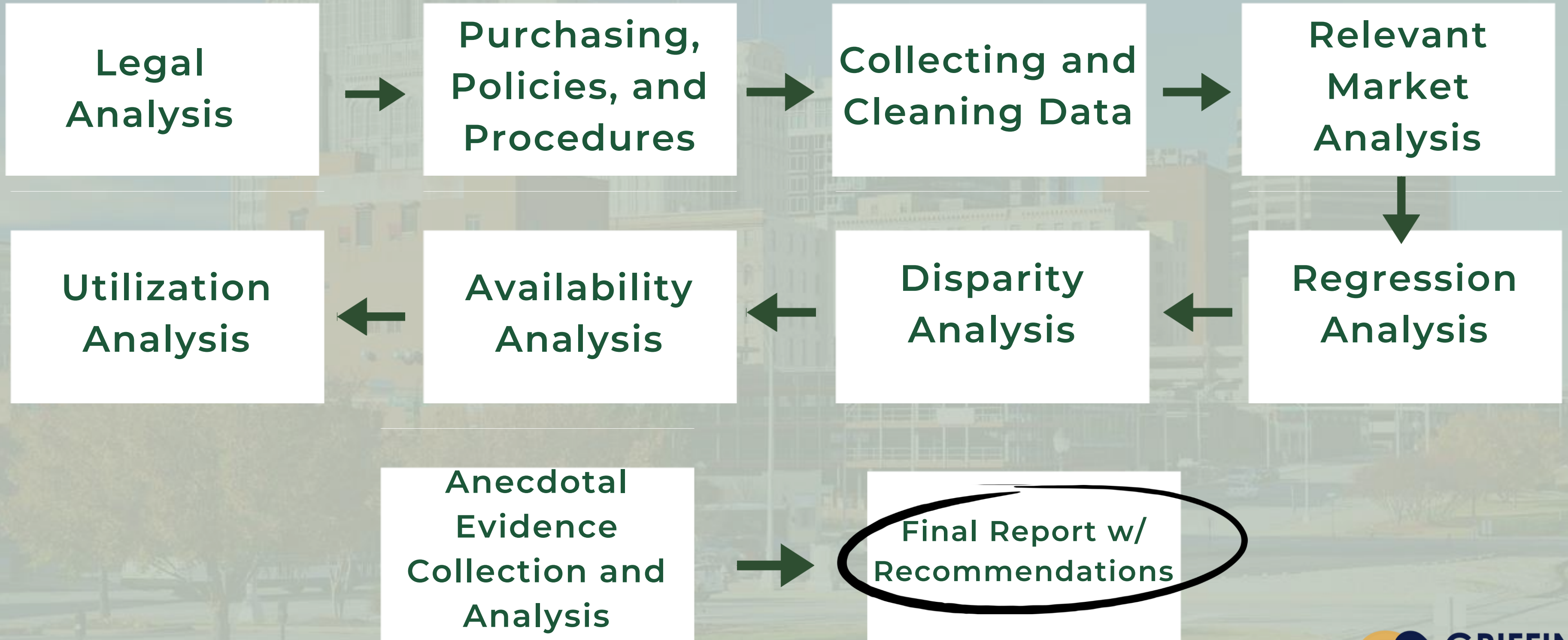
GREENSBORO
NORTH CAROLINA

235 Peachtree Street, NE Suite 400
Atlanta, GA 30303
Phone: (404) 584-9777
Fax: (404) 584-9730

AGENDA

1. Study Methodology
2. Study Parameters
3. Relevant Market
4. Statistical Findings
5. Overall Findings
6. Commendations
7. Recommendations

Study Methodology



Study Parameters

Specific framework utilized to shape the methodology

Study Period



**July 1, 2018
through
June 30, 2022**

Industry Categories



**Construction
Professional Services
Other Services
Goods**

Relevant Market

- ① The Relevant Market analysis reflects the geographic location where Greensboro spent approximately 75% of its dollars.
- ① Greensboro's Relevant Market was determined to be the Greensboro MSA plus NCDOT Divisions 5,7,8, and 9. This is consistent with the previous Study's Relevant Market
- ① Industry Categories:

