

# DISPARITY STUDY AND RELATED ANALYSES

FISCAL  
YEAR  
2017

## CITY OF PHILADELPHIA

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OFFICE OF ECONOMIC  
OPPORTUNITY



Department of  
**Commerce**

CITY OF PHILADELPHIA



# FY 2017 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 2017 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 2018 and are publicly available.

## DISPARITY STUDY

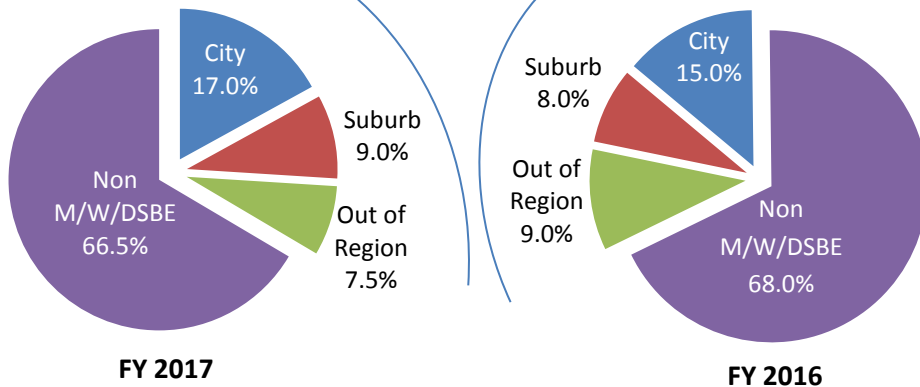
The FY 2017 Disparity Study analyzed \$976 million in City and quasi-public contracts. 31.7 percent of this spending went to M/W/DSBEs, up from 30.7 percent in FY 2016. M/W/DSBE Utilization divided by M/W/DSBE Availability at the Philadelphia MSA level yielded a Disparity Ratio of 0.99, representing a slight under-utilization of M/W/DSBEs and informing the Utilization recommendations presented in this report.

	City PW	City PPS	City SSE <sup>1</sup>	City Total	Quasi-Public Total	City + Quasi Total
<b>FY 2017</b>	26.2%	42.8%	22.9%	33.5%	26.7%	31.7%
<b>FY 2016</b>	25.3%	38.9%	24.4%	32.0%	27.7%	30.7%
<b>Change</b>	+0.9pp	+3.9pp	-1.5pp	+1.5pp	-1.1pp	+1.0pp

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

**Overall M/W/DSBE Utilization was up 1.0 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**

<sup>1</sup> The SSE category in this analysis includes City-wide contracts.

