

ANNUAL DISPARITY STUDY

FISCAL
YEAR
2018

CITY OF PHILADELPHIA

OFFICE OF ECONOMIC
OPPORTUNITY



Department of
Commerce

CITY OF PHILADELPHIA

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ADDENDA:

City of Philadelphia – Economic Opportunity Plan Analysis FY 2018

City of Philadelphia – EOP Employment Composition Analysis FY 2018

EXECUTIVE SUMMARY

INTRODUCTION

Econsult Solutions, Inc. and Milligan & Company, LLC are pleased to submit the Annual Disparity Study for Fiscal Year (FY) 2018 to the City of Philadelphia. The study includes a brief discussion of the purpose, results of the study, and recommendations for FY 2018 and beyond.

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, on Public Works (PW), Personal and Professional Services (PPS), and Supplies, Services, and Equipment (SSE) contracts. It determines the extent to which a disparity between utilization and availability exists and provides critical data in the formation of annual Participation Goals.

Approximately \$1.45 billion in awarded contracts were directly analyzed in this study. This represents sealed bid and non-sealed contracts. This includes \$600.5 million in spending by quasi-public entities (Office of Housing and Community Development, Philadelphia Industrial Development Corporation, and Philadelphia Redevelopment Authority).

Notably, this study does not include seven federally funded PW contracts representing \$78.6 million over which the City has no goal-setting influence. In addition, there were 156 contracts totaling \$220.1 million in FY 2018 for which there are few or no M/W/DSBEs available to participate. This study reports utilization levels excluding these “few or no opportunity” contracts. It is important to note that some of those contracts with “few or no opportunity”, represented as “FONO” in this report, are the result of court order and not within the City’s control. An example is court ordered foster care which is typically handled by non-profit agencies.

2018 ACHIEVEMENTS

The Office of Economic Opportunity (OEO) at the City of Philadelphia continues to be a leader in setting best practices for M/W/DSBE inclusion as the highlighted achievements in Table ES.1 illustrate.

Table ES.1 – OEO FY 2018 Achievements

Achievements	
Empowerment	<ul style="list-style-type: none">• Emerging Vendors Program
Monitoring	<ul style="list-style-type: none">• Improved tracking systems• Enhanced compliance reporting system
Capacity	<ul style="list-style-type: none">• Infuse cash into M/W/DSBE firms• Improve creditworthiness
Oversight	<ul style="list-style-type: none">• Enhanced Compliance
Performance	<ul style="list-style-type: none">• Continued growth of the OEO Registry• M/W/DSBE Prime Contractor Utilization Grew

2.1 Empowerment

ACHIEVEMENT: Emerging Vendors Program

OEO launched the Emerging Vendors Program (EVP) with the City's Rebuild Initiative that will provide diverse firms with the resources and tools to support, grow, and sustain their businesses. The businesses will be pre-qualified and, if accepted, will receive access to supportive services such as access to capital, accounting, legal, technology, and other services.

2.2 Monitoring

ACHIEVEMENT: Improved tracking systems

OEO has implemented improved tracking methods that report contract awards and payments. System reports provide departmental leaders with data to make informed business decisions related to maximizing the contracting participation of M/W/DSBE firms.

ACHIEVEMENT: Enhanced compliance reporting system

OEO implemented a Compliance Hotline in October 2018 and OEO administers the City's web-based compliance reporting system that ensures subcontractors are paid in a timely fashion.

2.3 Capacity

ACHIEVEMENT: Infuse cash into M/W/DSBE firms

The City of Philadelphia is committed to ensuring prompt payment for satisfactory services rendered. At the urging of OEO and Commerce, a strategic team was assembled by the Office of the Chief Administrative Officer to address expediency of payments for M/W/DSBE businesses.

ACHIEVEMENT: Improve creditworthiness

OEO is committed to improving the creditworthiness of small and diverse businesses through targeted outreach efforts and Doing Business in the City workshops. This will help businesses effectively handle credit and debt obligations, which will, in turn, allow them to increase capacity, pursue bigger contracting opportunities, and increase revenue.

2.4 Oversight

ACHIEVEMENT: Established oversight professionals and committees

Two OEO Enforcement Managers were hired to strengthen compliance efforts, which correlated with a 3.5 percent increase in M/W/DSBE utilization on Public Works contracts. Since projects over \$5 million fail to meet goals more frequently than projects under \$5 million, the City convenes a group of stakeholders provide oversight for M/W/DSBE inclusion for projects exceeding \$5 million.

2.5 Performance

ACHIEVEMENT: Growth of the OEO Registry

The OEO Registry continues to grow consistently each year, achieving 3,038 total M/W/DSBEs registered, compared to 2,940 firms as of January 2018. In one year the OEO Directory grew by 98 M/W/DSBE firms.

ACHIEVEMENT: M/W/DSBE Prime Contractor Utilization Grew

The average dollar value of contracts awarded to M/W/DSBE Primes has been growing steadily since FY 2014 from \$170,000 average to \$300,000 average in FY 2018. The number of contracts awarded to M/W/DSBE Prime contractors also grew by 21.6 percent from 343 in FY 2017 to 417 contracts in FY 2018.

RESULTS

Lower Utilization on Contracts for which the City had more Goal-Setting Influence – M/W/DSBE utilization was 32.9 percent for City contracts and 26.7 percent for quasi-public contracts. Combined, City contracts and quasi-public contracts achieved utilization of 30.3 percent in FY 2018, down from 31.7 percent in FY 2017 (see Table ES.2). As there was increased overall spending in FY 2018, this meant dollars to M/W/DSBEs increased, from \$309.9 million in FY 2017 to \$441.3 million in FY 2018.

Goals for federally funded contracts are set by the Federal government, thus OEO has no goal-setting influence. Federally funded contracts also require different business certifications. As a result, federally funded City contracts were excluded from the data sets throughout the report.

Table ES.2 – FY 2018 and FY 2017 Utilization of M/W/DSBEs Located in the US by Contract Type (Percentage of Contract Dollars Awarded)^{1 2}

	FY 18 PW	FY 18 PPS	FY 18 SSE ³	FY 18 All Contract Types ⁴	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types	FY 17 – FY 18 Change
City Contracts	29.7%	36.6%	27.1%	32.9%	26.2%	42.8%	22.9%	33.5%	-0.6 pp
Quasi-Public Contracts⁵	N/A	N/A	N/A	26.7%	N/A	N/A	N/A	26.7%	0.1 pp
City + Quasi- Public Contracts	29.7%	36.6%	27.1%	30.3%	26.2%	42.8%	22.9%	31.7%	-1.4 pp
Federally Funded City Contracts⁶	9.6%	N/A	N/A	9.6%	13.8%	N/A	N/A	13.8%	-4.2 pp

Source: OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2018, 2019)

¹ This table excludes "FONO" Contracts.

² Due to rounding, numbers presented throughout this report may not add up precisely to the totals indicated.

³ The SSE category in this report includes City-wide contracts and excludes contracts with few or no opportunity for M/W/DSBE participation.

⁴ Quasi-public contract data is accounted for in All Contract Types, but not in the individual contract category rows. This is because contract-level data was not available for some quasi-public agencies.

⁵ Data for quasi-public contracts by contract types is not available; however, the majority of contracts are known to be PW.

⁶ There are no federally Funded City contracts in the PPS and SSE contract types.

Overall M/W/DSBE Spending Increased – M/W/DSBEs were awarded \$441.3 million out of \$1.45 billion in eligible contracts in FY 2018, compared to \$309.9 million out of \$976 million in eligible contracts in FY 2017. Excluding quasi-public contracts, M/W/DSBE utilization decreased by 0.6 percentage points to 32.9 percent in FY 2018 from 33.5 percent in FY 2017 (see Table ES.3).

M/W/DSBEs were awarded \$131 million (or 42%) more in contracts in FY 2018.

Table ES.3 – FY 2018 and FY 2017 Utilization of M/W/DSBEs Located in the US by Contract Type and M/W/DSBE Category (Percentage of Contract Dollars Awarded)⁷⁸

M/W/DSBE Category	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types	FY 17 – FY 18 Change
White Female	12.2%	11.8%	23.8%	12.5%	11.3%	15.5%	18.2%	14.2%	-1.7 pp
Native American	0.0%	0.5%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.3 pp
Asian American	7.5%	6.1%	0.0%	5.8%	5.1%	4.2%	0.5%	4.1%	1.7 pp
African American	7.4%	15.3%	3.3%	11.9%	4.7%	20.8%	4.4%	12.2%	-0.3 pp
Hispanic	2.5%	2.7%	0.0%	2.3%	4.8%	2.1%	0.0%	2.9%	-0.6 pp
All MBE	17.5%	24.8%	3.3%	20.4%	14.9%	27.3%	4.9%	19.3%	1.1 pp
All WBE	15.7%	16.1%	25.0%	16.6%	12.2%	20.4%	18.7%	16.9%	-0.3 pp
Disabled	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0 pp
All M/W/DSBE	29.7%	36.6%	27.1%	32.9%	26.2%	42.8%	22.9%	33.5%	-0.6 pp
Including Quasi-Public City Contracts									
All M/W/DSBEs				30.3%				31.7%	-1.4 pp
Non-M/W/DSBEs				69.7%				68.3%	1.4 pp

Source: OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2018, 2019)

⁷ This table excludes federally funded City contracts and "FONO" contracts.

⁸ Throughout this report, "All MBE", "All WBE", and "Disabled" counts do not add up to "All M/W/DSBE" totals because a firm can be included in multiple categories (i.e. as both an "MBE" and "WBE" or both a "WBE" and "Disabled").

Use of M/W/DSBEs Located within the City Remains Unchanged – City-based utilization of M/W/DSBEs slightly decreased by 0.26 percentage points to 16.7 percent in FY 2018 from 17.0 percent in FY 2017, while utilization of M/W/DSBEs located within the Philadelphia Metropolitan Statistical Area (MSA) decreased by 1.2 percentage points to 24.8 percent in FY 2018 from 26.0 percent in FY 2017 (see Table ES.4).⁹

Utilization of M/W/DSBE based in the city (16.7%) continues to be higher than utilization of M/W/DSBEs either located in parts of the MSA (8.1%) or located entirely outside the region (8.1%).

**Table ES.4 – FY 2018 and 2017 Utilization of M/W/DSBEs by Contract Type and Location
(Percentage of Contract Dollars Awarded)¹⁰**

Location of M/W/DSBE ¹¹	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types	FY 17 – FY 18 Change
City	12.0%	18.3%	24.4%	16.7%	10.2%	22.4%	18.5%	17.0%	-0.3 pp
In Metro but Outside City	11.7%	7.1%	2.0%	8.1%	9.4%	10.4%	3.3%	9.0%	
MSA	23.7%	25.3%	26.4%	24.8%	19.6%	32.8%	21.8%	26.0%	-1.2 pp
In US but Outside Metro	6.0%	11.3%	0.7%	8.1%	6.6%	10.0%	1.1%	7.5%	
US	29.7%	36.6%	27.1%	32.9%	26.2%	42.8%	22.9%	33.5%	-0.6 pp
Non-M/W/DSBEs	70.3%	63.4%	72.9%	67.1%	73.8%	57.2%	77.1%	66.5%	
Including Quasi-Public Contracts¹²									
All M/W/DSBEs				30.3%				31.7%	
Non-M/W/DSBEs				69.7%				68.3%	

Source: OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2018, 2019)

⁹ The counties included in the Philadelphia MSA are Philadelphia (PA), Bucks (PA), Chester (PA), Delaware (PA), Montgomery (PA), Burlington (NJ), Camden (NJ), Gloucester (NJ), Salem (NJ), New Castle (DE), and Cecil (MD).

¹⁰ This table excludes federally funded City contracts and “FONO” contracts.

¹¹ “Location” represents three concentric circles: “City” means the M/W/DSBE is located within the city of Philadelphia, “MSA” means it is located within the Philadelphia MSA, and “US” is the whole nation.

¹² Contract-level data was not available for some quasi-public agencies, so the geographic location of M/W/DSBEs participating in quasi-public contracts was not known. Therefore, their information is included only in the “US” row and not in the “City” or “MSA” rows, which means that city and MSA figures are likely understated.

The Average M/W/DSBE Contract Size and the Percentage of M/W/DSBE Prime Contracts Increased — The percentage of contract dollars awarded to M/W/DSBE prime contractors increased 1.5 percentage points from 12.9 percent in FY 2017 to 14.5 percent in FY 2018. The average contract size increased to \$300,000 in FY 2018 (vs. \$390,000 for non-M/W/DSBE prime contractors) up from \$280,000 in FY 2017 (vs. \$390,000 for non-M/W/DSBE prime contractors) (see Table ES.5). In FY 2018, the average contract size ratio for M/W/DSBE prime contractors to non-M/W/DSBE prime contractors was 0.79 (\$300,000/\$390,000), an increase of 9.7 percent from the FY 2017 ratio of 0.72 (\$280,000/\$390,000). In FY 2018, M/W/DSBE prime contractors received 18.3 percent of contracts compared to 17.4 percent in FY 2017, an increase of 0.92 percentage points.

Table ES.5 – FY 2018 and 2017 Utilization of M/W/DSBE Primes by Contract Type (Percentage of Contracts and Contract Dollars Awarded)¹³

	FY 18	FY 18	FY 18	FY 18	FY 17	FY 17	FY 17	FY 17	FY 17 – FY 18
	PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types	Change
<i>% Primed by M/W/DSBE</i>									
By #	4.9%	25.3%	12.3%	18.3%	6.3%	23.8%	8.7%	17.4%	+0.9 pp
By \$	3.3%	22.6%	12.3%	14.5%	3.5%	23.0%	4.0%	12.9%	+1.5 pp
<i>Average Contract Size (\$M)</i>									
M/W/DSBE Primes	\$1.62	\$0.52	\$0.58	\$0.30	\$1.43	\$0.58	\$0.17	\$0.28	+\$0.02
Non-M/W/DSBE Primes	\$2.49	\$0.61	\$0.58	\$0.39	\$2.62	\$0.61	\$0.39	\$0.39	\$0.0

Source: OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2018, 2019)

Availability of M/W/DSBEs is fairly stable, utilization decreased slightly. As a result, the overall MSA disparity ratio is at parity (1.00) for FY 2018.

