

# FY 2016 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 2016 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 May 2017 and are publicly available.

## DISPARITY STUDY

The FY 2016 Disparity Study analyzed \$991 million in City and quasi-public contracts. 30.7 percent of this spending went to M/W/DSBEs, up from 30.6 percent in FY 2015. M/W/DSBE Utilization divided by M/W/DSBE Availability at the Philadelphia MSA level yielded a Disparity Ratio of 0.90, representing a slight under-utilization of M/W/DSBEs and informing the Utilization recommendations presented in this report.

	City PW	City PPS	City SSE	City Total	Quasi-Public Total	City + Quasi Total
<b>FY 2016</b>	25.3%	38.9%	24.4%	32.0%	27.7%	30.7%
<b>FY 2015</b>	25.0%	38.6%	23.7%	31.7%	28.3%	30.6%
<b>Change</b>	+0.3pp	+0.3pp	+0.7pp	+0.3pp	-0.6pp	+0.1pp

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

**Overall M/W/DSBE Utilization was up 0.1 percentage points (pp)**

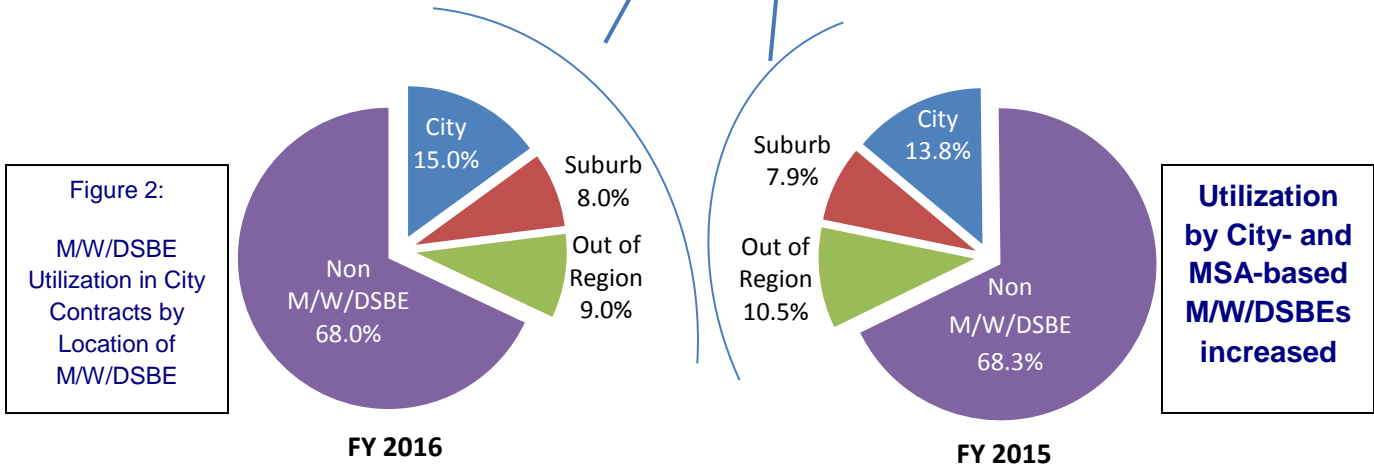
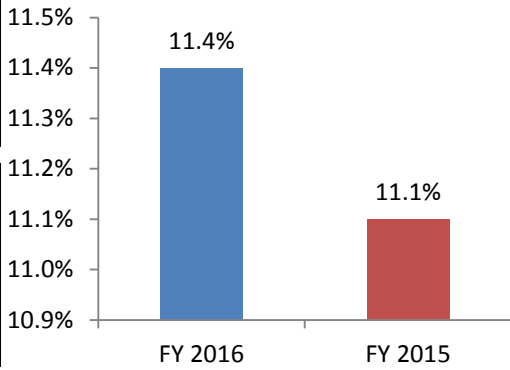


