CITY OF PHILADELPHIA
FISCAL YEAR 2009
ANNUAL DISPARITY STUDY

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COVER LETTER

August 25, 2010

Angela Dowd-Burton
Executive Director, Office of Economic Opportunity
City of Philadelphia Commerce Department
1400 John F. Kennedy Boulevard Suite 330
Philadelphia PA 19102

Dear Ms. Dowd-Burton:

We are pleased to present you with the Fiscal Year (FY) 2009 Annual Disparity Study for the City of Philadelphia, as produced by Econsult Corporation and Milligan & Company. This report is required by City ordinance and it analyzes the utilization of Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and Disabled Business Enterprises (DSBEs (collectively known as M/W/DSBEs) in City contracts, relative to the availability of such firms to compete for City contracts.

In the four years that the Econsult team has conducted the Annual Disparity Study for the City, M/W/DSBE utilization has decreased: from 22.8 percent in FY 2006 to 20.8 percent in FY 2007 to 18.1 percent in FY 2008 to 17.6 percent in FY 2009. This is not a promising trend.

However, it is incorrect to judge the City's commitment to inclusive participation solely on M/W/DSBE utilization as reported in Annual Disparity Studies. First, the City contracts studied in Annual Disparity Studies represent a very small proportion of the economic opportunity available to M/W/DSBEs from other public sector entities as well as from for-profit and non-profit entities, and the City plays an influential role in supporting M/W/DSBEs in securing procurement opportunities in these arenas through a variety of capacity-building efforts.

In acknowledgement of this fact, we have always recommended that Annual Disparity Studies take a broader look at other opportunities for M/W/DSBE participation within the Philadelphia region. For example, within the scope of this year's study, we included

information regarding best practices and options for including City spending with non-profit organizations.

Furthermore, there are inherent limits to what Annual Disparity Studies, as currently scoped, can cover. For example:

1. The City has partial or full decision-making authority over a number of major spending entities and categories, such as federal stimulus funding, airport capital projects, and quasi-public agencies such as PHDC and RDA, that are not completely included in Annual Disparity Studies, but that the City should also be held accountable for.

2. The City's information systems are not always consistent in their coverage of the following data that ought also be regularly included in any evaluation of the City's performance – 1) M/W/DSBE participation on amendments to existing contracts, 2) utilization as determined by purchase order and/or actual payments (as opposed to just awarded contracts), and 3) M/W/DSBE bidding activity.

3. There are a number of major purchasing categories for which there are no known M/W/DSBEs available, and no prospects for an M/W/DSBE being available in the foreseeable future, effectively deterring the City from making an intentional choice to select an M/W/DSBE. Within the study recommendations, we highlight the efforts of OEO to identify M/W/DSBEs for these categories, making Annual Disparity Studies not only a document used to report participation, but a tool used to assist with increasing programming addressing the gaps in key areas of the City's participation efforts.

These limitations are discussed in this report, but we felt it important to raise them in this introductory letter so that the report and its findings can be fairly interpreted. This may also influence how you choose to write the Request for Proposals for the FY 2010 Annual Disparity Study later this calendar year.

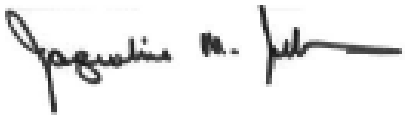
In spite of these caveats, we repeat that the City must improve its utilization of M/W/DSBEs. If the City performs below its potential as it relates to M/W/DSBE utilization, it is missing out on a more diverse base of contractors, M/W/DSBEs are missing out on important economic opportunities, and the City as a whole limits its ability to fulfill its full growth potential.

On a positive note, the Nutter Administration has instituted a number of significant organizational shifts – moving the Office of Economic Opportunity (OEO) from the Finance Department to the Commerce Department, hiring a new OEO director, getting out of the certification business to redeploy more resources towards outreach, monitoring, and capacity-building – that we believe will pay dividends in improving the City's utilization of M/W/DSBEs and in strengthening the overall capacity of M/W/DSBEs.

Accordingly, as we recommend Participation Goals, which are based on our calculations of past utilization and availability of M/W/DSBEs for City contracts, we encourage the City to "stretch" in setting those goals, in the knowledge that it has put in place the structures and approaches to achieve improved results. And, we encourage the City to see our recommended Participation Goals as levels that it should reach and eventually exceed over a multi-year period.

Thank you for the opportunity to work with you on this Annual Disparity Study, and to contribute to such an important public policy topic. We welcome further engagement on this issue, and look forward to observing, as well as participating in, the City's efforts going forward.

Regards,



Lee Huang
Director
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Chief Operating Officer
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EXECUTIVE SUMMARY

Econsult Corporation and Milligan & Company are pleased to submit the annual **Disparity Study for Fiscal Year (FY) 2009** to the City of Philadelphia. Pursuant to Title 17 of the Philadelphia Code, as amended by Ordinance 060855-A, this study is designed to analyze the City's utilization of Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and Disabled Business Enterprises (DSBEs) (collectively known as M/W/DSBEs), relative to the availability of such firms to compete for City business, for Public Works (PW), Personal and Professional Services (PPS), and Supplies, Services, and Equipment (SSE) contracts. By doing so, it will determine the extent to which disparity exists, as well as provide critical data in the formulation of annual Participation Goals. This is an important component of what should be an overall strategy to safeguard the public interest in identifying and rectifying instances of discrimination, proactively seek ways to promote the inclusive participation of M/W/DSBEs in economic opportunities, and introduce or improve business support services for capacity-building.

Disparity reflects the ratio of M/W/DSBE utilization to M/W/DSBE availability. For the purposes of this study, **"utilization"** for each category and industry sector is defined as the total dollar value of contracts awarded to for-profit M/W/DSBE prime contractors and sub-contractors registered by the City's Office of Economic Opportunity (OEO), divided by the dollar value of all City contracts awarded to for-profit prime contractors and sub-contractors, as recorded in OEO's Participation Report. **"Availability"** for each category and industry is defined as the proportion of "ready, willing and able" (RWA) M/W/DSBEs in the Philadelphia Metropolitan Statistical Area (MSA), relative to the region's total number of RWA enterprises. A **disparity ratio** greater than 1.0 represents over-utilization, whereas a disparity ratio less than 1.0 represents under-utilization (see Figure ES.1).

Figure ES.1 – Composition of Disparity Ratio

Utilization		*Availability*
$ value of City contracts awarded to M/W/DSBE prime contractors and sub-contractors	divided by	M/W/DSBE for-profit firms that are "ready, willing, and able"
Total $ value of City contracts awarded to all for-profit prime contractors and sub-contractors		All for-profit firms that are "ready, willing, and able"

Source: Econsult Corporation (2007)

For the $668 million in contracts studied for FY 2009, the main findings are as follows:

- **Utilization rates declined from FY 2008 to FY 2009 for most contract types and geographies.** Counting all M/W/DSBEs, utilization was 17.6 percent (down from 18.1 percent in FY 2008). Counting just M/W/DSBEs located within the Philadelphia MSA, participation was 14.2 percent (down from 14.8 percent in FY 2008), and counting just M/W/DSBEs located within the City, participation was 9.2 percent (down from 9.8 percent in FY 2008) (see Figure ES.2).

- Declines were particularly high in PW contracts (from 15.1 percent in FY 2008 to 12.1 percent in FY 2009 for M/W/DSBEs, from 12.1 percent in FY 2008 to 7.9 percent in FY 2009 for MBEs, and from 6.1 percent in FY 2008 to 1.7 percent in FY 2009 for African-Americans) and in SSE contracts (from 9.2 percent in FY 2008 to 6.9 percent in FY 2009 for M/W/DSBEs, from 7.9 percent in FY 2008 to 4.9 percent in FY 2009 for MBEs, and from 7.2 percent in FY 2008 to 4.3 percent in FY 2009 for African-Americans) (see Figure ES.3).

- The disparity ratio for all contract types, as measured by utilization at the Philadelphia MSA level divided by availability at the Philadelphia MSA level, was 0.6, and no contract type had a disparity ratio of 1.0 or greater (see Figure ES.4).

- Out of about 1,100 City contracts studied, 38.6 percent utilized at least one M/W/DSBE, and 9.9 percent of contracts (representing 6.6 percent of contract dollars) were primed by a M/W/DSBE (see Figure ES.5 and Figure ES.6).

Figure ES.2 – Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and Location of M/W/DSBE (by $ Contracts Awarded)

Location of M/W/DSBE	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
City	2.5%	13.8%	3.2%	9.2%	5.4%	14.3%	6.2%	9.8%
Metro	9.3%	18.8%	5.1%	14.2%	12.7%	18.3%	7.6%	14.8%
US	12.1%	22.9%	6.9%	17.6%	15.1%	22.7%	9.2%	18.1%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure ES.3 – FY 2009 Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the US, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by M/W/DSBE Category (by $ Contracts Awarded)

	FY 09	FY 09	FY 09	FY 09	FY 08	FY 08	FY 08	FY 08
Category	PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
White Female	4.1%	5.3%	1.9%	4.5%	3.3%	5.0%	1.3%	3.8%
Native American	1.7%	0.0%	0.0%	0.5%	1.7%	0.2%	0.0%	0.7%
Asian American	1.9%	2.1%	0.1%	1.8%	2.3%	1.6%	0.2%	1.7%
African American	1.7%	12.8%	4.3%	8.6%	6.1%	13.9%	7.2%	10.0%
Hispanic	2.5%	2.4%	0.3%	2.1%	2.1%	1.9%	0.3%	1.7%
All MBE	**7.9%**	**17.6%**	**4.9%**	**13.1%**	**12.1%**	**17.7%**	**7.9%**	**14.3%**
All WBE	**7.8%**	**9.5%**	**4.3%**	**8.2%**	**7.0%**	**8.4%**	**3.4%**	**7.2%**
DSBE	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**
All M/W/DSBE	**12.1%**	**22.9%**	**6.9%**	**17.6%**	**15.1%**	**22.7%**	**9.2%**	**18.1%**

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure ES.4 – FY 2009 Disparity Ratio, by Contract Type[1]

	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
All M/W/DSBE	**0.9**	**0.8**	**0.2**	**0.6**	**1.2**	**0.7**	**0.3**	**0.6**

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Annual Participation Report (FY 2008, FY 2009); Availability = US Census Survey of Business Owners (2002)

Figure ES.5 – FY 2009 Distribution of M/W/DSBE Utilization, by Contract Type

	PW	PPS	SSE	All Contract Types
# Contracts	117	616	429	1162
# Contracts With At Least 1 M/W/DSBE Participating	**103**	**301**	**44**	**448**
% Contracts with at Least 1 M/W/DSBE Participating	**88.0%**	**48.9%**	**10.3%**	**38.6%**
% Contracts Awarded to M/W/DSBE Prime Contractors	4.3%	15.4%	3.5%	9.9%
% Contracts With At Least 1 M/W/DSBE Sub-Contractor	85.5%	34.4%	6.8%	29.3%

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2010)

Figure ES.6 – FY 2009 Utilization of M/W/DSBEs as Prime Contractors, by Contract Type

MWDSBE Utilization as Prime	% of Contracts	% of Contract $
Public Works	4.3%	1.8%
Services, Supplies, and Equipment	3.5%	2.5%
Personal and Professional Services	15.4%	9.7%
All Contract Types	**9.9%**	**6.6%**

[1] Disparity ratio equals utilization (the dollar value of contracts awarded to for-profit M/W/DSBE prime contractors and sub-contractors located within the Philadelphia MSA, divided by the dollar value of contracts awarded to all for-profit prime contractors and sub-contractors) divided by availability (the number of M/W/DSBEs with greater than one employee within the Philadelphia MSA divided by the number of all firms with greater than one employee within the Philadelphia MSA).

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2010)

From these FY 2009 results, we can offer **recommended participation goals** for MBEs, WBEs, and DSBEs, and for M/W/DSBEs as a whole (see Figure ES.7).

Figure ES.7 – Recommended Participation Goals by Contract Type and by M/W/DSBE Category[2]

Category	PW	PPS	SSE	All Contract Types
White Female	U: 4%	U: 5%	U: 2%	U: 5%
Native American	U: 2%	A: 0.2%	X	U: 0.5%
Asian American	U: 2%	A: 4%	A: 8%	A: 6%
African American	S: 3%	U: 13%	S: 5%	U: 9%
Hispanic	U: 3%	U: 2%	A: 1%	U: 2%
All MBE	**U: 8%**	**U: 18%**	**A: 10%**	**S: 15%**
All WBE	**U/A: 8%**	**A: 18%**	**A: 14%**	**A: 15%**
DSBE	**S: 0.1%**	**S: 0.1%**	**S: 0.1%**	**S: 0.1%**
City-Based M/W/DSBE	**U: 3%**	**U: 14%**	**U: 3%**	**S: 10%**
All M/W/DSBE	**U: 11%**	**A: 25%**	**A: 25%**	**A: 25%**

Source: Econsult Corporation (2010)

In cases where actual utilization is less than actual availability (i.e. the disparity ratio is less than 1.0), we recommend that future utilization rates increase to current availability rates as measured in this analysis. We further suggest that departments that have under-achieved in this area be identified and strongly encouraged to increase their M/W/DSBE participation in the upcoming year.

Conversely, in cases where actual utilization is greater than actual availability (i.e. the disparity ratio is greater than 1.0), we recommend that future utilization rates hold at current utilization rates. We further suggest that, since the issue in these cases may not be low utilization rates

[2] Prefix of "U" = FY 2009 utilization rate > FY 2009 availability rate (i.e. FY 2009 disparity ratio > 1.0). Prefix of "A" = FY 2009 availability rate > FY 2009 utilization rate (i.e. FY 2009 disparity ratio < 1.0). Prefix of "S" = "stretch" goal (i.e. goal > FY 2009 utilization rate and FY 2009 availability rate).

but rather low availability rates, the City work with other public and private technical assistance providers to help grow more ready, willing, and able M/W/DSBEs in the City.
Finally, it is important, particularly during a time of economic challenge, that participation goals stretch beyond historical performance. Therefore, in some cases, we recommend some **"stretch" goals** that exceed both FY 2009 utilization and FY 2009 availability, and that are set in part in response to past discrimination.

Furthermore, a number of recent significant organizational shifts – moving OEO from the Finance Department to the Commerce Department, hiring a new OEO director, and getting out of the certification business to redeploy more resources towards outreach and capacity-building – will likely pay dividends in improving the City's utilization of M/W/DSBEs and in strengthening the overall capacity of M/W/DSBEs. Accordingly, we encourage the City to see our recommended Participation Goals as levels that it should reach and eventually exceed over a multi-year period, **from M/W/DSBE utilization of at least 19 percent in FY 2011 to M/W/DSBE utilization of at least 25 percent in FY 2014** (see Figure ES.8).

Figure ES.8 – Actual and Recommended Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the US, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors (by $ Contracts Awarded)

	Actual				Recommended			
	FY 06	FY 07	FY 08	FY 09	FY 11	FY 12	FY 13	FY 14
All M/W/DSBE	22.8%	20.8%	18.1%	17.6%	>19%	>21%	>23%	>25%
MBE	17.9%	14.8%	14.3%	13.1%	>13%	>14%	>15%	>15%
WBE	9.9%	10.4%	7.2%	8.2%	>9%	>11%	>13%	>15%

Sources: Econsult Corporation (2007, 2008, 2009, 2010); OEO Annual Participation Report (FY 2006, FY 2007, FY 2008, FY 2009)

This illustrates an important limitation to disparity ratios by themselves as a gauge for identifying areas in need of improvement as it relates to M/W/DSBE participation: high disparity ratios may not represent over-utilization as much as they indicate under-availability. In other words, **increasing utilization and increasing availability should both be policy objectives**.

Importantly, City efforts to increase the quantity and quality of RWA M/W/DSBEs in the City will likely also increase M/W/DSBE participation in other contract opportunities, such as with other public and private sector entities both within the City as well as in the broader region and around the nation. Thus, we also make a number of recommendations, which reflect the

enhanced status given to OEO by Mayor Nutter, **from a certification and compliance role to an advocacy and capacity-building role** (see Figure ES.9).

Figure ES.9 – FY 2009 Annual Disparity Study Recommendations

Recommendation Category	Category Description	Specific Recommendations
Study Methodology and Scope	Improvement of the study process and areas of focus used to design the study parameters	• Cover a broader universe of procurements • Evaluate the newly implemented Goal Achievement Process (GAP) • Move up the study commencement date • Evaluate departmental participation on a rolling three-year basis • Feature success stories from the prior year • Update availability rates using bidder data and newly published Census data • Calculate utilization based on purchase orders and actual payments, and not just awarded contracts
Policy and Programming	Legislation, advocacy and technical assistance efforts that promote minority participation	• Cultivate a procurement culture that encourages M/W/DSBE participation • Enhance M/W/DSBE capacity-building • Take special action to encourage local participation • Define and increase the value proposition of M/W/DSBE certification status • Continue outreach efforts to M/W/DSBEs • Amend PW and SSE proposal evaluation to account for M/W/DSBE status
Data Collection	Information sources utilized to calculate utilization and availability	• Accelerate and expand M/W/DSBE participation data collection efforts • Account for "certifiables" when determining M/W/DSBE utilization and availability
Management of Goal-Setting Process	Assessment of the development, communication and implementation of annual department goals	• Incorporate best management practices in goal-setting • Incorporate best management practices in goal monitoring and enforcement processes • Put the Economic Opportunity Cabinet to work

Source: Econsult Corporation / Milligan & Company (2010)

1.0 INTRODUCTION

Econsult Corporation and Milligan & Company are pleased to submit the annual **Disparity Study for Fiscal Year (FY) 2009** to the City of Philadelphia. Set forth in this section is a brief discussion of the purpose and legal basis of this study, a broad overview of the legal context in which the establishment of procurement programs for disadvantaged groups arose, a contextual summary of the procurement process, the expenditure context, and a brief summary of the previous Disparity Studies conducted by DJ Miller & Associates (DJMA) (for FY 1998-2003) and Econsult (for FY 2006, FY 2007, and FY 2008).

1.1. Study Purpose

Pursuant to Title 17 of the Philadelphia Code, as amended by **Ordinance 060855-A**, this Disparity Study is designed to analyze the City's utilization of Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and Disabled Business Enterprises (DSBEs), collectively known as M/W/DSBEs,[3] relative to the availability of such firms to compete for City business.

By doing so, it will determine the extent to which disparity exists, as well as provide critical data in the development and formulation of Annual Participation Goals. This is an important component of what should be an overall, multipronged strategy to safeguard the public interest in identifying and rectifying instances of discrimination, and proactively seeking ways to promote the inclusive participation of minority, women, and disabled owned businesses in economic opportunities. It also presents an opportunity to evaluate operational and programmatic changes for greater efficiency in internal administration and in the provision of technical assistance and business financing resources.[4]

[3] "Disadvantaged Business Enterprise (DBE)" is a federal designation that applies to federally funded contracts. Within the City, the DBE program is run through Philadelphia International Airport.

[4] It is important to distinguish between disparity and discrimination, and to note that the scope of this report is to determine the existence of the former and not the latter. Disparity is the difference between two groups on an outcome of interest and is a necessary, but insufficient condition for finding discrimination. In other words, disparity does not necessarily equal discrimination; discrimination requires additional analysis and proof. Based on a 2008 interview with Dr. Bernard Anderson, Whitney M. Young Jr. Professor of Management at the Wharton School of Business at the University of Pennsylvania.

1.2 Study Requirements

Ordinance 060855-A requires that an annual Disparity Study is produced, from which annual Participation Goals can be set, pursuant to Section 6-109 of the City's Home Rule Charter. Per the ordinance, this Disparity Study must distinguish between Personal and Professional Services (PPS) contracts, Public Works (PW) contracts, and Services, Supplies and Equipment (SSE) contracts. In addition, this study is required to analyze M/W/DSBEs owned by persons within the following racial, ethnic, and gender categories:

- African Americans
- Hispanics
- Asian Americans
- Native Americans
- Women
- Disabled

"Disparity" reflects the ratio of M/W/DSBE utilization to M/W/DSBE availability. For the purposes of this report, **"utilization"** for each M/W/DSBE category and contract type is defined as the total dollar value of contracts awarded to for-profit M/W/DSBE prime contractors and sub-contractors registered by the City's Office of Economic Opportunity (OEO) (formerly known as the Minority Business Enterprise Council, or MBEC), divided by the dollar value of all City contracts awarded to all for-profit prime contractors and sub-contractors, as recorded in OEO's annual Participation Report. To put it another way, the utilization rate for a given M/W/DSBE category can be viewed as the percentage of dollars from all City contracts that went to businesses that have been registered by OEO as being in that category.

Conversely, **"availability"** for each M/W/DSBE category and contract type is defined as the proportion of "ready, willing and able" (RWA) M/W/DSBEs located within a particular geography, relative to the total number of RWA enterprises within that same geography. Thus, the availability rate for a given M/W/DSBE category can be viewed as the percentage of businesses in a particular geography that belong to a M/W/DSBE category.

The **disparity ratio**, then, is the utilization rate divided by the availability rate. A disparity ratio that is greater than 1.0 represents over-utilization, whereas a disparity ratio less than 1.0 represents under-utilization.

1.3 Legal Context

In presenting the Disparity Study's findings as well as recommendations, it is important to understand the legal context of M/W/DSBE disparity, and the extent to which legal doctrine has shaped the development of programs for M/W/DSBEs. **The *"Croson"* case** is universally

recognized as the catalyst for the subsequent emergence of standards with respect to race-based municipal programs.

In *Richmond v. J.A. Croson Company, 488 U.S. 469 (1989)*, the Appellant, the City of Richmond, had issued an invitation to bid on a project for the provision and installation of plumbing fixtures at the City's jail. The bid, consistent with the guidelines adopted by the City's Minority Business Utilization Plan, required prime contractors to subcontract 30 percent of the dollar value to minority business enterprises. In large part, the Plan was established as a response to the fact that, though 50 percent of the City's population was African American, less than one percent of construction contracts were awarded to minority business enterprises.

The Supreme Court found the City's reliance on the disparity between the number of prime contracts awarded to M/W/DSBEs and the City's minority population "misplaced," specifically noting that the City did not ascertain the number of M/W/DSBEs available in the local construction market, and as a result failed to identify the need for remedial action. In establishing discriminatory exclusion, the Court set the test as follows:

> *Where there is a statistical disparity between the number of qualified minority contractors willing and able to perform a particular service and the number of contractors actually engaged by the locality or the locality's prime contractors, an inference of discriminatory exclusion could arise.*[5]

With this case, the Supreme Court clearly defined the parameters under which race-based programs will stand: namely that they meet a compelling government interest, are narrowly tailored to remedy the effects of prior discrimination,[6] and define an availability rate that utilizes the notion of **"ready, willing and able" (RWA)** firms. Disparity Studies have subsequently become a recognized manner in which localities can determine whether and where disparities exist, so as to respond accordingly with a combination of race- and gender-specific as well as race- and gender-neutral programming.

1.4 Procurement Context

In furtherance of its policy to foster an environment of inclusion, MBEC was established in 1982 to ensure that minority, women and disabled enterprises are afforded equal access and opportunity to not only compete for but also secure contracts within the City. OEO was created

[5] *Richmond v. J.A. Croson Company (1989).*

[6] "Narrowly tailored" was explicitly defined in the *Croson* case to mean that the program should: 1) be instituted either after or in conjunction with race-neutral means of increasing minority business participation, 2) the program should not make use of strict numerical quotas, and 3) the program should be limited to the boundaries of the governmental entity that instituted it.

in 2009 by Mayor Michael Nutter through Executive Order 14-08 to replace MBEC and to play a broader role on behalf of M/W/DSBEs. Importantly, whereas MBEC fell within the Finance Department and the Finance Director's supervision, OEO was conceived to have dual reporting status, to the Department of Commerce as well as directly to the Mayor, signifying Mayor Nutter's elevation of OEO in terms of holding his administration accountable for success in this arena. Since then, OEO has developed a Strategic Plan, and further integrated its administrative and advocacy roles with other programmatic efforts within Commerce to assist local businesses and stimulate economic development.

Within the City, **the Procurement Department** is a central purchasing agency. The City's stated objective is to acquire services, equipment, and construction at the lowest possible price within an equitable competitive bidding framework. It generally subdivides contracts into three types: **Public Works (PW), Services, Supplies, and Equipment (SSE), and Personal and Professional Services (PPS)**, with PW and SSE contracts falling under Procurement and PPS contracts being controlled at the individual department level**.** These are the contract types that are further examined in this Disparity Study.[7]

[7] PW bids and all competitive bids for SSE in excess of $30,000 are advertised locally for a specified date. Conversely, for Small Order Purchases, the process is decentralized and driven by local individual operating departments. Specifically, for purchases greater than $500 but less than $30,000, departments are urged to solicit from firms registered by OEO and by the US Small Business Administration (SBA).

Within the PW sector, critical components of responsiveness include:

- For all bids exceeding $30,000, a bid surety that guarantees a vendor's commitment to hold the price, terms and conditions firm or incur liability for losses suffered by the City.
- For all PW contracts in excess of $5,000, contractors are required to furnish a performance as well as payment bond equivalent to 100 percent of the contract amount.

The City attempts to process payments within a timely fashion. Under the OEO anti-discrimination policy, M/W/DSBEs must be paid within a timely fashion, with "timely" being defined as no later than five (5) business days after the prime contractor receives payment.

As for PPS contract opportunities, in February 2006, the City implemented an automated Request for Proposal (RFP) process called "eContractPhilly." eContractPhilly is an online interface that manages the non-competitively bid contracting process electronically. Under the program, vendors register to create a Vendor Record and submit applications online for non-competitively bid opportunities, which are posted for a period of 15 days. The system's features are comprehensive and allow vendors to:

- Search new non-competitively bid contract opportunities.
- View the names of all applicants for each advertised opportunity.
- Research awarded contracts.
- View renewal certifications for contracts.
- Access reports that summarize non-bid contract activity.

1.5 Expenditure Context

It is important to define the universe of expenditures that is being analyzed in this disparity study, in terms of distribution of economic opportunity to various M/W/DSBE categories. The FY 2009 operating budget for the City was $3.75 billion.[8] However, only $668 million, or 18 percent, were directly analyzed in this Disparity Study. That $668 million represents bid and non-competitively bid contracts and requests for proposals; while the remainder that is not included in this report includes items that cannot as easily be discussed in the context of utilization and availability, salaries and benefits being the major categories. Effectively, the expenditures evaluated in this report represent **what is under executive control from a procurement standpoint**, and as such the results are one indication of the performance of a mayor and his or her administration on the issue of the participation of M/W/DSBEs in City contracts. However, they by no means represent all or even most of City spending.[9]

Furthermore, there are a number of other **public and quasi-public agencies** that intersect with the City, and over which the City holds some influence, which represent additional opportunities for M/W/DSBE participation but which are not included in this report's main calculations on the participation of M/W/DSBEs in contracts awarded to for-profit prime contractors and sub-contractors. Some of these other agencies report their M/W/DSBE utilization directly to OEO and are therefore listed in OEO's annual Participation Report; these agencies combined to represent an additional $200 million in contracts in FY 2009 (see Figure 1.1).[10]

Other local public sector units, like the Southeastern Pennsylvania Transportation Authority or the School District of Philadelphia, have their own M/W/DSBE programs and are not included here, although people often lump them together with the City when they consider local public sector procurement opportunities. Still others, most notably the Department of Human Services, contract work out to non-profit prime contractors, who then enlist the services of for-profit and non-profit subcontractors, and because the study's parameters only consider for-

[8] City of Philadelphia FY 2010 Operating Budget, as proposed to City Council on March 19, 2009.

[9] Even within the universe of bid and non-competitively bid contracts and requests for proposals, not all dollars are included in the data sets used to produce an Annual Disparity Study, due to limitations in the City's present information systems. For example, in cases in which a contract has been awarded in Year 1, and then contract is extended in subsequent years through amendments, any M/W/DSBE participation levels for those subsequent years is not captured, but rather only for the original awarded contract.

[10] Spending by Philadelphia International Airport and through funds received through the American Recovery and Reinvestment Act of 2009 are two examples of contract opportunities that are not included in the Annual Disparity Study. However, though they involve federal funds, they represent City decisions and therefore a case can be made that the City should be held accountable for M/W/DSBE participation levels there.

profit prime contractors and their sub-contractors, these procurement opportunities are also excluded from direct analysis.[11]

Figure 1.1 – FY 2009 MBE/WBE Utilization for Selected Quasi-Governmental Agencies and Functions

		FY 2009			FY 2008		
Entity	Time Period	All $ Contracts	MBE%	WBE%	All $ Contracts	MBE%	WBE%
Bond Issue Fees	7/1-6/30	$3.9M	5.7%	7.4%	$13.1M	6.7%	3.0%
Pensions Inv Fees	7/1-6/30	$23.5M	18.2%		$14.5M	8.8%	
Pensions Priv Eq	7/1-6/30	N/A	N/A		$9.8M	19.5%	
PHDC	7/1-6/30	$22.3M	25.3%	4.1%	$25.8M	35.9%	
PIDC	7/1-6/30	$24.5M	12.5%	9.4%	$12.5M	24.2%	16.7%
RDA	7/1-6/30	$124.8M	26.2%	5.6%	$50.9M	28.8%	10.0%
RiskMgmt	7/1-6/30	$4.7M	62.3%	33.0%	$5.4M	48.0%	19.4%
Total		**$203.2M**	**27.9%**		**$120.2M**	**32.1%**	

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Thus, one significant shortcoming in regard to the focus of our study and of previous studies is that it only analyzes **a subset of all local public expenditures**: that which is under direct mayoral control.[12] M/W/DSBEs and their advocates understandably consider all public sector expenditures equally when it comes to business opportunities. Most do not make the narrow legal and administrative distinctions among government departments and quasi-government agencies which are under various degrees of authority by the Mayor and City Council, and which keep differing levels of contract-by-contract data on M/W/DSBE participation. Said another way, the direct topic a Disparity Study covers is the performance of the Mayor and the procurement decisions made by his or her departments; but the public in general, and the universe of M/W/DSBEs in particular, may be more interested in a broader evaluation of utilization versus availability.

[11] OEO is contemplating a combination of efforts to recognize these significant procurement categories, from having non-profit organizations self-registering as being controlled by minorities, women, and/or disabled, as evidenced by staff and/or board composition, to articulating success stories of City procurements to such non-profit organizations.

[12] These limitations also make disparity comparisons across cities difficult, since mayoral control over various local government functions is not uniform across cities.

Heretofore, we have discussed only local public sector contract opportunities, of which there are many available to local M/W/DSBEs over and above that which is being discussed in this report. Of course, there are also not an insignificant number of **state and federal** contract opportunities that are available locally, and the total universe of public sector contract opportunities (federal, state, and local) is dwarfed by opportunities that are available in the broader **private sector**: the US Department of Commerce estimates that private industry contributed over 90 percent of the Philadelphia MSA's Gross Domestic Product of $311 billion.[13]

Therefore, in summary, although this report is necessarily focused on mayoral departments, it is worth noting that there are other public and private sector dollars being spent that are available for M/W/DSBE participation, and other, albeit less forceful, levers the City has at its disposal to encourage M/W/DSBE participation outside of its own contracts. When considering the analysis contained within this report and others like it, it is important to be aware of these limitations, and to appreciate the larger scope of government and private expenditures that is not included in this analysis.[14]

1.6 Summary of Previous Studies

As noted earlier, DJ Miller & Associates (DJMA) conducted a Disparity Study for the City in which it analyzed data from 1998 to 2003; while Econsult conducted the next three disparity studies, looking at FY 2006, FY 2007, and FY 2008 data. It is important to note four important differences between the DJMA report and the Econsult report:

- The Econsult reports only consider utilization in terms of awarded contracts, while the DJMA report calculated utilization in terms of awarded contracts, purchase orders, and actual payments.[15]
- In calculating availability using US Census datasets, DJMA used 1997 data while Econsult had access to 2002 data.

[13] As of 2006, private industries contributed $285 billion, while federal, state, and local governments contributed $27 billion. "Gross Domestic Product by Metropolitan Area," US Department of Commerce – Bureau of Economic Analysis (September 2009). Federally originated spending will likely play a particularly outsized role in upcoming years, due to spending related to the American Recovery and Reinvestment Act of 2009.

[14] The 2009 OEO strategic plan noted the importance of non-City procurement opportunities in its efforts to assist M/W/DSBEs, and among other actions OEO is working on a "state of inclusive procurement" document that will highlight procurement activities by other large public and private sector procurers within the Philadelphia region.

[15] Pending data and budget availability, it may make sense for this more expansive exploration of utilization to take place every five or so years. Thus, the City may want to consider such a scope for the FY 2010 annual Disparity Study.

- Where available, we presented data to a finer level of detail, in terms of specific M/W/DSBE categories, the geographic distribution of M/W/DSBE utilization and availability, and department by department performance.

- The DJMA study was used to satisfy the standards established in the *Croson* case, whereas our reports were more designed to address issues of performance.

Nevertheless, despite these differences, it is instructive to compare results from these two sets of reports. Doing so provides some sense of M/W/DSBE utilization during the time periods of the two reports. We note, for example, the significant increase in M/W/DSBE utilization between the 1998-2003 time period and FY 2006 to FY 2008 (see Figure 1.2).

Figure 1.2 – FY 1998-2003 vs. FY 2006-2008 Utilization of M/W/DSBEs Located within the Philadelphia Metropolitan Statistical Area (MSA)[16]

	DJ Miller FY 1998-2003	DJ Miller FY 1998-2003	DJ Miller FY 1998-2003	Econsult FY 2006	Econsult FY 2007	Econsult FY 2008
Category	Purchase Orders	Awarded Contracts	Actual Payments	Awarded Contracts	Awarded Contracts	Awarded Contracts
MBE	2.3%	5.7%	1.4%	14.6%	13.0%	12.7%
WBE	2.2%	2.3%	0.8%	7.1%	8.0%	4.8%
DSBE	N/A	N/A	N/A	0.1%	0.0%	0.0%
All M/W/DSBEs Located within the Philadelphia MSA	4.5%	8.0%	2.2%	17.6%	17.6%	14.8%
M/W/DSBEs Located Outside the Philadelphia MSA, Plus All Non-M/W/DSBEs	95.5%	92.0%	97.8%	82.4%	82.4%	85.2%

Source: DJ Miller & Associates (2004), Econsult Corporation (2007, 2008, 2009)

1.7 Report Overview

[16] FY 2006-2008 totals add up to more than 100 percent because firms can be both MBE and WBE.

In Section 2, we describe the approach used to measure the levels of utilization and availability of the various M/W/DSBE categories under consideration. We will also briefly discuss how our **methodology** both builds on and differs from that used by DJMA in the FY 1998-2003 study, and what changes have been made from the methodology employed in our FY 2006, FY 2007, and FY 2008 studies.

In Section 3, we provide a detailed analysis of the **utilization** and **availability** rates we calculated, as well as the **disparity ratios** for the M/W/DSBE categories under consideration. Our analysis is broken down by M/W/DSBE category, as well as geographic location, in order to give a full picture of M/W/DSBE participation in the City of Philadelphia and in the Philadelphia MSA.

Section 4 provides **participation goals** for FY 2011 based on the disparity ratios calculated from the FY 2009 data. We include aggregate participation goals as well as separate participation goals for MBEs, WBEs, and DSBEs.