Construction: 74.17%

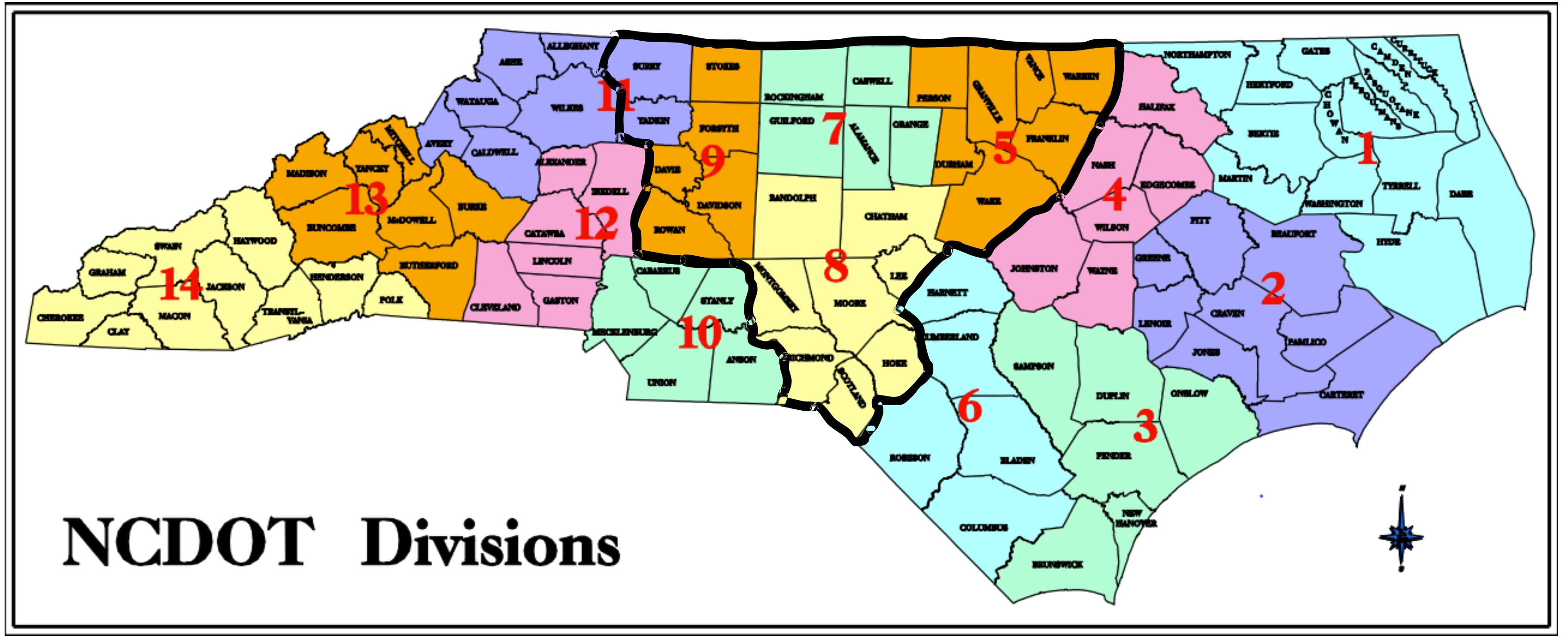
Professional Services: 75.5%

Other Services: 65.48%

Goods: 55.24%

Total: 71.40%

Relevant Market



Summary of MWBE Availability by Industry Category

Business Owner Classification	Construction	Professional Services	Other Services	Goods
African American	18.70%	20.00%	15.76%	11.43%
Asian American	1.30%	2.62%	0.84%	1.18%
Hispanic American	5.05%	1.14%	1.21%	1.65%
Native American	0.49%	0.33%	0.29%	0.14%
TOTAL MINORITY	25.54%	24.09%	18.09%	14.41%
Non-Minority Woman	13.40%	8.45%	4.48%	7.81%
TOTAL MWBE	38.94%	32.53%	22.57%	22.22%
TOTAL NonMWBE	61.06%	67.47%	77.43%	77.78%
TOTAL	100.00%	100.00%	100.00%	100.00%

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Summary of Prime Utilization by Industry Category

Business Ownership Classification	Construction	Professional Services	Other Services	Goods	TOTAL
	(\$)	(\$)	(\$)	(\$)	(\$)
Black American	\$ 8,213,512	\$ 3,193,811	\$ 7,598,846	\$ 552,476	\$ 19,558,645
Asian American	\$ -	\$ 64,965	\$ 66,259	\$ 867	\$ 132,091
Hispanic American	\$ -	\$ 5,520	\$ 1,415,962	\$ 1,619	\$ 1,423,101
Native American	\$ -	\$ 191,810	\$ 1,019,465	\$ -	\$ 1,211,275
TOTAL MINORITY	\$ 8,213,512	\$ 3,456,106	\$ 10,100,531	\$ 554,962	\$ 22,325,111
Non Minority Female	\$ 31,847,302	\$ 1,283,186	\$ 4,130,365	\$ 953,224	\$ 38,214,077
TOTAL MWBE	\$ 40,060,813	\$ 4,739,292	\$ 14,230,896	\$ 1,508,187	\$ 60,539,188
TOTAL NON-MWBE	\$ 329,591,447	\$ 66,245,038	\$ 181,714,058	\$ 103,707,246	\$ 681,257,789
TOTAL FIRMS	\$ 369,652,261	\$ 70,984,330	\$ 195,944,954	\$ 105,215,432	\$ 741,796,977
Business Ownership Classification	Construction	Professional Services	Other Services	Goods	TOTAL
	(%)	(%)	(%)	(%)	(%)
Black American	2.22%	4.50%	3.88%	0.53%	2.64%
Asian American	0.00%	0.09%	0.03%	0.00%	0.02%
Hispanic American	0.00%	0.01%	0.72%	0.00%	0.19%
Native American	0.00%	0.27%	0.52%	0.00%	0.16%
TOTAL MINORITY	2.22%	4.87%	5.15%	0.53%	3.01%
Non Minority Female	8.62%	1.81%	2.11%	0.91%	5.15%
TOTAL MWBE	10.84%	6.68%	7.26%	1.43%	8.16%
TOTAL NON-MWBE	89.16%	93.32%	92.74%	98.57%	91.84%
TOTAL FIRMS	100.00%	100.00%	100.00%	100.00%	100.00%