The MSA Disparity Ratio is at Parity – The disparity ratio is calculated in the following way: utilization rate divided by availability rate. Availability is a function of the number of firms operating in any given sector, weighted by the types of goods and services the City procures in any given year. Given these two factors, M/W/DSBEs represented 24.9 percent of available

firms within the Philadelphia MSA in FY2018, down 1.4 percentage points from 26.3 percent in FY 2017 (see Table ES.6).¹⁴ Utilization refers to the participation of firms in various M/W/DSBE

¹³ This table excludes federally funded City contracts and "FONO" contracts.

categories, as a percentage of all contracts awarded. The utilization of M/W/DSBEs in the Philadelphia MSA was 24.8 percent, down 1.2 percentage points from 26.0 percent in FY 2017 (see Table ES.7). The disparity ratio increased from 0.99 in FY 2017 (MSA utilization of 26.0 percent divided by MSA availability of 26.3 percent) to 1.00 in FY 2018 (MSA utilization of 24.8 percent divided by MSA availability of 24.9 percent) when looking at all contract types.

Table ES.6 – FY 2018 and FY 2017 Availability of Ready, Willing, and Able M/W/DSBE Firms within the Philadelphia MSA

M/W/DSBE Category	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types	FY 17 – FY 18 Change
All MBE	5.8%	12.0%	12.5%	9.9%	7.8%	13.2%	10.9%	10.6%	-0.7 pp
All WBE	10.9%	17.6%	16.3%	15.1%	13.0%	18.7%	13.7%	15.7%	-0.6 pp
All M/W/DSBE	16.7%	29.6%	28.7%	24.9%	20.8%	31.8%	24.6%	26.3%	-1.4 pp

Source: US Census Bureau Survey of Business Owners (2007, 2012), OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2018, 2019)

Table ES.7 – FY 2018 and FY 2017 Summary Disparity Ratios for the Philadelphia MSA

M/W/DSBE Category	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types	FY 17 – FY 18 Change
MSA Utilization	23.7%	25.3%	26.4%	24.8%	19.6%	32.8%	21.8%	26.0%	-1.2 pp
MSA Availability	16.7%	29.6%	28.7%	24.9%	20.8%	31.8%	24.6%	26.3%	-1.4 pp
Disparity Ratio	1.42	0.86	0.92	1.00	0.94	1.03	0.89	0.99	+0.1 pp

Source: Econsult Solutions, Inc. (2018, 2019); Utilization = FY 2018 OEO Participation Report (2017); Availability = US Small Business Administration – Philadelphia District Office (2007, 2012)

¹⁴ “Ready, willing, and able” is assumed to mean firms with one or more employee in industry codes for which the City contracts for goods and services. Availability data used in this 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-Owned Business Enterprises and Women-Owned Business Enterprises (SMOBE/SWOBE). The most recently released SBO data is from 2012 and was released in 2015. Previous Disparity Studies have used the 2007 SBO data, which was released between 2011 and 2012.

PARTICIPATION GOALS

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). We base our recommended participation goals on these comparisons, and in some cases, recommend an aspirational “stretch goal” that may be slightly higher than both FY 2018 utilization and availability. Stretch goals are within five percentage points of actual utilization (see Table ES.8).¹⁵ Our recommended stretch goal for M/W/DSBE utilization for all contract types is 35 percent (see Table ES.8 and Table ES.9) and is slightly above FY 2018 utilization and availability for City and quasi-public contracts.¹⁶

The recommended goal for M/W/DSBE utilization for all contract types is 35 percent excluding federally funded City contracts and contracts with few or no opportunity for M/W/DSBE participation.

The exclusion of “few or no opportunity” (FONO) contracts does not indicate that M/W/DSBEs are unable to participate on these contracts but that additional outreach is necessary. There are likely barriers to M/W/DSBE utilization that are systemic or administrative. With the identification of the specific types of barriers and increased outreach, these FONO categories may be reduced over time as utilization increases.

¹⁵ Updated Census Bureau SBO data from 2007 to 2012 shows a 1.4 percent increase in availability within the City for M/W/DSBE firms, and a 4.1 percent increase in availability within the MSA for M/W/DSBE firms. Stretch goals are recommended to keep pace with historical availability and utilization trends within these geographies.

¹⁶ Excluding federally funded City contracts, as well as contracts with few or no opportunity for M/W/DSBE participation.

Table ES.8 – Recommended Participation Goals for City Contracts and Quasi-Public Contracts

M/W/DSBE Category	PW	PPS	SSE	All Contract Types	FY17/FY18 Actual
White Female	11.9% U	7.2% U	23.7% U	12.5% U	FY17: 14.2% FY18: 12.5%
Native American	0.2% A	0.5% U	0.2% A	0.3% U	FY17: 0.0% FY18: 0.3%
Asian American	7.5% U	6.8% A	4.4% A	5.8% U	FY17: 4.1% FY18: 5.8%
African American	7.4% U	15.3% U	3.4% A	11.9% U	FY17: 12.2% FY18: 11.9%
Hispanic	2.5% U	2.7% U	2.1% A	2.3% U	FY17: 2.9% FY18: 2.3%
All MBE	17.5% U	24.8% U	12.5% A	20.4% U	FY17: 19.3% FY18: 20.4%
All WBE	15.7% U	17.6% A	25.0% U	16.6% U	FY17: 16.9% FY18: 16.6%
City-Based M/W/DSBE	23.0% A	38.0% A	48.3% A	33.9% A	FY17: 17.0% FY18: 16.7%
All M/W/DSBE	29.7% U	36.6% U	28.7% A	35.0% S	FY17: 31.7% FY18: 30.3%
FY17/FY18 Actual	FY17: 26.2%	FY17: 42.8%	FY17: 22.9%	FY17: 31.7%	
	FY18: 29.7%	FY18: 36.6%	FY18: 27.1%	FY18: 30.3%	

Source: Econsult Solutions, Inc. (2019)

This entire report excludes federally funded City contracts. Goals for federally funded contracts are set by the Federal government, thus OEO has no goal-setting influence on these goals. **The recommended stretch goal of 35 percent presented in Table ES.8 does not include federal contracts.** This report focuses only on the contract goals the City can control and should be held accountable for.

Table ES.9 – Actual and Recommended M/W/DSBE Utilization for City Contracts (Excluding Federally Funded City Contracts) and Quasi-Public Contracts¹⁷

	Actual (incl. FONO Contracts) ¹⁸						Actual (excl. FONO Contracts) ¹⁹								Goal
	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY17	FY18		
All M/W/DSBE	23.6%	22.3%	19.2%	19.0%	20.8%	23.3%	28.2%	28.1%	29.4%	30.6%	30.7%	31.7%	30.3%	35.0%	
MBE	17.7%	15.7%	14.8%	14.1%	14.9%	15.3%	21.2%	18.8%	18.5%	19.2%	19.6%	19.3%	20.4%	20.4%	
WBE	9.9%	10.8%	7.6%	8.6%	8.9%	10.8%	9.0%	12.2%	14.2%	14.3%	16.3%	16.9%	16.6%	16.6%	
PW	19.6%	16.5%	15.1%	12.1%	21.9%	19.8%	24.4%	20.6%	22.3%	25.0%	25.3%	26.2%	29.7%	29.7%	
PPS	25.8%	27.5%	22.7%	22.9%	15.2%	26.2%	30.2%	32.6%	36.3%	38.6%	38.9%	42.8%	36.6%	36.6%	
SSE	22.2%	17.1%	18.6%	12.8%	30.4%	18.9%	26.1%	20.8%	18.7%	23.7%	24.4%	22.9%	27.1%	28.7%	

Source: Econsult Solutions, Inc. (2019)

¹⁷ This table excludes federally funded City contracts.

¹⁸ FY 2006 to FY 2009 results are adjusted to include SSE waste management spending that was not previously accounted for in published Annual Disparity Studies because it was from amendments to existing contracts rather than awarded contracts. FY 2006 to FY 2011 results do not exclude City contracts for which there were few or no opportunities for M/W/DSBE participation.

¹⁹ FY 2012 to FY 2018 results exclude City contracts for which there were few or no opportunities for M/W/DSBE participation. FY 2006 to FY 2011 results also do not include City contracts for electric utilities, which are included in the FY 2012 to FY 2014 results.

RECOMMENDATIONS

The FY 2018 Disparity Study project team of Econsult Solutions, Inc. and Milligan & Company, LLC presents the following recommendations to the City of Philadelphia Office of Economic Opportunity (OEO). This section reinforces many of the activities currently planned or implemented by OEO and offers additional focus areas for continued sustainability.

Table ES.10 summarizes the recommendations based on the findings from the FY 2018 study. The improvements in utilization of M/W/DSBEs over time is a direct cumulative result of OEO's programs and achievements in recent years. OEO has recently implemented or is in the process of implementing the following new initiatives:

- Established new relationships for the processing of Disabled Business certifications (2018)
- Enhanced EOP Dashboard for improved tracking and transparency (2018)
- Hired two new OEO Enforcement Managers and implemented new OEO Compliance Hotline (2018)
- Quick-pay process to ensure prompt payment for services rendered (2018)
- Implementation of the Emerging Vendors Program pilot (March 2019)

Some of these initiatives were recommendations in previous annual disparity reports and others, such as the EVP pilot, were formed out of opportunities such as the Rebuild program. While this report indicates progress in overall M/W/DSBE contract utilization, there is still opportunity for OEO to further explore and encourage increased utilization in specific groups. Five-year trend data reveals that there is still abundant potential for OEO to aid in the success of M/W/DSBE firms, particularly M/W/DSBE Primes. Most of these recommendations presented are interconnected and when implemented together, will build upon OEO's current success in assisting M/W/DSBE firms to grow and thrive in the Philadelphia marketplace.

Table ES.10 – FY 2018 Annual Disparity Study Recommendations

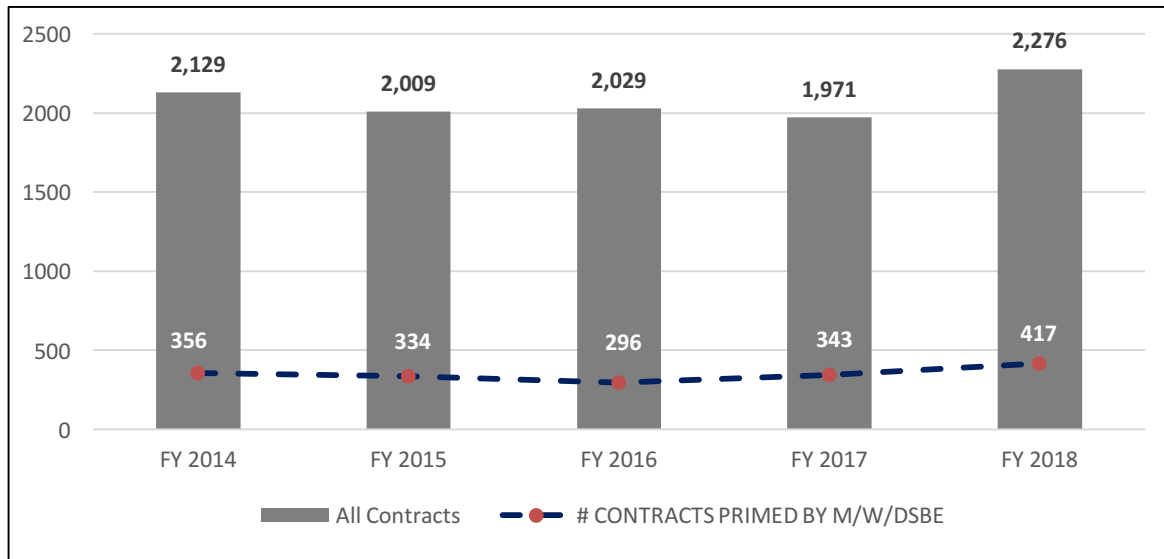
Findings and Recommendations	
Continue Positive Growth Trend in M/W/DSBE Prime Capacity	<ul style="list-style-type: none"> • Implement a Mentor-Protégé Program in FY 2020 • Monitor the Emerging Vendors Program
Continue Increasing Utilization	<ul style="list-style-type: none"> • Implement a LGBT-owned business program in FY 2020
Disparity Remains an Issue	<ul style="list-style-type: none"> • Conduct an Access to Capital analysis • Conduct more robust formal Disparity Study

RECOMMENDED PROGRAMMATIC AND POLICY ACTIONS

5.1 CONTINUE GROWING M/W/DSBE PRIME CAPACITY

The utilization of M/W/DSBE Prime contractors continues to lag behind the participation of non-M/W/DSBE Prime contractors. Since the number of contracts and the dollar amount of contracts varies year-to-year based upon the types of goods and services the City purchases, there are annual fluctuations in the overall utilization M/W/DSBE firms. Figure E.S.11 shows a five-year trend comparing the number of annual contracts primed by M/W/DSBEs compared to the number of all contracts awarded by the City.²⁰ Between FY 2014 and FY 2018, MWDSBEs Prime contractors received an annual average of 17 percent of all contracts awarded.

²⁰ Table 4.4.1 included in Section 4 of this report provides the FY 2017 and FY 2018 details of M/W/DSBE utilization by number of contracts and amount. Details for FY 2014 through FY 2016 are provided in the Annual Disparity Study produced for each fiscal year.