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

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

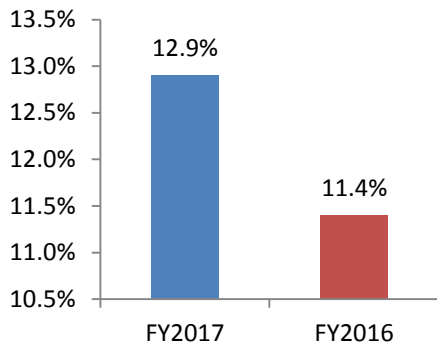


Figure 4:  
Average  
Contract Size  
for M/W/DSBE  
Primes

**M/W/DSBEs  
primed  
larger  
contracts**

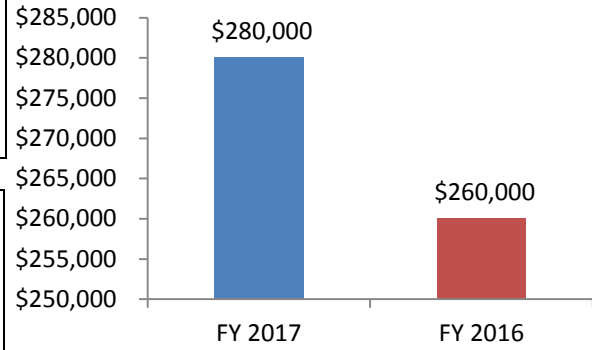
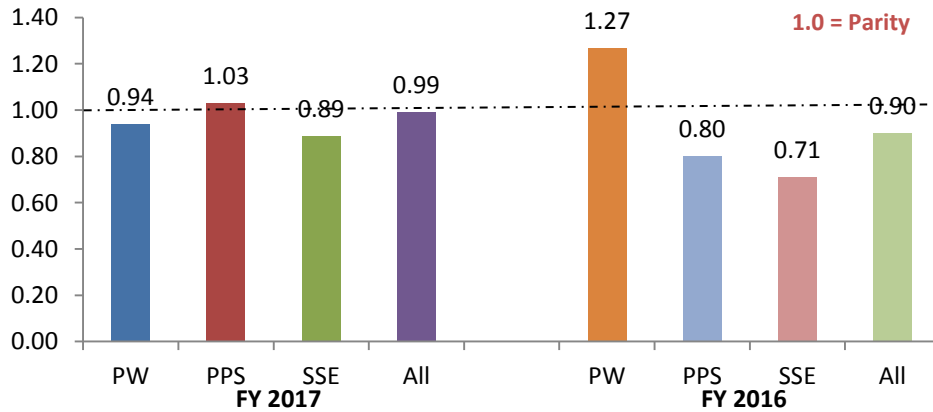
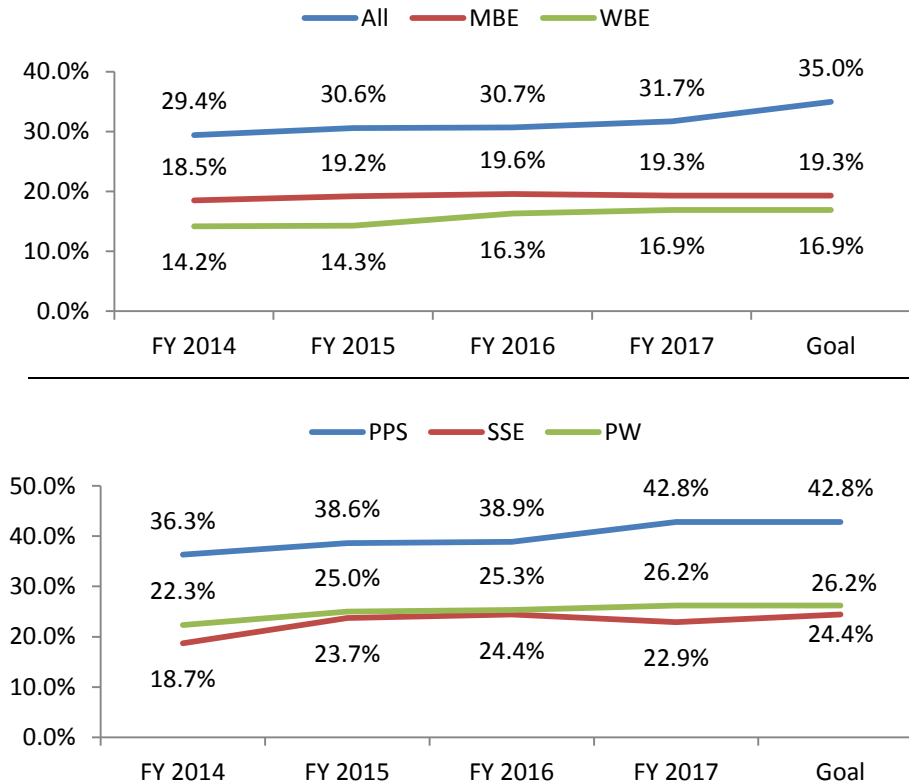