**Summary of
Statistically
Significant
Underutilization in
Prime Contracting**

Business Owner Classification	Construction	Professional Services	Other Services	Goods
African American	X	X	X	X
Asian American	X	X	X	X
Hispanic American	X	X	X	X
American Indian	X			X
Non-Minority Women	X	X	X	X

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Statistical Findings in MWBE Overutilization

Some MWBE groups were overutilized for prime payments less than \$1 Million, less than \$500,000, and less than \$300,000:

Under \$1,000,000

- Non-Minority Woman owned firms in Construction
- American Indian owned firms in Professional Services
- Black American, Hispanic American and Non-Minority Woman owned firms in Other Services

The following categories were overutilized for Under \$500,000 and Under \$300,000

- Black American and Non-Minority Woman owned firms in Construction
- American Indian owned firms in Professional Services
- Black American, Hispanic American and Non-Minority Woman owned firms in Other Services

Summary of Total Utilization (Prime + Sub)

Business Ownership Classification	Construction	Professional Services	Other Services	Goods	TOTAL
	(\$)	(\$)	(\$)	(\$)	(\$)
African American	\$25,432,913	\$7,448,842	\$7,740,162	\$938,233	\$41,560,151
Asian American	\$1,655,835	\$193,634	\$66,259	\$867	\$1,916,595
Hispanic American	\$5,322,407	\$477,409	\$1,384,842	\$1,619	\$7,186,277
Native American	\$531,720	\$204,607	\$1,019,465	\$-	\$1,755,792
TOTAL MINORITY	\$28,647,142	\$8,324,493	\$10,210,728	\$940,719	\$48,123,082
Non-Minority Women	\$53,935,607	\$3,251,069	\$4,025,768	\$1,302,432	\$62,514,876
TOTAL MWBE	\$82,582,749	\$11,575,562	\$14,236,496	\$2,243,151	\$110,637,958
TOTAL NON-MWBE	\$287,069,512	\$59,408,768	\$181,708,458	\$102,972,281	\$631,159,019
TOTAL FIRMS	\$369,652,261	\$70,984,330	\$195,944,954	\$105,215,432	\$741,796,977
Business Ownership Classification	Construction	Professional Services	Other Services	Goods	TOTAL
	(%)	(%)	(%)	(%)	(%)
African American	6.88%	10.49%	3.95%	0.89%	5.60%
Asian American	0.45%	0.27%	0.03%	0.00%	0.26%
Hispanic American	1.44%	0.67%	0.71%	0.00%	0.97%
Native American	0.14%	0.29%	0.52%	0.00%	0.24%
TOTAL MINORITY	7.75%	11.73%	5.21%	0.89%	6.49%
Non-Minority Women	14.59%	4.58%	2.05%	1.24%	8.43%
TOTAL MWBE	22.34%	16.31%	7.27%	2.13%	14.91%
TOTAL NON-MWBE	77.66%	83.69%	92.73%	97.87%	85.09%
TOTAL FIRMS	100.00%	100.00%	100.00%	100.00%	100.00%

**Summary of
Statistically
Significant
Underutilization in
Total Utilization
(Prime + Sub)**

Business Owner Classification	Construction	Professional Services	Other Services	Goods
African American	X	X	X	X
Asian American	X	X	X	X
Hispanic American	X	X	X	X
Native American	X			X
Non-Minority Women		X	X	X

Changes Since Last Study

MWBE PRIME UTILIZATION

In the last Study MWBEs were paid:

- **6.16% of Construction**
- **5.54% of Professional Services**
- **7.37% of Other Services, and**
- **1.18% of Goods.**

MWBEs received 4.94% of prime payments (\$36.4 million over 5 years).