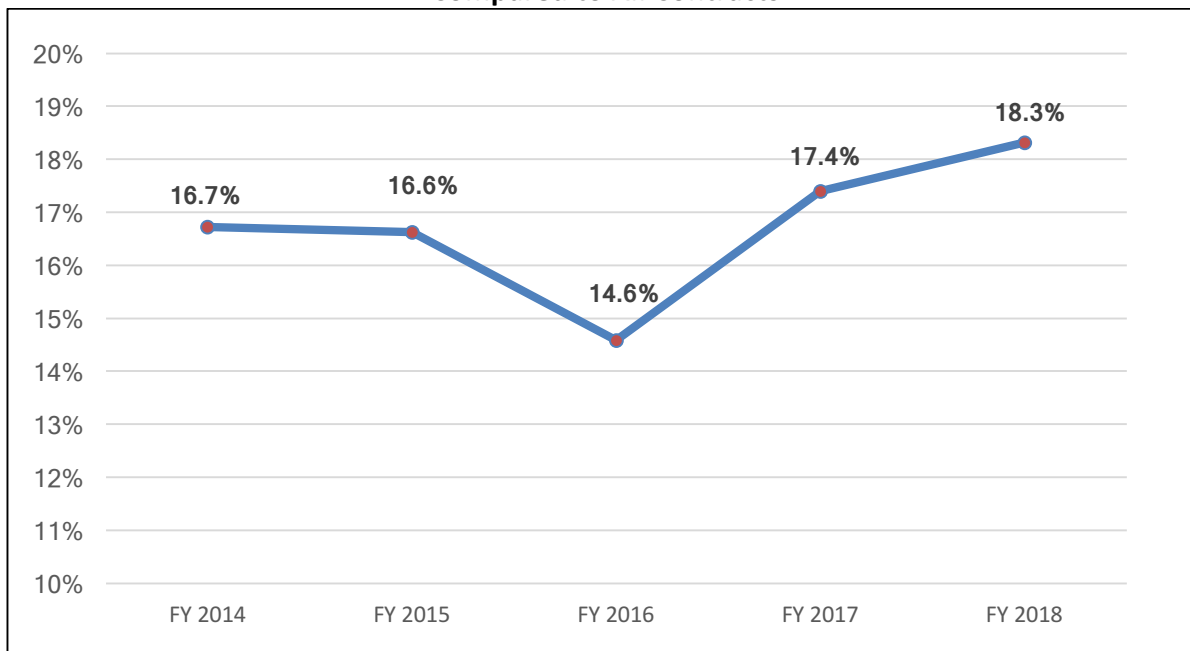
Figure ES.11 FY 2014 to FY 2018 Number of M/W/DSBE Prime Contracts Compared to All Contracts

Source: OEO Annual Participation Report (FY 2014 – FY 2018), Econsult Solutions, Inc. (2015 - 2019)

After several years of decline, the total number of contracts awarded by the City increased from 1,971 to 2,276 in FY 2018. Similarly, the number of contracts primed by M/W/DSBE firms has increased from 343 to 417, or 21.6 percent.

Figure E.S.12 shows a five-year trend of the percentage of contracts awarded to M/W/DSBE Prime contractors compared to all contracts awarded. The increase in the percentage of contracts awarded to M/W/DSBE Prime contractors has been generally positive with the exception of FY 2016 when the percentage share of contracts decreased to 14.6 percent.

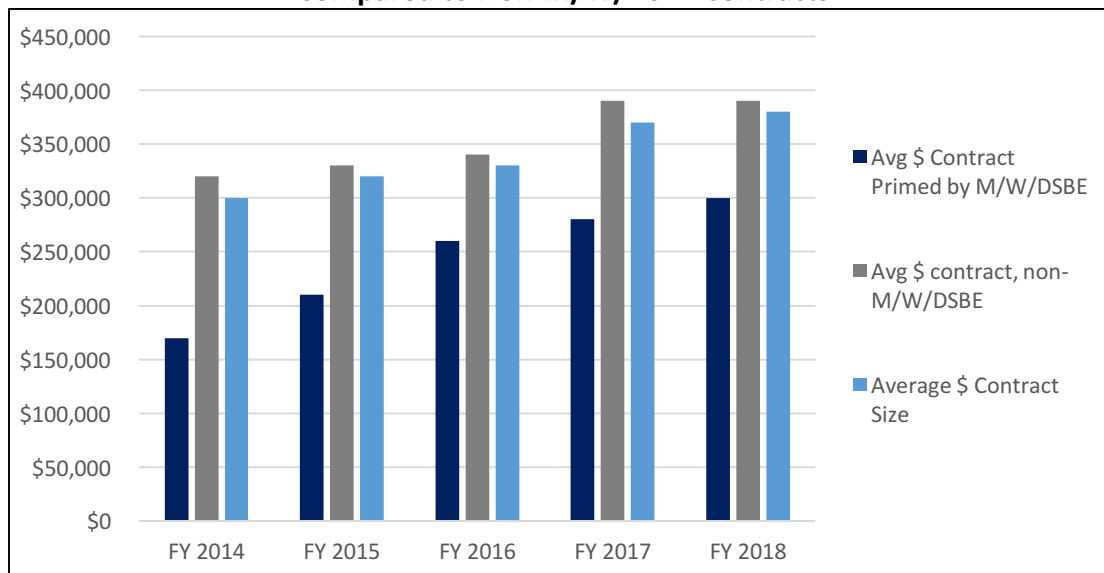
Figure ES.12 Five Year Trend (FY 2014 to FY 2018) Percentage of M/W/DSBE Prime Contracts Compared to All Contracts



Source: OEO Annual Participation Report (FY 2014 – FY 2018), Econsult Solutions, Inc. (2015 - 2019)

Figure ES.13 shows the five-year trend of the average dollar value of contracts awarded to M/W/DSBE Prime contractors and non-M/W/DSBE Primes. Overall, the five-year trend shows improvement in M/W/DSBE Prime contractor participation. It is important to highlight that the average dollar value of contracts awarded to M/W/DSBE Primes has been growing steadily since FY 2014 from \$170,000 average to \$300,000 average in FY 2018. As with the number and percentage of contracts awarded to M/W/DSBE Primes, the average dollar value of prime contracts awarded to M/W/DSBE continues to be consistently lower when compared to the average value of contracts non-M/W/DSBEs are awarded. The City should continue to explore strategies similar to the Emerging Vendors program to grow more M/W/DSBE firms into Prime contractors and assist M/W/DSBE Primes in building capacity to successfully handle larger City contracts. Conducting an Access to Capital analysis and a full comprehensive disparity study can inform these strategies once the barriers to entry in the Philadelphia market for M/W/DSBE subcontractors and prime contractors are more fully known.

Figure ES.13 FY 2014 to FY 2018 Average Dollar Value of M/W/DSBE Prime Contracts Compared to Non-M/W/DSBE Contracts



Source: OEO Annual Participation Report (FY 2014 – FY 2018), Econsult Solutions, Inc. (2014 - 2018)

RECOMMENDATION: *Implement a Mentor-Protégé Program in FY 2019*

The City of Philadelphia is already implementing the Emerging Vendors Program (EVP) as a means to grow smaller M/W/DSBEs into certified firms that can compete for City contracts. OEO is consistently seeking strategies aimed at growing and preparing small M/W/DSBEs to compete as Primes. The 2010 Inclusion Works: Economic Opportunity Strategic Plan and several Annual Disparity Studies, including the FY 2017 report which outlined suggested approaches and incentives, have recommended that the City explore the creation of a structured Mentor-Protégé program in conjunction with the EVP as a strategy to grow the capacity of M/W/DSBEs to prime City contracts. This is not an uncommon strategy in diverse business development programs, in fact, the 2018 Disparity Study conducted for the Commonwealth of Pennsylvania recommended the implementation of a voluntary Mentor-Protégé program at the state-level.²¹

OEO plans to implement a Mentor-Protégé program in FY 2020. However, this type of program is not without its challenges. For instance, insufficient participation and engagement of Prime contractors as mentors is a significant barrier to overcome. Reasons for marginal Prime involvement usually include a lack, or perceived lack, of tangible incentives. The FY 2017 report

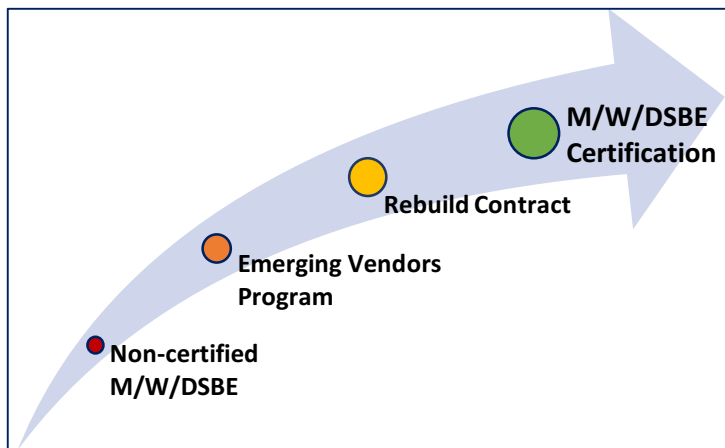
²¹ <https://www.dgs.pa.gov/Small%20Diverse%20Business%20Program/Pages/Mentor-Protege-Program.aspx>

proposed offering additional points to bidders who are actively enrolled in the Mentor-Protégé program to encourage participation. A formal Mentor-Protégé program, as recommended in the FY 2017 report, can be a time-consuming commitment for both OEO and Prime contractors. OEO has just recently increased focus on monitoring efforts, therefore OEO needs to ensure it has sufficient staff to implement a Mentor-Protégé program in conjunction with the EVP. OEO may want implement an informal or voluntary program before developing a formal Mentor-Protégé program. Once an informal program is established and piloted it can be more easily refined and converted into a formal program in the future.

Some additional recommendations for both a Mentor-Protégé program and for the Emerging Vendors Program include providing regular procurement management system training to current and potential M/W/DSBE contractors on how to best navigate and search for contract opportunities and working with prime contractors on strategies to include more diverse businesses in their bids.

RECOMMENDATION: *Monitor the Emerging Vendors Program*

OEO's Emerging Vendors Program (EVP) is currently in the process being implemented with the City's Rebuilding Community Infrastructure (Rebuild) program. The EVP will assist small eligible disadvantaged firms to become M/W/DSBE certified over an eighteen-month period. Firms accepted into the EVP will be counted toward the Rebuild Economic Opportunity Plan (EOP) goals. By initially tying the EVP within the parameters of the Rebuild program, OEO can pilot the EVP, refine it as needed over time, and determine if the program is suitable for city-wide implementation. As part of EVP business recruitment, OEO in partnership with City departments and other stakeholders should provide more frequent training workshops to help M/W/DSBE business owners understand how to do business with the City and what to expect when selected as either a prime or a subcontractor on a city contract with specific focus on Rebuild contracts.



Once the program is established and firms are being accepted into the program, OEO will need to carefully track and monitor the EVP firms who become certified M/W/DSBEs. The Pennsylvania Disparity Study recommended that the Commonwealth implement several growth

monitoring measures including the annual collection of data on revenue, number of locations, number of employees, and employee demographics. As firms are added to the EVP, the data collected from participants will help to measure success and identify trends that can be used to modify the program as necessary.

The EVP to M/W/DSBE certified conversion rate in the first eighteen months will help inform any adjustments to the program including the contract dollar threshold. If a permanent EVP is adopted and implemented city-wide, OEO should consider longer-term monitoring and tracking of EVPs to help measure the success of the program. It's further recommended that OEO compile and analyze information of firms that are terminated from the EVP to determine the reasons for inability or unwillingness to complete the program. By doing so, OEO can work to continually improve the EVP. Early data regarding the EVP is expected to be available for the FY 2019 Disparity Study.

5.2 CONTINUE INCREASING UTILIZATION

RECOMMENDATION: *Implement a LGBT-owned business program in FY 2020*

OEO has been working with the National LGBT Chamber of Commerce (NGLCC), the Independence Business Alliance, and the City's Office of LGBT Affairs to explore the most effective means to address concerns about LGBTQ business equity in Philadelphia. As stated in the FY 2017 Disparity Study, the LGBTQ business community in Philadelphia has expressed that they want participation to be counted but they do not want LGBTQ-owned business goals to be set by OEO.²²

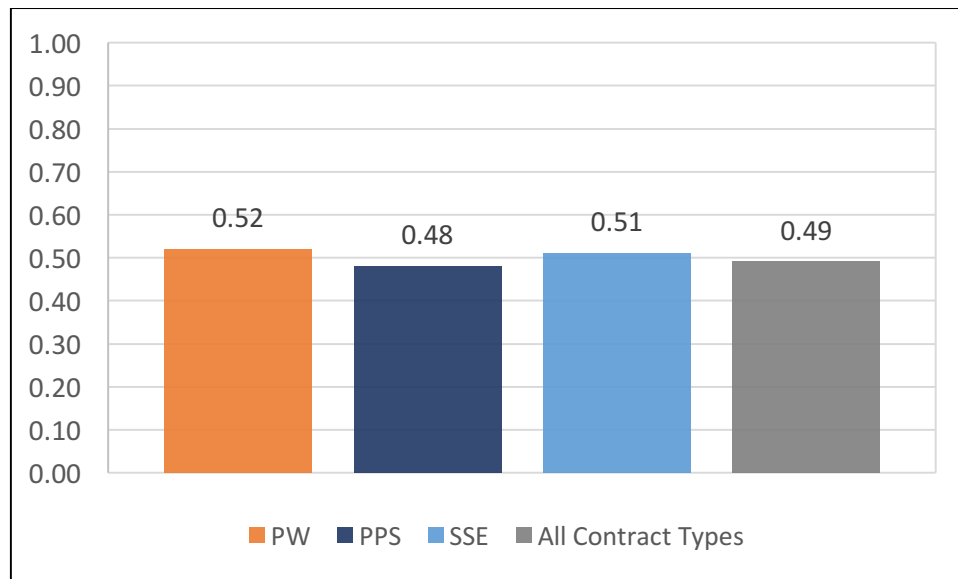
Starting in FY 2019, the City will begin to track LGBTQ business utilization via voluntary reporting of firms who are certified with the NGLCC. Firms may voluntarily submit their LGBT business certification as part of the bidding process. OEO will match the certification against the list of certified firms kept by the National LGBT Chamber of Commerce. The voluntary reporting will be included for data collection only. Certified LGBTQ-owned firm participation will not count toward the achievement of M/W/DSBE goals. Data provided will be included in the annual disparity study beginning in FY 2019.