Figure 5:  
Disparity Ratios  
by Contract Type



**The disparity  
ratio trended  
closer to 1.0**

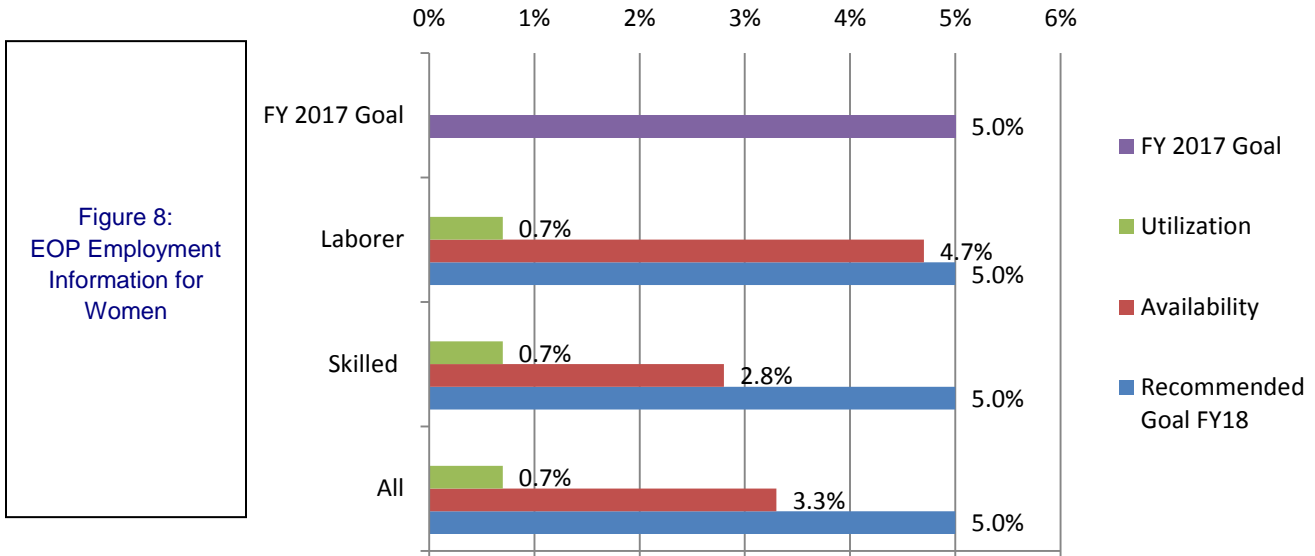
Figure 6 & 7:  
Historical and  
Recommended  
Utilization Levels  
(by owner and  
contract type)



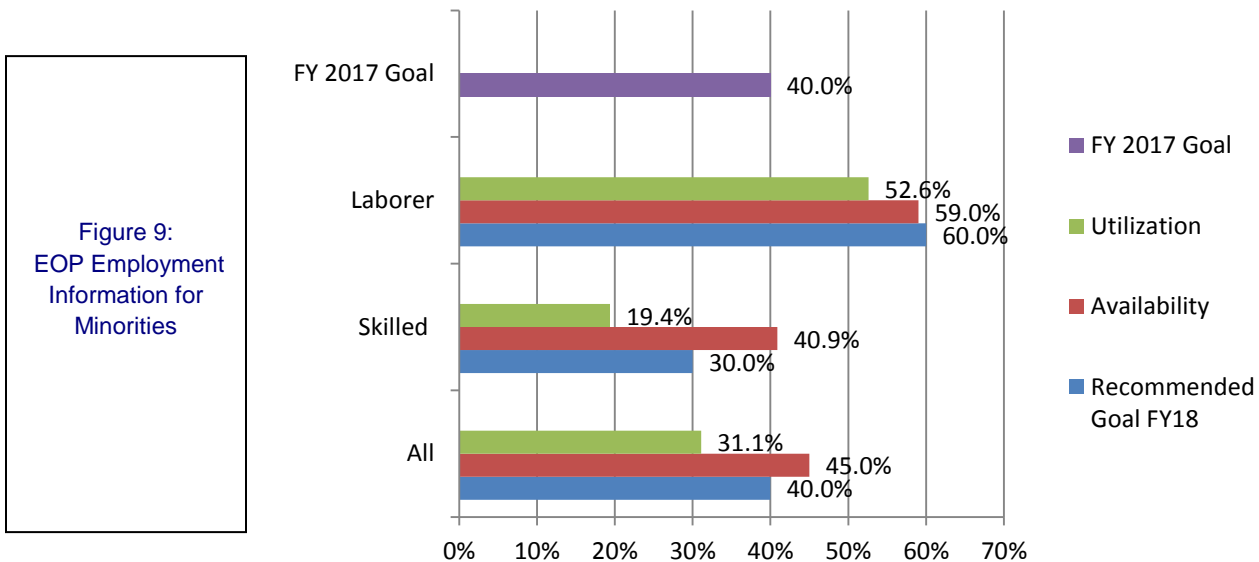
**Utilization  
levels are  
trending up,  
and  
recommended  
goals have  
been set to  
continue these  
trends**