Figure 2:  
M/W/DSBE Utilization in City Contracts by Location of M/W/DSBE

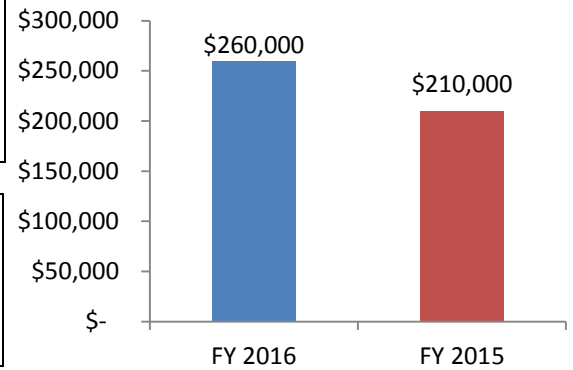
**Utilization by City- and MSA-based M/W/DSBEs increased**

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



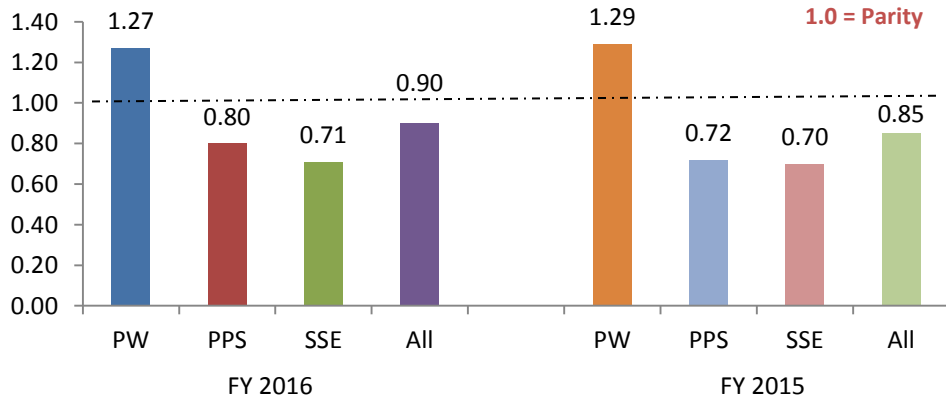
**More contract \$ were primed by M/W/DSBEs**

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



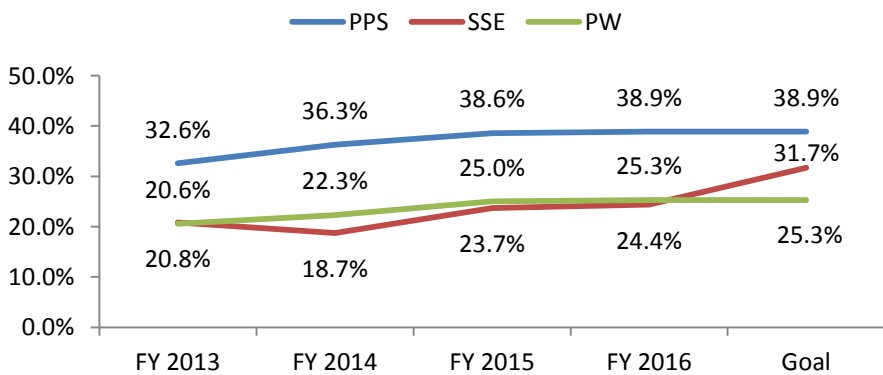
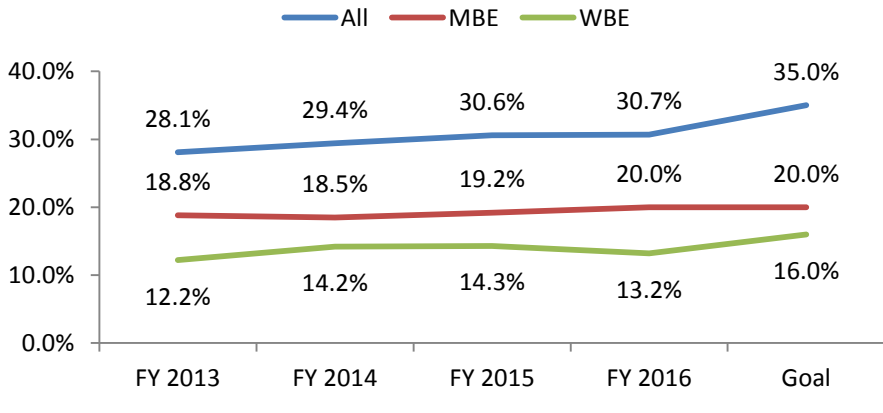
**M/W/DSBEs primed bigger contracts**