²² Owens, Ernest. "White Gay Male Business Owners Aren't a Vulnerable Minority in Philly." Philadelphia Magazine, 22 Dec. 2017, www.phillymag.com/news/2017/12/22/white-gay-men-business-contracts/

5.3 DISPARITY REMAINS AN ISSUE AT THE CITY LEVEL

The data presented in this report shows at the Philadelphia MSA level, the FY 2018 disparity ratio is at parity (1.0) for all M/W/DSBEs and all contract types.²³ However, as shown in Figure ES.14, at the City of Philadelphia level, the disparity ratios across all contract types are below parity.

Figure ES.14 FY 2018 Disparity Ratio for the City of Philadelphia, by Contract Type for All M/W/DSBEs



Source: OEO Annual Participation Report (FY 2018), Econsult Solutions, Inc. (2019)

RECOMMENDATION: *Conduct an M/W/DSBE Access to Capital analysis*

This recommendation, also presented in FY 2017, remains a critical component to further OEO's efforts to address and remove barriers to M/W/DSBE participation. Again, it is recommended that the City conduct a baseline M/W/DSBE Access to Capital analysis.

In 2018, OEO convened a high-level meeting with Mayor Kenney, Commerce Director Epps, decision-makers from media and higher-education institutions, leaders in the construction industry, as well as development agencies and the leadership of trade organizations. The purpose of the meeting was to discuss policies and systems that impede M/W/DSBE participation on construction projects. The construction industry is one that requires firms to have more capital available to cover higher insurance and bonding premiums, equipment leases

²³ See tables 5.2.1 and 5.2.2 in Section 5 of this report.

or purchases, materials purchases, and to meet weekly payroll. The City has already implemented the one-stop lending portal through the Capital Consortium which will make it easier for small businesses to access capital.²⁴ While this addresses an issue that is known to exist, it does not specifically identify the root causes in the Philadelphia marketplace. Tracking the types of businesses who apply and what types of financial products are offered and accepted, if any, would provide additional data to inform an Access to Capital analysis.

Through an Access to Capital analysis, OEO will be able to gain valuable information regarding systematic bias in lending and investment practices. Access to traditional personal and commercial lending, as well as access to investment alternatives such as venture capital and angel investors, is necessary to support the creation and sustainability of M/W/DSBE firms. The ability to access capital influences the cash flow needed to open and operate a business. Therefore, if there are lending and investment issues that prevent M/W/DSBEs from obtaining loans in the first place, then that will affect the formation of businesses and thus the overall availability of M/W/DSBE firms in the marketplace.

Understanding access to capital and lending trends over time can be determined by analyzing Community Reinvestment Act data. Comparing the following data points can help illuminate any systemic lending issues:

- Small business lending activity in Philadelphia (i.e. dollars and number of loans)
- Small business lending in minority census tracts
- Small business lending by track income level
- Distribution of loans to small businesses with revenues less than \$1 million (by minority and income tract)
- Bank branch location penetration (i.e. per 1,000 households)

The insight that is gained from the analysis can be used to not only assist M/W/DSBE firms but also benefit lenders by educating banking institutions in the challenges that local, small, and minority businesses face. Through the analysis, lenders can understand how best to assist firms in successfully obtaining capital by creating reasonable loan requirements and attainable standards, thereby decreasing the financial limitations that local M/W/DSBEs face when trying to do business with the City.

²⁴ City of Philadelphia, Business Services, Philadelphia Capital Consortium

RECOMMENDATION: *Conduct a full-scale Disparity Study*

As recommended in previous Annual Disparity Study reports, the City of Philadelphia should consider the benefits of undertaking a more systematic approach to the disparity study to fully understand the barriers specific to the Philadelphia marketplace. A full-scale disparity study provides more proof of disparity, giving the City stronger statistical grounds for the continued use of race-specific and gender-specific goals. It also delves deeper into not only whether and where disparity is occurring but why. By identifying the root causes of disparity in M/W/DSBE utilization, OEO can then take a more targeted approach to tackling barriers caused by discrimination. The soon-to-be released Pennsylvania Disparity Study can be used as a framework to inform the direction of a full study for Philadelphia. In addition to an analysis on availability and utilization, a comprehensive study typically includes a business owner survey and a full Access to Capital analysis as well as interviews to collect anecdotal information from M/W/DSBEs regarding their experiences in the marketplace. Past annual disparity studies have included peer city benchmarking. A large study could also include a more in-depth analysis of peer cities with demographic and M/W/DSBE-owned business composition similar to that of Philadelphia.

OEO has been exploring partnerships and having formal discussions with other local agencies. Sharing the cost of a full study makes economic sense and provides a more complete representation of disparity across the City than the disparity reports generated annually. If undertaking a multi-agency study, several issues would need to be resolved including the accounting and tracking of actual spend instead of committed contract dollars. Each agency would need to use equivalent contracting data so that a cross-agency analysis can be conducted. This would require the creation of relevant City data by purchase order. Additionally, the City uses several systems that would need to be reconciled, namely FAMIS, ADPICS, SPEED, ACIS, and B2GNow. To take advantage of any relevant and current data from the Pennsylvania Disparity Study, discussions with potential partner agencies should continue to occur in 2019 so that the project can be planned to coincide with the first release of the business availability data from new Annual Business Survey (ABS) in late 2019. The ABS replaces the five-year Survey of Business Owners (SBO) used in this current report.

1 STUDY OVERVIEW

This section provides an outline of the entire study and the organization of the report. The Recommendations section (Section 2) provides discussion of the recommended M/W/DSBE participation goals based upon the results of the utilization and availability analyses. This section also discusses recommended policy and programmatic actions for achieving and maintaining M/W/DSBE participation in City contracting opportunities.

The Context, Scope, and Methodology section (Section 3) of this report explains the background of the report, defines the data sets used for this report, and outlines the methodology used to complete the analyses. It details the approach used to measure the levels of utilization and availability of the various M/W/DSBE categories under consideration.

The Utilization section (Section 4) discusses the OEO M/W/DSBE Registry. This section also provides a detailed analysis of utilization for FY 2018 detailed by M/W/DSBE category, contract amount, geographic location, contracting department, and M/W/DSBE prime status. The FY 2018 results are compared to the FY 2017 results in order to address the annual change in the City of Philadelphia and the Philadelphia MSA.

The Availability and Disparity section (Section 5) provides an analysis of the M/W/DSBE availability rates calculated for this report as well as the disparity ratio for the M/W/DSBE categories under consideration. The availability analysis includes discussion on geographic location and industry distribution of all contracts. Additional detail on the “Few or No Opportunity” (FONO) contracts is also included. The disparity analysis is a comparison of utilization to availability rates and provides details for the M/W/DSBE categories for this report.

Addenda: The FY 2018 Annual Disparity Study contains two addenda that serve as companion reports:

- The City of Philadelphia Economic Opportunity Plan Analysis Fiscal Year 2018 discusses the City’s performance in achieving participation goals set on various Economic Opportunity Plan (EOP) projects.
- The City of Philadelphia EOP Employment Composition Analysis for 2018 discusses the achievement of EOP projects in employing the minority construction trades workforce.

2 RECOMMENDED PARTICIPATION GOALS

This section discusses the recommended participation goals and includes a comparison of M/W/DSBE utilization on City contracts across fiscal years. It is important to note that 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). We base our recommended participation goals on these comparisons, and in some cases, recommend an aspirational “stretch goal” that may be higher than both FY 2018 utilization and availability (see Table 2.1.1 and Table 2.1.2).

Table 2.1.1 - Recommended Citywide Participation Goals for City Contracts and Quasi-Public Contracts, (Excluding Federally Funded City Contracts and "FONO" Contracts) (by \$ Contracts Awarded)²⁵

M/W/DSBE Category	PW	PPS	SSE	All Contract Types	FY17/FY18 Actual
White Female	11.9% U	7.2% U	23.7% U	12.5% U	FY17:14.2% FY18:12.5%
Native American	0.2% A	0.5% U	0.2% A	0.3% U	FY17:0.0% FY18:0.3%
Asian American	7.5% U	6.8% A	4.4% A	5.8% U	FY17:4.1% FY18:5.8%
African American	7.4% U	15.3% U	3.4% A	11.9% U	FY17:12.2% FY18:11.9%
Hispanic	2.5% U	2.7% U	2.1% A	2.3% U	FY17:2.9% FY18:2.3%
All MBE	17.5% U	24.8% U	12.5% A	20.4% U	FY17:19.3% FY18:20.4%
All WBE	15.7% U	17.6% A	25.0% U	16.6% U	FY17:16.9% FY18:16.6%
City-Based M/W/DSBE	23.0% A	38.0% A	48.3% A	33.9% A	FY17:17.0% FY18:16.7%
All M/W/DSBE	29.7% U	36.6% U	28.7% A	35.0% S	FY17:31.7% FY18:30.3%
FY17/FY18 Actual	FY17: 26.2%	FY17: 42.8%	FY17: 22.9%	FY17: 31.7%	
	FY18: 29.7%	FY18: 36.6%	FY18: 27.1%	FY18: 30.3%	

²⁵ Throughout this report, “All MBE”, “All WBE”, and “Disabled” counts do not add up to “All M/W/DSBE” totals because a firm can be included in multiple categories (i.e. as both an “MBE” and “WBE” or both a “WBE” and “Disabled”).

Source: Econsult Solutions, Inc. (2019)

Table 2.1.2 – Actual and Recommended M/W/DSBE Utilization for City Contracts (Excluding Federally Funded City Contracts) and Quasi-Public Contracts

	Actual (incl. "FONO" Contracts) ²⁶						Actual (excl. "FONO" Contracts) ²⁷							Goal
	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	
All M/W/DSBE	23.6%	22.3%	19.2%	19.0%	20.8%	23.3%	28.2%	28.1%	29.4%	30.6%	30.7%	31.7%	30.3%	35.0%
MBE	17.7%	15.7%	14.8%	14.1%	14.9%	15.3%	21.2%	18.8%	18.5%	19.2%	19.6%	19.3%	20.4%	20.4%
WBE	9.9%	10.8%	7.6%	8.6%	8.9%	10.8%	9.0%	12.2%	14.2%	14.3%	16.3%	16.9%	16.6%	16.6%
PW	19.6%	16.5%	15.1%	12.1%	21.9%	19.8%	24.4%	20.6%	22.3%	25.0%	25.3%	26.2%	29.7%	29.7%
PPS	25.8%	27.5%	22.7%	22.9%	15.2%	26.2%	30.2%	32.6%	36.3%	38.6%	38.9%	42.8%	36.6%	36.6%
SSE	22.2%	17.1%	18.6%	12.8%	30.4%	18.9%	26.1%	20.8%	18.7%	23.7%	24.4%	22.9%	27.1%	28.7%

Source: Econsult Solutions, Inc. (2019)

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 increase to current availability rates as measured in this analysis.

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.

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.

²⁶ FY 2006 to FY 2009 results are adjusted to include SSE waste management spending that was not previously accounted for in published Annual Disparity Studies because it was from amendments to existing contracts rather than awarded contracts. FY 2006 to FY 2011 results do not exclude City contracts for which there were few or no opportunities for M/W/DSBE participation.

²⁷ FY 2012 to FY 2018 results exclude City contracts for which there were few or no opportunities for M/W/DSBE participation. FY 2006 to FY 2011 results also do not include City contracts for electric utilities, which are included in the FY 2012 to FY 2014 results.

In the case of overall M/W/DSBE utilization, we recommend a participation goal that is higher than both FY 2018 utilization and FY 2018 availability. This **“stretch” goal**, signified with a prefix of “S,” represents a desire to reach past the limitations set by both historical utilization and historical availability. “Stretch” goals acknowledge that increasing participation beyond historical utilization and historical availability may be a worthwhile public policy goal.²⁸ These particular “stretch” goals are also based on the current and historical ranges for utilization and availability.

The overall stretch goal is based upon City + Quasi-Public contracts and excludes Federal contracts because the City has no control over the Federal goal-setting.

Participation goals were also created across contract types (PW, PPS, SSE) as well as M/W/DSBE category. These targets are meant to ensure that the City does not reach its overall participation goal simply by having very high participation in some but not all contract types. Rather, it is hoped that the City reaches its overall participation goal and also has relatively high participation in all contract types.

²⁸ 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, recommending “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.

3 CONTEXT, SCOPE, AND METHODOLOGY

3.1 STUDY BACKGROUND

This section includes the legal basis of this study, a broad overview of the legal context under which the establishment of procurement programs for disadvantaged groups arose, a contextual summary of the procurement process, and the expenditure context.

Pursuant to Title 17 of the Philadelphia Code, as amended by Ordinance 060855-A, this study is designed to analyze the City of Philadelphia’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, on **Public Works (PW)**; **Personal and Professional Services (PPS)**; and **Services, Supplies, and Equipment (SSE)** contracts. It determines the extent to which a disparity between utilization and availability exists and provides critical data in the formation of annual Participation Goals.

With the *Richmond v. J.A. Croson Company* (1989) case, the Supreme Court clearly defined the parameters under which race-based programs will stand as those that meet a compelling government interest, are narrowly tailored to remedy the effects of prior discrimination, 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.

Approximately \$1.45 billion in awarded contracts were directly analyzed in this study. This represents sealed bid and non-sealed contracts. In addition, this includes \$600.5 million in spending by quasi-public entities (i.e. Office of Housing and Community Development, Philadelphia Industrial Development Corporation, and Philadelphia Redevelopment Authority). It does not include \$78.6 million in seven federally funded PW contracts over which the City has limited goal-setting influence.

3.2 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 of Philadelphia’s utilization of Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and Disabled Business Enterprises (DSBEs), collectively known as M/W/DSBEs,²⁹ 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, multifaceted strategy to safeguard the public interest by 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.³⁰

3.3 LEGAL BASIS

In presenting the Annual Disparity Study’s findings and 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 population was African American, less than one percent of construction contracts were awarded to minority business enterprises.