## EOP EMPLOYMENT ANALYSIS

The FY 2017 EOP Employment Analysis examined over 887,000 employment hours on EOPs active between July 1, 2016 and June 30, 2017 using the City's LCP Tracker dataset. Availability was calculated using ACS 2006-2010 EEO 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.



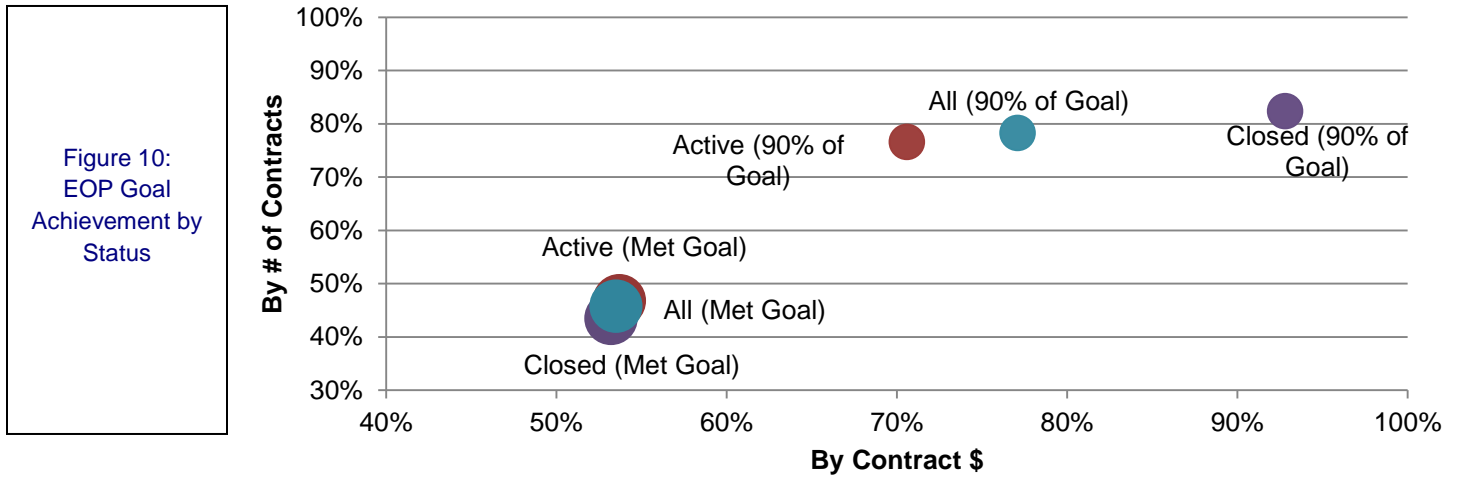
**Overall, female utilization is low; availability suggests a 5% goal is achievable and encourages increased female participation.**