In Section 5, we offer the following four sets of **recommendations**: 1) study methodology and scope, 2) policy and programming, 3) data collection, and 4) goal-setting. In these recommendations, we build from previous suggestions from past reports, enhanced by additional research and adjusted based on any new initiatives and directions by the City since those past reports were produced.

2.0 METHODOLOGY

In determining our methodology for this study, we first examined the methodology utilized by DJ Miller & Associates (DJMA) in their initial 1998-2003 Disparity Study for the City of Philadelphia.[17] We also examined methodologies developed by other consulting firms for other Disparity Studies. Finally, we revisited the methodology employed in our Fiscal Year (FY) 2006, FY 2007, and FY 2008 studies, to determine where amendments could be made for this year's Disparity Study.

This section describes the methods we used to determine and compare the level of actual and expected utilization of the required Minority Business Enterprise (MBE), Women Business Enterprise (WBE), and Disabled Business Enterprise (DSBE) (collectively known as M/W/DSBE) categories for the stated contract types.[18] Specifically, we were interested in calculating the disparity ratio for the following M/W/DSBE categories and City contract types, per the City ordinance, the Mayor's Executive Order, and the annual Participation Report of the City of Philadelphia's Office of Economic Opportunity (OEO) (see Figure 2.1):

Figure 2.1 – M/W/DSBE Categories and City Contract Types of Interest

M/W/DSBE Categories		City Contract Types
• Native American males • Asian American males • African American males • Hispanic males • Disabled	• Native American females • Asian American females • African American females • Hispanic females • Caucasian females	• Public Works (PW) • Personal and Professional Services >$30K (PPS) • Services, Supplies, and Equipment >$30K (SSE)

Source: City of Philadelphia (2007, 2010)

[17] Because DJMA discussed various interpretations of the requirements of the US Supreme Court's *Croson* decision (as well as subsequent court rulings) with respect to defining what a disparity study should actually measure and examine, we will not go into further legal context description beyond what is discussed in Section 1.3.

[18] See Appendix A for more information on our specific methodology in obtaining, filtering, and organizing data from these sources, and Appendix B for a list of files used for the production of the FY 2009 Disparity Study results.

2.1 Disparity

We define our disparity ratio in the following way: **utilization rate divided by availability rate**. The utilization rate is defined as the total dollar value of contracts awarded to for-profit M/W/DSBEs registered by OEO, divided by the dollar value of all City contracts awarded to all for-profit entities. In a similar fashion, the availability rate is defined as the proportion of "ready, willing and able" (RWA) M/W/DSBEs in the City, or alternatively, the Philadelphia Metropolitan Statistical Area (MSA),[19] relative to the City or MSA's total number of RWA enterprises.

In other words, we compare the actual utilization of M/W/DSBEs, in the form of contract awards, with an expected utilization of M/W/DSBEs, based on the availability of RWA M/W/DSBEs. Thus, a disparity ratio of less than 1.0 would be considered under-utilization, and a ratio of greater than 1.0 would be considered over-utilization. These utilization rates, availability rates, and disparity ratios can be further sub-divided by M/W/DSBE category (Minority Business Enterprises (MBE), and specific racial and ethnic groups within, as well as Women Business Enterprises (WBE) and Disabled Business Enterprises (DSBE)) and contract type (Public Works (PW), Personal and Professional Services (PPS), and Services, Supplies, and Equipment (SSE)) (see Figure 2.2).

Figure 2.2 – Hypothetical Examples of Over- and Under-Utilization

Disparity Ratio	Hypothetical Example	Over or Under
1.5	Utilization of African American owned M/W/DSBEs for PPS contracts was 12%, Availability of African American owned M/W/DSBEs for PPS contracts was 8% (12% ÷ 8% = 1.5)	Over-Utilization
1.0	Utilization of WBEs for PW contracts was 6%, Availability of WBEs for PW contracts was 6% (6% ÷ 6% = 1.0)	Neither Over Nor Under
0.5	Utilization of DSBEs for SSE contracts was 0.5%, Availability of DSBEs for SSE contracts was 1.0% (0.5% ÷ 1.0% = 0.5)	Under-Utilization

Source: Econsult Corporation (2010)

[19] The Philadelphia MSA is an 11-county region is the modern equivalent of the now-defunct 9-county Primary Metropolitan Statistical Area (PMSA) used in the DJMA report. The counties included in the Philadelphia MSA are Burlington (NJ), Gloucester (NJ), Chester (PA), Montgomery (PA), New Castle (DE), Salem (NJ), Camden (NJ), Bucks (PA), Delaware (PA), Philadelphia (PA), and Cecil (MD).

Both the numerator and denominator in the disparity ratio are themselves fractions. "Utilization" is defined as the dollar amount of contracts awarded in a given contract type and M/W/DSBE category, divided by the total dollar amount of contracts awarded in that given contract type. "Availability" is defined as the number of "ready, willing, and able" firms in a given contract type and M/W/DSBE category, divided by the total number of "ready, willing, and able" firms in that given contract type (see Figure 2.3).

Figure 2.3 – Components of a Disparity Ratio

Utilization		*Availability*
$ value of City contracts awarded to M/W/DSBE prime contractors and sub-contractors	*divided by*	M/W/DSBE for-profit firms that are "ready, willing, and able"
Total $ value of City contracts awarded to all for-profit prime contractors and sub-contractors		All for-profit firms that are "ready, willing, and able"

Source: Econsult Corporation (2007)

For the purposes of this report, we are interested exclusively in FY 2009 data. Where data constraints result in missing, insufficient or ambiguous figures, we do not include these figures, but instead show an "X." Therefore, all figures shown are statistically significant.

2.2 Utilization

Utilization refers to **the participation of firms in various M/W/DSBE categories, as a percentage of all contracts awarded**. In determining utilization rates, we used raw data from OEO's FY 2009 Participation Report. This data, in addition to summarizing participation by various M/W/DSBE categories and in various City contract types, also lists all contracts awarded, including cases in which the prime contractor and/or one or more sub-contractors was a OEO-registered M/W/DSBE.[20]

[20] Importantly, the OEO-registered list we use in determining which contract dollars were awarded to OEO -registered firms is from January 2010. Technically, that list represents a specific point in time, while in reality the OEO-registered list is ever-changing, as M/W/DSBEs are added (i.e. become registered) or removed (i.e. have their certification expire). What truly matters in terms of M/W/DSBE participation is whether a prime contractor or sub-contractor was OEO-registered at the time of the contract, rather than at the end of the fiscal year. However, a list at a specific point in time, in this case subsequent to the end of the fiscal year which the study is covering, is a close enough approximation.

Given this data set, we were able to verify and reproduce the summary figures in OEO's Participation Report. Also, given access to OEO's Vendor List, we were further able to identify the proportion of City contracts awarded to M/W/DSBEs that are headquartered within the City, as well as those that are headquartered within the Philadelphia MSA.[21]

In approaching the utilization rate in this manner, we acknowledge the following challenges in understanding the true utilization of M/W/DSBEs in the awarding of City contracts:

- There are an unknown amount of City contracts that are awarded to firms that would qualify under one or more M/W/DSBE classifications, but who have not (or not yet) been registered by OEO. We cannot precisely estimate what that amount is because the reason for OEO registration is to verify the authenticity of a firm's qualification as an M/W/DSBE. A "certifiable" firm, in other words, might prove to not actually qualify as an M/W/DSBE. Nevertheless, we recognize that there may be some amount of City contracts that are awarded to firms that should be considered M/W/DSBEs (i.e. they are owned by minorities, women, and/or disabled persons), but for whatever reason have not (or not yet) registered with OEO. Not including the participation of these certifiable firms would mean that our calculated utilization rates are artificially low.[22]

- The universe of contracts we have studied only includes departments that fall within OEO's Annual Participation Report. Therefore, as noted in the previous section, there are a large amount of contracts that represent local public sector procurement opportunities but that are not included in this analysis: quasi-public agencies, large local public entities like the School District of Philadelphia, and for-profit and non-profit sub-contractors to non-profit prime contractors. If thinking even more broadly about large procurement opportunities available to M/W/DSBEs, one would also need to mention state and federal contracts, as well as the purchasing dollars of large non-public entities like universities and multinational corporations. The scope of our study is necessarily circumscribed to the procurement activity of the departments covered in OEO's Participation Report, and thus only covers a small slice of the overall economic picture in terms of procurement opportunities for M/W/DSBEs.

[21] Any firms with addresses outside the Philadelphia MSA or with no listed addresses were conservatively assumed to be located outside the Philadelphia MSA but within the US.

[22] To get a sense of the scale of this discrepancy, in the next chapter we note that a subset of City departments self-report their utilization of "certifiables," or minority-, women-, and/or disabled-owned firms that are not or not yet registered with OEO. To the extent that any of these "certifiables" received contracts in FY 2009, a utilization figure that looked solely at OEO-registered M/W/DSBEs would not totally represent the participation of minority-, women-, and/or disabled-owned firms in City contracts. Future reports may attempt to capture information on "certifiable" firms to portray the difference in M/W/DSBE utilization between those firms that are OEO-registered and those that are not registered but are in fact owned by minorities, women, and/or the disabled.

- We are exclusively interested in the dollar amount of contracts awarded by category and contract type. We are therefore not commenting on the actual amounts earned and received, which, in the case of sub-contractors, could deviate substantially from the initial award amounts. On one level, this is acceptable, as it is the initial award that represents a decision within the City's ability to influence. On another level, however, it may not tell the whole story of M/W/DSBE participation in the economic opportunities generated by City procurement activity. In other words, focusing on awarded contracts rather than dollars disbursed means that one has an accurate sense of the City's performance in distributing contracts but that one may not necessarily have an accurate sense of the extent to which M/W/DSBEs are or are not financially benefitting from their participation in City contracts.

- Publicly traded companies cannot be classified as M/W/DSBEs, nor can previously designated M/W/DSBEs that have since been purchased in whole by non-M/W/DSBEs. Thus, it is possible that the City is doing business with firms that are largely if not completely controlled by minorities, women, or disabled persons, but that do not show up as M/W/DSBEs.

There is no one standardized way to conduct a Disparity Study. Nevertheless, based on the scope of services, data limitations, and a thorough review of other methodologies we have come to the conclusion that our approach is an appropriate one. However, we revisit these limitations in Section 5, as they relate to possible adjustments for future study and policy-making.

2.3 Availability

To match the "numerator" of utilization rate, we must consider the equivalent "denominator," which is **the proportion of the available universe of firms that can secure City contracts that belongs to a particular M/W/DSBE category**. To begin with, availability cannot simply be measured as "percent of total population." Although a certain demographic may compose a certain percentage of the total population, this gives no accurate indication of the number of firms available to do business with the City that are owned by individuals who fall into that demographic category.[23]

[23] What is useful to consider, which we elaborate on in further detail later in the report, is the extent to which the City can partner with public and private technical assistance providers to increase the availability of M/W/DSBEs with which the City can do business. If, for example, a M/W/DSBE category had a utilization rate higher than its availability rate, but an availability rate that was lower than its proportion of the total population, one could draw two conclusions: first, that the City has done acceptably well in terms of utilizing firms owned by members of that M/W/DSBE category; but second, that the City should work with other entities to work towards a higher availability of firms owned by members of that M/W/DSBE category.

Therefore, we will use the legal foundation of **"ready, willing, and able"** (RWA) for availability, as discussed previously. We affirm the previous reports' analysis of this legal basis, as well as their use of the Philadelphia MSA as the geographic boundaries of their availability analysis.
In keeping with the legal precedent for defining availability as set forth by *Croson,* DJMA used a definition for availability that examined a firm's readiness, willingness, and ability to do business with the City.

1. Specifically, a firm was considered *ready* simply by virtue of its existence. Thus, Census data on the number of minority firms existing in the MSA was taken as the number of *ready* firms.

2. Similarly, willingness was determined by one of two sources: a firm was considered to be *willing* if it was either registered with the City's Procurement Department or with the federal government.

3. *Ability* to do business with the City, or capacity, is an important part of determining overall M/W/DSBE availability rates.

Thus, DJMA was careful to define a benchmark for availability based upon the notion of *capacity,* as was determined legally in *Concrete Works of Colorado, Inc. v. the City and County of Denver*. Nonetheless, a fair amount of ambiguity remains as to how exactly capacity should be measured and in what way these three characteristics could be viewed together to determine a useful method of distinguishing an RWA firm from a non-RWA firm. After all, readiness, willingness, and ability are all relatively subjective terms, which do not easily lend themselves to being determined by objective data sources.

Other similar disparity studies, such as MGT of America in Phoenix[24] and Mason Tillman in New York City[25] have used *Croson* as a guideline for defining availability. Our methodology in determining availability rates takes this existing body of knowledge into account, and evaluates it from the perspective of determining an approach that is sensitive to the constraints involved in considering either broader or narrow definitions of RWA firms.

One can define this universe of RWA firms to varying degrees of strictness. In the narrowest sense, that universe can be considered as only those firms that have demonstrated RWA by actually registering or certifying to do business with the City. The availability rate for each category and industry of interest would be the number of M/W/DSBEs registered with OEO, divided by the number of all firms registered with the City's Procurement Department.

[24] Second Generation Disparity Study, MGT of America, Inc (1999).

[25] City of New York Disparity Study, Mason Tillman and Associates, Ltd. (2005).

Using a broader definition of RWA, one could utilize the 2002 US Census Survey of Business Owners (SBO),[26] which gives us a sense of the number of all firms, and the annual revenues of such firms, in a geographic location and under a particular industry. Using NAICS codes, we can reasonably know the total number of firms by category and industry, as well as the number with one or more paid employees and the annual revenues in aggregate.[27]

However, we now have the opposite problem as the narrower definition of RWA, since there are certainly firms out there that, while they are in full operation and are generating positive revenues, for whatever reason are not in fact ready, willing, or able to do business with the City. For example, the vast majority of firms inventoried in the SBO (both M/W/DSBE and non-M/W/DSBE) have one or fewer employees, which would likely exclude them from most if not all City contract opportunities. This leads to a situation in which the number of firms used to calculate the availability rate (both M/W/DSBE and non-M/W/DSBE) is far greater than the number of firms which are actually ready, willing, and able to do business with the City.

Either way, we have to contend with the fact that there are certainly firms that are ready, willing, and able to do business with the City, both M/W/DSBE and non-M/W/DSBE, who for a variety of reasons have not (or not yet) registered with the City. Considering only registered firms would under-count both the M/W/DSBE amount and the non-M/W/DSBE amount, with a possible skewing on the availability rate, depending on whether M/W/DSBEs were more or less likely than non-M/W/DSBEs to choose not to identify themselves as ready, willing, and able by registering with the City and/or obtaining OEO registration.

In order to more fully understand availability, we pursued both a "broad" and "narrow" approach, and calculated availability rates for both approaches. In this way, we could determine the differences in disparity ratios using the different approaches, and comment based on the actual results as to which approach is preferable, and where and why there are differences in results based on these approaches. Specifically, our "broad" approach utilizes the SBO data from 2002, whereas our "narrow" approach utilized OEO and Procurement Department data.[28]

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[26] The majority of the availability data used in our study comes from the Economic Census conducted every five years by the US Census Bureau. In particular, we used the Survey of Business Owners (SBO), which, since 2002, is a consolidation of two former studies, the Survey of Minority- and Women-Owned Business Enterprises (SMOBE/SWOBE).

The latest year for which SBO data are available is 2002, which is the dataset we used for this report. The 2007 data is expected to be available starting in late 2010, and thus would be available in time for use in producing the FY 2010 Disparity Study.

[27] At a more detailed industry level, a fair amount of major City spending categories involve NAICS codes for which there are no currently available M/W/DSBEs, and likely no prospects for available M/W/DSBEs in the foreseeable future. Thus, it may be unfair to include that spending in the comparison of utilization versus availability.

[28] We have ruled out the use of the Central Contractor Registration (formerly known as PRONet) as a proxy for RWA because this federal level of certification is vastly more cumbersome than its local equivalent, causing well too much attrition in qualified firms to be considered a fair measure of availability. In other words, we found such a methodology to be far too narrow to yield a reasonably accurate availability rate.

Because of the difficulty in determining the actual availability rate of RWA M/W/DSBEs, we considered multiple sets of proxies. First, using a narrower approach, we took the number of M/W/DSBEs that have registered with OEO, divided by the number of all firms that have registered with the City's Procurement Department. Second, using a broader approach, we took the number of M/W/DSBEs, divided by the number of all firms, as reported in the 2002 SBO data. This data is only available at the metropolitan level.[29] Third, we must consider the appropriate geography to use when determining M/W/DSBE utilization versus M/W/DSBE availability. Because we know where OEO-registered firms are located, we can easily determine M/W/DSBE utilization within the City versus within the Philadelphia MSA versus within the US as a whole. However, most availability data is only available at the metropolitan and not city or county level.

Furthermore, there is no absolute legal consensus as to **the appropriate geographic market for determining M/W/DSBE availability**. In some cases, it has been validated that the relevant geographic market for a government jurisdiction's disparity study is the jurisdiction of that government: state boundaries for a state, municipal or county boundaries for a local entity.[30] In other cases, it has been validated that the relevant geographic market for a government's disparity analysis extends beyond that government's jurisdiction (for example: a state whose disparity analysis includes counties in another state, or a local entity whose disparity analysis includes surrounding municipalities or counties, to the extent that those nearby jurisdictions are natural sources for firms in a position to bid on and be awarded contracts within that jurisdiction).[31]

What does seem to be consistent is that the unit of geography should represent the best approximation of the geographic area within which the vast majority of available and awarded firms is located. To put it another way, what constitutes the relevant geographic area depends on what is deemed the appropriate economic market from which the government entity draws its contractors and vendors.

It is instructive to report at this time the geographic distribution of OEO-registered firms. Perhaps surprisingly, a third is located outside the City but within the Philadelphia MSA, and a

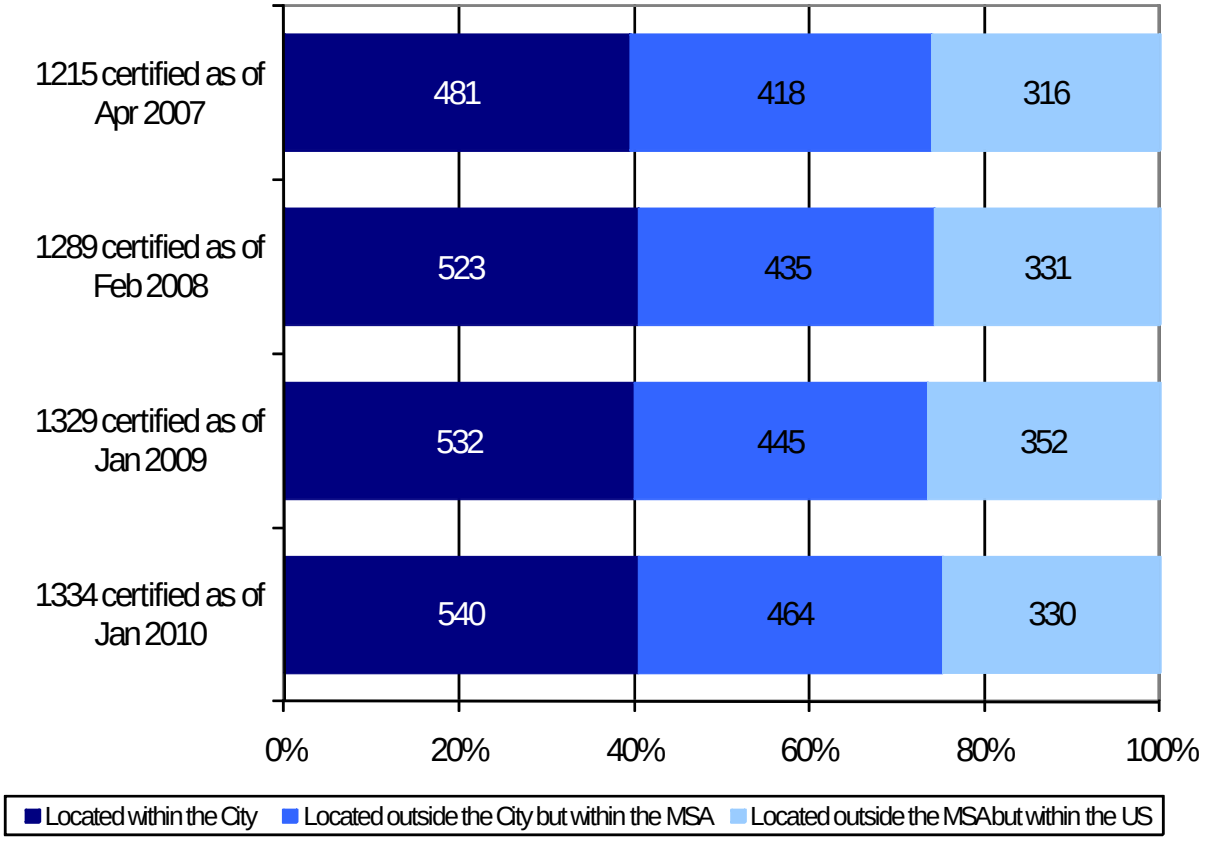
[29] Whichever the data source, we must further decide if we are interested in the raw number of firms, or only those with one or more paid employees. Alternatively, we might consider capacity commensurate to firm size, and so rather than adding up the raw number of firms, we could add up the annual revenues of such businesses. This is because it may not be accurate to say, hypothetically, that Asian American-owned public works businesses have an availability rate of 20 percent if they represent 20 percent of all public works firms but only 2 percent of the revenues of all public works firms.

[30] See *Coral Construction*, 941 F. 2d at 925: "An MBE program must limit its geographical scope to the boundaries of the enacting jurisdiction."

[31] See *Concrete Works*, 823 F.Supp. 821, 835-836 (D. Colo. 1993), in which the Denver MSA was upheld as the appropriate market area.

quarter is located outside the Philadelphia MSA altogether; these proportions have not materially changed over the past few years (see Figure 2.4).[32]

Figure 2.4 – Geographic Distribution of OEO-Registered Firms over Time



Source: City of Philadelphia Minority Business Enterprise Council (2007, 2008, 2009), City of Philadelphia Office of Economic Opportunity (2010), Econsult Corporation (2007, 2008, 2009, 2010)

Thus, it makes sense to consider the Philadelphia MSA the best approximation of the geographic area within which the vast majority of available and awarded firms is located, since OEO's own directory suggests such a geographic distribution. Using the US as a whole would clearly be far too vast of a geographic unit, but using just the City itself would be too narrow of a geographic unit.[33]

[32] See also Appendix C for further information on the distribution of firms in the OEO directory, as of early 2010.

[33] As a point of reference, DJMA used the Philadelphia PMSA in its analysis of 1998-2003 data. MSAs were used in other disparity studies we reviewed, and represent a reasonable in-between level of geography with a strictly city focus, missing the

These proxies can only approximate the actual availability rate of RWA M/W/DSBEs as a proportion of all RWA firms because of the difficulty in determining readiness, willingness, and ability.[34] Disparity studies necessarily have to utilize existing data and cannot perfectly know the actual availability rate because of the challenge in quantifying the appropriate universes of RWA firms. This hinders the preciseness of stated availability rates, which justifies not relying on any one approach or data set for determining availability (see Figure 2.5).[35]

Figure 2.5 – Different Approaches to Determining M/W/DSBE Availability Rate

# M/W/DSBEs / # All Firms *(based on SBA/ Census data)*	*may or may not be equal to*	Actual # M/W/DSBE RWA Firms / Actual # All RWA Firms *(i.e. the actual availability rate)*	*may or may not be equal to*	# M/W/DSBE Registered Firms / # All Registered Firms *(based on OEO / Procurement Department)*

Source: Econsult Corporation (2007)

regional nature of procurement opportunities and a broader focus (statewide or nationwide) being too diffuse of a geographic range to derive meaningful results. Therefore, many of our analyses utilize the Philadelphia MSA as the unit of geography.

However, given that availability rates likely differ significantly at the Philadelphia MSA level from rates at the City level, it may be useful, where possible, to calculate availability using both geographies. Fortunately, in 2004, the Philadelphia District Office of the US Small Business Administration (SBA) received a special data set from the 2002 US Census Survey of Business Owners, which has counts of firms in Philadelphia by ethnicity. This data set has the benefit of describing just firms within the City, and thus can be compared against the utilization of M/W/DSBEs that are located within the City to arrive at a disparity ratio where the geography of the numerator and of the denominator is the City of Philadelphia, not the Philadelphia MSA.

However, its serious flaw, for the purposes of a Disparity Study, is that it is merely a count of all firms, with no additional information as to their characteristics, whether capacity or industry. Given that a large majority of both M/W/DSBE and non-M/W/DSBEs have only one employee, it is likely that most of the firms, M/W/DSBE and non-M/W/DSBE, in the 2004 SBA dataset are not in fact "ready, willing, and able" to do business with the City of Philadelphia. Also, since the data set does not differentiate between firms in different industries, it includes firms in industries that may have no intersection with City contract needs. For both of these reasons, this means that both the numerator and the denominator of the availability rate, when calculated using this data set, are likely vastly inflated.

Nevertheless, it can be instructive to compare utilization versus availability at the City level as well as at the Philadelphia MSA level. Furthermore, it may very well be that, when calculated in this manner, the numerator and denominator are proportionately inflated, such that the availability rate is reasonably accurate for use in a Disparity Study. We therefore present availability in this third manner, and are careful that when using it to calculate disparity ratios, we pair it with utilization of M/W/DSBEs located in the City, not in the Philadelphia MSA.

[34] In fact, the first proxy will be different to the extent that the proportion of M/W/DSBEs that are in fact RWA but have not or have not yet registered with OEO is different than the proportion of all firms that are RWA but have not or have not yet registered with the City's Procurement Department; while the second and third proxies will be different to the extent that the proportion of M/W/DSBEs that are not in fact RWA is different than the proportion of all firms that are not RWA.

[35] Furthermore, in contrast to the thorough datasets provided by OEO for the calculation of utilization rates, the datasets used in calculating availability rates contain considerable gaps. For example, US Census data does not always break out data down to our desired level of ethnic, geographic, or industry detail. Also, there are some instances in which the US Census datasets choose not to display certain figures, because their small counts are either statistically insufficient or would reveal too much detail about one or two large firms within an ethnic, geographic, or industry category.

3.0 ANALYSIS

In this section, we provide a series of charts and accompanying narratives that depict the disparity ratio for all relevant Minority Business Enterprise (MBE), Women Business Enterprise (WBE), and Disabled Business Enterprise (DSBE) (collectively known as M/W/DSBE) categories and contract types. We arrive at these disparity ratios by looking first at utilization rate and then at availability rate. In each set of charts, we can examine the City of Philadelphia's performance in one or more of five ways:

- Fiscal Year (FY) 2009 results relative to results from Econsult Corporation's FY 2008 report;
- FY 2009 results across all for-profit contract types;
- FY 2009 results across geographic boundaries (i.e. the physical location of M/W/DSBEs);
- FY 2009 results across M/W/DSBE categories: MBEs (and, where data availability allows it, distinct ethnic groupings within), WBEs, and DSBEs;[36] and
- FY 2009 results by City department.

Where data constraints result in missing, insufficient or ambiguous figures we do not include these figures, but instead show an "X". Therefore, all figures shown are statistically significant.

3.1 Utilization

As described in Section 2, M/W/DSBE utilization is defined as the dollar value of contracts awarded to for-profit M/W/DSBE prime contractors and sub-contractors divided by the total dollar value of contracts awarded to for-profit prime contractors and sub-contractors, as reported in the FY 2009 Participation Report of the City's Office of Economic Opportunity (OEO), which lists contracts awarded and (if any) M/W/DSBE participation in those contracts. We are further interested in the geographic distribution of contracts awarded to M/W/DSBEs, to the extent that we know, per OEO's Vendor List, whether they are located within the City of Philadelphia, within the Philadelphia Metropolitan Statistical Area (MSA), or within the US. In

[36] It is important to note that while many government agencies allow a firm to certify as one and only one M/W/DSBE type (example: MBE or WBE, but not both), and/or will designate contracts that have been awarded to M/W/DSBEs as having gone to only one M/W/DSBE type, we depict and analyze figures that allow for M/W/DSBEs to be classified as more than one M/W/DSBE type. Where data is available to make such distinctions, this allows for a finer level of detail and therefore a finer level of analysis. When totaling up figures for all M/W/DSBE categories, we are careful to ensure that there is no double-counting.

fact, these three sizes of geography represent the three different ways we can express utilization (see Figure 3.1):[37]

Figure 3.1 – Utilization Methods Employed in This Report
*** Denotes Weighted More Heavily in Determining Participation Goals**

Method	Description	Data Source(s)
"U1" *	Utilization of M/W/DSBEs located in the City of Philadelphia ÷ utilization of all firms	OEO Annual Participation Report (FY 2009)
"U2" *	Utilization of M/W/DSBEs located in the Philadelphia MSA ÷ utilization of all firms	
"U3"	Utilization of M/W/DSBEs located in the US ÷ utilization of all firms	

Source: Econsult Corporation (2010)

Before we look at dollar values, let us first consider the distribution of contracts, by contract type (see Figure 3.2 and Figure 3.3).[38] Out of 1,162 total contracts, 448 (38.6 percent) had one or more M/W/DSBEs involved: 115 (9.9 percent) where the M/W/DSBE was a prime contractor, and 341 (29.3 percent) where one or more of the sub-contractors was an M/W/DSBE.[39] Across contract types, there was wide variation: the proportion of contracts with

[37] Note that the denominator for all three of these utilization rates is the dollar value of contracts awarded by the City to all for-profit prime contractors and sub-contractors, irrespective of their geographic location. In other words, in determining M/W/DSBE utilization at these three levels of geography, we are interested in the amount of all contract dollars that went to M/W/DSBEs within the City, within the Philadelphia MSA, and within the US.

Conversely, one could calculate utilization rates by comparing contract dollars that went to M/W/DSBEs located within the City with contract dollars that went to all firms located within the City, and contract dollars that went to M/W/DSBEs located within the Philadelphia MSA with contract dollars that went to all firms located within the Philadelphia MSA, and finally contract dollars that went to M/W/DSBEs located within the US with contract dollars that went to all firms located within the US.

We reject such an approach because it is less important to know what proportion of City contract dollars that went to firms located within the City went to M/W/DSBEs located within the City, and more important to know what proportion of all City contract dollars went to M/W/DSBEs located within the City, and so on.

[38] These contract types are:

- Public Works (PW)
- Personal and Professional Services (PPS)
- Services, Supplies and Equipment (SSE)

Miscellaneous Purchase Orders (MPOs) and Small Order Purchases (SPOs) were not included in this calculation. See Appendix D for additional detail on FY 2009 distribution of M/W/DSBE utilization.

[39] These contract counts do not sum because in eight cases, contracts had M/W/DSBEs serving as prime contractor and as sub-contractor(s). In other words, there were 448 contracts with at least one M/W/DSBE participating: 107 in which the contract was awarded to a M/W/DSBE prime contractor, which did not have any M/W/DSBE sub-contractors, eight in which the contract

at least one M/W/DSBE participating ranged from 88.0 percent for PW contracts to 48.9 percent for PPS contracts to 10.3 percent for SSE contracts, while the proportion of contracts with M/W/DSBE prime contractors ranged from 15.4 percent for PPS contracts to 4.3 percent for PW contracts to 3.5 percent for SSE contracts.

Figure 3.2 – FY 2009 Distribution of M/W/DSBE Contracts, by Contract Type

	PW	PPS	SSE	All Contract Types
# Contracts	117	616	429	1162
# Contracts With At Least 1 M/W/DSBE Participating	**103**	**301**	**44**	**448**
% Contracts With at Least 1 M/W/DSBE Participating	**88.0%**	**48.9%**	**10.3%**	**38.6%**
# Contracts Awarded to M/W/DSBE Prime Contractors	5	95	15	115
% Contracts Awarded to M/W/DSBE Prime Contractors	4.3%	15.4%	3.5%	9.9%
# Contracts With At Least 1 M/W/DSBE Sub-Contractor	100	212	29	341
% Contracts With At Least 1 M/W/DSBE Sub-Contractor	85.5%	34.4%	6.8%	29.3%

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2010)

was awarded to a M/W/DSBE prime contractor, which had one or more M/W/DSBE sub-contractors, and 333 in which the contract had one or more M/W/DSBE sub-contractors. In FY 2008, out of 1,144 contracts, 85 (7.4 percent) were primed by an M/W/DSBE, and 424 (37.1 percent) had at least one or more M/W/DSBE sub-contractors.

Figure 3.3 – FY 2009 Distribution of M/W/DSBE Contracts, by Contract Type[40]

	PW = 117 total contracts				PPS = 616 contracts				SSE = 429 contracts			
	M/W/DSBE	MBE	WBE	DSBE	M/W/DSBE	MBE	WBE	DSBE	M/W/DSBE	MBE	WBE	DSBE
# M/W/DSBEs Participating in At Least One Contract	61	37	34	1	176	112	103	0	21	21	6	0
Highest # of Contracts a Single M/W/DSBE Participated in	13	13	13	1	24	24	20	0	10	10	5	0
# M/W/DSBEs Participating in Exactly 1 Contract	31	19	17	1	98	57	61	0	16	16	3	0
# M/W/DSBEs Participating in 2-5 Contracts	24	15	12	0	69	49	37	0	4	4	3	0
# M/W/DSBEs Participating in 6-10 Contracts	4	1	3	0	5	3	4	0	1	1	0	0
# M/W/DSBEs Participating in 11-20 Contracts	2	2	2	0	3	2	1	0	0	0	0	0
# M/W/DSBEs Participating in 21 or More Contracts	0	0	0	0	1	1	0	0	0	0	0	0

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2010)

Contrary to common perception, while there are certainly M/W/DSBEs that have participated in a high number of contracts, **M/W/DSBE participation is fairly widely distributed**: the majority of M/W/DSBEs that participated in at least one contract in FY 2009 participated in less than five contracts. In other words, there was relatively equitable distribution of contracts to M/W/DSBEs across contract types, in that there was never a case in which the majority of contracts were awarded to just a small subset of M/W/DSBEs.

[40] M/W/DSBE subtotals and totals may be less than the sum of MBE, WBE, and DSBE amounts, because participating firms can be considered more than one M/W/DSBE category.

For example, within the 103 Public Works (PW) contracts in which at least one M/W/DSBE participated as either a prime contractor or sub-contractor, 61 different M/W/DSBEs participated. Fifty-five of them (90 percent) participated in five or fewer PW contracts: 31 (51 percent) participated in exactly one PW contract and another 24 (39 percent) participated in two to five PW contracts. Personal and Professional Services (PPS) contracts and Services, Supplies, and Equipment (SSE) contracts were even more widely distributed: 167 out of 176, or 95 percent, of M/W/DSBEs that participated in at least one PPS contract participated in five or fewer PPS contracts, while 20 out of 21, or 95 percent, of M/W/DSBEs that participated in at least one SSE contract participated in five or fewer SSE contracts.