The Supreme Court found the City of Richmond’s reliance on the disparity between the number of prime contracts awarded to the minority population in the city “misplaced.” Specifically, the

²⁹ “Disadvantaged Business Enterprise (DBE)” is a federal designation that applies to federally funded contracts. Within the City, the DBE program is implemented by the Philadelphia International Airport.

³⁰ 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.)

Supreme Court noted that the City did not ascertain the number of minority contractors available in the local construction market, and consequently 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.*³¹

With this case, the Supreme Court clearly defined the parameters under which race-based programs will stand: they must meet a compelling government interest, be narrowly tailored to remedy the effects of prior discrimination,³² and define an availability rate that utilizes the notion of **“ready, willing, and able” (RWA)** firms. Disparity studies have subsequently become a recognized tool for localities in determining whether and where disparities exist, so as to respond and implement accordingly from a roster of race- and gender-specific, as well as race- and gender-neutral, programming.

City of Philadelphia 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 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
- Asian Americans³³
- Women
- Hispanics
- Native Americans
- 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 (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.³⁴ Stated briefly, the utilization rate for a given M/W/DSBE category

³¹ *Richmond v. J.A. Croson Company* (1989)

³² “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.

³³ Pacific Islanders are included in the Asian Americans category.

³⁴ For more detail on participation and utilization, see the Office of Economic Opportunity's Fiscal Year 2017 Annual Report:

<http://www.phila.gov/commerce/Documents/FINAL%20FY15%20Annual%20Participation%20Report.pdf>

can be viewed as the percentage of dollars from all City contracts that went to businesses that have been registered as M/W/DSBEs by OEO 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 all RWA enterprises within that same geography. Thus, the availability rate for a given M/W/DSBE category can be viewed as the percentage of RWA businesses in a particular geography that belong to an M/W/DSBE category.

The target result, the “**disparity ratio**,” 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.”

3.4 M/W/DSBE TYPES AND CONTRACT TYPES

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.³⁵ We also examined methodologies developed by other consulting firms for other annual disparity studies. Finally, we revisited the methodology employed in our Fiscal Year (FY) 2006 to FY 2017 studies, to determine where amendments could be made for this year’s 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.³⁶ 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 Table 3.4).

³⁵ 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.

³⁶ See Section 3.10 for more information on our specific methodology in obtaining, filtering, and organizing data from these sources, and a list of files used for the production of the FY 2018 Disparity Study results.

Table 3.4 – M/W/DSBE Categories and City Contract Types of Interest

M/W/DSBE Categories		City Contract Types
<ul style="list-style-type: none"> • Native American males • Asian American males • African American males • Hispanic males • Disabled • Other race males 	<ul style="list-style-type: none"> • Native American females • Asian American females • African American females • Hispanic females • Caucasian females • Other race females 	<ul style="list-style-type: none"> • Public Works (PW) • Personal and Professional Services >\$32K (PPS) • Services, Supplies, and Equipment >\$32K (SSE)

Source: City of Philadelphia (2019)

3.5 PROCUREMENT CONTEXT

In furtherance of the City’s 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 compete for and secure City contracts. The Office of Economic Opportunity (OEO) was created in 2008 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 the Mayor’s elevation of OEO in terms of holding his administration accountable for success in this arena. With the election of Mayor Kenney, additional mayoral priorities included the creation of a new Diversity Inclusion Office, pursuing a “best value” approach to contracts awards instead of “lowest bid,” and a focus on both contracting and workforce diversity. In 2016, OEO underwent a change in executive leadership and created a three-year strategic plan with the participation of a cross-departmental planning stakeholder group.

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. The City 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 controlled at the individual department level. These three subdivisions are the contract types that are further examined in this study.³⁷

³⁷ For race-neutral purposes, PW bids and all competitive bids for SSE in excess of \$32,000 are advertised locally for a specified period of time (typically a two-week period), and contracts are awarded according to “best value.” 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 \$32,000, departments are urged to solicit from firms registered by OEO or by the US Small Business Administration (SBA).

Within the PW sector, critical components of responsiveness include:

- For all bids exceeding \$32,000, the City requires 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.

3.6 EXPENDITURE CONTEXT

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 the Mayor and his 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 contracts.

There were an additional 156 contracts totaling \$220.1 million in FY 2018 for which there are few or no M/W/DSBEs available to participate (see Section 5.3). This study reports utilization levels excluding these “few or no opportunity” (FONO) contracts. The remainder of the utilization not addressed in this report includes items that cannot as easily be discussed in the context of utilization and availability, with salaries and benefits being the major categories.

There are a number of **quasi-public agencies** that intersect with the City and over which the City holds some influence. These represent additional opportunities for M/W/DSBE participation and are included within the scope of this report. Some of these other agencies report their M/W/DSBE utilization directly to OEO and are therefore listed in OEO’s Annual Participation Report. Combined, these agencies represent an additional \$600.5 million in contracts in FY 2018, up from \$245.3 million in FY 2017 (see Table 3.6.1).

The number of Quasi-Public contracts remained the same, however the contract size doubled between FY 2017 to FY 2018.

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. Information technology projects currently being undertaken by OEO and Procurement are improving the accuracy and timeliness of data needed by OEO to monitor this and other related issues.

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 PPS bid contracting process electronically. Under the program, vendors register to create a Vendor Record and submit applications online for PPS bid opportunities, which are posted for a period of 14 days. The system’s features are comprehensive and allow vendors to:

- Search new PPS 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.

Table 3.6.1 – FY 2018 and FY 2017 M/W/DSBE Utilization for Selected Quasi-Public Agencies

Entity	Time Period	FY 2018				FY 2017			
		All \$ Contracts	MBE%	WBE%	DSBE%	All \$ Contracts	MBE%	WBE%	DSBE%
RDA	7/1-6/30	\$498.5	18.0%	7.0%	0.0%	\$226.1	18.0%	7.0%	2.0%
PHDC	7/1-6/30	\$78.5	27.1%	11.5%	0.0%	\$14.1	32.3%	18.6%	0.0%
PIDC	7/1-6/30	\$23.5	12.3%	11.7%	0.0%	\$5.1	16.1%	14.7%	0.0%
Total	7/1-6/30	\$600.5	19.0%	7.8%	0.0%	\$245.3	\$18.8%	7.8%	0.0%

Source: OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2018, 2019)

Where available and applicable, information on federally funded City contracts is provided but excluded from the overall analysis since the City does not fully control the goal setting on federally funded contracts. In FY 2018, federally funded contracts totaling \$78.6 million achieved an M/W/DSBE utilization of 9.6 percent (see Table 3.6.2).

Table 3.6.2 – FY 2018 M/W/DSBE Utilization for Federally Funded City Contracts (In \$M)

Contract Type	Number of Contracts	All \$ Contracts	% M/W/DSBE	Included in Core Disparity Study Analysis?
PW	7	\$78.6	9.6%	No
PPS	0	\$0.0	N/A	
SSE	0	\$0.0	N/A	
All Contract Types	7	\$78.6	9.6%	No

Source: OEO Participation Report (FY 2018), Econsult Solutions, Inc. (2019)

Table 3.6.3 – FY 2018 and FY 2017 Utilization of M/W/DSBEs Located in the US by Contract Type (Percentage of Contract Dollars Awarded)³⁸

	FY 18 PW	FY 18 PPS	FY 18 SSE ³⁹	FY 18 All Contract Types	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types
City Contracts	29.7%	36.6%	27.1%	32.9%	26.2%	42.8%	22.9%	33.5%
Quasi-Public City Contracts	N/A	N/A	N/A	26.7%	N/A	N/A	N/A	26.7%
City + Quasi-Public City Contracts	29.7%	36.6%	27.1%	30.3%	26.2%	42.8%	22.9%	31.7%
Federally Funded City Contracts	9.6%	N/A	N/A	9.6%	13.8%	N/A	N/A	13.8%

OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2018, 2019)

Furthermore, certain local public-sector units are under the jurisdiction of the State of Pennsylvania, such as the Southeastern Pennsylvania Transportation Authority (SEPTA) and are therefore outside the scope of this report. The School District of Philadelphia, which was under state control until 2018, is also not included in this report.

Other City agencies and public entities, for example, most notably the Department of Human Services, contract out a significant amount of work to non-profit prime contractors, who then enlist the services of for-profit and non-profit subcontractors. As this study only considers for-profit prime contractors and their sub-contractors, procurement opportunities to non-profit prime contractors and their sub-contractors, such as the ones described above, are excluded from this analysis. However, OEO has been working on ways to measure and account for spending associated with contracts to non-profit prime contractors as noted in the Recommendations section of the Executive Summary of this report.

Thus, one significant shortcoming of the current and previous studies is that it only analyzes **the subset of all local public expenditures directly under mayoral control**.⁴⁰ 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-

³⁸ This table excludes “FONO” Contracts.

³⁹ Services, Supplies and Equipment (SSE) utilization includes both citywide and departmental totals for this contract type.

⁴⁰ These limitations also make disparity comparisons across cities difficult, since mayoral control over various local government functions is not uniform across cities.

by-contract data on M/W/DSBE participation. Said another way, this study covers the performance of the Mayor and the procurement decisions made by his departments.

Heretofore, we have referred to 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 a significant 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 92 percent of the Philadelphia MSA's Gross Domestic Product of \$413 billion.⁴¹

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 are not included in this analysis.⁴²

3.7 DEFINING 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 2018 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.⁴³ The utilization data also includes "Certifiabiles" not listed in the OEO Registry. "Certifiabiles" participate as primes on small contracts. OEO accepts "Certifiabiles" as M/W/DSBEs for the purpose of measuring M/W/DSBE utilization, but they are not listed in the OEO Registry. "Certifiabiles" are firms (sole-practitioners) which individual City Departments have identified as minority- or women-owned. In addition, "Certifiabiles" include minority or women billing partners within law firms.

⁴¹ As of 2016, private industries contributed \$393 billion, while federal, state, and local governments contributed \$38 billion. "Gross Domestic Product by Metropolitan Area," US Department of Commerce – Bureau of Economic Analysis (September 2017)

⁴² The 2010 OEO Inclusion Works Strategic Plan noted the importance of non-City procurement opportunities in its research to assist M/W/DSBEs, and among other actions, OEO completed the "state of inclusive procurement" document that highlighted procurement activities by other large public and private sector procurers within the Philadelphia MSA.

⁴³ Importantly, the OEO-registered list we use in determining which contract dollars were awarded to OEO-registered firms is from January 2018. 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 (e.g. went out of business). 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 dataset, we were able to verify and reproduce the summary figures in OEO's Participation Report. In addition, 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.

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 is 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. Thus, 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. Excluding the participation of these certifiable firms indicates that our calculated utilization rates have the potential to be artificially low.⁴⁴
- 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 number of contracts that represent local public-sector procurement opportunities but are not included in this analysis: large local public entities like the School District of Philadelphia, Philadelphia Gas Works, SEPTA, and non-profit prime contractors. In 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 private corporations. The scope of our study is necessarily circumscribed to the procurement activity of the departments covered in OEO's Annual Participation Report, and thus only covers a small slice of the overall regional economic picture in terms of procurement opportunities for M/W/DSBEs.
- The City uses B2GNow, a relatively new system that tracks payments on the subcontracts awarded to M/W/DSBEs. The online payment tracking system requires prime contractors and M/W/DSBEs to confirm payments for performance on their contracts. We are exclusively focused on the dollar amount of contracts awarded by category and contract type. We are therefore not commenting on the actual amounts

⁴⁴ 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- and/or women-owned firms that are not or not yet registered with OEO. To the extent that any of these "certifiables" received contracts in FY 2018, 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. OEO is currently taking a step in this direction, by allowing for self-certification of sole practitioners (i.e. minorities or women who directly provide services to the City).

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 actually 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 financially benefiting from their participation in City contracts. OEO is moving toward full implementation of B2GNow's capabilities to capture expenditure data and report on purchase orders and/or actual payments. Additionally, a more robust disparity study would address this issue and would reveal if there are disparities in City performance in awarded contracts versus actual disbursements to M/W/DSBEs.

- 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 do not show up as M/W/DSBEs, although this is a relatively rare occurrence.
- In May 2017, Philadelphia voters approved a ballot measure to amend the Home Rule Charter for the procurement of contracts. As of July 2017, the City can now award contracts based on "best value" instead of "lowest responsible bidder." Since this change did not go into effect until the first quarter of FY 2018 it is too early to determine if there is a long-term impact on M/W/DSBE disparity at this time.

3.8 DEFINING AVAILABILITY

To match the "numerator" of the 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, 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.⁴⁵

⁴⁵ 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, an 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 strive 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.⁴⁶

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 were 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 Office of Economic Opportunity, Procurement Department (SSE and PW), Finance (PPS), 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 Phoenix⁴⁷ and Mason Tillman in New York City⁴⁸ 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 narrower 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.

⁴⁶ In FY 2012 and FY 2014, OEO conducted a survey of M/W/DSBEs in its directory to explore these aspects of capacity.

⁴⁷ Second Generation Disparity Study, MGT of America, Inc. (1999)

⁴⁸ City of New York Disparity Study, Mason Tillman and Associates, Ltd. (2005)

Using a broader definition of RWA, one could use the US Census Survey of Business Owners (SBO),⁴⁹ 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.⁵⁰

However, we now have the opposite problem of 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, and 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's Procurement Department 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 most recent SBO data (2012), whereas our "narrow" approach utilized OEO and Procurement Department data.⁵¹

⁴⁹ The majority of the availability data used in this 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 most recently released SBO data is from 2012 and was released in 2015. Previous Disparity Studies have used the 2007 SBO data, which was released between 2011 and 2012.

⁵⁰ 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.

⁵¹ 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 2012 SBO data. Finally, 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 are 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.⁵² 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.⁵³

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 are 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. In FY 2013, OEO began purging inactive firms from the OEO directory and continues to review aggressively the directory so that it remains as up to date as possible. Even with regular purging, the directory is nearly evenly distributed between firms located within the city of Philadelphia, firms located outside of the City but in the Philadelphia MSA, and firms located outside of the Philadelphia MSA. In other words, approximately one-third of all firms in the directory are located in the city, while another one-third are outside of the city but within the MSA.