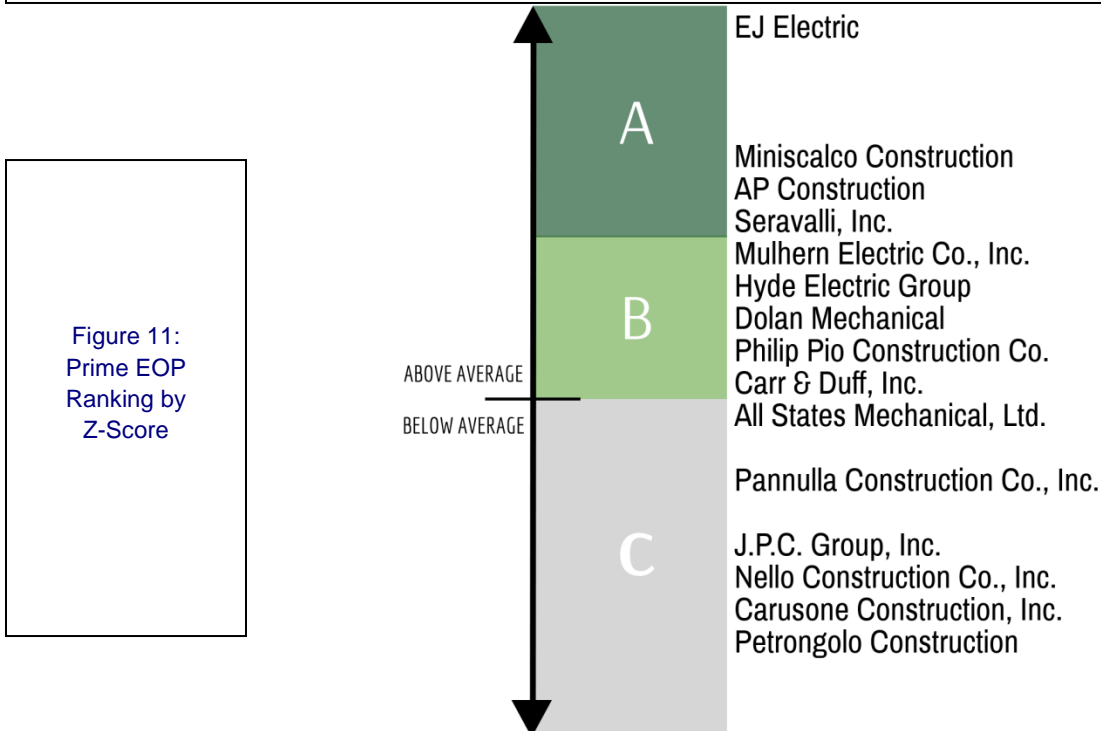
**Goals informed by availability and set by gender, race, ethnicity, and worker type address overall underutilization and the disparity between Skilled and Laborer utilization.**

## EOP ANALYSIS

The FY 2017 EOP Analysis examined the 469 active and closed EOPs that reported data between July 1, 2016 and June 30, 2017, and ranked each EOP and each prime contractor based on actual usage of M/W/DSBEs relative to commitment levels.



**Seventy-eight percent of these EOPs, representing about 77 percent of aggregate contract dollars, met or exceeded 90 percent of their commitment levels. By number and dollar amount, about half of EOPS met or exceeded their commitment levels.**



**The 15 prime contractors with five or more EOPs were assigned a grade based on their performance relative to averages and controlling for different EOP characteristics such as department, contract size, and commitment level. The visual above shows how they rank from top (most above average) to bottom (most below average) based on this statistical analysis.**

## **GLOSSARY**

Availability	% of businesses that can do business with the City that are 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 go 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 2017 OEO Participation Report, OEO Registry as of January 2018, Survey of Business Owners 2012

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

EOP Analysis: FY 2017 OEO EOP Contract List