Notably, only five PW contracts were awarded to M/W/DSBE prime contractors: one to an MBE, and four to WBEs. Far more PPS and SSE contracts were awarded to M/W/DSBE prime contractors. Out of the 301 PPS contracts with at least 1 M/W/DSBE participating, 95 (31 percent) of those were awarded to M/W/DSBE prime contractors: 61 to MBEs and 58 to WBEs.[41] Fifteen, or 34 percent, of the 44 SSE contracts with at least 1 M/W/DSBE participating were awarded to M/W/DSBE prime contractors: 10 to MBEs and seven to WBEs.[42]

The figures below provide an overview of the City's utilization of M/W/DSBEs in its awarding of contracts. The percentages represent the dollar amount of contracts within each contract type, and then for all contract types in aggregate, that were awarded to different categories of M/W/DSBEs. We provide three sets of utilization results, representing three units of geography or concentric circles: "U1" is utilization of M/W/DSBEs that are located within the City (see Figure 3.4), "U2" is utilization of M/W/DSBEs that are located within the Philadelphia MSA (see Figure 3.5), and "U3" is utilization of M/W/DSBEs that are located within the US (see Figure 3.6).[43]

[41] Thirty-seven to MBEs, 34 to WBEs, and 24 to firms that were both MBEs and WBEs.

[42] Eight to MBEs, five to WBEs, and two to firms that were both MBEs and WBEs.

[43] See Appendix D for additional detail on M/W/DSBE utilization. These concentric circles are inclusive of the concentric circles within them; thus, "Philadelphia MSA" includes "City," and "US" includes "Philadelphia MSA" and "City."

Figure 3.4 – FY 2009 Utilization ("U1") - Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the City of Philadelphia, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by M/W/DSBE Category (by $ Contracts Awarded)[44]

		FY 09	FY 09	FY 09	FY 09	FY 08	FY 08	FY 08	FY 08
Category		PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
White	Female	0.6%	1.1%	0.2%	0.9%	0.9%	0.7%	0.4%	0.7%
Native American	Male & Female	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asian American	Male & Female	0.0%	0.2%	0.0%	0.1%	0.4%	0.2%	0.0%	0.2%
African American	Male & Female	1.1%	10.6%	2.8%	6.9%	3.0%	11.7%	5.5%	7.6%
Hispanic	Male & Female	0.7%	1.8%	0.2%	1.2%	1.3%	1.6%	0.3%	1.3%
All MBE	**Male & Female**	**1.9%**	**12.7%**	**3.0%**	**8.4%**	**4.6%**	**13.6%**	**5.8%**	**9.2%**
All	**Female**	**0.7%**	**3.9%**	**2.5%**	**2.9%**	**0.9%**	**3.0%**	**1.7%**	**2.1%**
Disabled	**Male & Female**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
All M/W/DSBE	**Male & Female**	**2.5%**	**13.8%**	**3.2%**	**9.2%**	**5.4%**	**14.3%**	**6.2%**	**9.8%**

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

[44] Throughout this report, the figure in the bottom row may not total the sum of the above rows, because of businesses that belong to more than one category.

Figure 3.5 – FY 2009 Utilization ("U2") - Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the Philadelphia MSA, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by M/W/DSBE Category (by $ Contracts Awarded)

		FY 09	FY 09	FY 09	FY 09	FY 08	FY 08	FY 08	FY 08
Category		PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
White	Female	3.4%	2.6%	0.6%	2.5%	3.0%	1.9%	0.8%	2.2%
Native American	Male & Female	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Asian American	Male & Female	0.0%	1.7%	0.1%	1.4%	1.8%	1.3%	0.2%	1.4%
African American	Male & Female	1.6%	11.9%	4.1%	8.0%	6.1%	13.0%	6.4%	9.5%
Hispanic	Male & Female	2.5%	2.3%	0.3%	2.0%	2.1%	1.8%	0.3%	1.7%
All MBE	**Male & Female**	**5.9%**	**16.2%**	**4.4%**	**11.6%**	**10.0%**	**16.4%**	**6.9%**	**12.7%**
All	**Female**	**5.3%**	**6.6%**	**3.0%**	**5.7%**	**5.1%**	**5.1%**	**2.7%**	**4.8%**
Disabled	**Male & Female**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**
All M/W/DSBE	**Male & Female**	**9.3%**	**18.8%**	**5.1%**	**14.2%**	**12.7%**	**18.3%**	**7.6%**	**14.8%**

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure 3.6 – FY 2009 Utilization ("U3") - Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the US, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by M/W/DSBE Category (by $ Contracts Awarded)

		FY 09	FY 09	FY 09	FY 09	FY 08	FY 08	FY 08	FY 08
Category		PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
White	Female	4.1%	5.3%	1.9%	4.5%	3.3%	5.0%	1.3%	3.8%
Native American	Male & Female	1.7%	0.0%	0.0%	0.5%	1.7%	0.2%	0.0%	0.7%
Asian American	Male & Female	1.9%	2.1%	0.1%	1.8%	2.3%	1.6%	0.2%	1.7%
African American	Male & Female	1.7%	12.8%	4.3%	8.6%	6.1%	13.9%	7.2%	10.0%
Hispanic	Male & Female	2.5%	2.4%	0.3%	2.1%	2.1%	1.9%	0.3%	1.7%
All MBE	**Male & Female**	**7.9%**	**17.6%**	**4.9%**	**13.1%**	**12.1%**	**17.7%**	**7.9%**	**14.3%**
All	**Female**	**7.8%**	**9.5%**	**4.3%**	**8.2%**	**7.0%**	**8.4%**	**3.4%**	**7.2%**
Disabled	**Male & Female**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**
All M/W/DSBE	**Male & Female**	**12.1%**	**22.9%**	**6.9%**	**17.6%**	**15.1%**	**22.7%**	**9.2%**	**18.1%**

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Bear in mind that because the numerator in these three figures represents M/W/DSBE utilization at three levels of geography, the difference between 100 percent and the stated utilization rate is not equal to the utilization of white male-owned firms. For example, utilization of M/W/DSBEs located within the City of Philadelphia was 9.2 percent in FY 2009. That does not mean that 90.8 percent of City contract dollars awarded went to white male-owned firms. Rather, 5.0 percent went to M/W/DSBEs located outside the City of Philadelphia but within the Philadelphia MSA (since M/W/DSBE utilization at the Philadelphia MSA level was 14.2 percent); and an additional 3.4 percent went to M/W/DSBEs located outside the Philadelphia MSA but within the US (since M/W/DSBE utilization at the US level was 17.6

percent). The remaining 82.4 percent of City contract dollars awarded went to non-M/W/DSBEs (see Figure 3.7 and Figure 3.8).[45]

Figure 3.7 – FY 2009 Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by Location of M/W/DSBE (by $ Contracts Awarded)

Location of M/W/DSBE	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
All City	2.5%	13.8%	3.2%	9.2%	5.4%	14.3%	6.2%	9.8%
In Metro But Outside City	6.9%	5.0%	1.9%	5.0%	7.3%	4.0%	1.4%	5.0%
All Metro	9.3%	18.8%	5.1%	14.2%	12.7%	18.3%	7.6%	14.8%
In US But Outside Metro	2.8%	4.1%	1.8%	3.4%	2.4%	4.4%	1.6%	3.3%
All US	12.1%	22.9%	6.9%	17.6%	15.1%	22.7%	9.2%	18.1%
Non-M/W/DSBE	87.9%	77.1%	93.1%	82.4%	84.9%	77.3%	90.8%	81.9%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

[45] See Appendix D for additional detail by M/W/DSBE category. We use the term "non-M/W/DSBEs" instead of "white male owned firms" because the category includes, in addition to white male owned firms, two other business ownership types: 1) publicly traded companies, and 2) companies owned and operated by minorities, women, or disabled persons that are not OEO-registered as M/W/DSBEs and are therefore not counted as M/W/DSBEs.

Figure 3.8 – FY 2009 Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors, by Contract Type and by Location of M/W/DSBE (in $M)

Location of M/W/DSBE	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types
All City	$4.1	$53.9	$3.2	$61.5
In Metro But Outside City	$11.6	$19.3	$1.9	$33.2
All Metro	$15.7	$73.2	$5.1	$94.7
In US But Outside Metro	$4.6	$16.0	$1.8	$22.5
All US	$20.3	$89.1	$6.9	$117.2
Non-M/W/DSBE	$148.3	$300.3	$93.5	$550.1

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

We can make a number of observations regarding this data by making comparisons across time and type:

- Comparing FY 2009 utilization results with FY 2008 utilization results:
  - Overall M/W/DSBE utilization was down from 18.1 percent in FY 2008 to 17.6 percent in FY 2009 for all M/W/DSBEs irrespective of location.
  - Overall M/W/DSBE utilization was down from 9.8 percent in FY 2008 to 9.2 percent in FY 2009 for M/W/DSBEs located within the City, and also down from 14.8 percent in FY 2008 to 14.2 percent in FY 2009 for M/W/DSBEs located within the Philadelphia MSA, indicating the utilization of M/W/DSBEs located within the Philadelphia MSA but outside the City of Philadelphia remained at 5.0 percent in FY2009 as it had been in FY 2008.
  - There were drops in utilization of M/W/DSBEs located within the City for all contract types. Utilization of M/W/DSBEs located within the City was down from 5.4 percent in FY 2008 to 2.5 percent in FY 2009 for PW contracts, was down from 14.3 percent in FY 2008 to 13.8 percent in FY 2009 for PPS contracts, and was down from 6.2 percent in FY 2008 to 3.2 percent in FY 2009 for SSE contracts.
  - In contrast, the decrease in M/W/DSBE utilization within the Philadelphia MSA was due to the drop in M/W/DSBE utilization for PW contracts from 12.7 percent in FY 2008 to 9.3 percent in FY 2009, as well as the drop in M/W/DSBE utilization for SSE

contracts from 7.6 percent in FY 2008 to 5.1 percent in FY 2009. Meanwhile, M/W/DSBE utilization within the Philadelphia MSA for PPS contracts increased, from 18.3 percent in FY 2008 to 18.8 percent in FY 2009.

- Comparing results across M/W/DSBE categories:
  - Utilization of African American firms saw decreases across all three geographies, from 7.6 percent in FY 2008 to 6.9 percent in FY 2009 for firms located within the City, from 9.5 percent in FY 2008 to 8.0 percent in FY 2009 for firms located within the Philadelphia MSA, and from 10.0 percent in FY 2008 to 8.6 percent in FY 2009 for firms located within the US. Thus, the utilization of African American firms located within the Philadelphia MSA but outside the City decreased from 1.9 percent in FY 2008 to 1.1 percent in FY 2009, and the utilization of African American firms located outside the Philadelphia MSA increased from 0.5 percent in FY 2008 to 0.6 percent in FY 2009.
  - Utilization of Hispanic firms was down from 1.3 percent in FY 2008 to 1.2 percent in FY 2009 for firms located within the City, up from 1.7 percent in FY 2008 to 2.0 percent in FY 2009 for firms located within the Philadelphia MSA, and up from 1.7 percent in FY 2008 to 2.1 percent in FY 2009 for firms located within the US. Thus, the utilization of Hispanic firms located within the Philadelphia MSA but outside the City was up from 0.4 percent in FY 2008 to 0.8 percent in FY 2009, and the utilization of Hispanic firms located outside the Philadelphia MSA increased from 0.0 percent in FY 2008 to 0.1 percent in FY 2009.
  - Utilization of Asian American firms decreased from 0.2 percent in FY 2008 to 0.1 percent in FY 2009 for firms located within the City of Philadelphia, remained at 1.4 percent in FY2009 for firms located within the Philadelphia MSA as it had been in FY 2008, and increased from 1.7 percent in FY 2008 to 1.8 percent in FY 2009 for firms located within the US. Thus, the utilization of Asian American firms located within the Philadelphia MSA but outside the City was up from 1.2 percent in FY 2008 to 1.3 percent in FY 2009, and the utilization of Asian American firms located outside the Philadelphia MSA increased from 0.3 percent in FY 2008 to 0.4 percent in FY 2009.
  - Utilization of white female owned firms increased for all three geographies: from 0.7 percent in FY 2008 to 0.9 percent in FY 2009 for firms located within the City of Philadelphia, from 2.2 percent in FY 2008 to 2.5 percent in FY 2009 for firms located within the Philadelphia MSA, and from 3.8 percent in FY 2008 to 4.5 percent in FY 2009 for firms located within the US. Thus, the utilization of white female owned firms located within the Philadelphia MSA but outside the City increased from 1.5 percent in FY 2008 to 1.6 percent in FY 2009, and the utilization of white female owned firms located outside the Philadelphia MSA increased from 1.6 percent in FY 2008 to 2.0 percent in FY 2009.

- Comparing results across contract types:
  - PPS was the contract type that enjoyed the highest utilization rates across contract types, as well as for a majority of the geography and M/W/DSBE categories.
  - Utilization of M/W/DSBEs for PPS contracts was down from 14.3 percent in FY 2008 to 13.8 percent in FY 2009 for firms located within the City, up from 18.3 percent in FY 2008 to 18.8 percent in FY 2009 for firms located within the Philadelphia MSA, and up from 22.7 percent in FY 2008 to 22.9 percent in FY 2009 for firms located within the US. Thus, the utilization of M/W/DSBEs located within the Philadelphia MSA but outside the City for PPS contracts was up from 4.0 percent in FY 2008 to 5.0 percent in FY 2009, and the utilization of M/W/DSBEs located outside the Philadelphia MSA was down from 4.4 percent in FY 2008 to 4.1 percent in FY 2009.
  - Utilization of M/W/DSBEs for PW contracts was down from 5.4 percent in FY 2008 to 2.5 percent in FY 2009 for firms located within the City, down from 12.7 percent in FY 2008 to 9.3 percent in FY 2009 for firms located within the Philadelphia MSA, and down from 15.1 percent in FY 2008 to 12.1 percent in FY 2009 for firms located within the US. Thus, the utilization of M/W/DSBEs located within the Philadelphia MSA but outside the City for PW contracts was down from 7.3 percent in FY 2008 to 6.8 percent in FY 2009, and the utilization of M/W/DSBEs located outside the Philadelphia MSA was up from 2.4 percent in FY 2008 to 2.8 percent in FY 2009.
  - Utilization of M/W/DSBEs for SSE contracts was down from 6.2 percent in FY 2008 to 3.2 percent in FY 2009 for firms located within the City, down from 7.6 percent in FY 2008 to 5.1 percent in FY 2009 for firms located within the Philadelphia MSA, and down from 9.2 percent in FY 2008 to 6.9 percent in FY 2009 for firms located within the US. Thus, the utilization of M/W/DSBEs located within the Philadelphia MSA but outside the City for SSE contracts was up from 1.4 percent in FY 2008 to 1.9 percent in FY 2009, and the utilization of M/W/DSBEs located outside the Philadelphia MSA was up from 1.6 percent in FY 2008 to 1.8 percent in FY 2009.

As noted above, 9.9 percent of all City contracts were primed by M/W/DSBEs. These contracts represented 6.6 percent of the aggregate dollar value of all City contracts. For PW contracts, 4.3 percent were primed by M/W/DSBEs, representing 1.8 percent of the aggregate dollar value. For SSE contracts, 3.5 percent were primed by M/W/DSBEs, representing 2.5 percent of the aggregate dollar value. For PPS contracts, 15.4 percent were primed by M/W/DSBEs, representing 9.7 percent of the aggregate dollar value (see Figure 3.9).[46]

[46] Percentages of aggregate dollar values of contracts means the total awarded amount, and therefore are not necessarily the amounts actually allocated for prime contractors, since those values include amounts to sub-contractors. See Appendix D for additional detail on M/W/DSBE prime contractor utilization.

Figure 3.9 – FY 2009 Utilization of M/W/DSBEs as Prime Contractors, by Contract Type (by $ Contracts Awarded)

Contract Type	# MWDSBE Prime Contracts	$M MWDSBE Prime Contracts
Public Works	5	$2.99
MWDSBE Utilization as Prime	4.3%	1.8%
MWDSBE Total Utilization (Prime + Sub)		12.1%
Services, Supplies, and Equipment	15	$2.53
MWDSBE Utilization as Prime	3.5%	2.5%
MWDSBE Total Utilization (Prime + Sub)		11.4%
Personal and Professional Services	95	$37.61
MWDSBE Utilization as Prime	15.4%	9.7%
MWDSBE Total Utilization (Prime + Sub)		22.9%
All Contract Types (Not Incl SOP/MOP)	**115**	**$43.13**
MWDSBE Utilization as Prime	**9.9%**	**6.6%**
MWDSBE Total Utilization (Prime + Sub)		**17.7%**

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2010)

Since this report is to be used in part by to set annual Participation Goals, it is useful to depict utilization results at the department level (see Figure 3.10).[47] In this way, all departments can be held accountable, strong performers celebrated and struggling performers identified for additional attention. At the same time, it is important to note that different departments may represent different kinds of contracts, and to the extent that M/W/DSBE availability is not uniform across types of services and industries, it can make it difficult to truly compare performance across categories.

[47] See Appendix D for additional detail on M/W/DSBE utilization by department.

Figure 3.10 – FY 2009 Utilization ("U3") – Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the US, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by City Department (by $ Contracts Awarded)

City Department	FY09 Dept Total (in $M)	FY09 M/W/DSBE Total (in $M)	FY09 M/W/DSBE %Utilization Actual	FY08 M/W/DSBE %Utilization Actual	+/- Percent Increase
Aviation	$128.0	$29.8	23.2%	18.6%	25.0%
Behavioral Health/Mental Retardation Services	$20.3	$0.1	0.7%	1.3%	-45.0%
Board of Ethics	$0.0	$0.0	0.0%	N/A	N/A
Camp William Penn	$0.0	$0.0	0.0%	0.0%	-
Capital Program Office	$6.6	$3.6	53.7%	23.5%	128.6%
City Planning Commission	$0.1	$0.1	63.9%	19.5%	227.5%
Civil Service Commission	$0.0	$0.0	0.0%	0.0%	-
Commerce	$0.0	$0.0	0.0%	0.0%	-
Division of Technology	$16.8	$3.1	18.3%	18.8%	-2.6%
Fairmount Park Commission	$0.1	$0.1	75.1%	41.7%	80.2%
Finance, Director of	$10.3	$3.3	32.4%	31.3%	3.6%
Fire	$7.1	$0.1	1.1%	13.6%	-92.2%
First Judicial District of PA	$0.0	$0.0	0.0%	N/A	N/A
Fleet Management	$10.5	$0.0	0.4%	0.8%	-54.1%
Health, Department of Public	$7.0	$0.1	1.4%	4.7%	-69.7%
Historical Commission	$0.0	$0.0	0.0%	0.0%	-
Human Services, Department of	$81.1	$3.5	4.4%	3.9%	11.9%
Labor Relations	$0.0	$0.0	0.0%	0.0%	-
Law Department	$26.8	$4.6	17.2%	16.4%	4.9%
Library, Free	$0.6	$0.0	5.1%	6.4%	-21.1%
Licenses and Inspections, Department of (L&I)	$0.2	$0.0	22.9%	2.8%	716.9%
Managing Director's Office	$3.0	$0.5	16.7%	43.9%	-62.1%
Mayor's Office	$0.2	$0.0	1.9%	9.3%	-80.0%

City Department	FY09 Dept Total (in $M)	FY09 M/W/DSBE Total (in $M)	FY09 M/W/DSBE %Utilization Actual	FY08 M/W/DSBE %Utilization Actual	+/- Percent Increase
Mayor's Office of Community Services	$0.2	$0.1	42.0%	0.0%	-
Mural Arts Program	$0.0	$0.0	0.0%	0.0%	-
Office Of Emergency Services	$1.0	$0.0	0.0%	N/A	N/A
Office of Housing & Community Development (OHCD)	$1.1	$0.1	10.5%	6.7%	56.7%
Office of Supportive Housing (OSH)	$5.4	$0.8	15.5%	14.3%	8.4%
Office of the Inspector General	$0.1	$0.0	0.0%	N/A	N/A
Pensions & Retirement, Board of	$1.3	$0.0	0.0%	0.1%	-100.0%
Personnel	$0.7	$0.0	2.3%	18.6%	-87.6%
Police	$3.7	$0.0	1.2%	3.4%	-64.6%
Prisons	$92.8	$27.1	29.2%	28.9%	0.9%
Procurement	$0.1	$0.0	0.0%	0.0%	-
Property, Department of Public	$42.6	$17.8	41.7%	90.3%	-53.8%
Records	$3.4	$0.5	13.4%	9.9%	35.6%
Recreation	$0.4	$0.0	13.1%	11.4%	15.0%
Revenue	$2.1	$0.5	24.5%	21.5%	13.9%
Revision of Taxes, Board of	$0.7	$0.5	60.9%	58.3%	4.4%
Sinking Fund Commission	$0.0	$0.0	0.0%	0.0%	-
Streets	$14.6	$0.8	5.6%	10.7%	-47.6%
Treasurer, City	$0.0	$0.0	50.0%	50.0%	0.0%
Water Department	$111.2	$14.0	12.6%	17.2%	-27.0%
Youth Commission	$0.0	$0.0	0.0%	N/A	N/A
Zoning Code Commission	$0.0	$0.0	0.0%	N/A	N/A
All Departments	**$600.4**	**$111.2**	**18.5%**	**18.9%**	**-2.0%**
All with Citywide SSE[48]	**$667.5**	**$117.3**	**17.6%**	**18.1%**	**-3.0%**

Source: OEO Annual Participation Report (FY2008, FY 2009), Econsult Corporation (2009, 2010)

[48] Some SSE purchasing is done at a citywide level, not at a departmental level.

The following departments merit additional discussion:

- The top three of the 45 City departments in terms of contracts - Aviation, Water, and Prisons – represent $332.0 million in contracts, or just over half (55.3 percent) of the dollars spent by City departments. In terms of M/W/DSBE utilization, Aviation (23.2 percent) and Prisons (29.2 percent) were above the utilization rate for all City departments (17.6 percent), and Water was below (12.6 percent).

- Among the City departments with at least $1 million in contracts, the Capital Program Office had the highest utilization rate (53.7 percent). The Department of Public Property (41.7 percent) also had a high utilization rate. At the other end of the spectrum, the Office of Emergency Services (0.0 percent) and the Board of Pensions and & Retirement (0.0 percent) had the lowest utilization rates.

- Four City department that had at least $1 million in contracts had double-digit percentage increases in M/W/DSBE utilization rates from FY 2008 to FY 2009 and FY 2009 utilization rates above the utilization for all City departments: Aviation (from 18.6 percent in FY 2008 to 23.2 percent in FY 2009), Capital Program Office (from 23.5 percent in FY 2008 to 53.7 percent in FY 2009), Human Services (from 3.9 percent in FY 2008 to 4.4 percent in FY 2009), and Revenue (from 21.5 percent in FY 2008 to 24.5 percent in FY 2009). In 2008, only one department could be categorized this way.

- In contrast, ten City departments that had at least $1 million in contracts had double-digit decreases in M/W/DSBE utilizations and FY 2009 utilization rates below the utilization for all City departments. The five departments from this category with the largest decreases from FY 2008 utilization rates to FY 2009 utilization rates were: the Board of Pensions and Retirement (from 0.1 percent in FY 2008 to 0.0 percent in FY 2009), the Managing Director's Office (from 43.9 percent in FY 2008 to 16.7 percent in FY 2009), Police (from 3.4 percent in FY 2008 to 1.2 percent in FY 2009), Department of Public Health (from 4.7 percent in FY 2008 to 1.4 percent in FY 2009), and Fire (from 13.6 percent in FY 2008 to 1.1 percent in FY 2009).

Finally, we must note that the above utilization tables do not account for contracts awarded to firms owned by minorities, women, or the disabled that are not OEO-registered. In some cases, individual departments keep lists of "certifiable" firms; those they know to be owned by minorities, women, or the disabled, regardless of whether or not they are OEO-registered.[49]

[49]One could also possibly include in this list of "certifiables" any firms that were not OEO-registered during the study period but that have subsequently become OEO-registered, under the assumption that these were minority-owned, woman-owned, and/or disabled-owned all along, and subsequent to the study period were finally OEO-registered. We do not choose to include such firms, because the above explanation for why they were not OEO-registered during the study period but have become OEO-registered afterwards is only one of three possibilities. It is also possible that the firm did not exist at all during the study period, and only came into existence afterwards. It is also possible that the firm was not minority-owned, woman-owned, and/or disabled-owned during the study period, but subsequently experienced a change in ownership and therefore became eligible to

While this data on "certifiables" is only currently available from a small subset of City departments, and the legitimacy of these "certifiables" has not been verified by OEO, it is a useful topic to include in any discussion on M/W/DSBE utilization. After all, the broader objective is to ensure the fair participation in City contracts of minority-owned, woman-owned, and disabled-owned firms; whether or not such firms have been registered by OEO is simply a compliance issue, albeit an important one.[50]

It is hoped that OEO's new policy to accept certifications from other certifying bodies will increase the number of "certifiable" firms that can now be more easily registered by OEO and whose participation in City contracts can then be counted towards the City's utilization rate. Nevertheless, there is likely to continue to be a universe of minority-owned, woman-owned, or disabled-owned firms that are not OEO-registered but that participate in City contracts, whose participation will continue to not be counted.

3.2 Availability

As described in Section 2, in defining M/W/DSBE availability, one must be mindful to be neither too broad nor too narrow. Accordingly, we have sought to calculate availability seven different ways. A spectrum of results can then inform the appropriate choice of availability approach when calculating disparity ratios (see Figure 3.11).

be registered by OEO. Since there is no way of knowing which is the reason a firm was not OEO-registered during the study period but became OEO-registered afterwards, we choose to not include such firms in this list of "certifiables."

[50] Put another way, it is quite possible that the City's true utilization of minority-owned, woman-owned, and disabled-owned firms is actually quite larger than this report would appear to indicate. Recall that for the purposes of this report, utilization is defined as the dollar value of awarded contracts that go to OEO-registered firms in various M/W/DSBE categories, divided by the total dollar value of awarded contracts. Therefore, in theory there are at least two possible differences between that ratio and the ratio of the dollar value of awarded contracts that go to minority-owned, woman-owned, and disabled-owned firms divided by the total dollar value of awarded contracts:

- If there are minority-owned, woman-owned, or disabled-owned firms that do business with the City but are not OEO-registered, true M/W/DSBE utilization would actually be higher than reported M/W/DSBE utilization.
- If there are firms that are OEO-registered but that are not in fact owned by a minority, woman, or disabled person (whether because of fraud or because of a change in ownership that has not yet been accounted for in the firm's certification status), true M/W/DSBE utilization would actually be lower than reported M/W/DSBE utilization.

If the variance associated with the first point is larger than the variance associated with the second point, then the City's true M/W/DSBE utilization is higher than its reported M/W/DSBE utilization. In fact, it is quite likely that the variance associated with first point is larger than the variance associated with the second point; that is, that there are more minority-owned, woman-owned, or disabled-owned firms that are not OEO-registered than there are OEO-registered firms that are not minority-owned, woman-owned, or disabled-owned. This is believed to be true because a number of City departments keep track of partial self-generated lists of "certifiable" firms; that is, minority-owned, women-owned, and disabled-owned firms which, were they to be awarded City contracts, would not count towards the City's utilization rate because they are not OEO-registered. Also, OEO expends a considerable amount of effort to verify the ownership status of its registered firms, and therefore it is likely that that variance is relatively smaller.

Figure 3.11 – Availability Methods Employed in This Report
*** Denotes Weighted More Heavily in Determine Participation Goals**

Method	Description	Data Source(s)
"A1" *	# M/W/DSBEs Located within the City of Philadelphia ÷ # All Firms Located within the City of Philadelphia	US Small Business Administration – Philadelphia District Office (2004)
"A2"	# M/W/DSBEs Located within the Philadelphia MSA ÷ # All Firms Located within the Philadelphia MSA, by Contract Type	2002 US Census Survey of Business Owners[51]
"A3" *	# M/W/DSBEs w/ >1 Employee Located within the Philadelphia MSA ÷ # All Firms w/ >1 Employee Located within the Philadelphia MSA, by Contract Type	2002 US Census Survey of Business Owners
"A4"	$ Revenue of M/W/DSBEs Located within the Philadelphia MSA ÷$ Revenue of All Firms Located within the Philadelphia MSA, by Contract Type	2002 US Census Survey of Business Owners
"A5"	$ Revenue of M/W/DSBEs > 1 Employee Located within the Philadelphia MSA ÷ $ Revenue of All Firms > 1 Employee Located within the Philadelphia MSA, by Contract Type	2002 US Census Survey of Business Owners
"A6"	# OEO-Registered M/W/DSBEs ÷ # All Firms on City of Philadelphia Procurement Department Vendor List, by Contract Type	Office of Economic Opportunity (2010), Procurement Department (2010)
"A7"	# MBE/WBEs on City of Philadelphia Procurement Department Vendor List ÷ # All Firms on City of Philadelphia Procurement Department Vendor List, by Contract Type	Procurement Department (2010)

Source: Econsult Corporation (2010)

A first, very broad approach is to take data from the Philadelphia District Office of the US Small Business Administration (SBA), which shows firms by ethnicity and gender for Philadelphia County and other counties.[52] This is very broad because only firms that are RWA – both M/W/DSBE and non-M/W/DSBE – should be considered when determining availability. As noted earlier, a vast majority of firms – both M/W/DSBE and non-M/W/DSBE – are very small and therefore highly unlikely to be deemed RWA. In addition, these figures count all firms regardless of industry, even though not all industries are of use to the City in its contracting needs; a more accurate availability rate would therefore include from these counts of firms only

[51] The latest year for which SBO data are available is 2002, which is the dataset we used for this report. The 2007 data is expected to be available beginning in late 2010, and thus would be available in time for use in producing the FY 2010 Disparity Study.

[52] Philadelphia County is identical to the City of Philadelphia in geography.

those firms - M/W/DSBE and non-M/W/DSBE - that are in industries that represent functions in which the City can contract work.

However, it is useful to consider availability at the City level, and thus be able to compare it to availability at the Philadelphia MSA level. Therefore, we assume for now that the proportion of all M/W/DSBEs to all firms (what can be calculated from this data set) is close enough to the proportion of all RWA M/W/DSBEs in relevant industries to all RWA firms in relevant industries (what an availability ratio really is) that it can be used to measure availability. We call this approach "A1" (see Figure 3.12).

Figure 3.12 – FY 2009 Availability ("A1") - # M/W/DSBEs Located within the City of Philadelphia, Divided by # All Firms Located within the City of Philadelphia, by M/W/DSBE Category[53]

Category		# Firms	% of Total	Population	% of Total
White	Female	13,890	22.0%	333,861	22.0%
Native American	Male & Female	X	X	X	X
Asian American	Male & Female	4,403	7.0%	67,654	5.4%
African American	Male & Female	9,285	14.8%	655,824	43.2%
Hispanic	Male & Female	1,566	2.5%	128,928	8.5%
All MBE	**Male & Female**	**15,150**	**24.0%**	**852,406**	**56.2%**
All	**Female**	**X**	**X**	**X**	**X**
Disabled	**Male & Female**	**X**	**X**	**X**	**X**
All M/W/DSBE	**Male & Female**	**29,040**	**46.2%**	**1,186,267**	**78.2%**

Source: US Census Survey of Business Owners (2002), US Small Business Administration – Philadelphia District Office (2004), Econsult Corporation (2007, 2008, 2009, 2010)

We note the following observations from this data:

- Over 46 percent of the City's 63,000 firms are considered M/W/DSBEs, while over 78 percent of the City's population falls within an M/W/DSBE racial, ethnic, or gender category.

[53] Throughout this report, "X" denotes that data is unavailable or insufficient.

- Asian Americans and white females own proportions of the City's firms that are equal to or higher than their respective proportions of the City's population, while African Americans and Hispanics own proportions of the City's firms that are less than their respective proportions of the City's population.

- No data was provided for the business ownership or population of Native Americans or the disabled.

Moving from a city geography to a metropolitan one, in using the broad approach, we determined, in any given contract category, the number of M/W/DSBEs in the Philadelphia MSA and divided that number by the number of all firms in the Philadelphia MSA. For such an approach, we utilized the 2002 US Census Survey of Business Owners. This data set includes counts by industry, enabling us to select only firms in those industries that represent functions in which the City can contract work, and thus excluding firms - both M/W/DSBE and non-M/W/DSBE - in non-relevant industries. Based on the broad approach and using 2002 US Census survey data, we can further delineate between the number of firms, the number of firms with paid employees, the aggregate annual revenues of firms, and the aggregate annual revenues of firms with paid employees. These represent four approaches to determining the appropriate availability of M/W/DSBEs, and together help better clarify that availability rate.[54]

Because we have considered multiple approaches to determining availability rate, we consider these four approaches A2-A5:

- "A2" - # M/W/DSBEs Divided By # All Firms in Philadelphia MSA, Based on SBA/Census Survey of Business Owners

- "A3" - # M/W/DSBEs > 1 Employee Divided by # All Firms > 1 Employee in Philadelphia MSA, Based on SBA/Census Survey of Business Owners

- "A4" - $ Revenue of M/W/DSBEs Divided by $ Revenue of All Firms in Philadelphia MSA, Based on SBA/Census Survey of Business Owners

- "A5" - $ Revenue of M/W/DSBEs > 1 Employee Divided by $ Revenue of All Firms > 1 Employee in Philadelphia MSA, Based on SBA/Census Survey of Business Owners

In contrast, with the narrow approach, we recognized that not all firms are in fact part of the universe of RWA firms, and that a stricter interpretation of the legal requirements of RWA

[54] For example, using the number of firms might disproportionately weight firms that have no employees and are really not of a scale to be RWA. Using the number of firms with paid employees is probably a more accurate number, but it would still tend to disproportionately weight smaller firms over larger firms; using the aggregate annual revenues of firms speaks to this notion of capacity, but might have the opposite problem of disproportionately weighting larger firms over smaller firms. Data availability also becomes an issue, as not all M/W/DSBE categories are delineated in this data source, and it may be important to differentiate between availability for various MBE categories, as well as WBEs and DSBEs.

necessitates that we include only those businesses that are in fact already ready to do business with the City, as evidenced by registering with the City to bid for contracts and/or obtaining registration from OEO. This, of course, would exclude otherwise RWA firms – M/W/DSBE and non-M/W/DSBE – that have not yet registered and yet are no less worthy of being considered in an availability calculation. Nevertheless, this approach yields two additional ways to calculate availability:

- "A6" - # OEO-Registered M/W/DSBEs Divided by # All Firms on City of Philadelphia Procurement Department Vendor List
- "A7" - # MBE/WBEs on City of Philadelphia Procurement Department Vendor List Divided by # All Firms on City of Philadelphia Procurement Department Vendor List

Of the six availability approaches that use the Philadelphia MSA as the unit of geography, we believe "A3" is the one that most effectively balances "broad" and "narrow" considerations (see Figure 3.13).[55] It accounts for a more inclusive universe of RWA firms – both M/W/DSBE and non-M/W/DSBE – but excludes the vast majority of firms in the MSA that have one or fewer employees, which would otherwise grossly overstate both M/W/DSBE and non-M/W/DSBE counts. It also uses a data set that includes industry-by-industry breakouts, which allows us to select only those firms - M/W/DSBE and non-M/W/DSBE - that represent functions in which the City of Philadelphia can contract work. It is not perfect – "ready," "willing," and "able" are too conceptual and subjective to be directly translatable into a data set – but it is the best of the lot, in terms of balancing "broad" and "narrow" objections as well as in terms of capturing the appropriate geography and industry composition.[56]

[55] Since the availability results that use 2002 Census Survey of Business Owners data are the same as ones depicted in the FY 2006 report, the FY 2007 report, and the FY 2008 report, we show them juxtaposed with availability results from DJ Miller & Associates' (DJMA) report on 1998-2003 availability.