⁵² See *Coral Construction*, 941 F. 2d at 925: "An MBE program must limit its geographical scope to the boundaries of the enacting jurisdiction"

⁵³ See *Concrete Works*, 823 F.Supp. 821, 835-836 (D. Colo. 1993), in which the Denver MSA was upheld as the appropriate market area.

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 are located, since OEO's own directory suggests such a geographic distribution. Using the United States as a whole would clearly be far too vast a geographic unit, but using just the city itself might be too narrow a geographic unit.⁵⁴

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.⁵⁵ Disparity studies necessarily have to utilize existing data and cannot perfectly know the actual availability rate because of the challenge in quantifying the appropriate universe of RWA firms.⁵⁶

3.9 DEFINING 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/DSBE prime contractors and sub-contractors 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),⁵⁷ relative to the city or MSA's total number of all 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. Keep in mind that a disparity ratio of less than 1.00 would be considered under-

⁵⁴ 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 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, city-level availability estimates are still useful in understanding the distribution of RWA M/W/DSBE firms. Therefore, city-level availability estimates are made and accounted for in making participation goal recommendations.

⁵⁵ 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 from the proportion of all firms that are RWA but have not or have not yet registered with the City's Procurement Department. 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 from the proportion of all firms that are not RWA.

⁵⁶ 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.

⁵⁷ The Philadelphia MSA is an 11-county region that 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 Philadelphia (PA), Bucks (PA), Chester (PA), Delaware (PA), Montgomery (PA), Burlington (NJ), Camden (NJ), Gloucester (NJ), Salem (NJ), New Castle (DE), and Cecil (MD).

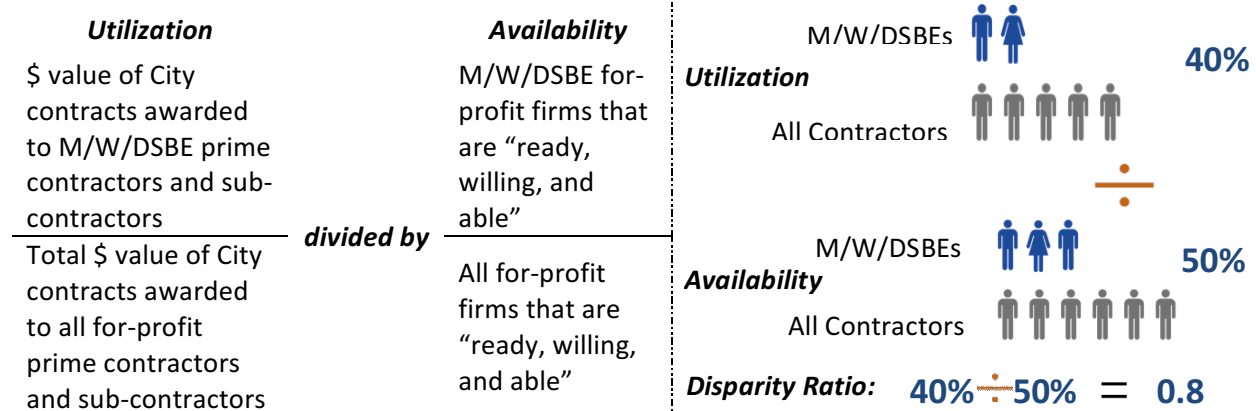
utilization, while a ratio of greater than 1.00 would be considered over-utilization (See Table 3.9.1). These utilization rates, availability rates, and disparity ratios can be further sub-divided by M/W/DSBE category (Minority Business Enterprises (MBE), and specific racial and ethnic groups within, as well as Women Business Enterprises (WBE) and contract type (Public Works (PW); Personal and Professional Services (PPS); and Services, Supplies, and Equipment (SSE)).

Table 3.9.1 – 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% ($12\% \div 8\% = 1.50$)	Over-Utilization
1	Utilization of WBEs for PW contracts was 6%, Availability of WBEs for PW contracts was 6% ($6\% \div 6\% = 1.00$)	Neither Over Nor Under
0.5	Utilization of MBEs for SSE contracts was 0.5%, Availability of MBEs for SSE contracts was 1.0% ($0.5\% \div 1.0\% = 0.50$)	Under-Utilization

Source: Econsult Solutions, Inc. (2019)

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 Table 3.9.2).

Figure 3.9.2 – Components of a Disparity Ratio

Source: Econsult Solutions, Inc. (2019)

For the purposes of this report, we are interested exclusively in FY 2018 data. Where data constraints result in missing, insufficient or ambiguous figures, we do not include these figures, but instead show an “*”. Therefore, all figures shown are statistically significant.

3.10 DATA SETS

3.10.1 US Census (Used for Availability) “A2” and “A6”

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

This report also weights the availability of firms at the city-level and MSA geographies by the City’s spending in the respective industrial categories (as delineated by NAICS codes). Weighting the availability by how the City spends each fiscal year allows for a more accurate capture of the available firms in the MSA.

This report uses data from the 2012 Survey of Business Owners (“SBO”).⁵⁸ SBO data are available for the city of Philadelphia and the Philadelphia MSA from 2012 (the most recent year available) through the Company Statistics Division of the US Census Bureau at:

⁵⁸ The next SBO data release will use 2017 data and will be available publicly sometime between 2019 and 2020.

<http://www.census.gov/econ/sbo/>

And through the American FactFinder website of the U.S. Census Bureau, available at:

<http://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t>

We used the following process to calculate the 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.census.gov/faces/nav/jsf/pages/index.xhtml> and clicking on the “Get Data” link under “Economic Census.”

2. Once opened, the link automatically connects to the 2012 Economic Census dataset. Click on the “2012 Survey of Business Owners” link under “Detailed Statistics.”
3. The page that opens up has three tabs that allow data to be searched by sector, keyword, or geography. Click on the third tab, “filter by geography/industry/data item.”
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 MSA Area” and click OK on the right. The datasets available for the Philadelphia Metropolitan Statistical Area (MSA) will appear in the window below.⁵⁹

5. Select the dataset U.S. Firms by Geographic Area, Industry, Gender, Ethnicity, and Race: 2012. This 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 racial and ethnic categories (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*;

⁵⁹ “Philadelphia County” can be selected, yielding data for the city of Philadelphia by itself.

- The SBO does not collect data on DSBEs.
6. For various reasons, the Census reports do not provide data for all the categories and subcategories. There are two major data error classifications:
 - a. “D - Withheld to avoid disclosing data for individual companies; data are included in higher level totals”
 - b. “S - Withheld because estimate did not meet publication standards”

To weight the contract by annual City spending:

1. Contracts are manually sorted into two-digit NAICS codes by OEO staff.
2. Spending, as reported in the FY 2018 Participation Report, is sorted by two-digit NAICS code; weights for each two-digit NAICS code for each contract type (and for all spending) could then be calculated by dividing total amounts spent by contract type (and for all spending).
3. SBO data were obtained for all M/W/DSBE types and for all two-digit NAICS codes.⁶⁰
4. These SBO results were then multiplied through by FY 2018 spending by contract type (and for all spending), as apportioned out to the two-digit NAICS code level, resulting in a weighted average number of available M/W/DSBE firms in any particular M/W/DSBE category for any particular contract type (or for all contract types). Dividing this weighted average result by the weighted average number of all firms in any particular M/W/DSBE category for any particular contract type (or for all contract types), yields the estimated availability for any particular M/W/DSBE category for any particular contract type (or for all contract types). This set of calculations was performed for all four types of availability – all firms, firms with employees, revenues, revenues of firms with employees – for the geography represented by the city of Philadelphia as well as the Philadelphia MSA.

The SBO datasets also do not provide sufficient cross-reference detail. For example, the datasets do not include the number of business owners who are both women *and* belong to an ethnic minority.

⁶⁰ The same tables were produced for all other approaches to estimate availability – all firms, revenues of firms, and revenues of firms with employees, but they are not shown here.

3.10.2 Disparity Study Datasets and Related Files**Table 3.10.2 Datasets for the Annual Disparity Study**

File Name	File Type	Description
"OEO Vendors with Race FY 2018"	MS Excel (.xls)	The original file provided to Econsult by OEO listing all current registered vendors.
"OEO Contract Participation 4 th Qtr FY187 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 MSA 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.
"Summary of Availability Data – SBA Census"	MS Excel (.xls)	A spreadsheet with four tabs, each summarizing the data available from the 2012 Economic (SBO) Census by category: total MBEs, total WBEs, employer MBEs, and employer WBEs. The cells that are blank represent categories for which the Census provides no data.

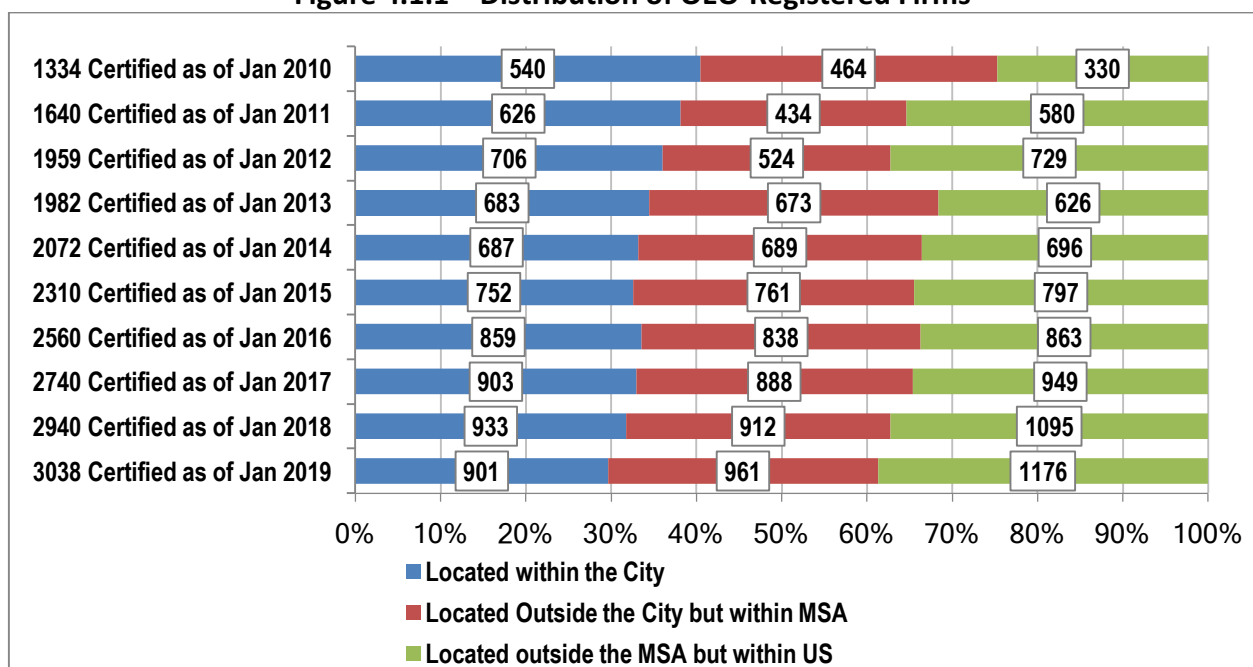
Source: Econsult Solutions, Inc. (2019)

4 UTILIZATION

4.1 COMPOSITION OF DIRECTORY

Of the M/W/DSBE firms registered on the OEO directory, 29.7 percent are located within the City of Philadelphia, 31.6 percent are located within the MSA but outside of the city, and the remaining 38.7 percent are located outside of the MSA (see Figures 4.1.1 and 4.1.2). Since 2010, the number of OEO registered firms has more than doubled to 3,038 firms in 2019.

Figure 4.1.1 – Distribution of OEO-Registered Firms



Source: City of Philadelphia Office of Economic Opportunity (2007-2018), Econsult Solutions, Inc. (2007-2019)

Table 4.1.2 Distribution of OEO-Registered Firms by Location of Firm (as of January 2019)

Contract Type	City		MSA		US	
	#	%	#	%	#	%
All Contract Types	901	29.7%	1,862	61.3%	3,038	100.0%

Source: City of Philadelphia Office of Economic Opportunity (2018), Econsult Solutions, Inc. (2019)

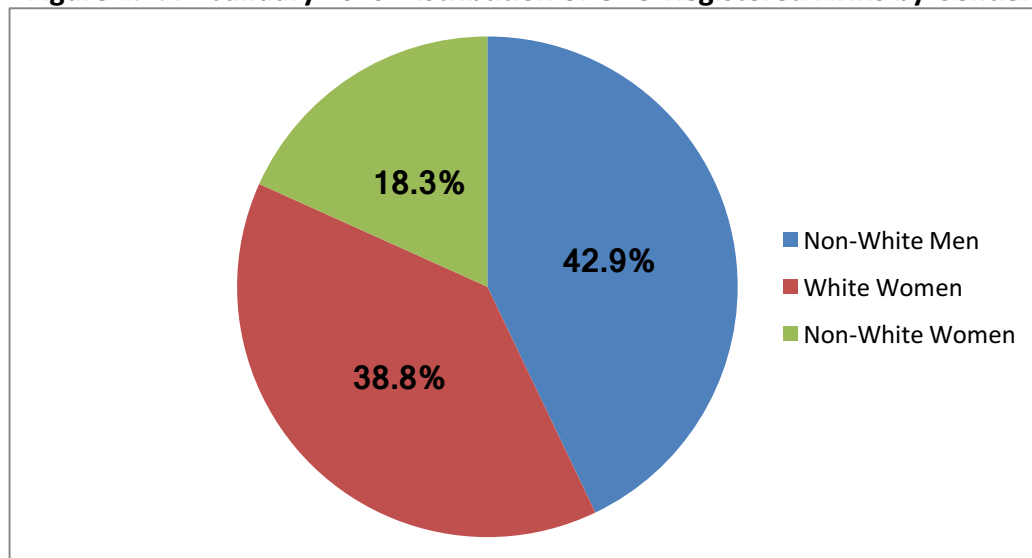
While nearly one-third (29.7 percent) of registered firms are located in the city, the majority of OEO registered firms are located in Pennsylvania (57.1 percent). The remaining firms in the current OEO directory are from 37 states.

