

FY 2015 Disparity Study and Related Analyses for the City of Philadelphia

Econsult Solutions, Inc. and Milligan & Company, LLC are pleased to submit the Annual Disparity Study and related analyses for FY 2015 to the City of Philadelphia. This effort resulted in three reports: (1) a **Disparity Study** that analyzed the City's utilization of M/W/DSBEs relative to the availability of such firms to compete for City business, (2) an **EOP Analysis** that analyzed actual usage levels of M/W/DSBEs on EOPs relative to commitment levels, and (3) an **EOP Employment Analysis** that analyzed the distribution of EOP employment hours to minorities and women relative to their availability in the labor market. These three reports were submitted in June 2016 and are publicly available.

DISPARITY STUDY

The FY 2015 Disparity Study analyzed \$951 million in City and quasi-public contracts. 30.6 percent of this spending went to M/W/DSBEs, up from 29.4 percent in FY 2014. M/W/DSBE Utilization divided by M/W/DSBE Availability at the Philadelphia MSA level yielded a Disparity Ratio of 0.85, representing under-utilization of M/W/DSBEs and informing the Utilization recommendations presented in this report.

Figure 1:
M/W/DSBE Utilization by Contract Type

	City PW	City PPS	City SSE	City Total	Quasi-Public Total	City + Quasi Total
FY 2015	25.0%	38.6%	23.7%	31.7%	28.3%	30.6%
FY 2014	22.3%	36.3%	18.7%	29.1%	30.1%	29.4%
Change	+2.7pp	+2.3pp	+5.0pp	+2.6pp	-1.8pp	+1.2pp

M/W/DSBE Utilization was up 2.6 percentage points (pp)