[56] See Appendix E for additional detail on M/W/DSBE availability.

Figure 3.13 – FY 2009 Availability ("A3") - # M/W/DSBEs > 1 Employee in Philadelphia MSA, Divided by # All Firms > 1 Employee in Philadelphia MSA, by Contract Type and by M/W/DSBE Category

Category		FY 2006 - FY 2009				DJ Miller 1998-2003			
		PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
White	Female	X	X	X	X	8.3%	7.7%	13.7%	12.6%
Native American	Male & Female	0.3%	0.2%	X	0.2%	0.4%	0.0%	0.1%	0.1%
Asian American	Male & Female	X	3.6%	8.4%	5.5%	0.5%	0.9%	5.9%	4.8%
African American	Male & Female	1.3%	1.9%	0.9%	2.1%	2.1%	2.4%	2.7%	2.6%
Hispanic	Male & Female	1.1%	1.0%	1.0%	1.2%	1.1%	0.2%	0.9%	0.9%
All MBE	**Male & Female**	**2.8%**	**6.7%**	**10.3%**	**9.0%**	**4.1%**	**3.6%**	**9.5%**	**8.4%**
All	**Female**	**8.1%**	**17.9%**	**14.3%**	**15.5%**	**X**	**X**	**X**	**X**
Disabled	**Male & Female**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
All M/W/DSBE	**Male & Female**	**10.8%**	**24.6%**	**24.6%**	**24.6%**	**12.4%**	**11.3%**	**23.2%**	**21.0%**
All Firms	All	13,242	17,275	24,526	114,869				

Source: US Census Survey of Business Owners (2002), DJ Miller & Associates (2004), Econsult Corporation (2007, 2008, 2009, 2010)

In terms of the characteristics of the Philadelphia MSA as they pertain to M/W/DSBE availability between 1998 and 2003 (based on 1997 data) and FY 2009 (based on 2002 data), we note the following points:

- The total number of firms in the area increased by 82 percent, from almost 63,000 to almost 115,000.
- MBE availability held relatively steady, rising slightly from 8.4 percent in 1998-2003 to 9.0 percent in FY 2009.
  - MBE availability went down in terms of PW contracts, from 4.1 percent in 1998-2003 to 2.8 percent in FY 2009.
  - MBE availability went up in terms of PPS contracts, from 3.6 percent in 1998-2003 to 6.7 percent in FY 2009.
  - MBE availability went up in terms of SSE contracts, from 9.5 percent in 1998-2003 to 10.3 percent in FY 2009.

- Asian Americans enjoyed large gains in availability -
  - In PPS from 0.9 percent in 1998-2003 to 3.6 percent in FY 2009.
  - In SSE from 5.9 percent in 1998-2003 to 8.4 percent in FY 2009.
- African Americans experienced losses in availability across the board -
  - In PW contracts, from 2.1 percent in 1998-2003 to 1.3 percent in FY 2009.
  - In PPS contracts, from 2.4 percent in 1998-2003 to 1.9 percent in FY 2009.
  - In SSE contracts, from 2.7 percent in 1998-2003 to 0.9 percent in FY 2009.

In terms of the characteristics of the Philadelphia MSA in FY 2009 (based on 2002 data) as they relate to various contract types, we note the following points:

- MBEs were much more available in SSE contracts, representing 10.3 percent of all firms with paid employees, versus 2.8 percent of PW firms and 6.7 percent of PPS firms.
- WBEs were much more available in PPS contracts, representing 17.9 percent of all firms with paid employees, versus 8.1 percent of PW firms and 14.3 percent of all SSE firms.

In terms of the characteristics of the Philadelphia MSA in FY 2009 (based on 2002 data) as they relate to different M/W/DSBE categories, we note the following points:

- Asian Americans had the highest availability rates in PPS (3.6 percent of all firms) and SSE (8.4 percent of all firms) contracts, dwarfing all other MBE categories.
- Information on the availability of white females and DSBEs could not be obtained due to data limitations.

Finally, in terms of the characteristics of the Philadelphia MSA in FY 2009 (based on 2002 data) as they relate to the characteristics of the City (based on 2004 data), we note the following points:

- M/W/DSBEs represented 46.2 percent of all firms within the City but only 24.6 percent of all firms within the Philadelphia MSA.
- MBEs represented 24.0 percent of all firms within the City but only 9.0 percent of all firms within the Philadelphia MSA.

We conclude with a look at the extent to which availability by industry and M/W/DSBE category is reflected in OEO's directory of registered firms (see Figure 3.14). Notably, OEO seems to be

more successful attracting MBEs than WBEs to become registered: the ratio of MBEs on OEO's directory of registered M/W/DSBEs to RWA M/W/DSBEs in the Philadelphia MSA is much more than the similar ratio for WBEs in all contract types.[57]

Figure 3.14 – OEO Directory by M/W/DSBE Type and Contract Type (as of January 2010), as a Proportion of "Ready, Willing, and Able" M/W/DSBEs in the Philadelphia MSA (as Defined by Availability ("A3") - # M/W/DSBEs > 1 Employee in Philadelphia MSA, Divided by # All Firms > 1 Employee in Philadelphia MSA), by Contract Type

Contract Type	MBE			WBE			DSBE		
	OEO	"A3"	%	OEO	"A3"	%	OEO	"A3"	%
PW	284	368	77.2%	181	1,073	16.9%	2	X	X
PPS	551	1,162	47.4%	506	3,090	16.4%	5	X	X
SSE	309	2,537	12.2%	264	3,501	7.5%	4	X	X
All Contract Types[58]	**842**	**10,373**	**8.1%**	**734**	**17,854**	**4.1%**	**8**	**X**	**X**

Source: US Census Survey of Business Owners (2002), City of Philadelphia Office of Economic Opportunity (2010), Econsult Corporation (2007, 2008, 2009, 2010)

3.3 Disparity

As described in Section 2, M/W/DSBE disparity is defined as the utilization rate, as calculated in Section 3.1, divided by the availability rate, as calculated in Section 3.2. A disparity ratio of more than 1.0 means a utilization rate greater than the availability rate, and a disparity ratio of less than 1.0 means a utilization rate lower than the availability rate. It is important to note

[57] This figure bears additional explanation. For each M/W/DSBE type and contract type, we display three numbers: 1) "OEO" = the number of firms of that M/W/DSBE type and contract type that were on OEO's directory of M/W/DSBE-registered firms, as of January 2009, 2) "A3" = the number of "ready, willing, and able" M/W/DSBEs in the Philadelphia MSA, as defined by the "A3" version of availability, which is the number of M/W/DSBEs in the Philadelphia MSA with more than one employee, divided by the number of all firms in the Philadelphia MSA with more than one employee, and 3) "%" = the proportion of "OEO" to "A3."

Because the "OEO" and "A3" figures are derived from two different data sources, the comparison is not perfect. However, to the extent that both the "OEO" figure and the "A3" figure are reasonably accurate, it is a helpful proportion to consider, for it essentially answers the question, "out of the universe of 'ready, willing, and able' firms that are owned by minorities, women, and/or the disabled, how many of them has OEO been able to get validated as M/W/DSBEs through their certification process?"

[58] The "OEO" figure for "All Contract Types" is not the sum of the three contract types, because M/W/DSBEs can be available for more than one contract type. The "A3" figure for "All Contract Types" is not the sum of the three contract types, because it accounts for additional industry categories that could not be easily classified into one of the contract types.

that an under-representation of M/W/DSBEs in the economic opportunities represented by the universe of City contracts can manifest itself in at least two ways:

1. Under-utilization of M/W/DSBEs in particular contract category, commensurate to M/W/DSBE availability (unusually low utilization rate divided by normal availability rate = disparity ratio of less than 1.0).

2. Relatively low availability of M/W/DSBEs in a particular contract category (normal utilization rate divided by unusually low availability rate = disparity ratio of greater than 1.0).

Again, this qualification applies only to situations in which availability rates are unusually low. Of course, where availability rates are relatively reasonable, a disparity ratio of over 1.0 is a very positive outcome, as it means that M/W/DSBE utilization rates exceed M/W/DSBE availability rates. Furthermore, even in cases in which availability rates are unusually low, leading to somewhat misleading high disparity ratios, this is still a very positive outcome in one sense, as it means that despite the relative lack of RWA M/W/DSBEs, City agencies were able to utilize M/W/DSBEs.

Recall that we have determined both utilization and availability using a number of different approaches. When using these utilization and availability results to determine disparity ratios, it is important to match utilization and availability methods appropriately. In particular, if a utilization rate represents City boundaries only, its corresponding availability rate should also represent only City boundaries. Accordingly, we match up utilization and availability methods as follows:

- "D1" = "U1" ÷ "A1" = Utilization of M/W/DSBEs in the City, divided by Availability of M/W/DSBEs in the City (see Figure 3.15)[59]

- "D3" = "U2" ÷ "A3" = Utilization of M/W/DSBEs in the Philadelphia MSA, divided by Availability of M/W/DSBEs in the MSA (see Figure 3.16)[60]

[59] Disparity ratios that looks at utilization and availability within the City of Philadelphia can only be calculated for all contract types and not broken out by contract type, since there is no way of knowing what M/W/DSBE availability is by contract type, per the US Small Business Administration – Philadelphia District Office data.

[60] "U2" can also be divided by" A2," "A4," "A5," "A6," and "A7," to determine disparity ratios in additional ways, which we call "D2," "D4," "D5," "D6," and "D7." See Appendix F for additional detail on M/W/DSBE disparity.

Figure 3.15 – FY 2009 Disparity Ratio ("D1") = Utilization ("U1") Divided by Availability ("A1"), by Contract Type and by M/W/DSBE Category
Utilization ("U1") - Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the City of Philadelphia, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors (by $ Contracts Awarded)
Availability ("A1") - # M/W/DSBEs Located within the City of Philadelphia Divided by # All Firms Located within the City of Philadelphia

Category		PW	PPS	SSE	All Contract Types (FY 2009)	All Contract Types (FY 2008)
White	Female	X	X	X	0.04	0.03
Native Am	Male & Female	X	X	X	X	X
Asian American	Male & Female	X	X	X	0.02	0.03
African Am	Male & Female	X	X	X	0.47	0.51
Hispanic	Male & Female	X	X	X	0.50	0.52
All MBE	**Male & Female**	**X**	**X**	**X**	**0.35**	**0.38**
All	**Female**	**X**	**X**	**X**	**X**	**X**
Disabled	**Male & Female**	**X**	**X**	**X**	**X**	**X**
All M/W/DSBE	**Male & Female**	**X**	**X**	**X**	**0.20**	**0.21**

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Annual Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002), US Small Business Administration – Philadelphia District Office (2004)

Figure 3.16 – FY 2009 Disparity Ratio ("D3") = Utilization ("U2") Divided by Availability ("A3"), by Contract Type and by M/W/DSBE Category
Utilization ("U2") - Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the Philadelphia MSA, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors (by $ Contracts Awarded)
Availability ("A3") - # M/W/DSBEs > 1 Employee Located within the Philadelphia MSA, Divided by # All Firms > 1 Employee Located within the Philadelphia MSA

		FY09	FY09	FY09	FY09	FY08	FY08	FY08	FY08
Category		PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
White	Female	X	X	X	X	X	X	X	X
Native American	Male & Female	0.11	0.00	X	0.05	0.00	0.50	X	0.00
Asian American	Male & Female	X	0.47	0.01	0.26	X	0.36	0.02	0.26
African American	Male & Female	1.21	6.26	4.54	3.81	4.69	6.84	7.11	4.52
Hispanic	Male & Female	2.26	2.29	0.29	1.68	1.91	1.80	0.30	1.42
All MBE	**Male & Female**	**2.10**	**2.41**	**0.43**	**1.29**	**3.57**	**2.45**	**0.67**	**1.41**
All	**Female**	**0.66**	**0.37**	**0.21**	**0.37**	**0.63**	**0.29**	**0.19**	**0.31**
Disabled	**Male & Female**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
All M/W/DSBE	**Male & Female**	**0.86**	**0.76**	**0.21**	**0.58**	**1.18**	**0.74**	**0.31**	**0.60**

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002)

The disparity ratios that were calculated based on the utilization and availability data sources that look at utilization and availability within the City demonstrate under-utilization across the board[61]:

- White female owned firms located within the City represented 22.0 percent of all firms located within the City but received only 0.9 percent of City contracts, for a disparity ratio of 0.04.

- Asian Americans located within the City represented 7.0 percent of all firms located within the City but received only 0.1 percent of City contracts, for a disparity ratio of 0.02.

- African Americans located within the City represented 14.8 percent of all firms located within the City but received only 6.9 percent of City contracts, for a disparity ratio of 0.47.

- Hispanics located within the City represented 2.5 percent of all firms located within the City but received only 1.2 percent of City contracts, for a disparity ratio of 0.50.

- MBEs located within the City represented 24.0 percent of all firms located within the City but received only 8.4 percent of City contracts, for a disparity ratio of 0.35.

- M/W/DSBEs located within the City represented 46.2 percent of all firms located within the City but received only 9.2 percent of City contracts, for a disparity ratio of 0.20.

The disparity ratios that were calculated based on the utilization and availability data sources that look at utilization and availability within the Philadelphia MSA demonstrate relative under-utilization, but with pockets of over-utilization:

- There is overall M/W/DSBE under-utilization, with a disparity ratio of 0.58; it is below 1.00 for all contract types: SSE contracts at 0.21, PPS contracts at 0.76, and PW contracts at 0.86.

- Disparity ratios are largely unchanged from FY 2008 results, as almost every M/W/DSBE category and contract type that was below 1.0 in FY 2008 was also below 1.0 in FY 2009, and almost every M/W/DSBE category and contract type that was above 1.0 in FY 2008 was also above 1.0 in FY 2009.

[61] Again, these disparity ratios assume that availability as calculated as the number of all M/W/DSBEs to all firms is a reasonable proxy for the proportion of RWA M/W/DSBEs to all RWA firms. As discussed above, since the vast majority of firms are very small, this may not be the most accurate proxy for true M/W/DSBE availability.

- Because our FY 2009 calculations used the same availability rates as our FY 2008 calculations, lower disparity ratios were experienced by African Americans (3.81 vs. 4.52), Native Americans (0.05 vs. 0.00), and Hispanics (1.68 vs. 1.42) as a result of lower utilization rates in FY 2009 versus FY 2008, while the same disparity ratios were experienced by Asian Americans (0.26 vs. 0.26) as a result of the same utilization rates in FY 2009 versus FY 2008.

4.0 PARTICIPATION GOALS

In this section, we offer recommended Fiscal Year (FY) 2011 participation goals to the City of Philadelphia's Office of Economic Opportunity (OEO) for future Minority Business Enterprise (MBE), Women Business Enterprise (WBE), and Disabled Business Enterprise (DSBE) (collectively known as M/W/DSBE) utilization, based on FY 2009 M/W/DSBE utilization and availability. This is an important component of what should be an overall strategy to safeguard the public interest in identifying and rectifying instances of discrimination, and proactively seeking ways to promote the inclusive participation of M/W/DSBEs in economic opportunities.

We base our recommended participation goals on a comparison of current utilization rates (see Figure 4.1 ("U1"), Figure 4.2 ("U2"), and Figure 4.3 ("U3")) and availability rates (see Figure 4.4 ("A1") and Figure 4.5 ("A3")).[62] For some M/W/DSBE categories and some contract types, current utilization rates are lower than current availability rates (i.e. the disparity ratio is less than 1.0), while for other M/W/DSBE categories and contract types, current utilization rates are higher than current availability rates (i.e. the disparity ratio is greater than 1.0) (see Figure 4.6 ("D1") and Figure 4.7 ("D3")).[63]

Figure 4.1 – FY 2009 Utilization ("U1") – Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the City of Philadelphia, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type (by $ Contracts Awarded)

	FY 09	FY 09	FY 09	FY 09	FY 08	FY 08	FY 08	FY 08
Category	PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
MBE	1.9%	12.7%	3.0%	8.4%	4.6%	13.6%	5.8%	9.2%
WBE	0.7%	3.9%	2.5%	2.9%	0.9%	3.0%	1.7%	2.1%
DSBE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
All M/W/DSBE	2.5%	13.8%	3.2%	9.2%	5.4%	14.3%	6.2%	9.8%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

[62] Insufficient data prevents us from setting goals within M/W/DSBE subcategories.

[63] PW = Public Works contracts. PPS = Personal and Professional Services contracts. SSE = Services, Supplies, and Equipment contracts.

Figure 4.2 – FY 2009 Utilization ("U2") – Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the Philadelphia Metropolitan Statistical Area (MSA), Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type (by $ Contracts Awarded)

Category	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
MBE	5.9%	16.2%	4.4%	11.6%	10.0%	16.4%	6.9%	12.7%
WBE	5.3%	6.6%	3.0%	5.7%	5.1%	5.1%	2.7%	4.8%
DSBE	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
All M/W/DSBE	9.3%	18.8%	5.1%	14.2%	12.7%	18.3%	7.6%	14.8%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure 4.3 – FY 2009 Utilization ("U3") – Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the US, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type (by $ Contracts Awarded)

Category	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
MBE	7.9%	17.6%	4.9%	13.1%	12.1%	17.7%	7.9%	14.3%
WBE	7.8%	9.5%	4.3%	8.2%	7.0%	8.4%	3.4%	7.2%
DSBE	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
All M/W/DSBE	12.1%	22.9%	6.9%	17.6%	15.1%	22.7%	9.2%	18.1%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure 4.4 – FY 2009 Availability ("A1") – # M/W/DSBEs Located within the City of Philadelphia, Divided by # Firms Located within the City of Philadelphia, by Contract Type

Category	PW	PPS	SSE	All Contract Types
MBE	X	X	X	24.0%
WBE	X	X	X	X
DSBE	X	X	X	X
All M/W/DSBE	X	X	X	46.2%

Source: US Census Survey of Business Owners (2002), US Small Business Administration – Philadelphia District Office (2004), Econsult Corporation (2007, 2008, 2009, 2010)

Figure 4.5 – FY 2009 Availability ("A3") - # M/W/DSBEs > 1 Employee Located within the Philadelphia MSA, Divided by # All Firms > 1 Employee Located within the Philadelphia MSA, by Contract Type

Category	PW	PPS	SSE	All Contract Types
MBE	2.8%	6.7%	10.3%	9.0%
WBE	8.1%	17.9%	14.3%	15.5%
DSBE	X	X	X	X
All M/W/DSBE	10.8%	24.6%	24.6%	24.6%

Source: US Census Survey of Business Owners (2002), Econsult Corporation (2007, 2008, 2009, 2010)

Figure 4.6 – FY 2009 Disparity Ratio ("D1") = Utilization ("U1") Divided by Availability ("A1"), by Contract Type
Utilization ("U1") - Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the City of Philadelphia, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors (by $ Contracts Awarded)
Availability ("A1") - # M/W/DSBEs Located within the City of Philadelphia, Divided by # Firms Located within the City of Philadelphia

Category	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
MBE	X	X	X	0.4	X	X	X	0.4
WBE	X	X	X	X	X	X	X	X
DSBE	X	X	X	X	X	X	X	X
All M/W/DSBE	X	X	X	0.2	X	X	X	0.2

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Participation Report (FY 2008, FY 2009), Availability = US Census Survey of Business Owners (2002), US Small Business Administration – Philadelphia District Office (2004)

Figure 4.7 – FY 2009 Disparity Ratio ("D3") = Utilization ("U2") Divided by Availability ("A3"), by Contract Type
Utilization ("U2") – Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the Philadelphia MSA, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors (by $ Contracts Awarded)
Availability ("A3") – # M/W/DSBEs > 1 Employee within the Philadelphia MSA Divided by # All Firms > 1 Employee within the Philadelphia MSA

Category	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
MBE	2.1	2.4	0.4	1.3	3.6	2.5	0.7	1.4
WBE	0.7	0.4	0.2	0.4	0.6	0.3	0.2	0.3
DSBE	X	X	X	X	X	X	X	X
All M/W/DSBE	0.9	0.8	0.2	0.6	1.2	0.7	0.3	0.6

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Annual Participation Report (FY 2008, FY 2009); Availability = US Census Survey of Business Owners (2002)

Based on these utilization rates and availability rates for FY 2009, we can set participation goals (see Figure 4.8).

Figure 4.8 – Recommended Citywide Participation Goals, by Contract Type and by M/W/DSBE Category
Prefix of "U" = 2009 Utilization Rate > 2009 Availability Rate (i.e. disparity ratio > 1.0)
Prefix of "U/A" = 2009 Utilization Rate = 2009 Availability Rate (i.e. disparity ratio = 1.0)
Prefix of "A" = 2009 Availability Rate > 2009 Utilization Rate (i.e. disparity ratio < 1.0)
Prefix of "S" = Goal > 2009 Utilization Rate and 2009 Availability Rate[64]

Category	PW	PPS	SSE	All Contract Types
White Female	U: 4%	U: 5%	U: 2%	U: 5%
Native American	U: 2%	A: 0.2%	X	U: 0.5%
Asian American	U: 2%	A: 4%	A: 8%	A: 6%
African American	S: 3%[65]	U: 13%	S: 5%[66]	U: 9%
Hispanic	U: 3%	U: 2%	A: 1%	U: 2%
All MBE	**U: 8%**	**U: 18%**	**A: 10%**	**S: 15%[67]**
All WBE	**U/A: 8%**	**A: 18%**	**A: 14%**	**A: 15%**
DSBE[68]	**S: 0.1%**	**S: 0.1%**	**S: 0.1%**	**S: 0.1%**
City-Based M/W/DSBE	**U: 3%**	**U: 14%**	**U: 3%**	**S: 10%[69]**
All M/W/DSBE	**U: 11%**	**A: 25%**	**A: 25%**	**A: 25%**

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Annual Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002), US Small Business Administration – Philadelphia District Office (2004)

In cases where actual utilization is less than actual availability (i.e. the disparity ratio is less than 1.0, which represents under-utilization), we tend to recommend that future utilization rates

[64] Gender- and race/ethnicity-specific goals can be reasonably set, although because of the finer gradients involved, they are based on less data and are therefore going to have to rely on more subjective elements. "Stretch" goals exceed historical utilization and availability and are set to "stretch" performance to higher levels than what has historically occurred. Where "stretch" goals are recommended, historical utilization and availability levels are provided as footnotes.

[65] U = 1.7 percent, A = 1.3 percent.

[66] U = 4.3 percent, A = 0.9 percent.

[67] U = 13.1 percent, A = 9.0 percent.

[68] U = 0.0 percent, A = unavailable.

[69] U = 9.2 percent, A = unavailable.

increase to current availability rates as measured in this analysis. We further suggest that departments that have under-achieved in this area be strongly encouraged to increase their M/W/DSBE participation in the upcoming year, a recommendation that is further elaborated in the next section.

Conversely, in cases where actual utilization is greater than actual availability (i.e. the disparity ratio is greater than 1.0, which represents over-utilization), we tend to recommend that future utilization rates hold at current utilization rates. We further suggest that, since the issue in these cases is not low utilization rates but low availability rates, the City work with other public and private technical assistance providers to help increase the amount of "ready, willing, and able" (RWA) M/W/DSBEs, a recommendation that is further elaborated in the next section.

Thus, the levels suggested as participation goals can be offered as benchmark utilization rates that should be strived for, with a prefix of "U" signifying cases in which M/W/DSBE utilization is currently greater than M/W/DSBE availability, and a prefix of "A" signifying cases in which M/W/DSBE utilization is currently lower than M/W/DSBE availability. These levels provide **a citywide framework for OEO's development of department-by-department participation goals,** particularly in cases where under-utilization has occurred and individual departments therefore need to be identified for improvement.

In some cases, we recommend a participation goal that is higher than both FY 2009 utilization and FY 2009 availability. These **"stretch" goals,** signified with a prefix of "S," represent a desire to reach past the limitations set by both historical utilization and historical availability, and will require efforts on both fronts: holding City agencies accountable to increase utilization, and leveraging both Administration resources and other public and private sector efforts to increase availability. "Stretch" goals for African-American-owned businesses, MBEs, DSBEs, and City-based M/W/DSBEs acknowledge that both historical utilization and historical availability have been lower than they could be, given their relative under-representation in the OEO directory when compared to the evident potential of each group to do business with the City, and that increasing participation beyond historical utilization and historical availability is a worthwhile public policy goal. These categories were also chosen for "stretch" goals to be consistent with other programmatic emphases by the City.[70]

Furthermore, a number of recent significant organizational shifts – moving OEO from the Finance Department to the Commerce Department, hiring a new OEO director, and getting out of the certification business to redeploy more resources towards outreach and capacity-building – will likely pay dividends in improving the City's utilization of M/W/DSBEs and in

[70] Section 6-109 of the Philadelphia Home Rule Charter, which provides guidance on how Annual Participation Goals are to be set, notes that goals must be informed by historical utilization and availability rates, but it does not appear to infer that they must be constrained by them, particularly as it relates to redressing specific patterns of past discrimination. Hence, setting "stretch goals" that are set in part by considering historical utilization and availability rates but that are themselves higher than these historical rates does not appear to be forbidden.

strengthening the overall capacity of M/W/DSBEs. Accordingly, we encourage the City to see our recommended Participation Goals as levels that it should reach and eventually exceed over a multi-year period, **from M/W/DSBE utilization of at least 19 percent in FY 2011 to M/W/DSBE utilization of at least 25 percent in FY 2014** (see Figure 4.9).

Figure 4.9 – Actual and Recommended Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the US, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors (by $ Contracts Awarded)[71]

	Actual				Recommended			
	FY 06	FY 07	FY 08	FY 09	FY 11	FY 12	FY 13	FY 14
All M/W/DSBE	22.8%	20.8%	18.1%	17.6%	>19%	>21%	>23%	>25%
MBE	17.9%	14.8%	14.3%	13.1%	>13%	>14%	>15%	>15%
WBE	9.9%	10.4%	7.2%	8.2%	>9%	>11%	>13%	>15%

Sources: Econsult Corporation (2007, 2008, 2009, 2010); OEO Annual Participation Report (FY 2006, FY 2007, FY 2008, FY 2009)

Of course, setting recommended future utilization rates to meet or exceed current availability rates assumes relatively constant availability rates over time. In fact, availability rates change all the time: if the number of RWA M/W/DSBEs grows faster than the number of all RWA firms, the availability rate will increase, and previously set targets for utilization rates will result in disparity ratios lower than expected. If the number of RWA M/W/DSBEs grows slower than the number of all RWA firms, the availability rate will decrease, and previously set targets for utilization rates will result in disparity ratios higher than expected.

This is a significant overarching fact that must be taken into consideration when policymakers scrutinize these and other disparity ratios. To the extent that the problem of unusually low M/W/DSBE participation in regional economic opportunities manifests itself in low availability rates, not only will this not be picked up in low disparity ratios, but disparity ratios will in fact be above 1.0. This otherwise desirable ratio masks the real problem, not just of low M/W/DSBE utilization that needs to be increased but of low M/W/DSBE availability that needs to be increased.

Note, for example, the disparity ratios that would be above 1.0 if the City were to meet our stated FY 2011 participation goals, and current availability rates still applied (see Figure 4.10).

[71] These goals may be adjusted over time pending any changes in M/W/DSBE availability.

We would not interpret such ratios above 1.0 as demonstrating over-utilization" but rather "under-availability."[72]

Figure 4.10 –Disparity Ratios if Recommended Participation Goals are Met and FY 2009 Availability Rates Hold Steady, by Contract Type and by M/W/DSBE Category

Category	PW	PPS	SSE	All Contract Types
White Female	X	X	X	X
Native American	6.7	1.0	X	2.5
Asian American	X	1.1	1.0	1.1
African American	2.3	6.8	5.6	4.3
Hispanic	2.7	2.0	1.0	1.7
MBE	**2.9**	**2.7**	**1.0**	**1.7**
WBE	**1.0**	**1.0**	**1.0**	**1.0**
DSBE	**X**	**X**	**X**	**X**
City-Based M/W/DSBE	**X**	**X**	**X**	**X**
All M/W/DSBE	**1.0**	**1.0**	**1.0**	**1.0**

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Annual Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002), US Small Business Administration – Philadelphia District Office (2004)

In seeking to advocate for utilization rates to be as high as or higher than availability rates, it is equally important to advocate for availability rates to be higher as well. It is important to note that a disparity ratio is merely one tool for identifying any differences between utilization rates and availability rates. It is certainly a useful measure in cases in which current utilization rates trail current availability rates, and pushing for higher future utilization rates is equivalent to promoting greater M/W/DSBE participation in the economic opportunities represented by City contracts. However, there should be equal attention given to situations when availability is low, in which case steps can and should be taken to provide technical assistance and

[72] Again, this qualification applies only to situations in which availability rates are unusually low. Of course, where availability rates are relatively reasonable, a disparity ratio of over 1.0 is a very positive outcome, for it means that M/W/DSBE utilization rates exceed M/W/DSBE availability rates. Furthermore, even in cases in which availability rates are unusually low, leading to somewhat misleading high disparity ratios, this is still a very positive outcome in one sense, as it means that despite the relative lack of ready, willing, and able M/W/DSBEs, City agencies were able to enable M/W/DSBE participation at significant rates.

organizational support to develop more qualified M/W/DSBEs and thus increase availability rates.

5.0 RECOMMENDATIONS

Disparity Study recommendations provide a course of action in select categories and guidance for future studies, especially with regards to data collection, study methodology, and scope. The recommendations also incorporate areas that increase and, in some instances, hinder participation levels by Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and Disabled Business Enterprise (DSBEs) (collectively known as M/W/DSBEs). The recommendations fall within the following categories: **study methodology and scope, policy and programming, data collection, and management of goal-setting process** (see Figure 5.1).

These recommendation categories were selected because they represent factors that impacted the development of the Disparity Study and the City of Philadelphia's ability to achieve the stated participation goals. As a part of the study scope, the recommendation categories are reviewed and modified to ensure applicability and adequacy. The objective is to produce recommendations that are relevant to the City's vision to create a more inclusive economic environment throughout the Philadelphia region.

The recommendations focus on immediate contracting challenges such as firms failing to register for certifications, while also addressing more long-term issues that include institutional barriers that hamper the City's procurement culture. The Disparity Study recommendations provide a strategic direction with regards to programmatic and policy actions that support the advancement of minority contractor relationships.

As stated in the Strategic Plan of the City's Office of Economic Opportunity (OEO), "The competition for people and jobs has become global. Cities simply cannot afford to under-utilize or write off entire groups of people. To exclude or hinder participation on the basis of race, ethnicity, gender, or physical disability is not only discriminatory; it is self-defeating." The Disparity Study recommendations provide insight that strengthens **an inclusive economic environment to ensure the fullest participation by all businesses**.

Figure 5.1 – FY 2009 Disparity Study Recommendations

Recommend-ation Category	Category Description	Specific Recommendations
Study Methodology and Scope	Improvement of the study process and areas of focus used to design the study parameters	• Cover a broader universe of procurements • Evaluate the newly implemented Goal Achievement Process (GAP) • Move up the study commencement date • Evaluate departmental participation on a rolling three-year basis • Feature success stories from the prior year • Update availability rates using bidder data and newly published Census data • Calculate utilization based on purchase orders and actual payments, and not just awarded contracts
Policy and Programming	Legislation, advocacy and technical assistance efforts that promote minority participation	• Cultivate a procurement culture that encourages M/W/DSBE participation • Prioritize M/W/DSBE capacity-building • Take special action to encourage local participation • Define and increase the value proposition of M/W/DSBE certification status • Continue outreach efforts to M/W/DSBEs • Amend PW and SSE proposal evaluation to account for M/W/DSBE status
Data Collection	Information sources utilized to calculate utilization and availability	• Accelerate and expand M/W/DSBE participation data collection efforts • Account for "certifiables" when determining M/W/DSBE utilization and availability
Management of Goal-Setting Process	Assessment of the development, communication and implementation of annual department goals	• Incorporate best management practices in goal-setting • Incorporate best management practices in goal monitoring and enforcement processes • Put the Economic Opportunity Cabinet to work

Source: Econsult Corporation / Milligan & Company (2010)

5.1 Previous Year Recommendations

Over the past two years, Econsult Corporation, in partnership with Milligan & Co., LLC and the City, led the effort to produce the annual Disparity Study. The continuity of these relationships

enables the opportunity to assess the study results and development process from a historical perspective.[73]

The recommendations shed light on **previous areas of improvement while also highlighting advancements to consider for future studies**. The Disparity Study recommendations led to the implementation of actions such as OEO's newly adopted Goal Achievement Process (GAP) and supported the decision to redeploy resources from the certification process to proactive business outreach and capacity building.

Given the recent adoption of OEO's Strategic Plan, the Fiscal Year (FY) 2009 Disparity Study recommendations continue to focus on the ability to increase the capacity of M/W/DSBEs, establish new contracting relationships with more M/W/DSBEs, and broaden the participation conversation to reflect a greater regional outlook. By **aligning the Strategic Plan and the Disparity Study findings**, the City is able to tackle the challenges of minority participation from a multi-year time horizon versus a more standard one-year platform. While OEO may be able to address many of the recommendations within a one-year window, the more systemic issues such as payment tracking automation and cultural procurement biases require an emphasis on an ongoing basis.

5.2 Recommendation Category – Study Methodology and Scope

5.2.1 Cover a Broader Universe of Procurements

The FY 2008 Disparity Study and preceding studies zeroed in on the M/W/DSBE participation for a subset of the contracting opportunities within the City and the Philadelphia region. The current study accounts for participation for contracting opportunities within mayoral control. These contracts total $667.5 million, or 18 percent of the City's Fiscal Year (FY) 2009 budget of $3.8 billion.

The Philadelphia region, however, comprises well over $300 billion in Gross Domestic Product (GDP). Therefore, we recommend that in addition to capturing participation in City department contracts, the Disparity Study should also attempt to touch on, perhaps on a rotating basis, **procurement opportunities represented by quasi-public entities, local authorities, state and federal contracts, subcontractors under non-profit prime contractors and major non-profits such as academic and research institutions** (see Figure 5.2). While many of these entities are not required by law to produce a report similar to a Disparity Study, some conduct extensive outreach and pursue procurement procedures that promote M/W/DSBE participation, and to

[73] See Appendix G for a summary of Disparity Study recommendations over the past four reports and their present implementation status.

account for these procurement opportunities would expand the discussion around M/W/DSBE participation. It would also more appropriately hold the City accountable for the full universe of procurement decisions it has influence over.

Figure 5.2 – Illustrative Additional Procurement Opportunities and Programs within the Philadelphia Region

Entity/Initiative	Type of Organization	Program Description	Benefit to M/W/DSBEs
Commonwealth of Pennsylvania	State Government	Weighted blind scoring proposal process that separates proposal bids into technical, price and disadvantaged business, domestic workforce and enterprise zone	The state's scoring process places value on the submission of M/W/DSBEs
Philadelphia Industrial Development Corporation	Private, quasi-governmental Pennsylvania corporation	Technical assistance and capital supportive services targeted at improving the City's financing options for M/W/DSBEs and businesses in general	Continuous outreach and emphasis to support M/W/DSBE contracting
University Purchasing Initiative	Collaboration between non-profit technical assistance providers and local universities	A collaboration with University of Pennsylvania, Drexel University, and The Enterprise Center's Pennsylvania Minority Business Enterprise Center	Links M/W/DSBE businesses to procurement opportunities with public and private sector entities in the region

Source: Econsult Corporation / Milligan & Company (2010)

While the region's major public and private sector entities are not subject to the City's procurement mandates, **the City's influence through political and other business relationships is a leveraging tool to encourage M/W/DSBE participation throughout the Philadelphia region**. The City's leadership as the champion for M/W/DSBE participation allows the region to offer a more inviting business environment for M/W/DSBE contractors, elevating the overall business climate.