Table 4.1.3 Distribution of OEO-Registered Firms by State (as of January 2019)

State	Number of Firms	% of Total
Pennsylvania	1,735	57.1%
New Jersey	457	15.0%
Maryland	149	4.9%
New York	152	5.0%
Delaware	79	2.6%
Virginia	49	1.6%
Other ⁶¹	417	13.7%
Total	3,038	100.0%

Source: City of Philadelphia - Office of Economic Opportunity (2016), Econsult Solutions, Inc. (2019)

Of the M/W/DSBE firms registered on the OEO directory, firms owned by non-white men represent the largest portion of the firms (42.9 percent) followed by firms owned by white women (38.8 percent). Firms owned by non-white women represent 18.3 percent of the companies registered in the OEO directory (see Figure 4.1.4).

Figure 4.1.4 – January 2019 Distribution of OEO-Registered Firms by Gender

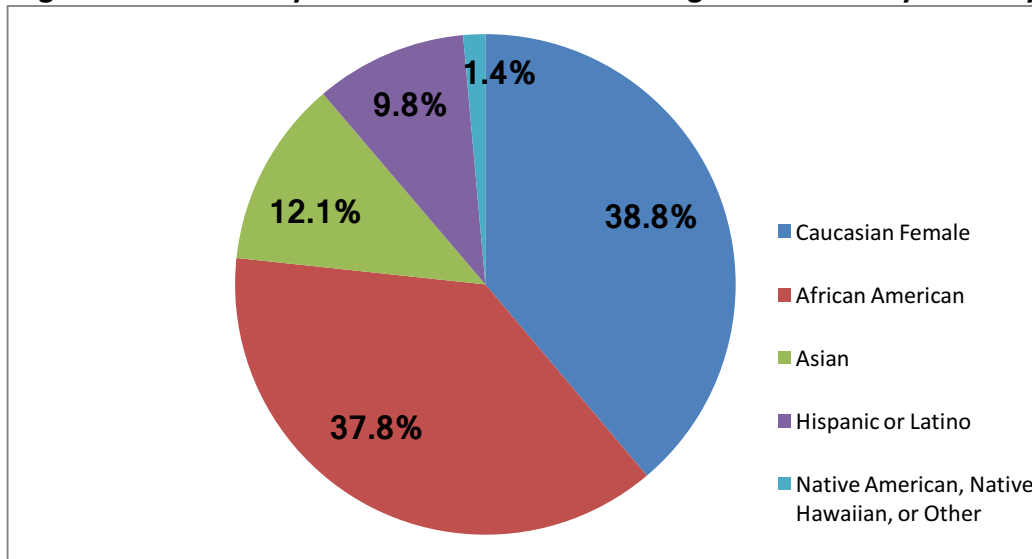
Source: City of Philadelphia Office of Economic Opportunity (2017), Econsult Solutions, Inc. (2019)

As shown in Figure 4.1.5 below, 38.8 percent of OEO-registered firms are owned by white women while 37.8 percent of OEO-registered firms are owned by African Americans. Asian

⁶¹ Other includes OEO registered from 37 states.

Americans (12.1 percent), Hispanic or Latinos (9.8 percent), and Other (1.4 percent) own the remaining 23.3 percent of firms.

Figure 4.1.5 – January 2019 Distribution of OEO-Registered Firms by Ethnicity



Source: City of Philadelphia Office of Economic Opportunity (2017), Econsult Solutions, Inc. (2019)

By M/W/DSBE category, 42.7 percent of firms are registered as MBE, followed by WBE (38.8 percent), MWBE (18.2 percent), and DSBE (0.3 percent).

**Table 4.1.6 Distribution of OEO-Registered Firms by M/W/DSBE Category
(as of January 2019)**

Contract Type	MBE		MWBE		WBE		DSBE		M/W/DSBE	
	#	%	#	%	#	%	#	%	#	%
All Contract Types	1,298	42.7%	554	18.2%	1,176	38.7%	10	0.3%	3,038	100.0%

Source: City of Philadelphia Office of Economic Opportunity (2017), Econsult Solutions, Inc. (2019)

4.2 DISTRIBUTION OF CONTRACT DOLLARS BY M/W/DSBE TYPE

As described in Section 3.7, 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 contractors, as reported in the FY 2018 Annual Participation Report of the City's Office of Economic Opportunity (OEO), which lists contracts awarded and M/W/DSBE participation, if any, in those contracts. We are further interested in the geographic distribution of contracts awarded to M/W/DSBEs; whether they are located within the City of Philadelphia, within the Philadelphia Metropolitan Statistical Area (MSA), or

within the United States. In fact, these three units of geography represent the three different ways we can express utilization (see Table 4.2.1).

Table 4.2.1 – Utilization Methods Employed in This Report

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 2018)
"U2"**	Utilization of M/W/DSBEs located in the Philadelphia MSA ÷ utilization of all firms	OEO Annual Participation Report (FY 2018)
"U3"**	Utilization of M/W/DSBEs located in the US ÷ utilization of all firms	OEO Annual Participation Report (FY 2018)

Source: Econsult Solutions, Inc. (2019)

*** Denotes Weighted More Heavily in Determining Participation Goals*

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, as well as 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 Table 4.2.2); "U2" is utilization of M/W/DSBEs that are located within the Philadelphia MSA (see Table 4.2.3); and "U3" is utilization of M/W/DSBEs that are located within the US (see Table 4.2.4).

As noted previously, the FY 2018 results do not include federally funded contracts or contracts with "few or no opportunity" (FONO) for M/W/DSBE participation. Because M/W/DSBE location is unknown for some quasi-public contracts, quasi-public contract data are shown only in the "U3" table.

Table 4.2.2 – FY 2018 and FY 2017 Utilization (U1) of M/W/DSBEs Located within the City of Philadelphia (Percentage of Contract Dollars Awarded)⁶²

M/W/DSBE Category	FY 18	FY 18	FY 18	FY 18	FY 17	FY 17	FY 17	FY 17
	PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
White	5.0%	4.1%	21.7%	5.6%	3.9%	3.8%	14.6%	5.3%
Native American	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asian American	2.1%	0.4%	0.0%	0.9%	2.3%	0.4%	0.5%	1.2%
African American	3.4%	11.6%	2.8%	8.6%	2.3%	16.6%	3.4%	9.1%
Hispanic	1.5%	2.1%	0.0%	1.6%	1.7%	1.6%	0.0%	1.4%
All MBE	7.0%	14.2%	2.8%	11.2%	6.3%	18.6%	3.8%	11.7%
All WBE	5.8%	5.7%	22.3%	7.3%	4.7%	6.3%	14.8%	6.8%
Disabled	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
All M/W/DSBE	12.0%	18.3%	24.4%	16.7%	10.2%	22.4%	18.5%	17.0%

Source: OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2018, 2019)

⁶² U1 is equal to 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 in City Contracts (excluding Federally Funded City Contracts, quasi-public City Contracts, and "FONO" Contracts).

Table 4.2.3 – FY 2018 and FY 2017 Utilization (U2) of M/W/DSBEs Located within the Philadelphia MSA (Percentage of Contract Dollars Awarded)⁶³

M/W/DSBE Category	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types
White	11.9%	7.2%	23.7%	9.8%	10.0%	11.0%	17.2%	11.4%
Native American	0.0%	0.3%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%
Asian American	2.3%	1.6%	0.0%	1.7%	2.5%	1.5%	0.5%	1.7%
African American	7.1%	13.9%	2.8%	11.1%	4.7%	18.3%	4.1%	11.0%
Hispanic	2.4%	2.3%	0.0%	2.0%	2.2%	1.9%	0.0%	1.9%
All MBE	11.8%	18.2%	2.8%	15.0%	9.6%	21.8%	4.6%	14.6%
All WBE	13.0%	9.8%	24.4%	12.3%	10.9%	14.5%	17.4%	13.4%
Disabled	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
All M/W/DSBE	23.7%	25.3%	26.4%	24.8%	19.6%	32.8%	21.8%	26.0%

Source: OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2018, 2019)

⁶³ U2 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 in City Contracts (excluding Federally Funded City Contracts, quasi-public City Contracts, and "FONO" Contracts).

Table 4.2.4 – FY 2018 and FY 2017 Utilization (U3) of M/W/DSBEs Located within the US (Percentage of Contract Dollars Awarded)⁶⁴

M/W/DSBE Category	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types
White	12.2%	11.8%	23.8%	12.5%	11.3%	15.5%	18.2%	14.2%
Native American	0.0%	0.5%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%
Asian American	7.5%	6.1%	0.0%	5.8%	5.1%	4.2%	0.5%	4.1%
African American	7.4%	15.3%	3.3%	11.9%	4.7%	20.8%	4.4%	12.2%
Hispanic	2.5%	2.7%	0.0%	2.3%	4.8%	2.1%	0.0%	2.9%
All MBE	17.5%	24.8%	3.3%	20.4%	14.9%	27.3%	4.9%	19.3%
All WBE	15.7%	16.1%	25.0%	16.6%	12.2%	20.4%	18.7%	16.9%
Disabled	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
All M/W/DSBE	29.7%	36.6%	27.1%	32.9%	26.2%	42.8%	22.9%	33.5%
Including Quasi-Public City Contracts								
US				30.3%				31.7%
Non-M/W/DSBEs				69.7%				68.3%

Source: OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2018, 2019)

The M/W/DSBE utilization in all City contracts and contracts of quasi-public entities (excluding federal contracts) decreased by 1.4 percentage points, from 31.7 percent in FY 2017 to 30.3 percent in FY 2018 (see Table 4.2.4). Despite this decline in percentage terms, overall spending was up so M/W/DSBEs received more dollars in FY2018: \$441.3 million, versus \$309.9 million in FY2017.

There was a slight decrease in M/W/DSBE utilization in City contracts in FY 2018.

Utilization in Personal and Professional Services (PPS) contracts decreased 6.2 percentage points since FY 2017.

Utilization in Public Works (PW) contracts increased over the year, up 3.5 percentage points, while utilization in Services, Supplies, and Equipment (SSE) contracts increased by 4.2 percentage points.

⁶⁴ U3 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 on City Contracts (excluding Federally Funded City Contracts and "FONO" Contracts).

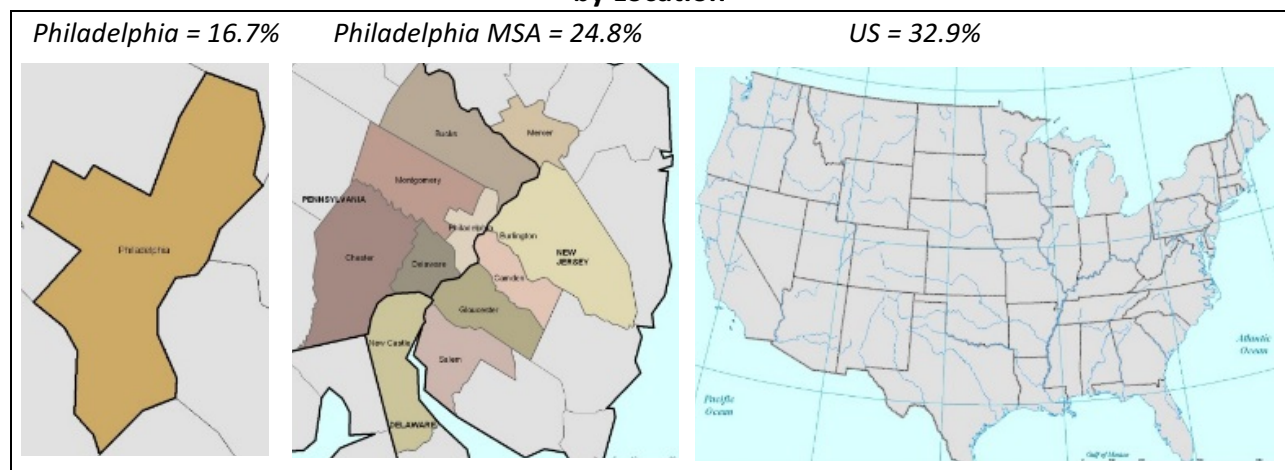
Utilization increased for MBE firms for PW, up 2.6 percentage points. MBE utilization in PPS and SSE decreased 2.5 and 1.6 percentage points, respectively. Utilization increased for WBE firms for SSE and PW contracts, up 6.3 and 3.5 percentage points, respectively. WBE utilization in PPS contracts decreased 4.3 percentage point over the year.

4.3 DISTRIBUTION OF CONTRACT DOLLARS BY M/W/DSBE LOCATION

Utilization of M/W/DSBEs based in the City of Philadelphia decreased by 0.3 percentage points to 16.7 percent in FY 2018, from 17.0 percent in FY 2017 (see Figure 4.3.1 and Table 4.3.2). Utilization of city-based M/W/DSBEs for SSE contracts increased 5.9 percentage points, from 18.5 percent in FY 2017 to 24.4 percent in FY 2018. Utilization of city-based M/W/DSBEs for PW contracts increased 1.8 percentage points, from 10.2 percent in FY 2017 to 12 percent in FY 2018. Utilization for city-based M/W/DSBEs for PPS contracts decreased 4.1 percentage points, from 22.4 percent in FY 2017 to 18.3 percent in FY 2018.

Participation of M/W/DSBEs located in the city decreased by 0.3 percentage points in FY 2018.