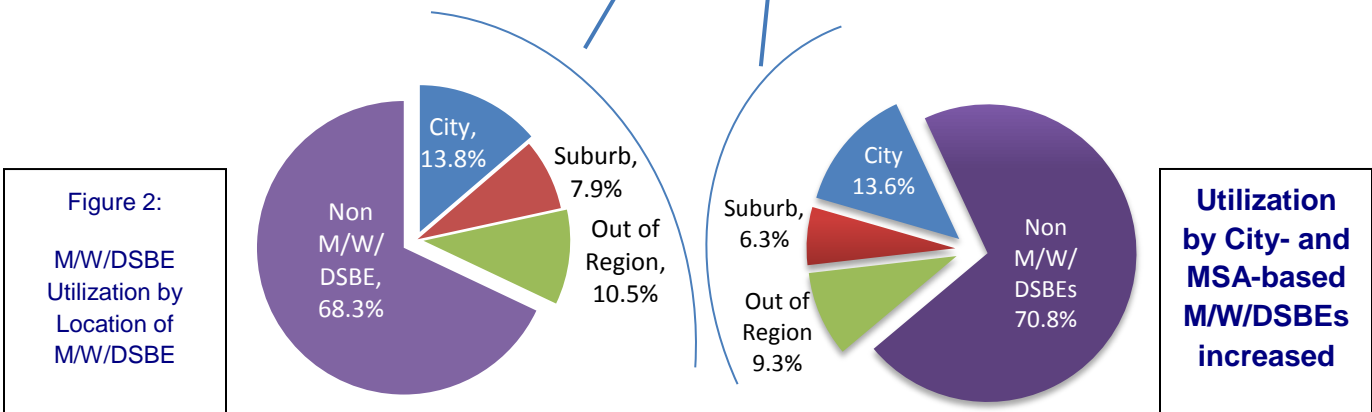


Figure 3:
% Contract \$
Primed by
M/W/DSBEs

**More
contract \$
were primed
by
M/W/DSBEs**

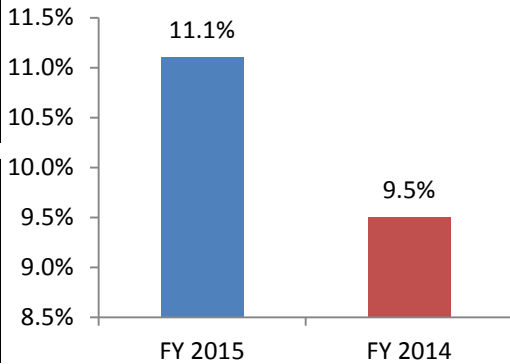


Figure 4:
Average
Contract Size
for M/W/DSBE
Primes

**M/W/DSBEs
primed
bigger
contracts**

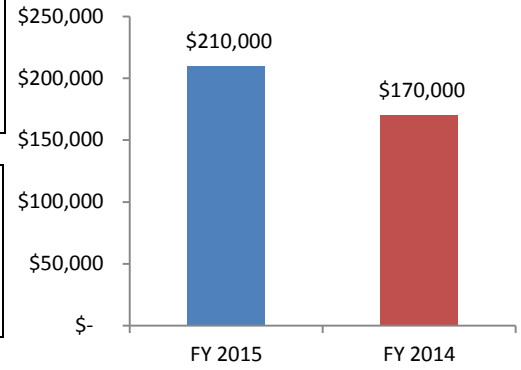
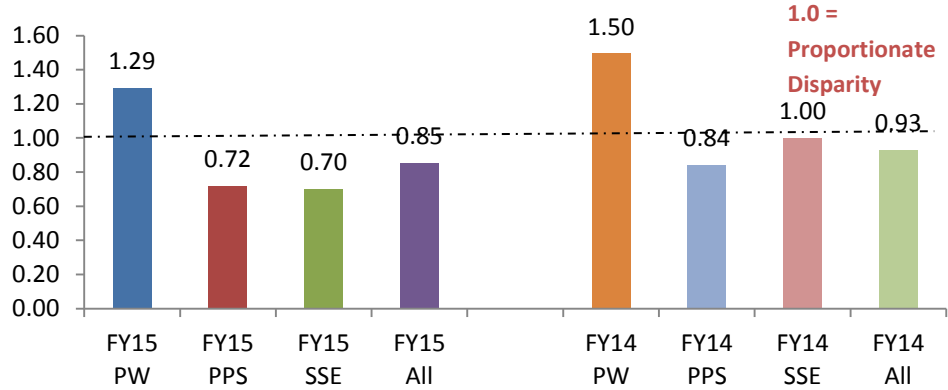


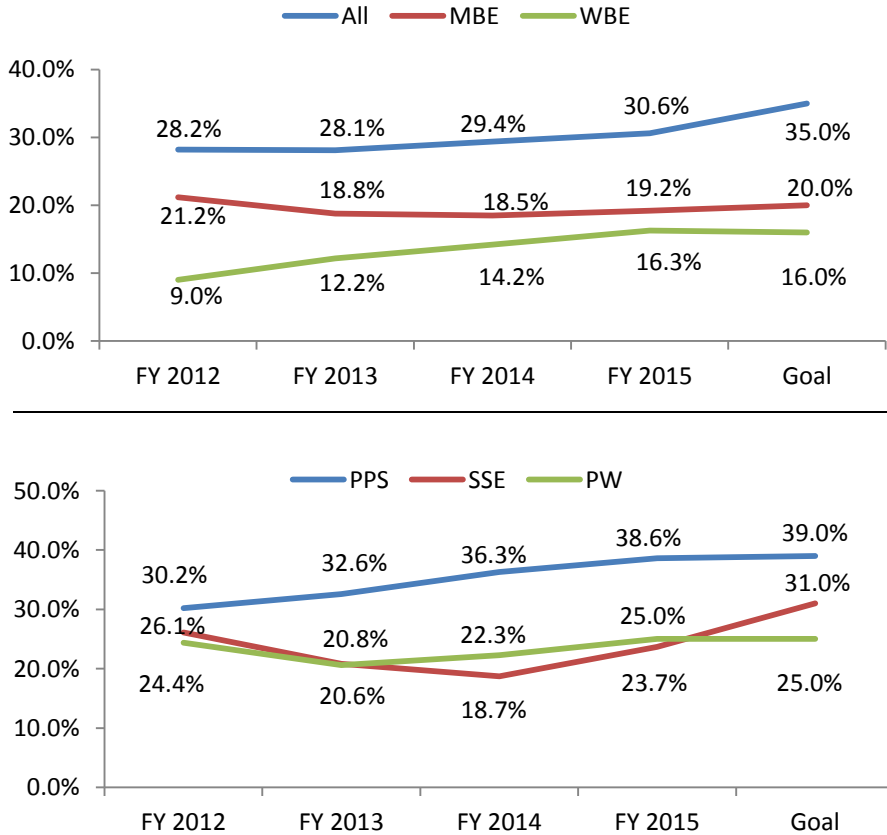
Figure 5:
Disparity Ratios
by Contract Type



**Utilization
increased but
availability
increased
more, so
disparity
ratios actually
fell**

Figure 6 & 7:
Historical and
Recommended
Utilization Levels
(by owner and
contract type)