An ultimate goal of promoting M/W/DSBE participation is the creation of a pool of M/W/DSBEs that are able to compete for contracting opportunities beyond those offered by the City. Thus, encouraging entities throughout the region to support M/W/DSBEs is a means to further support the long-term growth of a diverse base of businesses within the overall economy. This is not to absolve the City of its responsibility over its own procurement decisions, for which the Annual Disparity Study is a primary accountability mechanism; rather, this is to also call appropriate attention to utilization results as indicators of procurement opportunities for M/W/DSBEs, of which the City's spending is but one piece of a much larger set of opportunities.

5.2.2 Evaluate the Newly Implemented Goal Achievement Process (GAP)

The OEO Strategic Plan recommends the implementation of a **Goal Achievement Process (GAP),** a proactive, annual goal setting initiative that supports City departments with their goal setting and M/W/DSBE contractor engagements. The process incorporates the upcoming fiscal year's annual anticipated contract dollars, proposed projects, scopes of work, and the M/W/DSBEs available to meet these needs. The GAP's objectives are to implement a more interactive goal-setting process that partners procurement officers with OEO staff to establish annual goals based on procurement realities.

Budget hearings are an opportunity to evaluate the GAP's impact. Budget hearings are a means to determine the GAP's success and to also identify any required modifications to address shortcomings, such as communication of goals throughout a department and the acceptance of the goal ownership from the department's senior leadership team. By engaging departments throughout the fiscal year, OEO becomes more of an advocate for M/W/DSBEs, fostering a stronger procurement culture supportive of M/W/DSBE participation.

5.2.3 Move up the Study Commencement Date

The current Disparity Study effort begins in the second quarter of each fiscal year. This start date is driven by the availability of information from participating City departments. The present Disparity Study timeline results in a delay in the release of the Disparity Study of 10 or more months, from the conclusion of the fiscal year it is analyzing. Thus, there is **a lag in the City's ability to evaluate the previous fiscal year's successes and to establish goals for the upcoming fiscal year**.

In recognition of the need for a more timely presentation of information and to also support OEO's objective of playing a proactive role in establishing, communicating and monitoring

goals, we propose that the study commence in the first quarter after the close of the fiscal year. In our discussions with OEO senior leadership, there is a commitment to meet this goal because OEO recognizes that earlier access to the study results provides a greater opportunity for OEO, in partnership with the City departments, to utilize the information for planning purposes.

5.2.4 Evaluate Departmental Participation on a Rolling Three-Year Basis

The current annual participation data inaccurately depicts a department's true minority participation efforts because of the fluctuation of contracting due to multi-year awards that are accounted for in the initial year. These swings present a partially untrue, and in some cases, an unfair representation of a department's minority participation. To address this concern, we propose **the review of M/W/DSBE participation at a departmental level on a rolling three-year average**. While the flaw still exists for engagements that extend beyond three fiscal years, a three-year average provides an opportunity to present a truer procurement trend, less influenced by the vagaries of unusual situations in any given year.[74]

OEO attributes success of departments that achieve above-average M/W/DSBE participation to the following:

- Early and continuous OEO engagement in the department's procurement efforts, goal-setting and vendor outreach;
- Innovative leadership that demonstrates its commitment to the process by unbundling large projects, identifying opportunities for partnering relationships and advocating for City-sponsored technical assistance and alternative financing products; and
- A heightened sense of goal achievement ownership.

OEO plans to continue to work with departments that report low M/W/DSBE participation levels, and in some instances no M/W/DSBE participation at all, to introduce pioneering procurement strategies and business support services such as identifying M/W/DSBEs that are not in the City's registry and establishing a bonding assistance program. For departments that purchase highly specialized items, OEO plans to pursue business development and capacity building initiatives to increase the pool of available M/W/DSBEs.[75]

[74] See Appendix D for M/W/DSBE utilization levels at the department level over the past three fiscal years.

[75] Another area that OEO may pursue in working with departments to increase participation rates is inclusion of non-profit contracts as part of the evaluation process. Historically, contracts awarded to non-profits were not included in the City's participation reporting, because of the difficulty in determining and tracking what is meant by a M/W/DSBE non-profit. In a phased manner, OEO may consider incorporating the counting of these entities.

5.2.5 Feature Prior Year Success Stories

As we conducted best practice interviews of other metropolitan areas, in an attempt to glean lessons for the City, we recognized that localities are still grappling with the challenges of how to increase the number of "ready, willing, and able" M/W/DSBEs, engage contracting departments, provide technical assistance and address the numerous other challenges that limit minority participation. To gain a better understanding of how to improve M/W/DSBE participation, it is useful to **consider some recent local success stories** (see Figure 5.3).

Figure 5.3 – Local Success Stories in M/W/DSBE Procurement

Projects Identified:

- *Cira Centre South* ($370M restoration of five-story historic building)
- *Youth Study Center* ($100M state of the art construction project)
- *SugarHouse* ($550M casino and entertainment location on the Delaware River waterfront)

Factors that Increased M/W/DSBE Participation:

- Assignment of an Equal Opportunity Plan (EOP)
- Lead project roles awarded to M/W/DSBEs – General Contractor, Contract Manager and Architect
- Partnership effort between the City and the project developer

Source: Econsult Corporation / Milligan & Company (2010), OEO (2010)

5.2.6 Update Availability Rates Using Bidder Data and Newly Published Census Data

The term "availability" refers to the universe of firms in a particular M/W/DSBE category that can secure City contracts. The availability calculation is based upon the legal definition of "ready, willing, and able" (RWA) firms within the Philadelphia MSA. The source of this data is the Economic Census – Survey of Business Owners (SBO), with the most recent data available

from 2002. The 2007 data is expected to be available starting in late 2010. Given that the City's economic landscape has been altered due to business acquisitions, a down economy and a myriad of other economic factors that ultimately drive the number of businesses present within the region, a more current data set is the best barometer.

Including the 2007 data will also enable **a 2002-2007 comparative analysis, which should be a required part of the FY 2010 Disparity Study**. Since the SBO is refreshed every five years, it makes sense for annual Disparity Studies to be larger in scope every five years, to account for this comparative analysis.

Every five years is also a good time frequency to **include bidder data** in addition to awarded contracts data. Though it should not be considered by itself as a proxy for M/W/DSBE availability, it is a useful data set when considered with other data sets for determining M/W/DSBE availability, as it represents firms, both M/W/DSBE and non-M/W/DSBE, that have self-determined that they are RWA as it relates to specific City contract opportunities. By examining bidder data, OEO can have **a much finer understanding of the distribution of these self-determined RWA firms across contract types, departments, and specific procurement categories**, which can inform its efforts to bolster its directory of M/W/DSBEs to respond to City contract opportunities.

Specifically, OEO can match historical procurement amounts from City departments by commodity code against its directory of M/W/DSBEs and against historical bidder data, to determine which typical purchases made by the City represent commodity codes that are over-represented or under-represented within the OEO directory and among the universe of OEO-registered M/W/DSBEs that submit bids or proposals (see Figure 5.4).[76] Analyzing the data in this way can prioritize OEO's efforts in impelling presently OEO-registered M/W/DSBEs to apply for City contracts, identify firms in certain commodity codes that are M/W/DSBE-certified by other certifying entities and encourage them to be registered by OEO, and/or work with technical assistance providers to form, grow, and prepare M/W/DSBEs to compete in certain commodity codes.

[76] See Appendix H for a more detailed look at commodity codes with major City purchasing amounts for Supplies, Services, and Equipment in Calendar Year 2008 for which there were few or no M/W/DSBEs in the OEO directory.

Figure 5.4 – Commodity Codes with Over $1 Million in Supplies, Services, and Equipment Purchasing by the City in Calendar Year 2008 for Which There Were Few or No M/W/DSBEs in the OEO Directory

Date of Purchase	Amount Spent	Commodity Code	Commodity Code Description
2/6/2008	$13,600,000	30730	Water Treatment Chems
9/4/2008	$11,150,000	31710	Laboratory/Science Supplies & Small Apparatus/Instrumentation Equipment
1/4/2008	$9,000,000	30730	Purchase of Polymer
8/4/2008	$3,000,000	34101	Interruptible Transportation Gas Serv
3/25/2008	$1,700,000	26034	Street Lighting Maintenance
1/23/2008	$1,100,000	32050	Paper Stock
3/6/2008	$1,100,000	32050	Paper Stock Envelopes
4/10/2008	$1,017,000	42881	Pumper 1500 Gal Fire Fighting (Fleet)

Source: City of Philadelphia Office of Economic Opportunity (2010), Econsult Corporation (2010)

5.2.7 Calculate Utilization via Purchase Orders and Actual Payments, Not Just via Awarded Contracts

The past four Annual Disparity Studies have considered utilization from the standpoint of awarded contracts. But, perhaps on an every-five-years basis, it would be useful to also calculate utilization via purchase orders and actual payments, to see if there are any significant differences in the respective ratios. Such an exercise is not necessarily needed annually, but neither should the City exclusively look at awarded contract data, given the potential for deviations in M/W/DSBE utilization as it relates to translating those awarded contract commitments into actual work and compensation.

5.3 Recommendation Category – Policy and Programming

5.3.1 Cultivate a Procurement Culture That Encourages M/W/DSBE Participation

Organizational culture is the attitude, experiences and values that exist within an organization. Culture establishes how an entity assesses opportunities and implements change. Culture is an intangible concept which is made real through organizational policies, resource deployment and senior management direction. Mayor Nutter's formation of the Economic Opportunity Cabinet establishes a cultural precedent that heightens the department heads' accountability for the success of the city's minority participation goals.

As with any change, **an organization's senior leadership is the chief change agent**. In addition to creating the Cabinet and OEO through executive order, the Mayor also appointed a leader, Angela Dowd-Burton, who brings a vision for innovation to the management of the OEO function. Ms. Dowd-Burton plans to focus her efforts toward increased OEO collaboration with other City departments, heightened procurement awareness for M/W/DSBEs, and enhanced outreach efforts.

However, to truly impact an organization's focus and attitude, **change must also penetrate into the more junior management levels** that on a daily basis influence decisions, policy, and programmatic spending. Thus, the OEO Cabinet is charged with the responsibility of ensuring that the City achieves the annual minority participation goals while also providing innovative leadership to break the traditional barriers that hinder minority contracts such as slow vendor payments, limited pool of diverse contractors and antiquated payment tracking.

Given that many of these barriers were developed over multiple years, it is imperative that the Mayor also takes actions to create change agents that extend beyond the work of the current administration. At the OEO budget hearing, the Mayor announced the creation of an Economic Opportunity Officer. Within each department, an Economic Opportunity Officer is charged with supporting the department's goal-setting process and driving innovation. In addition to the designation of key leadership roles, change is also driven by legislation that mandates commitment to the City's goals. This includes Executive Order 14-08 which established the Economic Opportunity Office and the Economic Opportunity Cabinet.

5.3.2 Prioritize M/W/DSBE Capacity-Building

In order to pitch, win, and ultimately perform on a contract, a business must be able to meet the needs of the contracting entity. Given today's competitive business environment, M/W/DSBEs must be able to compete for the business. A critically needed element to compete is capacity to be able to adequately staff and finance a contract's operational and working capital requirements. To ensure that M/W/DSBEs in the region have the capacity to compete for contracts, **OEO must continue to further leverage its technical assistance efforts**.

Efforts such as the recent consolidation of the Philadelphia Commercial Development Corporation (PCDC) into the Philadelphia Industrial Development Corporation (PIDC) eliminate redundancies in City services while creating a more robust array of financial products and technical assistance. Additionally, OEO's decision to re-scope the Commerce Department's contracts with third-party technical assistance providers enables OEO to broaden its support services. The re-scoped technical assistance contracts offer OEO the opportunity to identify service providers that are able to service general business requirements in addition to more specialized needs such as bilingual consultations and increased community focused technical assistance. Unlike most cities, which process certifications and other administrative tasks, the City made a strategic decision to focus its efforts on business outreach, goal-setting and program enforcement.

The strategic decision to reposition OEO to be a part of Commerce's Economic Opportunity team also strengthens the City's ability to support capacity building. Within this structure, OEO interfaces directly with the Office of Neighborhood Economic Development (ONED), and the Office of Business Services (OBS). OEO's new role is one of **a business connector for opportunities and resources throughout the City, versus a more narrow focus on the administration of certifications**.

5.3.3 Take Special Action to Encourage Local Participation

Given the resource-intensive process of administering certifications, the Nutter Administration decided to no longer directly certify M/W/DSBEs, and instead announced it would reciprocally accept certifications from other certifying bodies. By accepting third-party certifications, the City is able to reallocate staff time and increase the universe of M/W/DSBEs within the OEO directory.

While the City is able to eliminate the workload associated with the certification process and increase the number of firms available to contract with city departments, **the acceptance of reciprocal certifications also increases the competition for local M/W/DSBEs**, since non-local M/W/DSBEs who are certified by a certifying body whose certifications are accepted by OEO are now positioned to compete for City contracts as M/W/DSBEs. To encourage the use of local vendors, there is presently a five percent preference for competitive bid awards that are over $30,000. To qualify as a Local Business Entity (LBE), a business must meet the requirements stated in the Regulations Relating to Local Bidding Preference for Procurement Contracts (Section 17-109 of the Philadelphia Code). In addition to the five percent local business preference, local M/W/DSBEs also receive targeted business outreach and technical assistance such as Commerce's Commercial Corridor Initiative and other City-sponsored capital assistance programs. Other localities have determined ways in which to encourage local M/W/DSBE participation (see Figure 5.5).

Figure 5.5 – Regional Examples of Localities Enacting Policies to Encourage Local M/W/DSBE Participation

State of New Jersey/ New Jersey Advantage –

The New Jersey small business set-aside program was established with the goal of awarding 25 percent of the state's contracting and purchasing orders to small businesses. To qualify for these set aside opportunities, the business must be registered to do business in the state and have its principal place of business in New Jersey.

State of Maryland/Small Business Reserve Program -

The State of Maryland Small Business Reserve Program is committed to the growth and success of Maryland small businesses. For the first time, Maryland small businesses will be able to bid for State contracts without competing with larger, more established companies.

Designated agencies are required to award a minimum of 10 percent of their units' total dollar value of goods, supplies, services, maintenance, construction, construction related, architectural service and engineering service contracts to Maryland small businesses.

Source: Econsult Corporation / Milligan & Company (2010)

5.3.4 Define and Increase the Value Proposition of M/W/DSBE Certification Status

A takeaway from the company interviews conducted as part of the FY 2008 Disparity Study last year was that many firms felt that the City's certification process was cumbersome and ultimately provided limited value to the success of their business. To address this concern and to also reallocate resources to capacity-enhancing actions such as business outreach and procurement monitoring, OEO made the strategic decision to shift resources from certifying businesses to bolstering the value of M/W/DSBE certified status. To achieve this, OEO is placing resources in areas such as increased pre-bid meetings and vendor outreach to alert firms of upcoming opportunities. Additionally, the Business Web Portal is a means to promote minority firms for City sponsored contracts and the Philadelphia region's business community. The goal of the Web Portal is to serve as a business resource that highlights available assistance,

increases access to contracting information and provides purchasers with a robust listing of contracting firms.

By OEO placing resources towards efforts that increase the opportunities of doing business with the City and other entities throughout the region, **M/W/DSBE certified status becomes an asset to a business, not unlike membership in a business association, versus a waste of management time or a meaningless, non-value generating label**. Given the numerous demands of running a business, an entrepreneur's time is priceless. As OEO continues to raise the value of being a registered City vendor, the number of registered firms should increase, accordingly.

5.3.5 Continue Outreach Efforts to M/W/DSBEs

As noted above, promoting registration by M/W/DSBE certified firms remains a priority for OEO in its effort to increase M/W/DSBE participation in contract work in the region. OEO, as the primary advocate for M/W/DSBEs within the City, will remain responsible for reaching out to such firms to inform them about the benefits of registration, including business growth opportunities, and to assist them with connecting to technical assistance, business financing, and other useful resources within the City and among an entire network of service providers.

To accomplish this, OEO should continue to use a number of strategies that will be cost effective and efficient:

- Networking partnerships: There is perhaps no better means to illustrate the great value of registration for certified M/W/DSBEs than by showcasing the success of other similar firms that are registered with the City. As OEO's Strategic Plan points out, an *Emerging Business Partnership Program* with quarterly meetings will allow firms to exchange information and learn about potential strategies to grow their businesses. Inclusion of local business chambers, major academic and cultural institutions and local large corporations in these meetings will leverage OEO efforts to increase M/W/DSBE capacity. These meetings will also serve as a springboard for one-on-one mentoring.

- Invitation to pre-bid and pre-qualification meetings: Pre-bid and pre-qualification meetings provide an opportunity for business owners to learn more about potential contracts they can compete for and exposure to other firms. The latter provides a networking opportunity for subcontracting. Attendance at such events will allow M/W/DSBEs to learn more about the contracting process to re-evaluate their capacity and recognize the advantages of being a registered M/W/DSBE.

- Special-interest groups: One of the growing segments of M/W/DSBE community is the immigrant businesses with unique challenges to compete not only for citywide contracts but to also survive and even thrive in the current economic atmosphere. Outreach to this group will allow OEO to reach its goal of increasing participation and capacity of M/W/DSBEs in the City. Consultation and coordination with organizations, such as the African-American Chamber of Commerce, the Asian-American Chamber of Commerce, and the Hispanic Chamber of Commerce, will allow OEO to expand its reach to the pool of available and potentially eligible businesses. Working with these entities will also demystify the concept of registration that may stem from cultural differences.

- Information bulletins and new media: Traditionally, printed newsletters have served to disseminate information to a large number of people. With current advances in information technology, many government agencies are using social media to convey their message. With the development of its web portal, OEO is in a position to make use of new technology for reaching out to M/W/DSBEs. Exploring other options, in conjunction with efforts that are initiated by the City, in addition to distribution of traditional printed materials will allow OEO to stay connected with the M/W/DSBEs in the region.

5.3.6 Amend PW and SSE Proposal Evaluation to Account for M/W/DSBE Status

Currently, while departments have leeway when reviewing proposals for Personal and Professional Services (PPS) work, the City is beholden to certain rigid legal obligations as it relates to Public Works (PW) and Supplies, Services and Equipment (SSE) contracts. For example, the City must account for bonding requirements, and is compelled to select the "lowest responsible bidder" for a contract opportunity.

It is beyond the extent of this report to render a legal opinion as to the possibility and benefit of making changes to these requirements. However, their existence may at least partially explain the City's lower M/W/DSBE participation levels in PW and SSE contracts, when compared to PPS contracts.

It is recommended that the next Disparity Study include a review of legal obligations that may hinder a department's ability to achieve the stated participation goal. From our discussions with M/W/DSBEs, it is clear that bonding requirements and other contract stipulations represent challenges for these firms. In addition to expanding the OEO registry, OEO should continue to examine the best practices of other government agencies to improve its strategy for increasing M/W/DSBE participation.

5.4 Recommendation Category – Data Collection

5.4.1 Accelerate and Expand M/W/DSBE Participation Data Collection Efforts

One of OEO's strategic initiatives is to improve the collection of contracting and general business data for M/W/DSBEs. As part of the organizational shift in focus, OEO is reallocating functional responsibilities, collaborating with the Mayor's Commission on Technology, and planning in-house training sessions to establish processes that collect data in a more timely and complete fashion. Due to constrained resources, payment tracking occurred in a manner that limited the ability to remedy abuses such as late payments to subcontractors and the reduction, and possibly the elimination, of minority participation after the contract award. The solution to address these concerns is an integrated, automated process.

Going forward, OEO plans to collect and report on the disbursements of payments to M/W/DSBEs, rather than only the reporting of contract award amounts with the portions committed to M/W/DSBEs. Due to contract modifications such as change orders and M/W/DSBE contractor swaps, actual payment disbursements are the most accurate information to track M/W/DSBE participation. To facilitate a more accurate reporting of information and to address data reconciliation challenges, OEO plans to partner with the Finance Department.

In an effort to provide a more comprehensive picture of the City's M/W/DSBE participation, OEO plans to expand participation reporting to also touch on contracts awarded by quasi-public agencies and by major for-profit and non-profit organizations. By expanding the universe of contracting opportunities, the City further promotes the development of M/W/DSBEs that are able to compete for a broader array of business opportunities.

OEO also recognizes the value of incorporating additional reporting information for general business data. Traditionally, the OEO database was viewed as an out-of-date listing that yielded minimal results due to either incorrect or limited business information. To address this concern and to also increase the value of the City registration, OEO plans to survey the M/W/DSBEs within the OEO directory. An area of emphasis is the collection of information that helps to better assess capacity, such as the number of employees or recent annual sales levels.

We recommend that the survey outreach should also capture data on business resource requirements and level of technical expertise. By assessing technical assistance needs on an ongoing basis, OEO is able to develop technical assistance programs and business outreach efforts that address immediate concerns such as the lack of capital for small businesses due to the recent credit crunch and the need to position M/W/DSBEs to ensure their ability to pursue federal government contracting opportunities associated with the American Recovery and Reinvestment Act of 2009.

5.4.2 Account for "Certifiables" When Determining M/W/DSBE Utilization and Availability

For Disparity Study purposes, notions of utilization and availability may be skewed by an incomplete accounting for M/W/DSBEs, most notably as it relates to minority-owned, women-owned, and disabled-owned firms that are otherwise "ready, willing, and able" to do business with the City but are not known as M/W/DSBEs because they are not registered as such. The FY 2008 Disparity Study identified over 400 such firms.

Consequently, we recommend that the City also determine ways in which to account for such "certifiables," which, for a variety of reasons, refrain from being registered by the City. As a result of OEO's efforts to increase the value of the City's registration and the acceptance of other certifying agency certifications, many of these firms may become City-registered. However, those that do not still represent the kinds of firms for which utilization in City contracts should be encouraged, so some way to account for them must be evaluated.

5.5 Recommendation Category – Management of Goal-Setting

Goal-setting is one of the critical functions of OEO in ensuring that M/W/DSBE participation in City contracts not only increases annually but also corresponds to the levels of availability for all contracting departments. It should reflect past results and accomplishments, yet allow for progress.

Management of goal-setting can only be successful if it is supported by an overall procurement culture, as discussed in the policy and program section of this section. Therefore, the process should be approached from two levels. The first level is at the departmental head level. This allows ownership of the goal-setting process and adherence by each contracting department. One of the advantages of this approach is to allow for improving the levels of participation, not only based on past efforts, but by allowing for improvement based on capacity.

Staff level, the second level, input ensures that the goals are within an acceptable level. Additionally, engagement at the staff level supports the City's efforts to further establish a more inclusive procurement culture.

5.5.1 Incorporate Best Management Practices in Goal-Setting

As part of the FY 2009 Disparity Study, the consultant team reviewed practices and procedures by various OEO-equivalent departments around the US. These findings are highlighted in detail in a separate memorandum. The overarching theme is a accountability/flexibility dichotomy which allows for the establishment of plans and goals by departments, which have leeway in how to execute the plans and accomplish the goals. This approach is befitting a centralized M/W/DSBE agency with an advocacy role, and departments that are responsible for the administration of the goal achievement and that are most aware of their procurement needs.

Some of the practices that will be of value to OEO in improving its goal-setting process include:

- Continue development of utilization plans, including goals, at departmental level (New York City)

- Establish goals based on current availability rates, past utilization rates and contract specifications (City of Baltimore)

- Set sub-goals for specific minority groups in contracts of over $1 million (City of Baltimore)

- Establish a citywide goal threshold, but review them on a contract by contract basis (City of Baltimore)

- Establish an automated vendor list that randomly generates a list that includes 50 percent M/W/DSBE vendors to receive RFPs for small contracts ($5,000-$100,000) (New York City)

- Incorporate in the proposal evaluation process a score for M/W/DSBE participation (Commonwealth of Pennsylvania)

- Encourage mentor-protégé and joint ventures with M/W/DSBE subcontractors by evaluating good faith efforts by bidders (City of Atlanta)

5.5.2 Incorporate Best Management Practices in Goal Monitoring and Enforcement Processes

Once goals are set, a system of monitoring and enforcement is necessary to ensure that the goals are actually achieved. Monitoring further fosters the procurement culture that strives for greater M/W/DSBE participation. Without a strong monitoring and enforcement process, the level of accountability may not be adequate for ensuring greater participation. Here, too, the consultant team reviewed efforts in other locales to recommend modifications to the current practices in the City of Philadelphia. Some of the noteworthy practices that can serve as a model include:

- Review each bidder's effort in soliciting, evaluating and awarding subcontracts, placing orders and partnering with other companies in a non-discriminatory manner (City of Atlanta)

- Revoke a contracting department's solicitation privileges in case of failure in good faith efforts to achieve established goals (New York City)

- As an advocate for M/W/DSBE participation, engage in an intermediary role to resolve disputes and overcome noncompliance (City of Baltimore)

- Reduce contractor payments if proposed M/W/DSBE levels are not obtained (City of Chicago); repeated noncompliance by a vendor can result in sanctions or debarment (Commonwealth of Pennsylvania)

- Monitor monthly reports by prime contractors to ensure goal adherence throughout contract duration (Commonwealth of Pennsylvania)

5.5.3 Put the Economic Opportunity Cabinet to Work

In 2008, Mayor Michael Nutter, through an executive order, created an Economic Opportunity Cabinet composed of the Mayor, the City's Managing Director, Finance Director, City Solicitor, Chief Integrity Officer, the Procurement Commissioner, Deputy Mayors for Planning and Economic Development, Transportation and Utilities, Health and Opportunity, and Public Safety. The creation of the cabinet reflects the Nutter Administration's commitment to the growth and support of M/W/DSBE businesses.

The Economic Opportunity Cabinet presents possibilities for OEO to foster the procurement culture supportive of greater M/W/DSBE participation and create greater accountability. To capitalize on the role and influence of the Economic Opportunity Cabinet, OEO should:

- Provide regular communications regarding goal-setting, monitoring and achievement process – a bimonthly brief that highlights key indicators and success stories;

- Involve key Economic Opportunity Cabinet members in the annual goal-setting exercise with the departments to ensure that goals are not only realistic but also encourage departments to strive for improving the participation rate; and

- Organize an annual event that brings together the cabinet with the contract procuring departments, highlighting accomplishments and celebrating success stories.

APPENDIX A: ADDITIONAL DOCUMENTATION OF AVAILABILITY DATA APPROACH

A.1 Utilization - OEO Participation Report (U1-U3)

In order to obtain all the utilization figures used in this report, we used both the "Fourth Quarter FY 2009 Participation Report" and "Listing of OEO-registered M/W/DSBEs" reports provided by the City of Philadelphia's Office of Economic Opportunity (OEO). The former document contains all the contracts that have been awarded to Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and Disabled Business Enterprises (DSBEs) (collectively known as M/W/DSBEs) throughout the year and provides the company name, the race and gender of the business owners, as well as the contract amount. The Participation Report is further subdivided by contract type and provides the above-mentioned detail for the Public Works (PW); Supplies, Services and Equipment (SSE); and Personal and Professional Services (PPS) categories.

1. In order to classify each contract on the Participation Report as belonging to one of the three geographical categories identified by OEO, namely "City", "Metro", and "All", we first identified the component parts of the Philadelphia Metropolitan Statistical Area (MSA)[77] as defined by the Office of Management and Budget and listed on the US Census Bureau site at http://www.census.gov/population/estimates/metro-city/0312msa.txt. The counties included in the MSA are:

    - Burlington County, NJ
    - Camden County, NJ
    - Gloucester County, NJ
    - Bucks County, PA
    - Chester County, PA
    - Delaware County, PA
    - Montgomery County, PA
    - Philadelphia County, PA
    - New Castle County, DE
    - Cecil County, MD
    - Salem County, NJ

2. In order to identify the vendors falling under each location category, we obtained a zip code database list through www.zip-codes.com. This database provides all the towns and zip codes of every county in the MSA territory.

[77] The Philadelphia MSA is an 11-county region is the modern equivalent of the 9-county Primary Metropolitan Statistical Area (PMSA) used in the DJ Miller & Associates report.

3. By using an Excel "lookup" function, we were able to link the two documents listed above and to automatically assign a category, such as "City" or "Metro", to each vendor by comparing the vendor's actual zip code as provided in the "Listing of OEO-registered M/W/DSBEs" spreadsheet to the database we had compiled.

4. The vendors registered outside of either the "City" or "Metro" categories were counted under the third category, "All".

5. Although we were unable to locate some of the vendors that are listed on the Participation Report as having received contracts on the list of OEO-registered M/W/DSBEs, we performed additional research via the Internet, as well as through OEO's website in order to establish their location and thus classify them correctly.

6. After flagging each vendor as either "City" or "Metro" we separated all contract awards by the gender or ethnicity of the firm's owner in order to obtain the total contract amounts applicable to each category in the Utilization table.

7. We performed the same steps in order to assign a vendor location to each vendor and to sum up the total contract amounts for each ethnic or gender category for each of the contract types listed in this report.

8. In order to present the data in the format required by OEO, and in order to ease comparison with previously conducted disparity studies, we consolidated the data from the Participation Report into the following three categories according to the contract type:

    a. Public Works (PW)

    b. Personal and Professional Services (PPS)

    c. Supplies, Services, and Equipment (SSE)

A.2 Availability

A.2.1 US Small Business Administration, Philadelphia District Office (A1)

In 2004, the Philadelphia District Office of the US Small Business Administration produced counts of firms by ethnicity and gender for Philadelphia County. This data does not appear to be publicly available, but was made available to Econsult Corporation through OEO. This data

enables a calculation of availability at the City level, which, when matched with utilization at the City level, allows us to produce a disparity ratio sized to the City level.

A.2.2 US Census (A2-A5)

The majority of the availability data used in our study comes from the Economic Census conducted every five years by the US Census Bureau. In particular, we used the Survey of Business Owners (SBO), which, since 2002, is a consolidation of two former studies, the Survey of Minority- and Women-Owned Business Enterprises (SMOBE/SWOBE).[78]

SBO data reports provide information on US businesses by geographic location, by the gender and ethnic origin or race of business owners, by the 2-digit industry classification code according to the North American Industry Classification System (NAICS), and by size of the firms in terms of total employment and revenues.

SBO data are available through the Company Statistics Division of the US Census Bureau at http://www.census.gov/csd/sbo/index.html and through the American FactFinder website of the U.S. Census Bureau, available at:

> *http://factfinder.census.gov/servlet/EconSectorServlet?caller=dataset&sv_name=2002+Survey+of+Business+Owners&_SectorId=*&ds_name=EC0200A1*

We used the following process to calculate availability rate using census data:

1. Start by going to the American FactFinder website listed above, which can be reached by going first to the American FactFinder homepage.

   > *http://factfinder.censu.gov/home/saff/main.html?_lang=en&_ts=, and clicking on the "Get Data" link under "Economic Census."*

2. Once opened, the link automatically connects to the 2002 Economic Census dataset. Click on the "2002 Survey of Business Owners" link under "Detailed Statistics."

3. The page that opens up has three tabs that allow for data to be searched by sector, keyword, or geography. Click on the third tab, "filter by geography/industry/data item".

[78] The latest year for which SBO data are available is 2002, which is the dataset we used for this report. The 2007 data is expected to be available starting in late 2010, and thus would be available in time for use in producing the FY 2010 Disparity Study.

4. Click on the box that says "Geographic Area" and select "Metropolitan Statistical Area/Micropolitan Statistical Area" from the dropdown menu under "geographic type". Once the list of options appears, scroll down and select "Philadelphia-Camden-Wilmington, PA-NJ-DE-MD Metro Area" and click OK on the right. The datasets available for the Philadelphia Metropolitan Statistical Area (MSA) will appear in the window below.

5. The first dataset from the list of eleven ones that are applicable for the MSA is called "SBO: Geographic Area Series: Economy-Wide Estimates of Business Ownership: 2002" and is a summary view of the rest of the reports listed. It provides the following data:

   - Total number of employer and non-employer firms in the MSA and their total receipts for all industry sectors and for all gender and ethnic categories, including majority-owned firms;

   - Total number of employer and non-employer firms and their total receipts in the MSA by ethnic category (Hispanic or Latino; Black or African American; American Indian and Alaska Native; Asian American; Native Hawaiian or Other Pacific Islander) *in all industry sectors*;

   - Total number of employer and non-employer firms and their total receipts in the MSA by the above-listed ethnic categories *in each industry sector*.

   - The rest of the reports are from the Company Statistics Series and provide similar data but each only covers individual ethnic categories. For example, one of the reports in called "SBO: Asian: MSA by KOB: 2002", or "SBO: Company Statistics Series: Statistics by Kind of Business for Selected Metropolitan Statistical Areas with 100 or More Asian-Owned Firms: 2002". Each report from this series provides the same data as the first report mentioned above but *only* for the identified ethnic category.

   - Data pertaining to women-owned businesses is included in a separate report called "SBO: Women: MSA by KOB: 2002."

   - The SBO does not collect data on DSBEs.

6. In order to collect Availability data that adequately corresponds to the three contract types identified in the Utilization calculations, namely Public Works; Personal and Professional Services and; Services, Supplies, and Equipment, we associated each contract type with one or more industry sectors as classified by the North American Industry Classification System (NAICS) (see Figure A.1).

Figure A.1 – Contract Type by NAICS Code

Contract Type	NAICS Industry Sector Code and Description
Public Works (PW)	23, Construction 31-32, Manufacturing 48-49, Transportation and Warehousing
Personal and Professional Services (PPS)	52, Finance and Insurance 53, Real Estate and Rental Leasing 54, Professional, Scientific, and Technical Services 61, Educational Services 62, Health Care and Social Assistance 71, Arts, Entertainment, and Recreation 81, Other Services (Except Public Administration)
Supplies, Services, and Equipment (SSE)	44 – 45, Retail Trade 42, Wholesale Trade 51, Information 56, Administrative and Support and Waste Management and Remediation Services 72, Accommodation and Food Services

Source: Econsult Corporation (2010)

7. As an example, to obtain data on the total number of African American-owned firms in the MSA and their total revenues for each contract type, the following steps could be taken:

   – Open the dataset called "SBO: Black: MSA by KOB: 2002".

   – The topmost line of the report provides the data for African American-owned firms in all sectors of the economy: there are a total of 24,486 firms with receipts amounting to $2,022,906,000. Of them 2,442 were employer firms, i.e. establishments with more than one employee, and they had receipts of $1,567,034,000. Further, the report provides data on the number of employees and

the firms' annual payroll, which have not been used for the purpose of this Disparity Study.

- The next lines break down the numbers by NAICS industry codes. For example, if we want to find data for the availability of firms in the Public Works sector, we can go to the second page and see that there were 1,313 firms in the Construction sector (NAICS code 23), of which 174 were employer firms with revenues of $140,066,000.