Figure 5:  
Disparity Ratios by Contract Type



**The disparity ratio trended closer to 1.0**

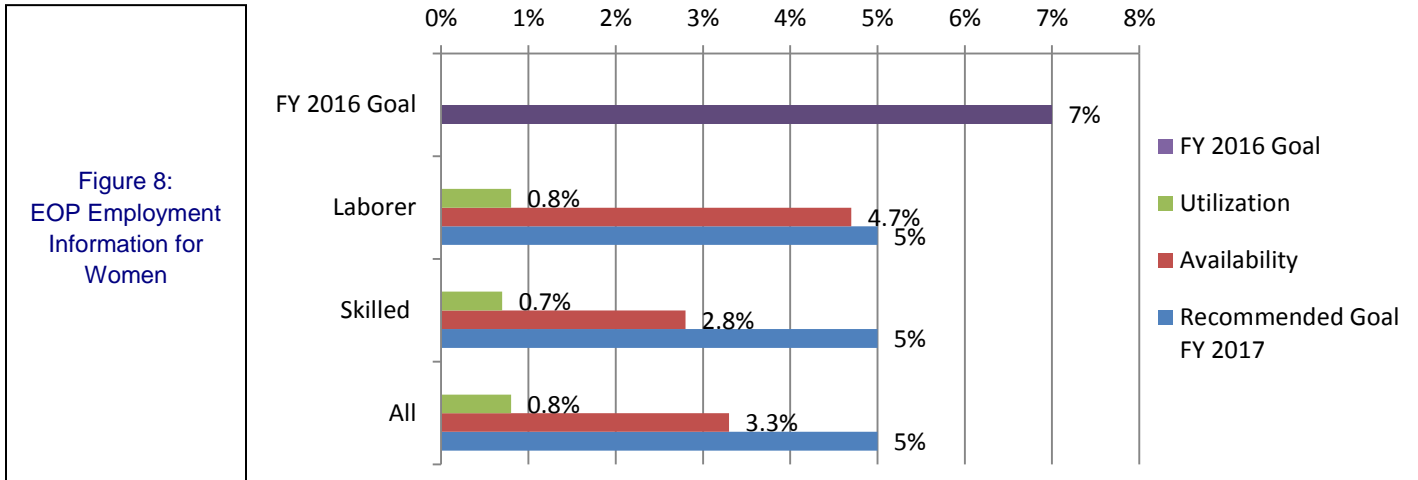
Figure 6 & 7:  
Historical and Recommended Utilization Levels (by owner and contract type)  
  
(Note: FY 2016 and FY 2015 reports use SBO 2012 data; SBO 2007 was used in prior years)



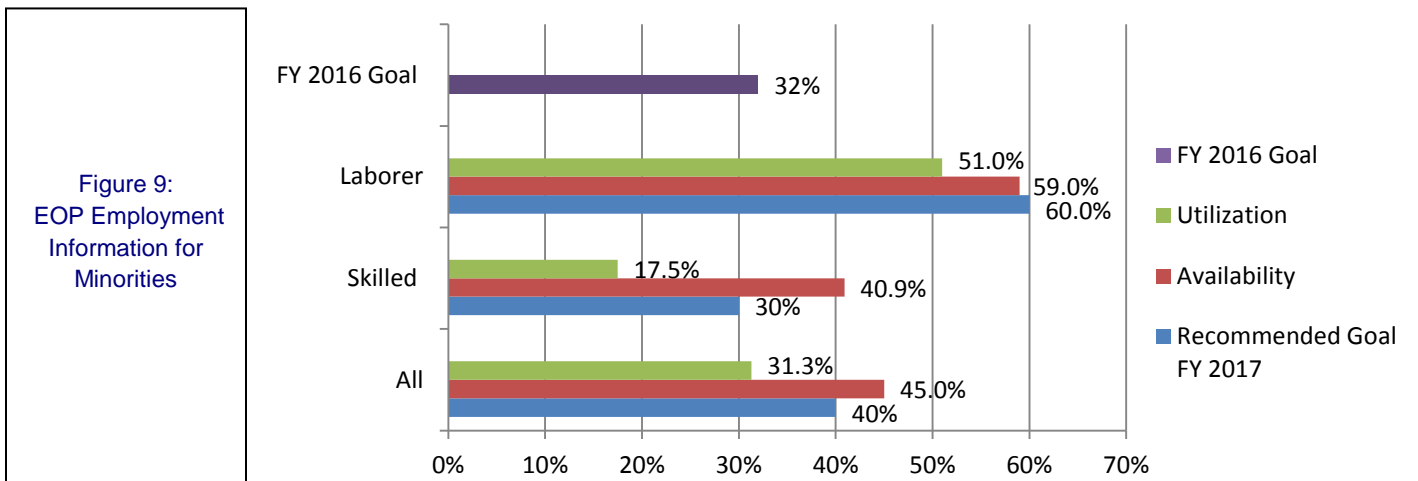
**Utilization levels are trending up, and recommended goals have been set to continue these trends**