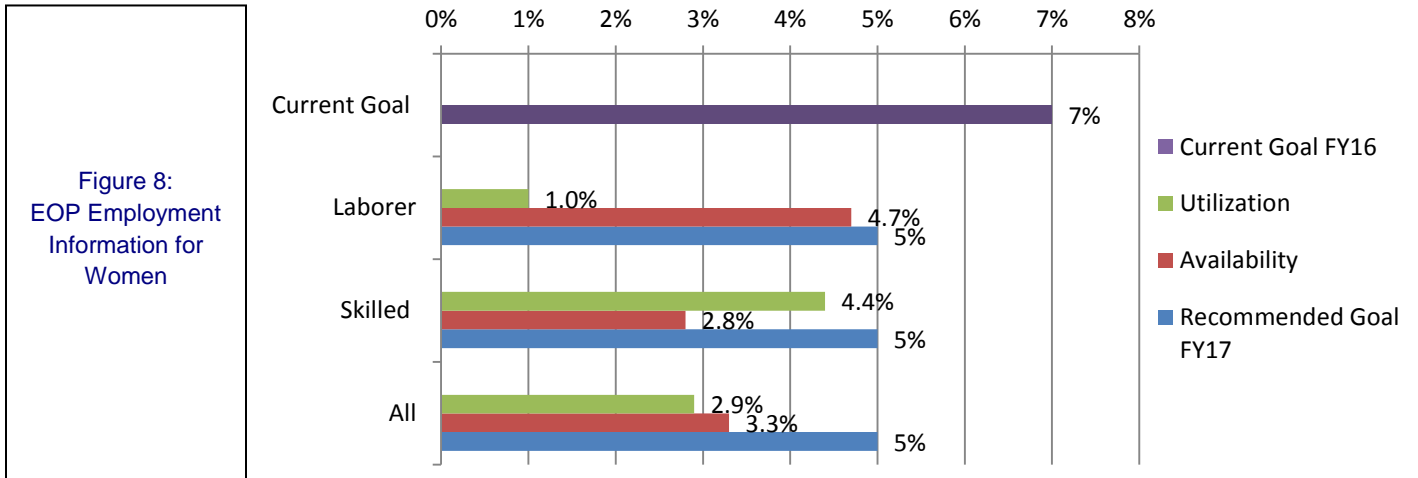
(Note: FY15
Report uses SBO
2012 data; SBO
2007 was used in
prior years)



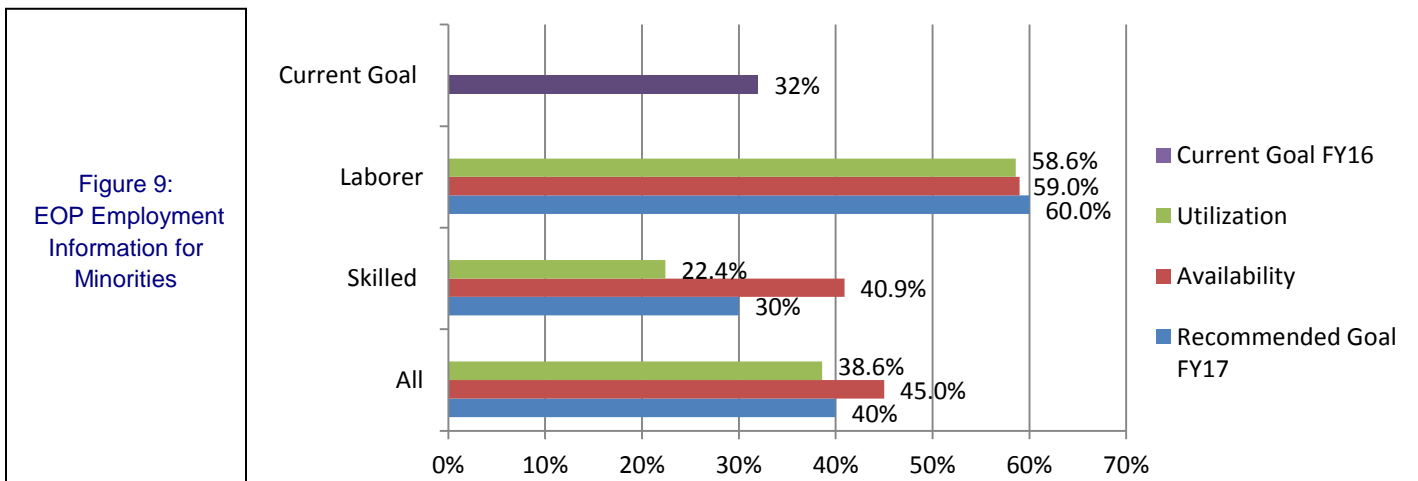
**Utilization
levels are
trending up,
and
recommended
goals have
been set to
continue these
trends**

EOP EMPLOYMENT ANALYSIS

The FY 2015 EOP Employment Analysis examined about 750,000 employment hours on EOPs started between January 2014 and June 2015 using the City's LCP Tracker dataset. Availability was calculated using ACS EEO 2006-2010 Census data. The City's current employment goals are 32 percent minority and 7 percent female, and a main purpose of this analysis was to marshal the appropriate utilization and availability data to refine these goals.