- For various reasons, the Census reports do not provide data for all the categories and subcategories. There are two major data error classifications:

  - **"D** - Withheld to avoid disclosing data for individual companies; data are included in higher level totals"

  - **"S** - Withheld because estimate did not meet publication standards"

- The SBO datasets also do not provide sufficient cross-reference detail in the sense that one could not find data on the number of business owners who are both women *and* belong to an ethnic minority.

A.2.3 Procurement Department Vendor List (A6-A7)

Another way that we chose to study the availability of firms in the Philadelphia MSA was to look at all the firms that have registered with the City's Procurement Department and whose physical address was within the Metropolitan area.

1. The list of companies registered to do business with the City of Philadelphia, provided by the Procurement Department, included 54,288 firms.

2. Since we only needed the total number of firms in the Philadelphia MSA and not those whose physical location was outside of it, we used a zip code database, obtained from www.zip-codes.com, in order to flag in an Excel spreadsheet all vendors as either belonging to the "Metro" category or not. By compiling a database of all zip codes of the counties included in MSA and by comparing each vendor zip code against that database, we were able to determine the count and breakdown all vendors on the Procurement Department list by the minority- or women-owned business category. We found out that there were no disabled-owned businesses in the Philadelphia MSA in the Public Works or Services, Supplies, and Equipment categories.

3. From those identified as falling under the "Metro" location category, 31,223 in total, we further pulled out only those vendors whose contracts awarded pertained either to the Public Works or to the Services, Supplies and Equipment categories. We were informed

by OEO, as well as by the Procurement Department, that Personal and Professional Services contracts are performed through the e-contracts system of the City of Philadelphia and therefore are not included in the Procurement Department's Vendor List. Further, such Vendor List could not be obtained because the e-contracts department does not maintain such a list.

4. By using a pivot table to analyze these records, we were able to calculate the total number of firms under the minority- or women-owned businesses classification categories.

5. By using these data, there were two different ways of approaching the disparity ratio: either by comparing the total number of M/W/DSBEs registered with OEO (from OEO's Race Detail Report) to the total number of firms registered with the Procurement Department, or by comparing the total number of M/W/DSBEs to the total number of firms registered with the Procurement Department, i.e. comparing a subset to the total within the same data pool. We have provided both variations.

A.2.4 Central Contractor Registration (Formerly SBA PRO-Net)

Another way to identify the total availability of firms located within the Metro Area was to query the Central Contractor Registration database (formerly known as SBA Pro-Net). In an effort to simplify the federal contracting process, the US Small Business Administration, Department of Defense, Office of Management and Budget and General Services Administration have integrated the Pro-Net system into the Department of Defense's Central Contractor Registration site. In this way, the federal government is eliminating its former practice of asking vendors to register with all the different agencies they work with by creating a single portal for vendor registration that extends to the entire government. The vendor database can be accessed at www.ccr.gov, or directly by visiting the following link:

1. Go to http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm.

2. The page that opens is the database search engine. It allows data to be filtered by various filters, such as by location, by small disadvantaged business status, by minimum bonding level, by size of firm, etc.

3. In the Metropolitan Statistical Area box (underneath the state list on top of the page) enter the 4-digit code corresponding to the Philadelphia MSA, 6160, in order to query only those records pertaining to it.

4. Scroll down to the "Other Ownership Data" section and check the "Minority" box in order to obtain all the minority-owned firms registered with CCR, totaling 1,158.

Running the query again with the "Woman/Women" box checked and the "Minority" box unchecked will bring up all the businesses in the MSA area that are owned by women, totaling 1,482. Checking both boxes will produce the firms owned by women who are also members of ethnic minorities, or 389 firms.

5. Scroll down to the "Size" section and select the "At least" option and type in the number 1 in the box that corresponds to the number of employees. In this way, the resulting Vendor List will only show employer firms, i.e. firms with more than 1 employee.

6. This search engine allows for the manipulation of the columns of the dataset. Click on "Edit the columns to be displayed" box toward the bottom of the page. In the upper right corner the box that says "Fields to be Displayed" lists the default information that will appear as the outcome of the search. Click on each individual one and hit "Remove". Then, on the left, click on the following fields in order to add them to the "Field to be Displayed" list: "Name of Firm", "City", "State", "Zip", "Minority?", "Women-Owned Business?", and "NAICS, All (for which firm is small)". By eliminating the default field "Address and City, State, Zip" and replacing it with individual fields for each component of the address, the analysis of the data in an Excel spreadsheet is simplified.

7. When the search settings are all entered, from the dropdown menu next to "Maximum number of firms to be returned at a time" change the number to 1,500 and then click on "Search using these criteria" box at the bottom of the page. The Vendor List that is returned can be copied and pasted onto an Excel spreadsheet for further manipulation.

8. After we performed the steps described above, we used the NAICS scheme outlined under the US Census methodology section in order to count the number of firms that do business in the Construction, Professional, Scientific, and Technical Services, Retail and Wholesale Trade, and Information sectors and that we had established as analogous to the three contract types analyzed in this study. NAICS codes produced by the CCR vendor report are 5-digit numbers, corresponding to a more detailed level of industry descriptions, so in order to count the number of firms operating under the general headings of Construction, Retail Trade, etc. we counted the number of codes whose first two digits only are a match to the codes we were looking for.

9. Next, we flagged each vendor identified as falling under the industry categories mentioned below by further assigning an ethnic or gender flag to it. In this way we were able to obtain the total number of MBEs or WBEs operating in each industry sector of interest.

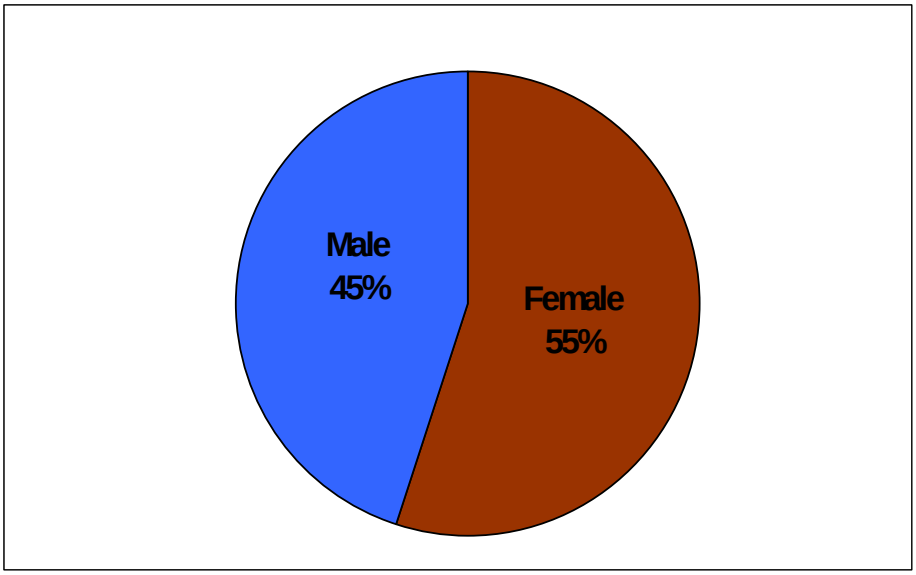
APPENDIX B: DISPARITY STUDY DATASET AND RELATED FILES

File Name	File Type	Description
"Commodity_Codes_to_Lookup"	MS Excel (.xls)	A file which lists commodity codes and descriptions and corresponding NAICS codes which have been hand-coded.
"GAS: Economy-Wide Estimates"	Adobe Acrobat (.pdf)	A scanned report from the U.S. Census website providing the numbers that were used to present the Census Availability data in the above-mentioned file.
"Master_contract_list"	STATA Dataset (.dta)	A STATA dataset containing all of the prime and subcontract vendors and contract amounts included in the "OEO Contract Participation 4th Qt FY09 Report.xls".
"OEO Vendors with Race FY 2009"	MS Excel (.xls)	The original file provided to Econsult by OEO listing all current registered vendors.
"OEO Contract Participation 4th Qt FY09 Report"	MS Excel (.xls)	The original file provided to Econsult by OEO listing all prime and subcontract vendors along with contract amounts.
"PMSA Zip Codes"	MS Excel (.xls)	A compilation of all the zip codes in the City and Metro areas.
"pmsa_zip_codes"	STATA Dataset (.dta)	A STATA dataset version of "PMSA Zip Codes.xls"
"Procurement Vendor Listing"	MS Excel (.xls)	A list of vendors registered with the City's Procurement Office, provided by same.
"Pro-Net Vendors"	MS Excel (.xls)	A list of all vendors registered with the Central Contractor Registration website (formerly SBA Pro-Net). Each tab lists only the vendors registered under total MBE, MBE/males, WBE, and Veterans. Each tab also displays the calculations we used to identify each vendor by ethnicity and/or gender.
"Summary of Availability Data – SBA Census"	MS Excel (.xls)	A spreadsheet with four tabs, each summarizing the data available from the 2002 Economic (SBO) Census by category: total MBEs, total WBEs, employer MBEs, employer WBEs. The cells that are blank represent categories for which the Census provides no data.

Source: Econsult Corporation (2010)

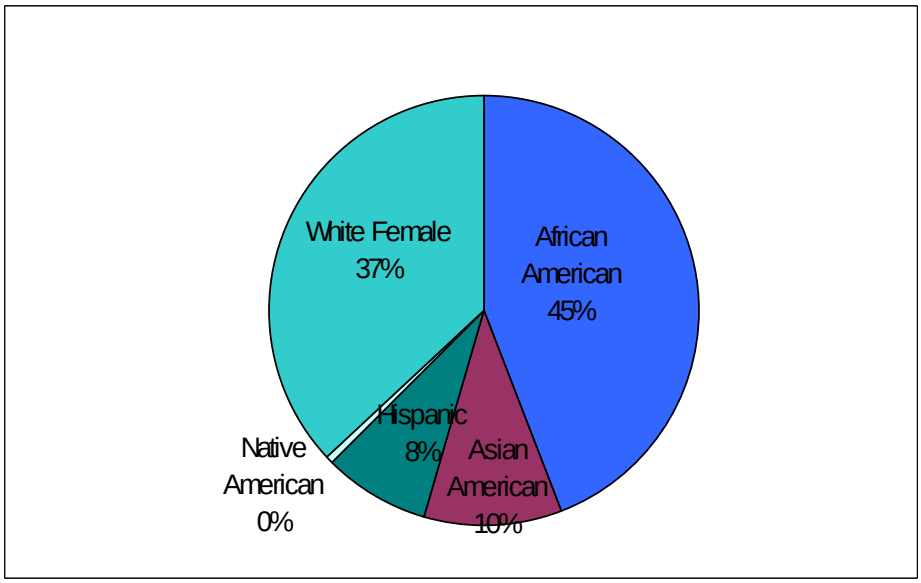
APPENDIX C: DISTRIBUTION OF OEO-REGISTERED FIRMS

Figure C.1 – FY 2009 Distribution of OEO-Registered Firms by Gender



Source: City of Philadelphia - Office of Economic Opportunity (2010), Econsult Corporation (2010)

Figure C.2 – FY 2009 Distribution of OEO-Registered Firms by Ethnicity



Source: City of Philadelphia - Office of Economic Opportunity (2010), Econsult Corporation (2010)

Figure C.3 – Distribution of OEO-Registered Firms by Industry by Location of Firm (as of January 2010)

	City		Metro		US	
Contract Type	#	%	#	%	#	%
PW	189	14.2%	342	25.6%	411	30.8%
PPS	350	26.2%	654	49.0%	895	67.1%
SSE	192	14.4%	370	27.7%	474	35.5%
All Contract Types	**540**	**40.5%**	**1,004**	**75.3%**	**1,334**	**100.0%**

Source: City of Philadelphia - Office of Economic Opportunity (2010), Econsult Corporation (2010)

Figure C.4 – Distribution of OEO-Registered Firms by Industry by M/W/DSBE Category (as of January 2010)

	MBE		WBE		DSBE		M/W/DSBE	
Contract Type	#	%	#	%	#	%	#	%
PW	284	21.3%	181	13.6%	2	0.1%	411	30.8%
PPS	551	41.3%	506	37.9%	5	0.4%	895	67.1%
SSE	309	23.2%	264	19.8%	4	0.3%	474	35.5%
All Contract Types	**842**	**63.1%**	**734**	**55.0%**	**8**	**0.6%**	**1,334**	**100.0%**

Source: City of Philadelphia - Office of Economic Opportunity (2010), Econsult Corporation (2010)

Figure C.5 – Change in Distribution of OEO-Registered Firms by Location of Firm (Q1 2009 to Q1 2010) [79]

Category		As of Q1 2009			Additions since Q1 2009			Subtractions since Q1 2009			As of Q1 2010		
		City	Metro	US	City	Metro	US	City	Metro	US	City	Metro	US
MBE - African American	Male	216	342	426	24	42	62	33	63	94	206	320	392
MBE - Hispanic or Latino	Male	31	53	79	10	14	21	7	10	16	32	55	84
MBE - Asian	Male	24	62	111	4	13	17	3	10	24	25	64	104
MBE - Native American	Male	0	0	4	0	0	0	0	0	1	0	0	3
MBE - Other	Male	1	9	13	0	0	0	0	1	1	1	8	12
MBE - Total	Male	**272**	**466**	**633**	**38**	**69**	**100**	**43**	**84**	**136**	**264**	**447**	**595**
WBE - White	Female	128	321	444	28	56	94	15	34	52	140	343	486
WBE - African American	Female	107	158	184	17	23	25	12	18	24	111	165	187
WBE - Hispanic or Hispanic	Female	7	14	23	1	3	4	0	0	3	8	17	24
WBE - Asian	Female	13	21	33	3	5	7	1	2	9	14	23	31
WBE - Native American	Female	1	1	2	0	1	1	0	0	0	1	2	3
WBE - Other	Female	1	3	4	0	0	0	1	2	2	0	1	2
WBE - Total	Female	**257**	**518**	**690**	**49**	**88**	**131**	**29**	**56**	**90**	**274**	**551**	**733**
White	Female	128	321	444	28	56	94	15	34	52	140	343	486
Native American	M&F	1	1	6	0	1	1	0	0	1	1	2	6
Asian American	M&F	37	83	144	7	18	24	4	12	33	39	87	135
African American	M&F	323	500	610	41	65	87	45	81	118	317	485	579
Hispanic	M&F	38	67	102	11	17	25	7	10	19	40	72	108
Other	M&F	2	12	17	0	0	0	1	3	3	1	9	14
All MBE	**M&F**	**401**	**663**	**879**	**59**	**101**	**137**	**57**	**106**	**174**	**398**	**655**	**842**
All	**Female**	**257**	**518**	**690**	**49**	**88**	**131**	**29**	**56**	**90**	**274**	**551**	**733**
Disabled	**M&F**	**3**	**6**	**6**	**0**	**0**	**0**	**0**	**0**	**0**	**3**	**6**	**6**
All M/W/DSBE	**M&F**	**532**	**990**	**1329**	**87**	**157**	**231**	**72**	**140**	**226**	**541**	**1004**	**1334**

Source: City of Philadelphia - Office of Economic Opportunity (2009, 2010), Econsult Corporation (2009, 2010)

[79] Throughout this report, the figure in the bottom row may not total the sum of the above rows, because of businesses that belong to more than one category.

Figure C.6 – Change in Distribution of OEO-Registered Firms by Location of Firm (Q1 2009 to Q1 2010)[80]

	As of Q1 2009			Additions since Q1 2009			Subtractions since Q1 2009			As of Q1 2010		
Contract Type	City	Metro	US	City	Metro	US	City	Metro	US	City	Metro	US
PW	115	216	276	20	36	47	17	35	52	189	342	411
PPS	291	528	733	61	113	170	42	76	129	350	654	895
SSE	125	245	319	19	43	68	12	28	44	192	370	474
All Contract Types	**531**	**989**	**1,328**	**100**	**192**	**231**	**71**	**139**	**225**	**540**	**1,004**	**1,334**

Source: City of Philadelphia - Office of Economic Opportunity (2009, 2010), Econsult Corporation (2009, 2010)

[80] Note that for the counts as of Q1 2009, each firm's commodity codes were assigned to one NAICS code; therefore, the contract type may not be reflective of all of the commodity codes listed for each firm. For the counts as of Q1 2010, firms could be assigned multiple NAICS codes. Thus, the sum of the three contract types is equal to the total for all contract types for Q1 2009 data, but not for Q1 2010 data.

APPENDIX D: UTILIZATION CHARTS

Here we provide an overview of the City of Philadelphia's utilization of M/W/DSBEs in its awarding of contracts, sized to three geographies: City, Philadelphia MSA, and US (see Figure D.1 through D.10):

- The first two columns delineate which M/W/DSBE category is being considered.
- The next three columns show the utilization of various M/W/DSBE categories in PW contracts.
- The following three columns show the utilization of various M/W/DSBE categories in PPS contracts.
- The next three columns show the utilization of various M/W/DSBE categories in SSE contracts.
- The next three columns show the utilization of various M/W/DSBE categories across all contract types.

Within each set of columns, we further broke out contracts awarded to M/W/DSBEs based on whether they are listed in the OEO directory as having a Philadelphia zip code ("City") or a zip code of one of the eleven counties in the Philadelphia MSA ("MSA"), or regardless of where they are located ("US"). In this way, we can further determine the utilization of local M/W/DSBEs, not just all M/W/DSBEs.

We also distinguish between M/W/DSBE utilization as prime contractors versus utilization as sub-contractors (see Figure D.11). We also provide utilization goals and actuals by department, compared to FY 2008 (see Figure D.12) and over three years (see Figure D.13), and displaying the geographic location of M/W/DSBE utilization (see Figure D.14). We also account for the distribution of contracts by M/W/DSBE type (see Figure D.15). We also look at the ten largest contract amounts for each contract type (see Figure D.16, Figure D.17, and Figure D.18). Finally, we look at the M/W/DSBE distribution of contracts, in terms of the proportion of contracts with M/W/DSBE participation (see Figure D.19) and the number of contracts participated in by various M/W/DSBEs (see Figure D.20).

Figure D.1 – FY 2009 Utilization of M/W/DSBEs, by Contract Type, by Location of M/W/DSBE, and by M/W/DSBE Category (by $ Contracts Awarded)

		PW			PPS			SSE			All Contract Types		
Category		City	MSA	US	City	MSA	US	City	MSA	US	City	MSA	US
White	Female	0.6%	3.4%	4.1%	1.1%	2.6%	5.3%	0.2%	0.6%	1.9%	0.9%	2.5%	4.5%
Native American	Male & Female	0.0%	0.0%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
Asian American	Male & Female	0.0%	0.0%	1.9%	0.2%	1.7%	2.1%	0.0%	0.1%	0.1%	0.1%	1.4%	1.8%
African American	Male & Female	1.1%	1.6%	1.7%	10.6%	11.9%	12.8%	2.8%	4.1%	4.3%	6.9%	8.0%	8.6%
Hispanic	Male & Female	0.7%	2.5%	2.5%	1.8%	2.3%	2.4%	0.2%	0.3%	0.3%	1.2%	2.0%	2.1%
Other	Male & Female	0.0%	0.0%	0.0%	0.1%	0.3%	0.3%	0.0%	0.0%	0.0%	0.1%	0.2%	0.2%
All MBE	**Male & Female**	**1.9%**	**5.9%**	**7.9%**	**12.7%**	**16.2%**	**17.6%**	**3.0%**	**4.4%**	**4.9%**	**8.4%**	**11.6%**	**13.1%**
Disabled	**Male & Female**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
All	**Female**	**0.7%**	**5.3%**	**7.8%**	**3.9%**	**6.6%**	**9.5%**	**2.5%**	**3.0%**	**4.3%**	**2.9%**	**5.7%**	**8.2%**
All M/W/DSBE*	**Male & Female**	**2.5%**	**9.3%**	**12.1%**	**13.8%**	**18.8%**	**22.9%**	**3.2%**	**5.1%**	**6.9%**	**9.2%**	**14.2%**	**17.6%**

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2009)

Figure D.2 – FY 2009 Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by Location of M/W/DSBE (by $M Contracts Awarded)

Location of M/W/DSBE	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
All City	$4.1	$53.9	$3.2	$61.5	2.5%	13.8%	3.2%	9.2%	5.4%	14.3%	6.2%	9.8%
In Metro But Outside City	$11.6	$19.3	$1.9	$33.2	6.9%	5.0%	1.9%	5.0%	7.3%	4.0%	1.4%	5.0%
All Metro	$15.7	$73.2	$5.1	$94.7	9.3%	18.8%	5.1%	14.2%	12.7%	18.3%	7.6%	14.8%
In US But Outside Metro	$4.6	$16.0	$1.8	$22.5	2.8%	4.1%	1.8%	3.4%	2.4%	4.4%	1.6%	3.3%
All US	$20.3	$89.1	$6.9	$117.2	12.1%	22.9%	6.9%	17.6%	15.1%	22.7%	9.2%	18.1%
Non-M/W/DSBE	$148.3	$300.3	$93.5	$550.1	87.9%	77.1%	93.1%	82.4%	84.9%	77.3%	90.8%	81.9%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure D.3 – FY 2009 Utilization of For-Profit White Female Prime Contractors and Sub-Contractors, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by Location of White Female Firm (by $M Contracts Awarded)

Location of White Female	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
All City	$1.0	$4.4	$0.2	$5.7	0.6%	1.1%	0.2%	0.9%	0.9%	0.7%	0.4%	0.7%
In Metro But Outside City	$4.8	$5.8	$0.5	$11.3	2.8%	1.5%	0.5%	1.7%	2.1%	1.2%	0.4%	1.5%
All Metro	$5.8	$10.3	$0.6	$17.0	3.4%	2.6%	0.6%	2.5%	3.0%	1.9%	0.8%	2.2%
In US But Outside Metro	$1.2	$10.2	$1.3	$12.8	0.7%	2.6%	1.3%	1.9%	0.3%	3.1%	0.5%	1.6%
All US	$7.0	$20.5	$1.9	$29.8	4.1%	5.3%	1.9%	4.5%	3.3%	5.0%	1.3%	3.8%
Non-White Female	$161.6	$369.0	$98.5	$637.5	95.9%	94.7%	98.1%	95.5%	96.7%	95.0%	98.7%	96.2%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure D.4 – FY 2009 Utilization of For-Profit Native American Prime Contractors and Sub-Contractors, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by Location of Native American Firm (by $M Contracts Awarded)

Location of Native American	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
All City	$0.1	$0.0	$0.0	$0.1	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
In Metro But Outside City	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
All Metro	$0.1	$0.0	$0.0	$0.1	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
In US But Outside Metro	$2.9	$0.1	$0.0	$3.0	1.7%	0.0%	0.0%	0.4%	1.7%	0.1%	0.0%	0.7%
All US	$2.9	$0.1	$0.0	$3.0	1.7%	0.0%	0.0%	0.5%	1.7%	0.2%	0.0%	0.7%
Non-Native American	$165.7	$389.4	$100.4	$664.3	98.3%	100.0%	100.0%	99.5%	98.3%	99.8%	100.0%	99.3%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure D.5 – FY 2009 Utilization of For-Profit Asian American Prime Contractors and Sub-Contractors, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by Location of Asian American Firm (by $M Contracts Awarded)

Location of Asian American	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
All City	$0.0	$0.8	$0.0	$0.8	0.0%	0.2%	0.0%	0.1%	0.4%	0.2%	0.0%	0.2%
In Metro But Outside City	$0.0	$5.8	$0.1	$8.8	0.0%	1.5%	0.1%	1.3%	1.4%	1.1%	0.2%	1.2%
All Metro	$0.0	$6.6	$0.1	$9.7	0.0%	1.7%	0.1%	1.4%	1.8%	1.3%	0.2%	1.4%
In US But Outside Metro	$3.3	$1.7	$0.0	$2.1	1.9%	0.4%	0.0%	0.3%	0.5%	0.3%	0.0%	0.3%
All US	$3.3	$8.3	$0.1	$11.7	1.9%	2.1%	0.1%	1.8%	2.3%	1.6%	0.2%	1.7%
Non-Asian American	$165.3	$381.2	$100.4	$655.6	98.1%	97.9%	99.9%	98.2%	97.7%	98.4%	99.8%	98.3%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure D.6 – FY 2009 Utilization of For-Profit African American Prime Contractors and Sub-Contractors, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by Location of African American Firm (by $M Contracts Awarded)

Location of African American	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
All City	$1.8	$41.3	$2.8	$46.1	1.1%	10.6%	2.8%	6.9%	3.0%	11.7%	5.5%	7.6%
In Metro But Outside City	$0.8	$5.0	$1.3	$7.2	0.5%	1.3%	1.3%	1.1%	3.1%	1.3%	0.9%	1.9%
All Metro	$2.6	$46.3	$4.1	$53.3	1.6%	11.9%	4.1%	8.0%	6.1%	13.0%	6.4%	9.5%
In US But Outside Metro	$0.2	$3.4	$0.2	$3.8	0.1%	0.9%	0.2%	0.6%	0.0%	0.9%	0.8%	0.5%
All US	$2.8	$49.7	$4.3	$57.1	1.7%	12.8%	4.3%	8.6%	6.1%	13.9%	7.2%	10.0%
Non-African American	$165.8	$339.7	$96.1	$610.2	98.3%	87.2%	95.7%	91.4%	93.9%	86.1%	92.8%	90.0%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure D.7 – FY 2009 Utilization of For-Profit Hispanic Prime Contractors and Sub-Contractors, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by Location of Hispanic Firm (by $M Contracts Awarded)

Location of Latino	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
All City	$1.2	$6.8	$0.2	$8.3	0.7%	1.8%	0.2%	1.2%	1.3%	1.6%	0.3%	1.3%
In Metro But Outside City	$3.0	$2.1	$0.1	$5.2	1.7%	0.5%	0.1%	0.8%	0.8%	0.2%	0.0%	0.4%
All Metro	$4.2	$8.9	$0.3	$13.5	2.5%	2.3%	0.3%	2.0%	2.1%	1.8%	0.3%	1.7%
In US But Outside Metro	$0.1	$0.3	$0.0	$0.5	0.1%	0.1%	0.0%	0.1%	0.0%	0.1%	0.0%	0.0%
All US	$4.3	$9.3	$0.3	$13.9	2.5%	2.4%	0.3%	2.1%	2.1%	1.9%	0.3%	1.7%
Non-Hispanic	$164.3	$380.2	$100.1	$653.4	97.5%	97.6%	99.7%	97.9%	97.9%	98.1%	99.7%	98.3%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure D.8 – FY 2009 Utilization of For-Profit MBE Prime Contractors and Sub-Contractors, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by Location of MBE (by $M Contracts Awarded)

Location of MBE	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
All City	$3.1	$49.5	$3.0	$55.8	1.9%	12.7%	3.0%	8.4%	4.6%	13.6%	5.8%	9.2%
In Metro But Outside City	$6.8	$13.5	$1.4	$21.9	4.0%	3.5%	1.4%	3.3%	5.4%	2.8%	1.1%	3.5%
All Metro	$9.9	$62.9	$4.5	$77.7	5.9%	16.2%	4.4%	11.6%	10.0%	16.4%	6.9%	12.7%
In US But Outside Metro	$3.4	$5.7	$0.5	$9.7	2.0%	1.5%	0.5%	1.5%	2.1%	1.3%	1.0%	1.6%
All US	$13.3	$68.7	$4.9	$87.4	7.9%	17.6%	4.9%	13.1%	12.1%	17.7%	7.9%	14.3%
Non-MBE	$155.3	$320.8	$95.5	$579.9	92.1%	82.4%	95.1%	86.9%	87.9%	82.3%	92.1%	85.7%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure D.9 – FY 2009 Utilization of For-Profit WBE Prime Contractors and Sub-Contractors, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by Location of WBE (by $M Contracts Awarded)

Location of WBE	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
All City	$1.2	$15.3	$2.5	$19.1	0.7%	3.9%	2.5%	2.9%	0.9%	3.0%	1.7%	2.1%
In Metro But Outside City	$7.8	$10.3	$0.6	$18.9	4.6%	2.6%	0.6%	2.8%	4.2%	2.1%	1.0%	2.7%
All Metro	$9.0	$25.6	$3.0	$38.1	5.3%	6.6%	3.0%	5.7%	5.1%	5.1%	2.7%	4.8%
In US But Outside Metro	$4.2	$11.4	$1.3	$16.9	2.5%	2.9%	1.3%	2.5%	1.9%	3.3%	0.7%	2.4%
All US	$13.2	$37.0	$4.4	$55.0	7.8%	9.5%	4.3%	8.2%	7.0%	8.4%	3.4%	7.2%
Non-WBE	$155.4	$352.5	$96.1	$612.3	92.2%	90.5%	95.7%	91.8%	93.0%	91.6%	96.6%	92.8%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure D.10 – Utilization of For-Profit DSBE Prime Contractors and Sub-Contractors, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by Contract Type and by Location of DSBE (by $M Contracts Awarded)

Location of DSBE	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 09 PW	FY 09 PPS	FY 09 SSE	FY 09 All Contract Types	FY 08 PW	FY 08 PPS	FY 08 SSE	FY 08 All Contract Types
All City	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
In Metro But Outside City	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
All Metro	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
In US But Outside Metro	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
All US	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
Non-DSBE	$168.6	$389.5	$100.4	$667.3	100.0%	100.0%	100.0%	100.0%	99.9%	100.0%	100.0%	100.0%

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure D.11 – FY 2009 Utilization of M/W/DSBEs as Prime Contractors, by Contract Type (by $ Contracts Awarded)

Contract Type	Department	Total # Contracts	Total $M Contracts	# MWDSBE Prime Contracts	$M MWDSBE Prime Contracts
Public Works	All Departments	117	$168.62	5	$2.99
MWDSBE Utilization as Prime				4.3%	1.8%
MWDSBE Total Utilization (Prime + Sub)					12.1%
Services, Supplies, and Equipment	All Departments	429	$100.43	15	$2.53
MWDSBE Utilization as Prime				3.5%	2.5%
MWDSBE Total Utilization (Prime + Sub)					11.4%
Personal and Professional Services	All Departments	616	$389.47	95	$37.61
MWDSBE Utilization as Prime				15.4%	9.7%
MWDSBE Total Utilization (Prime + Sub)					22.9%
All Contract Types (Not Incl SOP/MOP)	**All Departments**	**1,162**	**$658.52**	**115**	**$43.13**
MWDSBE Utilization as Prime				**9.9%**	**6.6%**
MWDSBE Total Utilization (Prime + Sub)					**17.7%**
Small Order Purchases (SOP)	All Departments	771	$5.09	58	$0.32
MWDSBE Utilization as Prime				7.5%	6.3%
MWDSBE Total Utilization (Prime + Sub)					6.3%
Miscellaneous Order Purchases (MOP)	All Departments	289	$3.70	31	$0.48
MWDSBE Utilization as Prime				10.7%	13.0%
MWDSBE Total Utilization (Prime + Sub)					13.0%
All Contract Types Incl SOP/MOP)	**All Departments**	**2,222**	**$667.31**	**204**	**$43.93**
MWDSBE Utilization as Prime				**9.2%**	**6.6%**
MWDSBE Total Utilization (Prime + Sub)					**17.6%**

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2010)

Figure D.12 – FY 2009 Utilization ("U3") - Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the US, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by City Department (by $ Contracts Awarded)

City Department	FY09 Dept Total (in $M)	FY09 M/W/DSBE Total (in $M)	FY09 M/W/DSBE %Utilization Actual	FY08 M/W/DSBE %Utilization Actual	FY09 MBE %Utilization Actual	FY09 MBE %Utilization Goal	FY09 WBE %Utilization Actual	FY09 WBE %Utilization Goal	FY09 DSBE %Utilization Actual	FY09 DSBE %Utilization Goal
Aviation	$128.04	$29.76	23.2%	18.6%	15.9%	10.0%	12.3%	10.0%	0.0%	0.0%
Behavioral Health/Mental Retardation Services	$20.26	$0.15	0.7%	1.3%	0.7%	10.0%	0.0%	5.0%	0.0%	0.0%
Board of Ethics	$0.04	$0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Camp William Penn	$0.00	$0.00	0.0%	0.0%	0.0%	10.0%	0.0%	10.0%	0.0%	0.0%
Capital Program Office	$6.61	$3.55	53.7%	23.5%	45.1%	15.0%	33.8%	10.0%	0.0%	0.0%
City Planning Commission	$0.11	$0.07	63.9%	19.5%	63.9%	15.0%	8.9%	25.0%	0.0%	2.0%
Civil Service Commission	$0.02	$0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Commerce	$0.00	$0.00	0.0%	0.0%	0.0%	15.0%	0.0%	25.0%	0.0%	2.0%
Division of Technology	$16.84	$3.08	18.3%	18.8%	14.4%	15.0%	7.5%	5.0%	0.0%	0.0%
Fairmount Park	$0.12	$0.09	75.1%	41.7%	57.7%	15.0%	17.4%	10.0%	0.0%	0.0%

City Department	FY09 Dept Total (in $M)	FY09 M/W/DSBE Total (in $M)	FY09 M/W/DSBE %Utilization Actual	FY08 M/W/DSBE %Utilization Actual	FY09 MBE %Utilization Actual	FY09 MBE %Utilization Goal	FY09 WBE %Utilization Actual	FY09 WBE %Utilization Goal	FY09 DSBE %Utilization Actual	FY09 DSBE %Utilization Goal
Commission										
Finance, Director of	$10.27	$3.33	32.4%	31.3%	28.8%	10.0%	14.1%	15.0%	0.0%	0.0%
Fire	$7.12	$0.08	1.1%	13.6%	1.1%	15.0%	1.1%	5.0%	0.0%	0.0%
First Judicial District of PA	$0.01	$0.00	0.0%	0.0%	0.0%	10.0%	0.0%	10.0%	0.0%	0.0%
Fleet Management	$10.50	$0.04	0.4%	0.8%	0.4%	10.0%	0.0%	10.0%	0.0%	0.0%
Health, Department of Public	$6.96	$0.10	1.4%	4.7%	1.4%	15.0%	1.1%	10.0%	0.0%	0.0%
Historical Commission	$0.01	$0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Human Services, Department of	$81.08	$3.54	4.4%	3.9%	2.9%	5.0%	1.5%	2.0%	0.0%	1.0%
Labor Relations	$0.00	$0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Law Department	$26.84	$4.62	17.2%	16.4%	16.7%	35.0%	0.8%	10.0%	0.0%	0.0%

City Department	FY09 Dept Total (in $M)	FY09 M/W/DSBE Total (in $M)	FY09 M/W/DSBE %Utilization Actual	FY08 M/W/DSBE %Utilization Actual	FY09 MBE %Utilization Actual	FY09 MBE %Utilization Goal	FY09 WBE %Utilization Actual	FY09 WBE %Utilization Goal	FY09 DSBE %Utilization Actual	FY09 DSBE %Utilization Goal
Library, Free	$0.60	$0.03	5.1%	6.4%	5.1%	10.0%	1.0%	5.0%	0.0%	0.0%
Licenses and Inspections, Department of	$0.22	$0.02	22.9%	2.8%	22.9%	35.0%	22.9%	20.0%	0.0%	0.0%
Managing Director's Office	$2.97	$0.49	16.7%	43.9%	16.5%	15.0%	14.2%	15.0%	0.0%	0.0%
Mayor's Office	$0.21	$0.00	1.9%	9.3%	1.9%	20.0%	1.9%	15.0%	0.0%	5.0%
Mayor's Office of Community Services	$0.16	$0.07	42.0%	0.0%	42.0%	25.0%	42.0%	5.0%	0.0%	0.0%
Mural Arts Program	$0.00	$0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Office of Emergency Services	$1.04	$0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Office of Housing & Community Development (OHCD)	$1.09	$0.11	10.5%	6.7%	1.8%	10.0%	8.7%	10.0%	0.0%	0.0%