During this Study Period, MWBEs received 8.16% of prime payments (\$60.5 million over four years) across all purchasing categories. MWBEs were paid:

- **10.84% of Construction**
- **6.68% of Professional Services**
- **17.26% of Other Services**
- **1.43% of Goods**

Annual prime spending with MWBEs more than doubled (107.6% increase).

Changes Since Last Study

MWBE TOTAL UTILIZATION

For Total Utilization, data was only available for Construction and Professional Services from the last Study. The following chart shows an increase in tracking subcontracting data and an increase in MWBE participation.

	2018 Disparity Study			
	MBEs		WBEs	
	Dollars (approx)	%	Dollars (approx)	%
Construction	\$10 million	3.38%	\$23.7 million	8.02%
Professional Services	\$6.9 million	5.73%	\$3.6 million	3.01%
	2024 Disparity Study			
	MBEs		WBEs	
	Dollars (approx)	%	Dollars (approx)	%
Construction	\$28.6 million	7.75%	\$53.9 million	14.59%
Professional Services	\$8.3 million	11.73%	\$3.2 million	4.58%
Other Services	\$10.2 million	5.21%	\$4 million	2.05%
Goods	\$940,719	0.89%	\$1.3 million	1.24%

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MBE annual Total Utilization per year increased almost two and half times in Construction (257.9%) and rose 50.1% in Professional Services. Non-Minority Woman owned firms annual Total Utilization almost doubled in Construction (184.1%) and 11.5%% rise in Professional Services.

Overall Findings

GSPC found that the City of Greensboro has a factual basis for continuing their race and gender-conscious efforts with the MWBE program, along with race- and gender-neutral remedies. Though the research conducted presented some strides in utilizing MWBE firms, there was statistically significant evidence of underutilization for Minority owned and Non-Minority Women owned firms.

A regression analysis found that disparities by race, ethnicity, or gender, status of the firm owners remained after controlling for capacity and other race gender-neutral factors.

The anecdotal evidence and policy review also support the findings of the statistical and regression analysis.

Commendations

GSPC would like to highlight the following commendable efforts that the City has made since the last Disparity Study :

- Hiring a Senior Program Manager for the MWBE Office
- Tracking and Reporting Sub Data with B2GNow
- Applying Goals on Some Projects
- Removing the Goal Setting Committee
- Making Progress Towards Establishing an SBE Reserve Program
- Collaboration with Non-Profits in Economic Development Incentive Projects
- MWBE Utilization Increased Since Last Study
- Usage of Mentor Protégé Programs on CMAR Projects
- Encouragement of Primes to Utilize New Firms on On-Call Contracts

RECOMMENDATIONS

*The following recommendations are subject to
Legal Review and Approval by the City
Attorney's Office*

1

Monitor MWBE Utilization on On-Call Contracts, particularly for Professional Services projects, and Maintain Equitable Vendor Rotation

2

Consistent Use of Contract-by-Contract Goals

- **Updating Formulas and Ensuring the Formulas are Based on the Availability of Firms**
- **Set Goals on Professional Services, if legally permissible**
- **Set Separate MBE and WBE Goals on Projects**

3

Enhance Communications and Marketing Resources

- **Forecasting**
- **Targeted Outreach (Advertising Outside of Construction Projects)**
- **Enhance Outreach and Establish a Marketing Campaign to Increase Vendor Registration/Certification**

4

Increase Efforts in Reviewing Contracts Based on Size (Unbundling)

5

Review Bonding Requirements in Construction, if legally permissible

RECOMMENDATIONS

*The following recommendations are subject to
Legal Review and Approval by the City's
Attorney's Office*

6

Institute Robust Contract Compliance

7

Implement Commercial Non-Discrimination Policy to Authorize the City to Make Further Inquiries to Prime Contractors to Ensure the City is Not a Passive Participant in any Prime Contractor's Active Discrimination (if legally permissible)

8

Streamline the Bidding Process and Limit Paperwork

9

Review Autonomy of MWBE Office

Data Reform

01

Vendor System/File: Add Unique Vendor Numbers and Confirm Vendors Input Correct Information

02

Subcontractor Data: Enhance Efforts on Tracking Subcontractor Data

03

Awards: Track full award amounts and any amendments throughout the life of contracts. Connect Awards to Payments

04

Commodity Codes: Consistent Usage of NIGP Codes

05

Bid tabs: Create a database for bid tabs that is readily available.

NEXT STEPS FOR THE CITY

1. Accept the Study and its Recommendations;
2. Conduct a Gap Analysis (What needs new legislation and what can be implemented under current authority);
3. Plan for Implementation (Steps, Phases, and Tasks);
4. Revise Program Plan;
5. Determine Budget and Staffing Needs for New Program Elements; and
6. Develop a Training Protocol and Train Staff.

Q & A