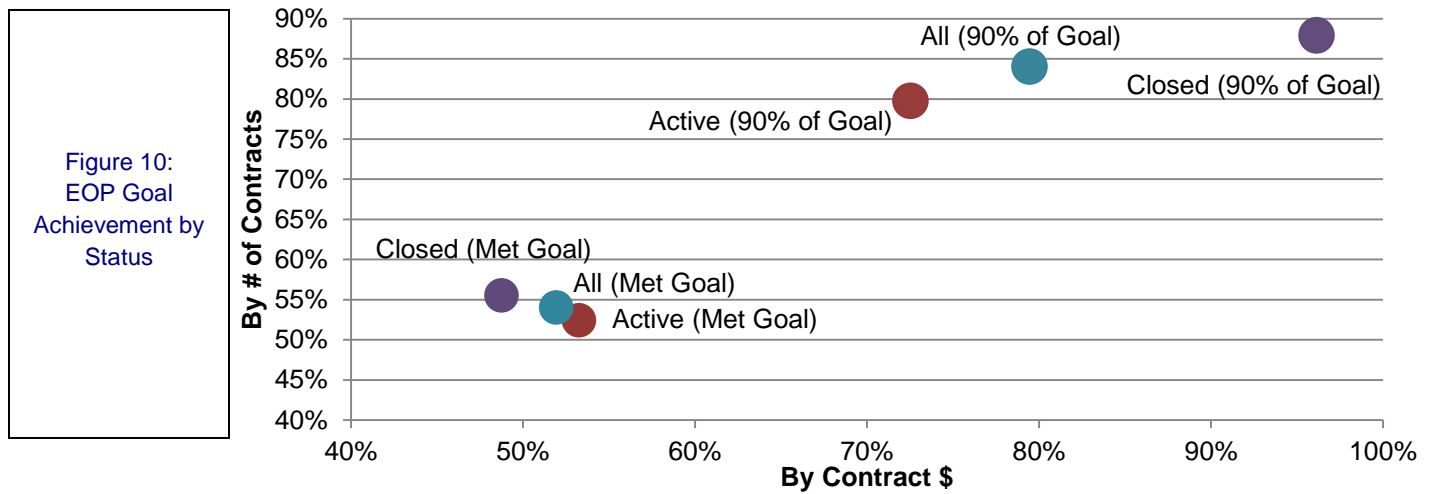
Overall, female utilization is low, particularly in the Laborer category; availability suggests a 5% goal is achievable and encourages increased female participation.



Goals informed by availability and set by gender, race, ethnicity, and worker type address overall underutilization and the disparity between Skilled and Laborer utilization.

EOP ANALYSIS

The FY 2015 EOP Analysis examined the 557 active and closed EOPs that reported data in FY 2015, and ranked each EOP and each prime contractor based on actual usage of M/W/DSBEs relative to commitment levels.



Eighty-four percent of these EOPs, representing about 80 percent of aggregate contract dollars, met or exceeded 90 percent of their commitment levels. More than half of EOPs met or exceeded their commitment levels.

GLOSSARY

Availability	% of businesses that can do business with the City that is M/W/DSBE
Disparity	Utilization divided by Availability
DSBE	Disabled Business Enterprise
EOP	Economic Opportunity Plan
FY	Fiscal Year
Laborer	Work hours not assigned to a Skilled trade
MBE	Minority Business Enterprise
MSA	Metropolitan Statistical Area
M/W/DSBE	MBEs + WBEs + DSBEs
OEO	Office of Economic Opportunity
PPS	Personal and Professional Services
PW	Public Works
Skilled	Work hours assigned to one of 30+ trades (e.g. electrician, carpenter)
SSE	Services, Supplies, and Equipment
Utilization	% of contract dollars that goes to M/W/DSBEs
WBE	Women Business Enterprise
SBO	Survey of Business Owners
ACS EEO	American Community Survey Equal Employment Opportunity

DATA SOURCES

Disparity Study: FY15 OEO Participation Report, FY15 OEO Registry, Survey of Business Owners 2012

EOP Employment Analysis: City of Philadelphia LCP Tracker, ACS EEO Tabulation Census 2006-2010

EOP Analysis: FY15 OEO EOP Contract List