City Department	FY09 Dept Total (in $M)	FY09 M/W/DSBE Total (in $M)	FY09 M/W/DSBE %Utilization Actual	FY08 M/W/DSBE %Utilization Actual	FY09 MBE %Utilization Actual	FY09 MBE %Utilization Goal	FY09 WBE %Utilization Actual	FY09 WBE %Utilization Goal	FY09 DSBE %Utilization Actual	FY09 DSBE %Utilization Goal
Office of the Inspector General	$0.11	$0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Office of Supportive Housing (OSH)	$5.38	$0.83	15.5%	14.3%	15.4%	15.0%	0.1%	2.0%	0.0%	0.0%
Pensions & Retirement, Board of	$1.31	$0.00	0.0%	0.1%	0.0%	10.0%	0.0%	10.0%	0.0%	0.0%
Personnel	$0.73	$0.02	2.3%	18.6%	1.4%	10.0%	1.0%	20.0%	0.0%	0.0%
Police	$3.75	$0.05	1.2%	3.4%	0.7%	10.0%	0.5%	10.0%	0.0%	0.0%
Prisons	$92.78	$27.07	29.2%	28.9%	20.6%	25.0%	12.4%	10.0%	0.0%	1.0%
Procurement	$0.14	$0.00	0.0%	0.0%	0.0%	10.0%	0.0%	5.0%	0.0%	0.0%
Property, Department of Public	$42.64	$17.80	41.7%	90.3%	39.1%	70.0%	13.5%	26.0%	0.0%	0.0%
Records	$3.43	$0.46	13.4%	9.9%	0.0%	20.0%	13.4%	10.0%	0.0%	0.0%
Recreation	$0.35	$0.05	13.1%	11.4%	5.3%	10.0%	7.8%	5.0%	0.0%	0.0%
Revenue	$2.08	$0.51	24.5%	21.5%	11.7%	25.0%	12.8%	25.0%	0.0%	0.0%
Revision of Taxes, Board	$0.75	$0.46	60.9%	58.3%	0.0%	10.0%	60.9%	15.0%	0.0%	0.0%

City Department	FY09 Dept Total (in $M)	FY09 M/W/DSBE Total (in $M)	FY09 M/W/DSBE %Utilization Actual	FY08 M/W/DSBE %Utilization Actual	FY09 MBE %Utilization Actual	FY09 MBE %Utilization Goal	FY09 WBE %Utilization Actual	FY09 WBE %Utilization Goal	FY09 DSBE %Utilization Actual	FY09 DSBE %Utilization Goal
of										
Sinking Fund Commission	$0.00	$0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Streets	$14.62	$0.82	5.6%	10.7%	2.5%	15.0%	3.8%	10.0%	0.0%	0.0%
Treasurer, City	$0.04	$0.02	50.0%	50.0%	50.0%	10.0%	50.0%	5.0%	0.0%	0.0%
Water Department	$111.16	$13.95	12.6%	17.2%	8.4%	20.0%	7.8%	10.0%	0.0%	2.0%
Youth Commission	$0.01	$0.00	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Zoning Code Commission	$0.00	$0.00	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	0.0%	0.0%
All Departments	**$600.41**	**$111.15**	**18.5%**	**18.9%**	**13.9%**		**8.4%**		**0.0%**	
All with Citywide SSE	**$667.55**	**$117.26**	**17.6%**	**18.1%**	**13.1%**		**8.2%**		**0.0%**	

Source: OEO Annual Participation Report (FY 2008, FY 2009), Econsult Corporation (2009, 2010)

Figure D.13 – FY 2009 Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, by City Department and by Location of M/W/DSBE (by $ Contracts Awarded)

City Department	FY09 Dept Total Spend (in $M)	FY09 M/W/DSBE Total (in $M)			FY09 M/W/DSBE %Utilization		
		City	Metro	US	City	Metro	US
Aviation	$128.0	$11.5	$27.5	$29.8	9.0%	21.5%	23.2%
Behavioral Health/Mental Retardation Services	$20.3	$0.0	$0.0	$0.1	0.0%	0.0%	0.7%
Board of Ethics	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Camp William Penn	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Capital Program Office	$6.6	$3.1	$3.4	$3.6	46.8%	51.4%	53.7%
City Planning Commission	$0.1	$0.0	$0.0	$0.1	8.9%	8.9%	63.9%
Civil Service Commission	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Commerce	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Division of Technology	$16.8	$0.9	$1.7	$3.1	5.1%	10.2%	18.3%
Fairmount Park Commission	$0.1	$0.0	$0.1	$0.1	33.5%	58.2%	75.1%
Finance, Director of	$10.3	$2.3	$3.2	$3.3	22.5%	30.7%	32.4%
Fire	$7.1	$0.1	$0.1	$0.1	1.1%	1.1%	1.1%
First Judicial District of PA	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Fleet Management	$10.5	$0.0	$0.0	$0.0	0.0%	0.4%	0.4%
Health, Department of Public	$7.0	$0.1	$0.1	$0.1	1.0%	1.4%	1.4%
Historical Commission	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Human Services, Department of	$81.1	$1.7	$2.3	$3.5	2.1%	2.9%	4.4%
Labor Relations	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Law Department	$26.8	$4.5	$4.6	$4.6	16.6%	17.2%	17.2%

City Department	FY09 Dept Total Spend (in $M)	FY09 M/W/DSBE Total (in $M)			FY09 M/W/DSBE %Utilization		
		City	Metro	US	City	Metro	US
Library, Free	$0.6	$0.0	$0.0	$0.0	1.6%	4.9%	5.1%
Licenses and Inspections, Department of	$0.2	$0.0	$0.0	$0.0	0.0%	20.0%	22.9%
Managing Director's Office	$3.0	$0.3	$0.5	$0.5	11.7%	16.7%	16.7%
Mayor's Office	$0.2	$0.0	$0.0	$0.0	0.0%	0.0%	1.9%
Mayor's Office of Community Services	$0.2	$0.0	$0.1	$0.1	6.2%	42.0%	42.0%
Mural Arts Program	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Office of Emergency Services	$1.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Office of Housing & Community Development (OHCD)	$1.1	$0.0	$0.1	$0.1	1.8%	10.5%	10.5%
Office of Supportive Housing (OSH)	$5.4	$0.6	$0.8	$0.8	10.7%	15.4%	15.5%
Office of the Inspector General	$0.1	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Pensions & Retirement, Board of	$1.3	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Personnel	$0.7	$0.0	$0.0	$0.0	1.4%	2.3%	2.3%
Police	$3.7	$0.0	$0.0	$0.0	0.5%	1.1%	1.2%
Prisons	$92.8	$14.0	$17.5	$27.1	15.1%	18.9%	29.2%
Procurement	$0.1	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Property, Department of Public	$42.6	$16.4	$17.5	$17.8	38.4%	41.0%	41.7%
Records	$3.4	$0.0	$0.5	$0.5	0.0%	13.4%	13.4%

City Department	FY09 Dept Total Spend (in $M)	FY09 M/W/DSBE Total (in $M)			FY09 M/W/DSBE %Utilization		
		City	Metro	US	City	Metro	US
Recreation	$0.4	$0.0	$0.0	$0.0	5.3%	13.1%	13.1%
Revenue	$2.1	$0.2	$0.2	$0.5	10.5%	11.7%	24.5%
Revision of Taxes, Board of	$0.7	$0.0	$0.0	$0.5	2.7%	2.7%	60.9%
Sinking Fund Commission	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Streets	$14.6	$0.2	$0.7	$0.8	1.1%	4.5%	5.6%
Treasurer, City	$0.0	$0.0	$0.0	$0.0	50.0%	50.0%	50.0%
Water Department	$111.2	$2.6	$9.2	$14.0	2.3%	8.3%	12.6%
Youth Commission	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
Zoning Code Commission	$0.0	$0.0	$0.0	$0.0	0.0%	0.0%	0.0%
All Departments	**$600.4**	**$58.5**	**$90.2**	**$111.2**	**9.7%**	**15.0%**	**18.5%**
All with Citywide SSE	**$667.5**	**$61.5**	**$94.7**	**$117.3**	**9.2%**	**14.2%**	**17.6%**

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2010)

Figure D.14 - FY 2009 Utilization ("U3") - Utilization of For-Profit DBE Prime Contractors and Sub-Contractors Located within the US, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors, Sorted by 3-Year Average Utilization by City Department (by $ Contracts Awarded)

City Department	FY09 Dept Total (in $M)	FY09 M/W/DSBE Total (in $M)	FY09 M/W/DSBE %Utilization Actual	FY08 M/W/DSBE %Utilization Actual	FY07 M/W/DSBE %Utilization Actual	3-yr Average
Property, Department of Public	$42.64	$17.80	41.7%	90.3%	92.7%	74.9%
Treasurer, City	$0.04	$0.02	50.0%	50.0%	100.0%	66.7%
Revision of Taxes, Board of	$0.75	$0.46	60.9%	58.3%	31.2%	50.1%
Fairmount Park Commission	$0.12	$0.09	75.1%	41.7%	17.5%	44.8%
Camp William Penn	$0.00	$0.00	0.0%	0.0%	100.0%	33.3%
Capital Program Office	$6.61	$3.55	53.7%	23.5%	19.5%	32.2%
Finance, Director of	$10.27	$3.33	32.4%	31.3%	28.4%	30.7%
Law Department	$26.84	$4.62	17.2%	16.4%	55.1%	29.6%
Managing Director's Office	$2.97	$0.49	16.7%	43.9%	26.4%	29.0%
City Planning Commission	$0.11	$0.07	63.9%	19.5%	0.0%	27.8%
Prisons	$92.78	$27.07	29.2%	28.9%	23.3%	27.1%
Revenue	$2.08	$0.51	24.5%	21.5%	34.7%	26.9%
Mayor's Office of Community Services	$0.16	$0.07	42.0%	0.0%	28.8%	23.6%
Licenses and Inspections, Department of (L&I)	$0.22	$0.02	22.9%	2.8%	44.9%	23.5%
Aviation	$128.04	$29.76	23.2%	18.6%	23.0%	21.6%
Division of Technology	$16.84	$3.08	18.3%	18.8%	22.9%	20.0%
Water Department	$111.16	$13.95	12.6%	17.2%	15.9%	15.2%

City Department	FY09 Dept Total (in $M)	FY09 M/W/DSBE Total (in $M)	FY09 M/W/DSBE %Utilization Actual	FY08 M/W/DSBE %Utilization Actual	FY07 M/W/DSBE %Utilization Actual	3-yr Average
Office of Supportive Housing (OSH)	$5.38	$0.83	15.5%	14.3%	15.3%	15.0%
Records	$3.43	$0.46	13.4%	9.9%	20.1%	14.5%
Recreation	$0.35	$0.05	13.1%	11.4%	13.8%	12.8%
Streets	$14.62	$0.82	5.6%	10.7%	16.6%	11.0%
Personnel	$0.73	$0.02	2.3%	18.6%	6.8%	9.2%
Office of Housing & Community Development (OHCD)	$1.09	$0.11	10.5%	6.7%	7.9%	8.4%
Mayor's Office	$0.21	$0.00	1.9%	9.3%	7.1%	6.1%
Human Services, Department of	$81.08	$3.54	4.4%	3.9%	9.6%	6.0%
Fleet Management	$10.50	$0.04	0.4%	0.8%	15.4%	5.5%
Fire	$7.12	$0.08	1.1%	13.6%	1.0%	5.2%
Library, Free	$0.60	$0.03	5.1%	6.4%	3.2%	4.9%
Health, Department of Public	$6.96	$0.10	1.4%	4.7%	5.3%	3.8%
Police	$3.75	$0.05	1.2%	3.4%	3.9%	2.8%
Behavioral Health/Mental Retardation Services	$20.26	$0.15	0.7%	1.3%	1.4%	1.0%
Pensions & Retirement, Board of	$1.31	$0.00	0.0%	0.1%	0.0%	0.0%
Board of Ethics	$0.04	$0.00	0.0%	N/A	N/A	0.0%
Civil Service Commission	$0.02	$0.00	0.0%	0.0%	0.0%	0.0%
Commerce	$0.00	$0.00	0.0%	0.0%	0.0%	0.0%
First Judicial District of PA	$0.01	$0.00	0.0%	N/A	N/A	0.0%
Historical Commission	$0.01	$0.00	0.0%	0.0%	0.0%	0.0%

City Department	FY09 Dept Total (in $M)	FY09 M/W/DSBE Total (in $M)	FY09 M/W/DSBE %Utilization Actual	FY08 M/W/DSBE %Utilization Actual	FY07 M/W/DSBE %Utilization Actual	3-yr Average
Labor Relations	$0.00	$0.00	0.0%	0.0%	0.0%	0.0%
Mural Arts Program	$0.00	$0.00	0.0%	0.0%	0.0%	0.0%
Office of Emergency Services	$1.04	$0.00	0.0%	N/A	N/A	0.0%
Office of the Inspector General	$0.11	$0.00	0.0%	N/A	N/A	0.0%
Procurement	$0.14	$0.00	0.0%	0.0%	0.0%	0.0%
Sinking Fund Commission	$0.00	$0.00	0.0%	0.0%	0.0%	0.0%
Youth Commission	$0.01	$0.00	0.0%	N/A	N/A	0.0%
All Departments	**$600.41**	**$111.28**	**18.5%**	**18.9%**	**21.0%**	**19.5%**
All with Citywide SSE	**$667.55**	**$117.39**	**17.6%**	**18.1%**	**21.8%**	**19.2%**

Source: OEO Annual Participation Report (FY 2007, FY 2008, FY 2009), Econsult Corporation (2008, 2009, 2010)

Figure D.15 – Distribution of M/W/DSBE Participation in FY 2009 City Contracts, by Contract Type, by Contract Size, and by M/W/DSBE Category[81]

		All Contracts		All PW Contracts		All PPS Contracts		All SSE Contracts		All Contracts >=$500K		All Contracts $100K-$500K		All Contracts <=$100K	
Category	Gender	Prime	Sub	Prime	Sub	Prime	Sub	Prime	Sub	Prime	Sub	Prime	Sub	Prime	Sub
MBE - African American	Male	49	122	1	29	19	86	5	6	6	9	5	19	38	94
MBE - Hispanic or Latino	Male	19	39	0	19	4	8	1	12	1	3	3	6	15	30
MBE - Asian	Male	20	37	0	5	12	31	1	0	2	3	6	2	12	32
MBE - Native American	Male	0	5	0	0	0	5	0	0	0	0	0	0	0	5
MBE - Other	Male	2	17	0	2	1	15	0	0	0	0	0	2	2	15
MBE - Total	**Male**	90	220	1	55	36	145	7	18	9	15	14	29	67	176
WBE - White	Female	79	153	4	49	33	93	5	11	3	6	12	21	64	126
WBE - African American	Female	28	54	0	10	18	38	3	6	3	4	5	14	20	37
WBE - Hispanic or Latino	Female	3	12	0	0	2	4	0	1	0	1	0	2	3	9
WBE - Asian	Female	7	22	0	16	5	6	0	0	0	1	2	4	5	17
WBE - Native American	Female	0	14	0	14	0	0	0	0	0	3	0	4	0	7
WBE - Other	Female	0	8	0	0	0	6	0	2	0	0	0	0	0	8
WBE - Total	**Female**	117	263	4	89	58	147	8	20	6	15	19	45	92	204
DSBE – Total	**M&F**	0	1	0	1	0	0	0	0	0	0	0	0	0	1
M/W/DSBE – Total	**M&F**	206	342	5	100	95	212	15	29	16	29	33	69	157	276
Excluding MOP/SOP	**M&F**	115	341	5	100	95	212	15	29	16	29	33	69	66	275

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2010)

[81] For sub-contractor columns, MBE counts do not add up to "MBE – Total" and WBE counts do not add up to "WBE – Total" because more than one type of MBE or WBE sub-contractor could have been on a contract, and in such cases, that contract would have been counted in multiple MBE or WBE types but would have only been counted once in "MBE – Total" or "WBE – Total."

Figure D.16 – Ten Highest M/W/DSBE Awarded Amounts, FY 2009 PW Contracts

Name	Amount	Prime or Sub	MWDSBE Type
Decision Distribution, LLC	$2,363,040	Sub	Hispanic or Latino Male
Manna Supply, Inc.	$1,279,980	Sub	Asian Female
Cornwells Construction Company, Inc.	$1,172,821	Sub	White Female
Alfred J. Fry, III, Inc.	$899,955	Prime	White Female
American Indian Builders & Supplier	$837,729	Sub	Native American Female
American Indian Builders & Supplier	$701,765	Sub	Native American Female
American Indian Builders & Supplier	$594,750	Sub	Native American Female
Ramos & Associates, Inc.	$558,787	Sub	Hispanic or Latino Male
Excel Supply Corp.	$514,000	Sub	White Female
L & R Construction Co., Inc.	$452,973	Sub	White Female

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2010)

Figure D.17 – Ten Highest M/W/DSBE Awarded Amounts, FY 2009 PPS Contracts

Name	Amount	Prime or Sub	MWDSBE Type
U.S. Facilities, Inc.	$9,520,261	Prime	African American Male
JHK Inc. d/b/a American Safety & First Aid	$7,720,162	Sub	White Female
U.S. Facilities, Inc.	$4,727,391	Prime	African American Male
Revenue Collection Bureau, Inc.	$4,400,000	Prime	Hispanic or Latino Male
Strother Enterprises, Inc.	$3,685,952	Sub	African American Male
U.S. Facilities, Inc.	$3,497,000	Prime	African American Male
Team Clean, Inc.	$2,625,857	Sub	African American Female
CDA & I Architecture and Interiors, Ltd.	$2,509,111	Sub	White Female
Anpesil Distribution Services, Inc.	$1,774,109	Sub	Hispanic or Latino Female
Mumby & Simmons Management	$1,773,759	Sub	African American Male

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2010)

Figure D.18 – Ten Highest M/W/DSBE Awarded Amounts, FY 2009 SSE Contracts

Name	Amount	Prime or Sub	MWDSBE Type
Garden State Highway Products, Inc.	$899,609	Prime	White Female
Lindner Holdings, LLC	$897,630	Sub	African American Male
Team Clean, Inc.	$701,585	Sub	African American Female
Team Clean, Inc.	$583,847	Sub	African American Female
Minority Services, Inc.	$309,203	Prime	White Female
Watts Window Cleaning & Janitorial Co., Inc.	$309,054	Sub	African American Female
Contract Cleaners Supply, inc.	$291,923	Sub	White Female
Watts Window Cleaning & Janitorial Co., Inc.	$274,480	Sub	African American Female
P P I PHOTOGRAPHICS INC	$255,578	Prime	Hispanic or Latino Male
SIJ Hauling, LLC	$218,655	Sub	African American Male

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2010)

Figure D.19 – FY 2009 Distribution of M/W/DSBE Contracts, by Contract Type [82]

	PW = 117 total contracts				PPS = 616 contracts				SSE = 429 contracts			
	M/W/DSBE	MBE	WBE	DSBE	M/W/DSBE	MBE	WBE	DSBE	M/W/DSBE	MBE	WBE	DSBE
# Contracts with at Least 1 M/W/DSBE Participating	103	103	75	1	301	301	199	0	44	44	24	0
% Contracts with at Least 1 M/W/DSBE Participating	88.0 %	88.0 %	64.1 %	0.9%	48.9 %	48.9 %	32.3 %	0.0%	10.3 %	10.3 %	5.6%	0.0%
# Contracts Awarded to M/W/DSBE Prime Contractors	5	1	4	0	95	61	58	0	15	10	7	0
% Contracts Awarded to M/W/DSBE Prime Contractors	4.3%	0.9%	3.4%	0.0%	15.4 %	9.9%	9.4%	0.0%	3.5%	2.3%	5.6%	0.0%
# Contracts with at Least 1 M/W/DSBE Sub-Contractor	100	55	89	1	212	145	147	0	29	18	20	0
% Contracts with at Least 1 M/W/DSBE Sub-Contractor	85.5 %	47.0 %	76.1 %	0.9%	34.4 %	23.5 %	23.9 %	0.0%	6.8%	4.2%	4.7%	0.0%

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2010)

[82] M/W/DSBE subtotals and totals may be less than the sum of MBE, WBE, and DSBE amounts, because participating firms can be considered more than one M/W/DSBE category.

Figure D.20 – FY 2009 Distribution of M/W/DSBE Contracts, by Contract Type[83]

	PW = 117 total contracts				PPS = 616 contracts				SSE = 429 contracts			
	M/W/DSBE	MBE	WBE	DSBE	M/W/DSBE	MBE	WBE	DSBE	M/W/DSBE	MBE	WBE	DSBE
# M/W/DSBEs Participating in At Least One Contract	61	37	34	1	176	112	103	0	21	21	6	0
Highest # of Contracts a Single M/W/DSBE Participated in	13	13	13	1	24	24	20	0	10	10	5	0
# M/W/DSBEs Participating in Exactly 1 Contract	31	19	17	1	98	57	61	0	16	16	3	0
# M/W/DSBEs Participating in 2-5 Contracts	24	15	12	0	69	49	37	0	4	4	3	0
# M/W/DSBEs Participating in 6-10 Contracts	4	1	3	0	5	3	4	0	1	1	0	0
# M/W/DSBEs Participating in 11-20 Contracts	2	2	2	0	3	2	1	0	0	0	0	0
# M/W/DSBEs Participating in 21 or More Contracts	0	0	0	0	1	1	0	0	0	0	0	0

Source: OEO Annual Participation Report (FY 2009), Econsult Corporation (2010)

[83] M/W/DSBE subtotals and totals may be less than the sum of MBE, WBE, and DSBE amounts, because participating firms can be considered more than one M/W/DSBE category.

APPENDIX E: AVAILABILITY CHARTS

Here we provide additional detail on the availability of M/W/DSBEs at different geographies and using different approaches. First, we depict the availability of M/W/DSBEs using the City as the unit of geography ("A1"), thanks to data available from the Philadelphia District Office of the US Small Business Administration (see Figure E.1).

Figure E.1 – FY 2009 Availability ("A1") – # Minority-Owned and Women-Owned Firms Located within the City of Philadelphia, Divided by # All Firms Located within the City of Philadelphia, by M/W/DSBE Category

Category		# Firms	% of Total	Population	% of Total
White	Female	13,890	22.0%	333,861	22.0%
Native Am	Male & Female	X	X	X	X
Asian American	Male & Female	4,403	7.0%	67,654	5.4%
African Am	Male & Female	9,285	14.8%	655,824	43.2%
Hispanic	Male & Female	1,566	2.5%	128,928	8.5%
All MBE	**Male & Female**	**15,150**	**24.0%**	**852,406**	**56.2%**
Disabled	**Male & Female**	**X**	**X**	**X**	**X**
All M/W/DSBE *	**Male & Female**	**29,040**	**46.2%**	**1,186,267**	**78.2%**

Source: US Census Survey of Business Owners (2002), US Small Business Administration – Philadelphia District Office (2004), Econsult Corporation (2010)

Next, we provide an overview of the City's availability of M/W/DSBEs, at the Philadelphia MSA level, based on these four, broader approaches, all of which use data from the 2002 US Census Survey of Small Business Owners:

- Availability ("A2") – # M/W/DSBEs Divided By # All Firms in Philadelphia MSA (see Figure E.2)
- Availability ("A3") – # M/W/DSBEs > 1 Employee Divided by # All Firms > 1 Employee in Philadelphia MSA (see Figure E.3)

- Availability ("A4") – $ Revenue of M/W/DSBEs Divided by $ Revenue of All Firms in Philadelphia MSA (see Figure E.4)
- Availability ("A5") – $ Revenue of M/W/DSBEs > 1 Employee Divided by $ Revenue of All Firms > 1 Employee in Philadelphia MSA (see Figure E.5)

- The first two columns delineate which M/W/DSBE category is being considered.
- The following four columns show the number of firms in various M/W/DSBE categories, by contract type.
- The next four columns show the availability rate of firms in various M/W/DSBE categories, by contract type.
- The final four columns show any equivalent figures available from the DJ Miller & Associates (DJMA) analysis of 1998-2003 data.
- The four cells underneath the main table provide the total number of firms by contract type; these numbers serve as the denominator of this method of the availability rate

Figure E.2 – FY 2009 Availability ("A2") – # M/W/DSBEs Located within the Philadelphia MSA Divided by # All Firms Located within the Philadelphia MSA, by Contract Type and by M/W/DSBE Category

		M/W/DSBE				M/W/DSBE %				DJMA1998-2003			
Category		PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
Native American	Male	X	X	X	X	X	X	X	X	X	X	X	X
Asian American	Male	X	X	X	X	X	X	X	X	X	X	X	X
African American	Male	X	X	X	X	X	X	X	X	X	X	X	X
Hispanic	Male	X	X	X	X	X	X	X	X	X	X	X	X
Native American	Female	X	X	X	X	X	X	X	X	X	X	X	X
Asian American	Female	X	X	X	X	X	X	X	X	X	X	X	X
African American	Female	X	X	X	X	X	X	X	X	X	X	X	X
Hispanic	Female	X	X	X	X	X	X	X	X	X	X	X	X
White	Female	X	X	X	X	X	X	X	X	X	X	X	X
Native American	M&F	100	246	174	1,164	0.2%	0.3%	0.3%	0.3%	X	X	X	X
Asian American	M&F	X	2,712	4,258	19,759	X	3.7%	6.5%	4.7%	X	X	X	X
African American	M&F	1,313	3,284	2,413	24,486	2.9%	4.4%	3.7%	5.9%	X	X	X	X
Hispanic	M&F	1,277	1,034	1,451	8,963	2.8%	1.4%	2.2%	2.2%	X	X	X	X
All MBE	**M&F**	**2,699**	**7,276**	**8,296**	**54,639**	**6.0%**	**9.8%**	**12.6%**	**13.1%**	**X**	**X**	**X**	**X**
All	**Female**	**3,470**	**20,535**	**17,987**	**108,834**	**7.7%**	**27.8%**	**27.3%**	**26.1%**	**X**	**X**	**X**	**X**
Disabled	**M&F**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
All M/W/DSBE*	**M&F**	**6,160**	**27,811**	**26,283**	**163,206**	**13.7%**	**37.6%**	**39.9%**	**39.2%**	**X**	**X**	**X**	**X**
** Note: Figures in this row are not necessarily the sum of the above three rows because of businesses who belong to more than one category.*													
All	M&F	44,885	73,999	65,954	416,358								

Source: US Census Survey of Business Owners (2002), DJ Miller & Associates (2004), Econsult Corporation (2007, 2008, 2009, 2010)

Figure E.3 – FY 2009 Availability ("A3") – # M/W/DSBEs > 1 Employee Located within the Philadelphia MSA Divided by # All Firms > 1 Employee Located within the Philadelphia MSA, by Contract Type and by M/W/DSBE Category

						M/W/DSBE %				DJMA1998-2003			
Category		PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
Native American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Male	x	x	x	x	x	x	x	x	x	x	x	x
African American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Male	x	x	x	x	x	x	x	x	x	x	x	x
Native American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Female	x	x	x	x	x	x	x	x	x	x	x	x
African American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Female	x	x	x	x	x	x	x	x	x	x	x	x
White	Female	x	x	x	x	x	x	x	x	8.3%	7.7%	13.7%	12.6%
Native American	M&F	35	43	x	253	0.3%	0.2%	x	0.2%	0.4%	0.0%	0.1%	0.1%
Asian American	M&F	x	623	2,061	6,310	x	3.6%	8.4%	5.5%	0.5%	0.9%	5.9%	4.8%
African American	M&F	174	320	231	2,442	1.3%	1.9%	0.9%	2.1%	2.1%	2.4%	2.7%	2.6%
Hispanic	M&F	151	176	245	1,368	1.1%	1.0%	1.0%	1.2%	1.1%	0.2%	0.9%	0.9%
All MBE	M&F	368	1,162	2,537	10,373	2.8%	6.7%	10.3%	9.0%	4.1%	3.6%	9.5%	8.4%
All	Female	1,073	3,090	3,501	17,854	8.1%	17.9%	14.3%	15.5%	x	x	x	x
Disabled	M&F	x	x	x	x	x	x	x	x	x	x	x	x
All M/W/DSBE*	M&F	1,433	4,252	6,038	28,227	10.8%	24.6%	24.6%	24.6%	12.4%	11.3%	23.2%	21.0%
** Note: Figures in this row are not necessarily the sum of the above three rows because of businesses who belong to more than one category.*													
All	M&F	13,242	17,275	24,526	114,869								

Source: US Census Survey of Business Owners (2002), DJ Miller & Associates (2004), Econsult Corporation (2007, 2008, 2009, 2010)

Figure E.4 – FY 2009 Availability ("A4") – $ Revenue of M/W/DSBEs Located within the Philadelphia MSA Divided by $ Revenue of All Firms Located within the Philadelphia MSA, by Contract Type and by M/W/DSBE Category (in $M)

						M/W/DSBE %				DJMA1998-2003			
Category		PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
Native American	Male	X	X	X	X	X	X	X	X	X	X	X	X
Asian American	Male	X	X	X	X	X	X	X	X	X	X	X	X
African American	Male	X	X	X	X	X	X	X	X	X	X	X	X
Hispanic	Male	X	X	X	X	X	X	X	X	X	X	X	X
Native American	Female	X	X	X	X	X	X	X	X	X	X	X	X
Asian American	Female	X	X	X	X	X	X	X	X	X	X	X	X
African American	Female	X	X	X	X	X	X	X	X	X	X	X	X
Hispanic	Female	X	X	X	X	X	X	X	X	X	X	X	X
White	Female	X	X	X	X	X	X	X	X	X	X	X	X
Native American	M&F	X	X	$7.8	X	X	X	0.0%	X	X	X	X	X
Asian American	M&F	X	X	$2.6	$ 5.1	X	X	1.1%	0.8%	X	X	X	X
African American	M&F	X	X	$207.4	$ 2.0	X	X	0.1%	0.3%	X	X	X	X
Hispanic	M&F	X	X	$262.6	$ 1.2	X	X	0.1%	0.2%	X	X	X	X
All MBE	M&F	X	X	$3.1	$ 8.4	X	X	1.3%	1.4%	X	X	X	X
All	Female	X	X	$2.1	$18.3	X	X	0.9%	3.0%	X	X	X	X
Disabled	M&F	X	X	X	X	X	X	X	X	X	X	X	X
All M/W/DSBE*	M&F	X	X	$5.2	$26.7	X	X	2.3%	4.4%	X	X	X	X
** Note: Figures in this row are not necessarily the sum of the above three rows because of businesses who belong to more than one category.*													
All	M&F	$27.8	$29.4	$22.4	$611.8								

Source: US Census Survey of Business Owners (2002), DJ Miller & Associates (2004), Econsult Corporation (2007, 2008, 2009, 2010)

Figure E.5 – FY 2009 Availability ("A5") – $ Revenue of M/W/DSBEs > 1 Employee Located within the Philadelphia MSA Divided by $ Revenue of All Firms > 1 Employee Located within the Philadelphia MSA, by Contract Type and by M/W/DSBE Category

		M/W/DSBE				M/W/DSBE %				DJMA1998-2003			
Category		PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
Native American	Male	X	X	X	X	X	X	X	X	X	X	X	X
Asian American	Male	X	X	X	X	X	X	X	X	X	X	X	X
African American	Male	X	X	X	X	X	X	X	X	X	X	X	X
Hispanic	Male	X	X	X	X	X	X	X	X	X	X	X	X
Native American	Female	X	X	X	X	X	X	X	X	X	X	X	X
Asian American	Female	X	X	X	X	X	X	X	X	X	X	X	X
African American	Female	X	X	X	X	X	X	X	X	X	X	X	X
Hispanic	Female	X	X	X	X	X	X	X	X	X	X	X	X
White	Female	X	X	X	X	X	X	X	X	X	X	X	X
Native American	M&F	X	X	X	X	X	X	X	X	X	X	X	X
Asian American	M&F	X	X	$1,116.4	$1,116.4	X	X	0.5%	0.2%	X	X	X	X
African American	M&F	$141.0	X	X	$1,567.0	0.5%	X	X	0.3%	X	X	X	X
Hispanic	M&F	X	X	X	X	X	X	X	X	X	X	X	X
All MBE	**M&F**	**$141.0**	**X**	**$1,116.4**	**$1,567.0**	**0.5%**	**X**	**0.5%**	**0.3%**	**X**	**X**	**X**	**X**
All	**Female**	**X**	**X**	**$1,861.8**	**$16,048.8**	**X**	**X**	**0.8%**	**2.7%**	**X**	**X**	**X**	**X**
Disabled	**M&F**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
All M/W/DSBE*	**M&F**	**X**	**X**	**$2,978.2**	**$18.732.1**	**X**	**X**	**1.3%**	**3.1%**	**X**	**X**	**X**	**X**
** Note: Figures in this row are not necessarily the sum of the above three rows because of businesses who belong to more than one category.*													
All	M&F	$25,832.9	$27,008.7	$226,221.9	$597,073.6								

Source: US Census Survey of Business Owners (2002), DJ Miller & Associates (2004), Econsult Corporation (2007, 2008, 2009, 2010)

Looking across figures, we can make the following points about the constitution of firms in various M/W/DSBE categories and contract types:

- Availability rates based on the number of firms with paid employees are consistently lower than those based on just the number of firms, which demonstrates that M/W/DSBEs are generally smaller in terms of staffing than majority firms.

- Availability rates based on aggregate annual revenues are consistently lower than those based on numbers of firms, which demonstrates that M/W/DSBEs are generally smaller in terms of revenues than majority firms.

In contrast, a narrow approach would recognize that not all firms are in fact part of the universe of RWA firms, and that a stricter interpretation of the legal requirements of RWA would necessitate including only those businesses that are in fact ready to do business with the City, as evidenced by registering with the City to bid for contracts.

Based on a narrower approach and using OEO and Procurement Department data to determine the appropriate availability of M/W/DSBEs, we can consider only the number of firms in these universes.

- First, we provide an overview of the City's availability rate of M/W/DSBEs, using the OEO directory as the numerator and Procurement Department data as the denominator: we consider this approach "Availability (A6)" (see Figure E.6).

- Second, we provide an overview of the City's availability rate of M/W/DSBEs, using Procurement Department data as both the numerator and the denominator: we consider this approach "Availability (A7)" (see Figure E.7).

For both tables, "A6" and "A7," the Procurement Department's Vendor's file from Calendar Year 2009 was utilized for consistency in analysis. As utilization data is reflective of the FY 2009 (July 1, 2008 to June 30, 2009) period, and the Procurement Department's Vendor's file is reflective of the City's list as of January 2010, we believe this dataset provides a more reliable and accurate portrayal of both M/W/DSBE availability and the disparity derived from utilization rates.