## EOP EMPLOYMENT ANALYSIS

The FY 2016 EOP Employment Analysis examined over 775,000 employment hours on EOPs started between July 1, 2015 and June 30, 2016 using the City's LCP Tracker dataset. Availability was calculated using ACS EEO 2006-2010 Census data. A main purpose of this analysis was to marshal the appropriate utilization and availability data to set goals in a more informed manner.



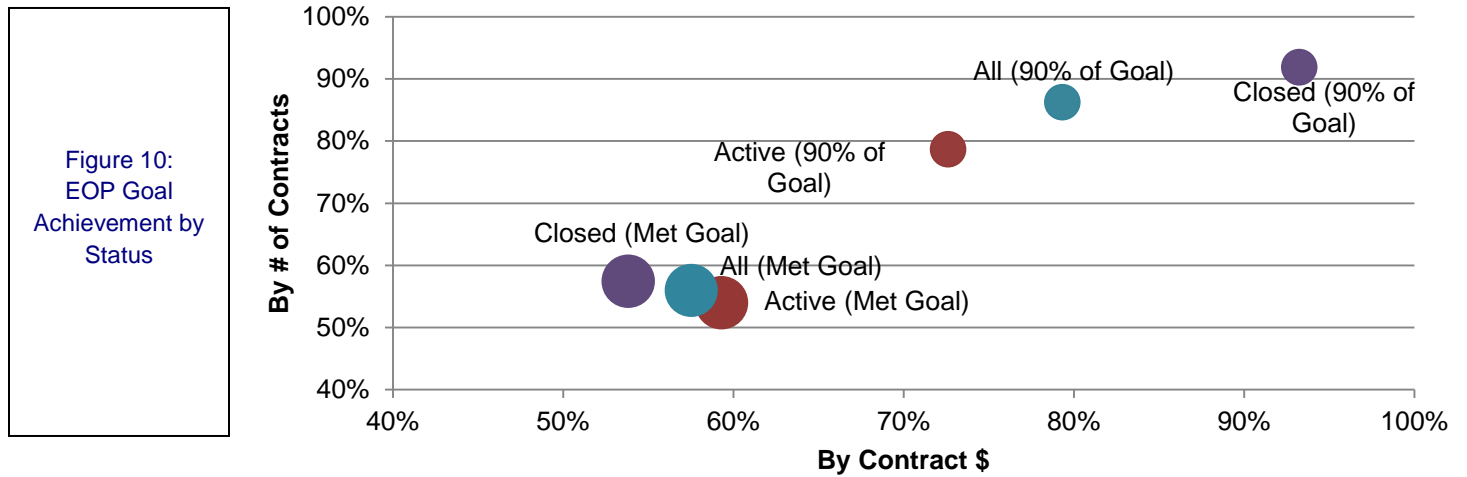
**Overall, female utilization is low; availability suggests a 5% goal is achievable and encourages increased female participation.**



**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 2016 EOP Analysis examined the 645 active and closed EOPs that reported data in FY 2016, and ranked each EOP and each prime contractor based on actual usage of M/W/DSBEs relative to commitment levels.



**Eighty-six percent of these EOPs, representing about 79 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: FY 2016 OEO Participation Report, FY 2016 OEO Registry, Survey of Business Owners 2012

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

EOP Analysis: FY 2016 OEO EOP Contract List