Figure E.6 – FY 2009 Availability ("A6") – # M/W/DSBE Firms in the OEO Directory Divided By # All Firms on the City of Philadelphia Procurement Department Vendor List, by Contract Type and by M/W/DSBE Category

Category		M/W/DSBE				M/W/DSBE %			
		PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
Native American	Male	X	X	X	0	X	X	X	0.0%
Asian American	Male	X	X	X	64	X	X	X	1.4%
African American	Male	X	X	X	320	X	X	X	6.9%
Hispanic	Male	X	X	X	55	X	X	X	1.2%
Native American	Female	X	X	X	2	X	X	X	0.0%
Asian American	Female	X	X	X	23	X	X	X	0.5%
African American	Female	X	X	X	165	X	X	X	3.6%
Hispanic	Female	X	X	X	17	X	X	X	0.4%
White	Female	X	X	X	343	X	X	X	7.4%
Native American	M&F	X	X	X	2	X	X	X	0.0%
Asian American	M&F	X	X	X	87	X	X	X	1.9%
African American	M&F	X	X	X	485	X	X	X	10.5%
Hispanic	M&F	X	X	X	72	X	X	X	1.6%
All MBE	**M&F**	**X**	**X**	**X**	**989**	**X**	**X**	**X**	**21.3%**
All	**Female**	**X**	**X**	**X**	**550**	**X**	**X**	**X**	**11.9%**
Disabled	**M&F**	**X**	**X**	**X**	**8**	**X**	**X**	**X**	**0.2%**
All DBE*	**M&F**	**X**	**X**	**X**	**1,334**	**X**	**X**	**X**	**28.8%**
** Note: Figures in this row are not necessarily the sum of the above three rows because of businesses who belong to more than one category.*									
All	M&F	x	x	x	4,637				

Source: City of Philadelphia Office of Economic Opportunity (2010), City of Philadelphia Procurement Department (2010), Econsult Corporation (2010)

Figure E.7 – FY 2009 Availability ("A7") – # M/W/DSBE Firms on the City of Philadelphia Procurement Department Vendor List Divided By # All Firms on the City of Philadelphia Procurement Department Vendor List, by Contract Type and by M/W/DSBE Category

Category		M/W/DSBE				M/W/DSBE %			
		PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
Native American	Male	X	X	X	X	X	X	X	X
Asian American	Male	X	X	X	X	X	X	X	X
African American	Male	X	X	X	X	X	X	X	X
Hispanic	Male	X	X	X	X	X	X	X	X
Native American	Female	X	X	X	X	X	X	X	X
Asian American	Female	X	X	X	X	X	X	X	X
African American	Female	X	X	X	X	X	X	X	X
Hispanic	Female	X	X	X	X	X	X	X	X
White	Female	X	X	X	X	X	X	X	X
Native American	M&F	X	X	X	X	X	X	X	X
Asian American	M&F	X	X	X	X	X	X	X	X
African American	M&F	X	X	X	X	X	X	X	X
Hispanic	M&F	X	X	X	X	X	X	X	X
All MBE	**M&F**	**x**	**x**	**x**	**695**	**x**	**x**	**x**	**15.0%**
All	**Female**	**x**	**x**	**x**	**373**	**x**	**x**	**x**	**8.0%**
Disabled	**M&F**	**x**	**x**	**x**	**12**	**x**	**x**	**x**	**0.3%**
All DBE *	**M&F**	**x**	**x**	**x**	**825**	**x**	**x**	**x**	**17.8%**
** Note: Figures in this row are not necessarily the sum of the above three rows because of businesses who belong to more than one category.*									
All	M&F	x	x	x	4,637				

Source: City of Philadelphia Procurement Department (2010), Econsult Corporation (2010)

From these two figures, we can observe the following points:

- Availability rates are higher if the OEO directory is used as the numerator than if Procurement Department data is used:
  - MBE availability of 21.3 percent across all contract categories if the OEO directory is used, versus 15.0 percent if Procurement Department data is used.
  - WBE availability of 11.9 percent across all contract categories if the OEO directory is used, versus 8.0 percent if Procurement Department data is used.
  - M/W/DSBE availability of 28.8 percent across all contract categories if the OEO directory is used, versus 17.8 percent if Procurement Department data is used.
  - In other words, there are more MBE and WBE registered with OEO than there are self-identified minority-owned firms and women-owned firms with the Procurement Department.
- Considering all firms with paid employees per the SBA/Census survey (i.e. "A3," or our most commonly used form of availability), MBE availability is 9.0 percent and WBE availability is 15.5 percent. This compares to MBE availability of 21.3 percent and WBE availability of 11.9 percent as per "A6," and MBE availability of 15.0 percent and WBE availability of 8.0 percent as per "A7."
  - This means that as we go from a "broader" approach ("A3") to a "narrower" approach ("A6" and "A7"), there is a larger proportionate drop in WBE availability. In other words, the ratio of WBEs registered with the City to all firms registered with the City is smaller than the ratio of WBEs that exist to all firms that exist. Shoring up this discrepancy is a significant component to ensuring fair participation in the economic opportunities represented by City contracts.
  - Somewhat surprisingly, this does not appear to be the case for MBE availability, as the estimated availability rates using the "broader approach" ("A3") are actually smaller than the estimated availability rates using the "narrower" approach ("A6" and "A7"): 9.0 percent for "A3" versus 21.3 percent for "A6" and 15.0 percent for "A7." Potentially, this can be interpreted to mean that MBEs have been more accurately represented in OEO and Procurement Department lists, proportionate to their overall availability.

APPENDIX F: DISPARITY CHARTS

As the previous appendices indicate, we have calculated utilization in three different ways, based on differing units of geography; and we have calculated availability in seven different ways, based on various approaches to proxying "ready, willing, and able" firms. In determining the appropriate disparity ratios, we must properly match utilization approaches with commensurate availability approaches.

First, we can match Utilization ("U1") with Availability "(A1"), because both consider just the City as the unit of geography (see Figure F.1).

Figure F.1 – FY 2009 Disparity Ratio ("D1") = Utilization ("U1") Divided by Availability ("A1"), by Contract Type
Utilization ("U1") - Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the City of Philadelphia, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors (by $ Contracts Awarded)
Availability ("A1") - # M/W/DSBEs Located within the City of Philadelphia, Divided by # Firms Located in the City of Philadelphia

		PW			PPS			SSE			All City Contracts		
Category		City	Metro	All	City	Metro	All	City	Metro	All	City	Metro	All
Native American	Male	X	X	X	X	X	X	X	X	X	X	X	X
Asian American	Male	X	X	X	X	X	X	X	X	X	X	X	X
African American	Male	X	X	X	X	X	X	X	X	X	X	X	X
Hispanic	Male	X	X	X	X	X	X	X	X	X	X	X	X
Native American	Female	X	X	X	X	X	X	X	X	X	X	X	X
Asian American	Female	X	X	X	X	X	X	X	X	X	X	X	X
African American	Female	X	X	X	X	X	X	X	X	X	X	X	X
Hispanic	Female	X	X	X	X	X	X	X	X	X	X	X	X
White	Female	X	X	X	X	X	X	X	X	X	0.0	X	X
Native American	M&F	X	X	X	X	X	X	X	X	X	X	X	X
Asian American	M&F	X	X	X	X	X	X	X	X	X	0.0	X	X
African American	M&F	X	X	X	X	X	X	X	X	X	0.5	X	X
Hispanic	M&F	X	X	X	X	X	X	X	X	X	0.5	X	X
All MBE	**M&F**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**0.3**	**X**	**X**
Disabled	**M&F**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
All	**Female**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
All M/W/DSBE	**M&F**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**0.2**	**X**	**X**

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Annual Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002), US Small Business Administration – Philadelphia District Office (2004)

As described in Section 2 and in Section 3.2, there is a broad and a narrow approach to defining M/W/DSBE availability. Based on the broad approach and using 2002 US Census data, we can further delineate between the number of firms, the number of firms with paid employees, the aggregate annual revenues of firms, and the aggregate annual revenues of firms with paid employees.

These represent four approaches to determining the appropriate availability of M/W/DSBEs, and therefore four sets of results in determining the disparity ratio, which we call "D2," "D3," "D4," and "D5." Figure F.2, Figure F.3, Figure F.4, and Figure F.5 provide an overview of the City's utilization of M/W/DSBEs in its awarding of contracts:

- The first two columns delineate which M/W/DSBE category is being considered.
- The following three columns show the utilization of various M/W/DSBE categories in Public Works contracts.
- The next three columns show the utilization of various M/W/DSBE categories in Personal and Professional Services contracts.
- The next three columns show the utilization of various M/W/DSBE categories in Services, Supplies, and Equipment contracts.
- The following three columns show the utilization of various M/W/DSBE categories across all contract types.
- The final four columns show any equivalent figures available from the DJMA analysis of 1998-2003 data.

Within each set of columns, we further broke out contracts awarded to M/W/DSBEs based on whether they are listed in the OEO directory as having a Philadelphia zip code ("City") or a zip code of one of the nine counties in the Philadelphia Metropolitan Statistical Area (MSA) ("Metro"), or regardless of where they are located ("All"). In this way, we can further determine the utilization of local M/W/DSBEs, not just all M/W/DSBEs.

Figure F.2 – FY 2009 Disparity ("D2") = Utilization ("U2") Divided by Availability ("A2"), by Contract Type
Utilization ("U2") - Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the Philadelphia MSA, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors (by $ Contracts Awarded)
Availability ("A2") - # M/W/DSBEs Located within the Philadelphia MSA, Divided by # Firms Located within the Philadelphia MSA

		PW			PPS			SSE			All City Contracts		
Category		City	Metro	All	City	Metro	All	City	Metro	All	City	Metro	All
Native American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Male	x	x	x	x	x	x	x	x	x	x	x	x
African American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Male	x	x	x	x	x	x	x	x	x	x	x	x
Native American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Female	x	x	x	x	x	x	x	x	x	x	x	x
African American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Female	x	x	x	x	x	x	x	x	x	x	x	x
White	Female	X	X	X	X	X	X	X	X	X	X	X	X
Native American	M&F	0.2	0.2	8.7	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	1.5
Asian American	M&F	X	X	X	0.1	0.5	0.6	0.0	0.0	0.0	0.0	0.3	0.4
African American	M&F	0.4	0.5	0.6	2.4	2.7	2.9	0.8	1.1	1.2	1.2	1.4	1.5
Hispanic	M&F	0.3	0.9	0.9	1.3	1.6	1.7	0.1	0.1	0.1	0.6	0.9	0.9
All MBE	**M&F**	**0.3**	**1.0**	**1.3**	**1.3**	**1.6**	**1.8**	**0.2**	**0.4**	**0.4**	**0.6**	**0.9**	**1.0**
Disabled	**M&F**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
All	**Female**	**0.1**	**0.7**	**1.0**	**0.1**	**0.2**	**0.3**	**0.1**	**0.1**	**0.2**	**0.1**	**0.2**	**0.3**
All M/W/DSBE	**M&F**	**0.2**	**0.7**	**0.9**	**0.4**	**0.5**	**0.6**	**0.1**	**0.1**	**0.2**	**0.2**	**0.4**	**0.4**

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Annual Participation Report (FY 2009), Availability = US Census Survey of Business Owners (2002)

Figure F.3 – FY 2009 Disparity ("D3") = Utilization ("U2") Divided by Availability ("A3"), by Contract Type

Utilization ("U2") - Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the Philadelphia MSA, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors (by $ Contracts Awarded)
Availability ("A3") - # M/W/DSBEs > 1 Employee Located within the Philadelphia MSA, Divided by # Firms > 1 Employee Located within the Philadelphia MSA

		PW			PPS			SSE			All City Contracts		
Category		City	Metro	All	City	Metro	All	City	Metro	All	City	Metro	All
Native American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Male	x	x	x	x	x	x	x	x	x	x	x	x
African American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Male	x	x	x	x	x	x	x	x	x	x	x	x
Native American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Female	x	x	x	x	x	x	x	x	x	x	x	x
African American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Female	x	x	x	x	x	x	x	x	x	x	x	x
White	Female	x	x	x	x	x	x	x	x	x	x	x	x
Native American	M&F	0.1	0.1	5.8	0.0	0.0	0.1	X	X	X	0	0.1	2.3
Asian American	M&F	X	X	X	0.1	0.5	0.6	0	0	0	0	0.3	0.3
African American	M&F	0.8	1.2	1.3	5.6	6.3	6.7	3.1	4.5	4.8	3.3	3.8	4.1
Hispanic	M&F	0.7	2.3	2.3	1.8	2.3	2.4	0.2	0.3	0.3	1.0	1.7	1.7
All MBE	**M&F**	**0.7**	**2.1**	**2.8**	**1.9**	**2.4**	**2.6**	**0.3**	**0.4**	**0.5**	**0.9**	**1.3**	**1.5**
Disabled	**M&F**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
All	**Female**	**0.1**	**0.7**	**1.0**	**0.2**	**0.4**	**0.5**	**0.2**	**0.2**	**0.3**	**0.2**	**0.4**	**0.5**
All M/W/DSBE	**M&F**	**0.2**	**0.9**	**1.1**	**0.6**	**0.8**	**0.9**	**0.1**	**0.2**	**0.3**	**0.4**	**0.6**	**0.7**

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Annual Participation Report (FY 2009), Availability = US Census Survey of Business Owners (2002)

Figure F.4 – FY 2009 Disparity ("D4") = Utilization ("U2") Divided by Availability ("A4"), by Contract Type

Utilization ("U2") - Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the Philadelphia MSA, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors (by $ Contracts Awarded)
Availability ("A4") - $ Revenue of M/W/DSBEs Located within the Philadelphia MSA Divided by $ Revenue of All Firms Located within the Philadelphia MSA

		PW			PPS			SSE			All City Contracts		
Category		City	Metro	All	City	Metro	All	City	Metro	All	City	Metro	All
Native American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Male	x	x	x	x	x	x	x	x	x	x	x	x
African American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Male	x	x	x	x	x	x	x	x	x	x	x	x
Native American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Female	x	x	x	x	x	x	x	x	x	x	x	x
African American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Female	x	x	x	x	x	x	x	x	x	x	x	x
White	Female	x	x	x	x	x	x	x	x	x	x	x	x
Native American	M&F	X	X	X	X	X	X	0.0	0.0	0.0	X	X	X
Asian American	M&F	X	X	X	X	X	X	0.0	0.1	0.1	0.2	1.8	2.2
African American	M&F	X	X	X	X	X	X	28.3	40.9	43.0	23.0	26.6	28.5
Hispanic	M&F	X	X	X	X	X	X	1.9	2.9	2.9	6.2	10.1	10.4
All MBE	**M&F**	**X**	**X**	**X**	**X**	**X**	**X**	**2.3**	**3.4**	**3.8**	**6.0**	**8.3**	**9.4**
Disabled	**M&F**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
All	**Female**	**X**	**X**	**X**	**X**	**X**	**X**	**2.7**	**3.4**	**4.8**	**1.0**	**1.9**	**2.7**
All M/W/DSBE	**M&F**	**X**	**X**	**X**	**X**	**X**	**X**	**1.4**	**2.2**	**3.0**	**2.1**	**3.2**	**4.0**

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Annual Participation Report (FY 2009), Availability = US Census Survey of Business Owners (2002)

Figure F.5 – FY 2009 Disparity ("D5") = Utilization ("U2") Divided by Availability ("A5"), by Contract Type
Utilization ("U2") - Utilization of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors Located within the Philadelphia MSA, Divided by Utilization of All For-Profit Prime Contractors and Sub-Contractors (by $ Contracts Awarded)
Availability ("A5") - $ Revenue of M/W/DSBEs > 1 Employee Located within the Philadelphia MSA Divided by $ Revenue of All Firms > 1 Employee Located within the Philadelphia MSA

		PW			PPS			SSE			All City Contracts		
Category		City	Metro	All	City	Metro	All	City	Metro	All	City	Metro	All
Native American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Male	x	x	x	x	x	x	x	x	x	x	x	x
African American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Male	x	x	x	x	x	x	x	x	x	x	x	x
Native American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Female	x	x	x	x	x	x	x	x	x	x	x	x
African American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Female	x	x	x	x	x	x	x	x	x	x	x	x
White	Female	x	x	x	x	x	x	x	x	x	x	x	x
Native American	M&F	X	X	X	X	X	X	X	X	X	X	X	X
Asian American	M&F	X	X	X	X	X	X	0.0	0.1	0.1	0.6	7.2	8.8
African American	M&F	2.2	3.1	3.3	X	X	X	X	X	X	23.0	26.6	28.5
Hispanic	M&F	X	X	X	X	X	X	X	X	X	X	X	X
All MBE	**M&F**	**3.7**	**11.8**	**15.8**	**X**	**X**	**X**	**6.0**	**8.9**	**9.8**	**27.9**	**38.8**	**43.7**
Disabled	**M&F**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
All	**Female**	**X**	**X**	**X**	**X**	**X**	**X**	**3.1**	**3.8**	**5.4**	**1.1**	**2.1**	**3.1**
All M/W/DSBE	**M&F**	**X**	**X**	**X**	**X**	**X**	**X**	**2.4**	**3.9**	**5.3**	**3.0**	**4.6**	**5.7**

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Annual Participation Report (FY 2009), Availability = US Census Survey of Business Owners (2002)

Figure F.6 provides an overview of the City's disparity ratios, using the OEO directory as the numerator and Procurement Department data as the denominator ("D6"). Figure F.7 provides

an overview of the City's disparity ratios, using Procurement Department data as both the numerator and the denominator ("D7").

Figure F.6 – FY 2009 Disparity (D6) – Availability Rate Based on # M/W/DSBEs on the OEO Directory Divided by # All Firms on the City of Philadelphia Procurement Department Vendor List

		PW			PPS			SSE			All City Contracts		
Category		City	Metro	All	City	Metro	All	City	Metro	All	City	Metro	All
Native American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Male	x	x	x	x	x	x	x	x	x	x	x	x
African American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Male	x	x	x	x	x	x	x	x	x	x	x	x
Native American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Female	x	x	x	x	x	x	x	x	x	x	x	x
African American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Female	x	x	x	x	x	x	x	x	x	x	x	x
White	Female	x	x	x	x	x	x	x	x	x	0.1	0.3	0.6
Native American	M&F	x	x	x	x	x	x	x	x	x	0.2	0.3	10.5
Asian American	M&F	x	x	x	x	x	x	x	x	x	0.1	0.8	0.9
African American	M&F	x	x	x	x	x	x	x	x	x	0.7	0.8	0.8
Hispanic	M&F	x	x	x	x	x	x	x	x	x	0.8	1.3	1.3
All MBE	**M&F**	x	x	x	x	x	x	x	x	x	0.4	0.5	0.6
Disabled	**M&F**	x	x	x	x	x	x	x	x	x	x	x	x
All	**Female**	x	x	x	x	x	x	x	x	x	0.2	0.5	0.7
All M/W/DSBE	**M&F**	x	x	x	x	x	x	x	x	x	0.3	0.5	0.6

Sources: Econsult Corporation (2009, 2010); Utilization: OEO Annual Participation Report (2010); Availability = City of Philadelphia Office of Economic Opportunity (2009), City of Philadelphia Procurement Department (2009)

"X" denotes data unavailable or insufficient.

Figure F.7 – FY 2009 Disparity – Availability Based on # M/W/DSBEs on the City of Philadelphia Procurement Department Vendor List Divided by # All Firms on the City of Philadelphia Procurement Department Vendor List

		PW			PPS			SSE			All City Contracts		
Category		City	Metro	All	City	Metro	All	City	Metro	All	City	Metro	All
Native American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Male	x	x	x	x	x	x	x	x	x	x	x	x
African American	Male	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Male	x	x	x	x	x	x	x	x	x	x	x	x
Native American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	Female	x	x	x	x	x	x	x	x	x	x	x	x
African American	Female	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	Female	x	x	x	x	x	x	x	x	x	x	x	x
White	Female	x	x	x	x	x	x	x	x	x	x	x	x
Native American	M&F	x	x	x	x	x	x	x	x	x	x	x	x
Asian American	M&F	x	x	x	x	x	x	x	x	x	x	x	x
African American	M&F	x	x	x	x	x	x	x	x	x	x	x	x
Hispanic	M&F	x	x	x	x	x	x	x	x	x	x	x	x
All MBE	**M&F**	x	x	x	x	x	x	x	x	x	0.6	0.8	0.9
Disabled	**M&F**	x	x	x	x	x	x	x	x	x	x	x	x
All	**Female**	x	x	x	x	x	x	x	x	x	0.4	0.7	1.0
All M/W/DSBE	**M&F**	x	x	x	x	x	x	x	x	x	0.5	0.8	1.0

Sources: Econsult Corporation (2009, 2010); Utilization: OEO Annual Participation Report (2010); Availability = City of Philadelphia Procurement Department (2009)

From these two figures, we can observe the following points:

- Disparity ratios are lower if the OEO directory is used as the numerator of the availability rate than if Procurement Department data is used as the numerator of the availability rate. This is because availability rates are higher using the OEO directory as the numerator, as described previously.

- The disparity ratio for MBEs and WBEs in the Philadelphia MSA is below 1.0:

  - 0.5 for MBEs and 0.5 for WBEs, if the OEO directory is used as the numerator of the availability rate.

  - 0.8 for MBEs and 0.7 for WBEs, if Procurement Department data is used as the numerator of the availability rate.

- MBE and WBE disparity ratios are higher if, instead of considering just firms in the Philadelphia MSA, all OEO-registered vendors are considered, regardless of their geographic location.

  - The MBE disparity ratio is 0.6 for all firms, versus 0.5 for Philadelphia MSA firms and 0.4 for Philadelphia firms (a 33 percent drop-off from "All" to "City").

  - The WBE disparity ratio is 0.7 for all firms, versus 0.5 for Philadelphia MSA firms and 0.2 for Philadelphia firms (a 71 percent drop-off from "All" to "City").

  - This suggests that a higher proportion of City contracts go to OEO-registered vendors outside the Philadelphia MSA (utilization), relative to the proportion of the OEO directory that is represented by firms outside the Philadelphia MSA (availability). Further, it appears this disparity in geography is increasing for WBEs.

- The numbers, while larger, are almost identical in terms of drop-off, if, instead of using the OEO directory as the numerator of the availability rate, Procurement Department data is used.

  - The MBE disparity ratio, in this case, is 0.9 for all firms, versus 0.8 for Philadelphia MSA firms and 0.6 for Philadelphia firms (a 33 percent drop-off from "All" to "City").

  - The WBE disparity ratio is 1.0 for all firms, versus 0.7 for Philadelphia MSA firms and 0.4 for Philadelphia firms (a 60 percent drop-off from "All" to "City").

  - Again, this suggests that a higher proportion of City contracts went to vendors outside the Philadelphia MSA that have registered with the Procurement Department (utilization), relative to the proportion of the Procurement Department Vendor List that is represented by firms outside the Philadelphia MSA (availability).

Finally, we can express our main form of disparity ratio ("D3"), with our main form of utilization rate ("U2") and availability rate ("A3"), for each M/W/DSBE category (see Figures F.8 to F.16).

Figure F.8 – FY 2009 Utilization ("U2"), Availability ("A3"), and Disparity ("D3") for OEO-Registered White Females

	PW	PPS	SSE	All Contract Types
"U2"	3.4%	2.6%	0.6%	2.5%
"A3"	X	X	X	X
"D3"	X	X	X	X

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002)

Figure F.9 – FY 2009 Utilization ("U2"), Availability ("A3"), and Disparity ("D3") for OEO-Registered Native Americans

	PW	PPS	SSE	All Contract Types
"U2"	0.0%	2.3%	0.3%	2.0%
"A3"	0.3%	0.2%	X	0.2%
"D3"	0.11	0.00	X	0.05

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002)

Figure F.10 – FY 2009 Utilization ("U2"), Availability ("A3"), and Disparity ("D3") for OEO-Registered Asian Americans

	PW	PPS	SSE	All Contract Types
"U2"	0.0%	1.7%	0.1%	1.4%
"A3"	X	3.6%	8.4%	5.5%
"D3"	X	0.47	0.01	0.26

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002)

Figure F.11 – FY 2009 Utilization ("U2"), Availability ("A3"), and Disparity ("D3") for OEO-Registered African Americans

	PW	PPS	SSE	All Contract Types
"U2"	1.6%	11.9%	4.1%	8.0%
"A3"	1.3%	1.9%	0.9%	2.1%
"D3"	1.21	6.26	4.54	3.81

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002)

Figure F.12 – FY 2009 Utilization ("U2"), Availability ("A3"), and Disparity ("D3") for OEO-Registered Hispanics

	PW	PPS	SSE	All Contract Types
"U2"	2.5%	2.3%	0.3%	2.0%
"A3"	1.1%	1.0%	1.0%	1.2%
"D3"	2.26	2.29	0.29	1.68

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002)

Figure F.13– FY 2009 Utilization ("U2"), Availability ("A3"), and Disparity ("D3") for All OEO-Registered MBEs

	PW	PPS	SSE	All Contract Types
"U2"	5.9%	16.2%	4.4%	11.6%
"A3"	2.8%	6.7%	10.3%	9.0%
"D3"	2.10	2.41	0.43	1.29

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002)

Figure F.14– FY 2009 Utilization ("U2"), Availability ("A3"), and Disparity ("D3") for All OEO-Registered WBEs

	PW	PPS	SSE	All Contract Types
"U2"	5.3%	6.6%	3.0%	5.7%
"A3"	8.1%	17.9%	14.3%	15.5%
"D3"	0.66	0.37	0.21	0.37

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002)

Figure F.15 – FY 2009 Utilization ("U2"), Availability ("A3"), and Disparity ("D3") for All OEO-Registered DSBEs

	PW	PPS	SSE	All Contract Types
"U2"	0.0%	0.0%	0.0%	0.0%
"A3"	X	X	X	X
"D3"	X	X	X	X

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002)

Figure F.16 – FY 2009 Utilization ("U2"), Availability ("A3"), and Disparity ("D3") for All OEO-Registered M/W/DSBEs

	PW	PPS	SSE	All Contract Types
"U2"	9.3%	18.8%	5.1%	14.2%
"A3"	10.8%	24.6%	24.6%	24.6%
"D3"	0.86	0.76	0.21	0.58

Sources: Econsult Corporation (2007, 2008, 2009, 2010); Utilization = OEO Participation Report (FY 2009); Availability = US Census Survey of Business Owners (2002)

APPENDIX G: SUMMARY OF DISPARITY STUDY RECOMMENDATIONS FROM PREVIOUS YEARS

Recommendation Category	FY	Recommendation	Recommendation Status
Study Methodology and Scope	2008 2007	Consider quasi-public entities, large local authorities, state and federal contracts, sub-contractors under non-profit prime contractors, and large non-public entities	Work in Progress (WIP)
	2008 2007 2006	Collect "best practices" from public entities around the country that have successfully worked with M/W/DSBE to increase bidding and awarding of government contracts and to strengthen overall organizational capacity and technical skills	Incorporated into FY 2009 study
	2008 2007	Explore gradients of ownership, workforce composition and relative profit margins	No action taken
	2008	Accelerate the calendar for calculating utilization and availability	FY 2009 Recommendation
	2007	Look at actual disbursements to sub-contractors	No action taken
	2007	Obtain more data on "certifiable" firms	Partial Implementation FY 2009 study
	2007	Incorporate qualitative perspective via interviews of M/W/DSBEs	Incorporated into FY 2008 study
Policy and Programming	2008 2007	Create value for OEO-registered firms	Ongoing
	2008 2006	Streamline OEO registration process to minimize the universe of "certifiable" M/W/DSBEs that have or have not registered with OEO	Implemented FY 2009
	2008	Promote partnerships	Ongoing
	2008	Monitor proactively	Ongoing
	2008	Enhance DBE capacity	WIP
	2007	Streamline contract processes	To Be Determined (TBD)

Recommendation Category	FY	Recommendation	Recommendation Status
	2007	Redouble strategic outreach efforts in key industry groups	Ongoing
	2007	Empower OEO to follow through in instances of potential discrimination	TBD
Data Collection	2008 2007	Centralized and automate processes via information technology systems	Partial Implementation
	2008	Clarify "ready, willing, and able"	TBD
	2008	Count "certifiable" firms	TBD
	2007	Build redundancy into the process to avoid bottlenecks and provide necessary checks and balances	TBD
	2006	Expand disparity discussion to include non-mayoral departments	Incorporated into FY 2009 study
	2006	Expand disparity discussion to include sub-contractors under non-profit prime contractors	No action taken
	2008 2006	Collect follow-up information on actual disbursements to sub contractors	No action taken
	2006	Continue to target strategic outreach and assistance efforts to increase the number of registered M/W/DSBEs in commodity types and industry areas that are currently underrepresented in City contracts (or are in fields where city procurement demand may be expected to increase), and to increase the bidding activity of such M/W/DSBEs	Partial Implementation - Mayor's Advisory Commission on Construction Industry Diversity
	2006	Empower OEO to take a more pro-active role in a) following through on potential discrimination, and b) championing increased M/W/DSBE participation in City contract opportunities, to augment their current, more passive registration and monitoring role	No action taken

Recommendation Category	FY	Recommendation	Recommendation Status
	2006	Work in concert with public and private sector technical assistance providers to increase the quality and quantity of M/W/DSBE firms, so as to a) increase the availability rate of M/W/DSBE firms, b) increase the utilization rate of M/W/DSBE firms, and c) increase the participation of M/W/DSBE firms in other public and private sector contract opportunities outside of City procurement	Implemented FY 2009
Goal-Setting	2008	Coordinate Goal-Setting up with citywide objectives and down with department actions	Implemented FY 2009
	2008	Do not over-codify the process	TBD
	2008 2007	Have separate game plans for cases where utilization exceeds availability versus where availability exceeds utilization	No action taken
	2007	Be mindful to not codify too much structure into the goal-setting process	TBD

Source: Econsult Corporation / Milligan & Company (2010)

APPENDIX H: COMMODITY CODES WITH OVER $150,000 IN SSE PURCHASING BY THE CITY IN CALENDAR YEAR 2008 FOR WHICH THERE ARE FEW OR NO M/W/DSBES IN THE OEO DIRECTORY

Date of Purchase	Amount Spent	Commodity Code	Commodity Code Description
2/6/2008	$13,600,000	30730	Water Treatment Chems
9/4/2008	$11,150,000	31710	Laboratory/Science Supplies & Small Apparatus/Instrumentation Equipment
1/4/2008	$9,000,000	30730	Purchase of Polymer
8/4/2008	$3,000,000	34101	Interruptible Transportation Gas Serv
3/25/2008	$1,700,000	26034	Street Lighting Maintenance
1/23/2008	$1,100,000	32050	Paper Stock
3/6/2008	$1,100,000	32050	Paper Stock Envelopes
4/10/2008	$1,017,000	42881	Pumper 1500 Gal Fire Fighting (Fleet)
4/29/2008	$785,000	28542/42810	Rental of New & Used Vehicles (Police)
1/14/2008	$650,000	Sole Source	Hach Instruments/Parts/Sups & Servs
10/16/2008	$600,000	31230	Ammunition
2/6/2008	$570,000	42853	4x2 Truck Chasis w/Dump Body & Inlet Cleaner (Fleet)
7/2/2008	$570,000	26014	Maint of Savin Plain Copier Machns & Sups
7/16/2008	$525,000	42853	4x2 Advance Life Support Medic Unit, GMC (Fleet)
3/28/2008	$500,000	30571/31650/31709	Recycling Bins (Streets)
5/12/2008	$500,000	30890	Protective Clothing For Firefighters (Fire)
3/13/2008	$480,000	26066	Repair Serv Oxygn Generation & Activated Sludge Sys (Water)
11/17/2008	$450,000	26052	Repair of Electric Motors
10/10/2008	$372,000	42831	Small Pickup Trucks (Fleet)
3/20/2008	$365,000	26016	Repair, Maintenance, And/Or Engineering Services Of Electrical Equipment And Systems
6/3/2008	$363,483	26035	Oil/Gas Burner/Boiler Maintenance & Serv
7/16/2008	$335,504	32218	Automotive Shop Tools
2/21/2008	$327,154	32380	Air Filters for HVAC Equipmnt
1/31/2008	$300,000	30721	Reagent Rental for Immunochemistry Analyzer (Health)
8/14/2008	$300,000	42881/42853	4x4 ADVANCE LITE SUPPORT MEDIC UNIT
2/25/2008	$285,000	26090	Inspection & Repair to PHL Crash Rescue Equipmnt (Fleet)
12/23/2008	$270,796	Sole Source	Safe Boat (Police)
1/15/2008	$250,000	Sole Source	Case Management Sys for the DA's Office (DA's)

Date of Purchase	Amount Spent	Commodity Code	Commodity Code Description
4/7/2008	$250,000	26010	Process Control System (Water)
12/4/2008	$250,000	31160	Bar Screen Parts
1/4/2008	$249,384	41210	Fire Hoses Couplings & Fittings Schl 701
3/20/2008	$249,384	41210	Fire Hoses, Couplings, And Fittings
2/26/2008	$245,931	32821/41230	Refurb/Retrofit/Install Of Safety Vehicles
3/27/2008	$245,931	32821/41230	Refurbishing, Retrofitting & Installation Of Safety Vehicles
1/11/2008	$230,000	30730	Swimming Pool Chems For Rec Dept/Fairmnt Park
2/27/2008	$225,452	26000	Air Compressor Repair Service
3/31/2008	$218,450	31120	Ball & Roller Bearings
9/17/2008	$205,000	28503	Portable Lavatories Rental Serv
7/1/2008	$203,900	28504	Uniform Rental & Laundry Servs
2/21/2008	$200,000	25000	Repair Of Firefighting Clothing (Fire)
5/30/2008	$200,000	32000	Bottled Drinking Water (Water)
10/7/2008	$200,000	31718	Gloves; Latex/Nitrile
1/24/2008	$190,000	26084	Cranes & Hoists
12/10/2008	$190,000	26005	Recapping Tire Service
1/4/2008	$186,000	26090	Repair & Maintenance Of Belt Conveyors
2/6/2008	$180,000	42853	6x4 Chassis W/Roll Off Container Hoist Sys (Fleet)
1/15/2008	$175,000	42853	4x2 Truck W/Aerial Lift & Utility Body (Fleet)
3/25/2008	$175,000	42853	4x2 Truck Mounted Doec Thermosplastic Melting Sys (Fleet)
10/14/2008	$175,000	30723	Test/Evaluation Of Clearlane® Enhanced Deicer (Sts)
5/8/2008	$165,000	26083	Repair & Parts To Forklift Trucks, Electric & Gas
5/13/2008	$165,000	32541	Forms, Printed, Carbonless Paper
4/30/2008	$160,000	30721	Automated Glycohemoglobin Analyzer/Supplies/Controls (Health)
6/3/2008	$160,000	41230	Bauer Unicus Breathing Air Compressors (Fire)
9/16/2008	$160,000	32454	Fax Machine Supplies
9/26/2008	$160,000	30721	Automated Glycohemoglobin Analyzer/Supplies/Controls (Health)
5/15/2008	$154,000	31823	Taginator (Managing Director)
4/18/2008	$150,000	42810/42831	4x2 Surveillance Van (Police)
7/25/2008	$150,000	26040	Preventive Maint Inspection & Repairs For ITT Flygt Pumps (Prisons)
8/26/2008	$150,000	30504	Filter Media (Water)
11/13/2008	$150,000	31062	Replacement Parts For Airfield Lighting (Commerce)

Source: City of Philadelphia Office of Economic Opportunity (2010), Econsult Corporation (2010)