Figure 4.3.1 – FY 2018 Utilization of M/W/DSBEs in City Contracts and Quasi-Public Contracts by Location



Source: OEO Participation Report (FY 2018), Econsult Solutions, Inc. (2019)

**Table 4.3.2 – FY 2018 and FY 2017 Utilization of M/W/DSBEs by Contract Type and Location
(Percentage of Contract Dollars Awarded)**

Location of M/W/DSBE	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types
City	12.0%	18.3%	24.4%	16.7%	10.2%	22.4%	18.5%	17.0%
In Metro but Outside City	11.7%	7.1%	2.0%	8.1%	9.4%	10.4%	3.3%	9.0%
MSA	23.7%	25.3%	26.4%	24.8%	19.6%	32.8%	21.8%	26.0%
In US but Outside Metro	6.0%	11.3%	0.7%	8.1%	6.6%	10.0%	1.1%	7.5%
US	29.7%	36.6%	27.1%	32.9%	26.2%	42.8%	22.9%	33.5%
Non-M/W/DSBEs	70.3%	63.4%	72.9%	67.1%	73.8%	57.2%	77.1%	66.5%
Including Quasi-Public City Contracts								
US				30.3%				31.7%
Non-M/W/DSBEs				69.7%				68.3%

Source: OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2018, 2019)

The dollar value of contracts awarded to city-based M/W/DSBEs increased by \$18.9 million, from \$124.1 million in FY 2017 to \$143.0 million in FY 2018 (see Table 4.3.3). In FY 2018, there was an increase of \$7 million in contract dollars awarded to city-located M/W/DSBEs for PW contracts, an increase of \$2.9 million awarded to city-located M/W/DSBEs for PPS contracts, and a decrease of \$3.8 million awarded to city-located M/W/DSBEs for SSE contracts.

The dollar value of contracts awarded to M/W/DSBEs is likely higher than the \$143.0 million shown in Table 4.3.3. A geographic breakdown of the quasi-public contracts is not available; therefore, it is unknown how much of the \$160.6 million awarded by quasi-public agencies to M/W/DSBEs were city-based M/W/DSBE firms. Additionally, many of the quasi-public contracts are for Public Works (PW), which tend to be awarded to local firms.

Table 4.3.3 – FY 2018 and FY 2017 Utilization of M/W/DSBEs by Contract Type and Location⁶⁵

Location of M/W/DSBE	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types
City	\$35.8	\$79.7	\$13.8	\$143.0	\$28.8	\$76.8	\$17.6	\$124.1
In Metro but Outside City	\$35.0	\$30.9	\$1.1	\$68.9	\$26.6	\$35.6	\$3.2	\$65.9
MSA	\$70.7	\$110.7	\$15.0	\$211.8	\$55.4	\$112.4	\$20.8	\$190.0
In US but Outside Metro	\$17.8	\$49.2	\$0.4	\$68.8	\$18.5	\$34.1	\$1.3	\$54.5
US	\$88.6	\$159.9	\$15.3	\$280.7	\$73.9	\$146.5	\$22.1	\$244.5
Non-M/W/DSBEs	\$209.8	\$276.7	\$41.2	\$573.4	\$208.2	\$195.9	\$73.3	\$486.2
Including Quasi-Public City Contracts								
US				\$441.3				\$309.9
Non-M/W/DSBEs				\$1,013.3				\$666.1

Source: OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2018, 2019)

4.4 UTILIZATION OF M/W/DSBE AS PRIME CONTRACTORS

Information from the FY 2018 OEO Participation Report indicates that 417 City contracts, or 18.3 percent of all City contracts, were primed by M/W/DSBEs, up from 343 contracts and 17.4 percent of contracts in FY 2017. M/W/DSBEs primed 25.3 percent of PPS contracts, 12.3 percent of SSE contracts, and 4.9 percent of PW contracts in FY 2018. These M/W/DSBE-primed contracts represent 14.5 percent of the aggregate dollar value of all City contracts, an increase from 12.9 percent in FY 2017. The average size of contracts primed by M/W/DSBEs increased from \$280,000 in FY 2017 to \$300,000 in FY 2018. The average size of contracts primed by non-M/W/DSBEs in FY 2018 remained at the same level as FY 2017 at \$390,000. Even so, there is still a disparity in average contract size for M/W/DSBE primes versus non-M/W/DSBE primes (see Table 4.4.1).

⁶⁵ Utilization is calculated by dividing the Utilization of for-profit M/W/DSBE Prime Contractors and Sub-Contractors by Utilization of all for-profit Prime Contractors and Sub-Contractors on City Contracts (excluding Federally Funded City Contracts, and "FONO" Contracts) and quasi-public City Contracts, by Contract Type and location of M/W/DSBE. Contract value reported in millions.

Table 4.4.1 – FY 2018 and FY 2017 Utilization of M/W/DSBE Primes in City Contracts⁶⁶

	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types
All Contracts								
# Contract	122	743	187	2,276	111	568	254	1,971
Amount (\$M)	\$298.4	\$436.5	\$107.9	\$854.1	\$282.1	\$342.4	\$95.4	\$730.7
Avg Contract (\$M)	\$2.45	\$0.59	\$0.58	\$0.38	\$2.54	\$0.60	\$0.38	\$0.37
Primed by M/W/DSBE								
# Contract	6	188	23	417	7	135	22	343
Amount (\$M)	\$9.7	\$98.6	\$13.2	\$123.4	\$10.0	\$78.7	\$3.8	\$94.5
Avg Contract (\$M)	\$1.62	\$0.52	\$0.58	\$0.30	\$1.43	\$0.58	\$0.17	\$0.28
Primed by non-M/W/DSBE								
# Contract	116	555	164	1,859	104	433	232	1,628
Amount (\$M)	\$288.7	\$337.9	\$94.6	\$730.7	\$272.1	\$263.7	\$91.6	\$636.2
Avg Contract (\$M)	\$2.49	\$0.61	\$0.58	\$0.39	\$2.62	\$0.61	\$0.39	\$0.39
% of # Primed by M/W/DSBE	4.9%	25.3%	12.3%	18.3%	6.3%	23.8%	8.7%	17.4%
% of \$ Primed by M/W/DSBE	3.3%	22.6%	12.3%	14.5%	3.5%	23.0%	4.0%	12.9%
Avg Contract Size, M/W/DSBE (\$M)	\$1.62	\$0.52	\$0.58	\$0.30	\$1.43	\$0.58	\$0.17	\$0.28
Avg Contract Size, non-M/W/DSBE (\$M)	\$2.49	\$0.61	\$0.58	\$0.39	\$2.62	\$0.61	\$0.39	\$0.39

Source: OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2018, 2019)

⁶⁶ "All Contract Types" Includes Miscellaneous Purchase Orders and Small Order Purchases. Contract value reported in millions.

4.5 UTILIZATION OF M/W/DSBEs BY DEPARTMENT

Since this report is to be used in part to set annual Participation Goals, it is useful to depict utilization results at the department level (see Table 4.5.1). 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 is difficult to compare performance across departments clearly.

Table 4.5.1 – FY 2018 Utilization (U3) of M/W/DSBEs in the US by Department (Percentage of Contracts Dollars Awarded)⁶⁷

City Department	FY18 Dept Total (in \$M)	FY18 M/W/DSBE Total (in \$M)	FY18 M/W/DSBE %Utilization Actual	FY17 M/W/DSBE %Utilization Actual
Aviation	\$169.2	\$38.7	22.9%	32.4%
Behavioral Health & Intellectual disAbility	\$3.8	\$2.9	76.3%	97.9%
Chief Administrative Officer	\$2.4	\$0.5	19.4%	-
City Commissioner	\$0.04	\$0.00	0.0%	0.0%
City Council	\$0.8	\$0.3	31.4%	-
City Representative	\$0.00	\$0.00	0.0%	0.0%
Commerce	\$0.55	\$0.21	39.0%	30.6%
Community Service	\$0.0	\$0.0	0.0%	0.0%
Controller, Office of	\$0.4	\$0.1	14.4%	76.9%
District Attorney	\$0.8	\$0.3	35.7%	87.6%
Finance	\$14.6	\$6.0	41.2%	34.3%
Fire	\$8.6	\$1.7	19.5%	20.4%
Fleet Management	\$16.0	\$0.1	0.9%	1.7%
Health, Department of Public	\$5.8	\$1.4	24.2%	61.3%
Human Resources	\$1.2	\$0.1	4.1%	-
Human Services, Department of	\$34.8	\$10.8	31.1%	47.7%
Law Department	\$7.1	\$3.0	42.3%	37.9%
Library, Free	\$0.8	\$0.4	48.1%	44.0%
Licenses and Inspections, Department of (L&I)	\$9.9	\$2.3	23.4%	34.3%
Managing Director's Office	\$3.1	\$1.2	39.8%	11.9%

⁶⁷ This table shows FY 2018 Utilization (U3). U3 is equal to Utilization by Department of For-Profit M/W/DSBE Prime Contractors and Sub-Contractors located in the US (excluding Federally Funded City Contracts and "FONO" Contracts) divided by Utilization of all For-Profit Prime Contractors and Sub-Contractors.

City Department	FY18 Dept Total (in \$M)	FY18 M/W/DSBE Total (in \$M)	FY18 M/W/DSBE %Utilization Actual	FY17 M/W/DSBE %Utilization Actual
Mayor's Office	\$0.4	\$0.3	72.0%	33.3%
Mayor's Office of Community Empowerment & Opportunity	\$0.2	\$0.1	52.5%	57.8%
Office of Arts and Culture	\$0.2	\$0.0	0.0%	19.4%
Office of Homeless Services	\$1.72	\$0.89	52.0%	44.8%
Office of Housing & Community Development (OHCD)	\$0.0	\$0.0	0.0%	59.0%
Office of Innovation & Technology (OIT)	\$32.9	\$17.2	52.2%	24.7%
Office of Sustainability	\$0.1	\$0.0	10.2%	15.0%
Office of the Inspector General	\$0.1	\$0.0	0.0%	0.0%
Parks and Recreation	\$2.4	\$0.8	34.6%	19.3%
Pensions & Retirement	\$1.1	\$0.0	0.0%	0.0%
Personnel	\$0.0	\$0.0	0.0%	1.0%
Planning and Development	\$0.3	\$0.1	37.7%	-
Police	\$2.1	\$0.4	16.8%	11.3%
Prisons	\$53.0	\$23.8	44.9%	41.1%
Procurement	\$0.0	\$0.0	0.0%	0.0%
Property Assessment	\$0.7	\$0.2	31.0%	28.8%
Property, Department of Public	\$31.9	\$16.0	50.1%	66.0%
Records	\$1.7	\$0.5	29.9%	14.9%
Revenue	\$31.9	\$14.3	44.8%	32.2%
Revision of Taxes, Board of	\$0.0	\$0.0	100.0%	100.0%
Sinking Fund Commission	\$0.0	\$0.0	0.0%	-
Streets	\$62.8	\$20.2	32.1%	35.2%
Treasurer, City	\$6.4	\$3.1	48.7%	25.2%
Water Department	\$292.7	\$97.7	33.4%	27.2%
All Departments	\$802.8	\$265.6	33.1%	34.9%
All with Citywide SSE	\$854.1	\$280.7	32.9%	33.5%
All Departments + Citywide SSE + Quasi-Public	\$1,454.6	\$441.3	30.3%	31.7%

**Parks and Recreation Department is a consolidation of the Fairmount Park Commission and Recreation Department

Source: OEO Annual Participation Report (FY 2016, FY 2017), Econsult Solutions, Inc. (2018, 2019)

- In terms of M/W/DSBE utilization, the following 18 departments had utilization rates above that of “All City Departments” (32.9 percent):
 - Revision of Taxes, Board of (100 percent)
 - Behavioral Health & Intellectual disability (76.3 percent)
 - Mayor's Office (72.0 percent)
 - Mayor's Office of Community Empowerment & Opportunity (52.5 percent)
 - Office of Innovation & Technology (52.2 percent)
 - Office of Homeless Services (52.0 percent)
 - Property, Department of Public (50.1 percent)
 - Treasurer, City (48.7 percent)
 - Library, Free (48.1 percent)
 - Prisons (44.9 percent)
 - Revenue (44.8 percent)
 - Law Department (42.3 percent)
 - Finance (41.2 percent)
 - Managing Director's Office (39.8 percent)
 - Commerce (39.0 percent)
 - Planning and Development (37.7 percent)
 - District Attorney (35.7 percent)
 - Parks and Recreation (34.6 percent)
 - Water Department (33.4 percent)

In FY 2017, there were 14 departments with utilization rates in this category.

- Among the city departments with at least \$1 million in contracts, Behavioral Health & Intellectual Disability (76.3 percent) and the Office of Innovation & Technology (52.2 percent) had the highest utilization rates. At the other end of the spectrum, Human Resources (4.1 percent), Fleet Management (0.9 percent), and Pensions and Retirement (0.0 percent) had the lowest utilization rates.
- Five city departments that had at least \$1 million in contracts had double-digit percentage point increases in M/W/DSBE utilization rates from FY 2017 to FY 2018 as well as FY 2018 utilization rates above the utilization for all City departments: the Managing Director's Office (from 11.9 percent to 39.8 percent in FY 2018); Office of Innovation & Technology (from

More departments exceeded the overall M/W/DSBE utilization in FY 2018 than in FY 2017.

24.7 percent to 52.2 percent in FY 2018); City Treasurer (from 25.2 percent to 48.7 percent in FY 2018); Parks and Recreation (from 19.3 percent to 34.6 percent in FY 2018); and Revenue (from 32.2 percent to 44.8 percent in FY 2018).

- In contrast, five City department had at least \$1 million in contracts and a double-digit percentage point decrease in M/W/DSBE utilization: Department of Public Health (from 61.3 percent to 24.2 percent); Behavioral Health & Intellectual DisAbility (from 97.9 percent to 76.3 percent); Department of Human Services (from 47.7 percent to 31.1 percent); Department of Public Property (from 66.0 percent to 50.1 percent); and Department of Licenses and Inspections (from 34.3 percent to 23.4 percent). In contrast, only one department with \$1 million in contracts had a double-digit percentage decrease in M/W/DSBE utilization in FY 2017.
- Similar to last year, contracts awarded to “certifiable” firms were included in the analysis. OEO currently accounts for self-certification of sole practitioners. After all, the broader objective is to ensure the fair participation in City contracts of minority-owned and woman-owned firms; whether or not such firms have been registered by OEO is simply a compliance issue, albeit an important one.⁶⁸

OEO’s policy, implemented in the midst of FY 2010, to accept certifications from other certifying bodies has increased the number of minority- and women-owned 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 will likely continue to be a universe of minority-owned or woman-owned sole-practitioners that are not OEO-registered but participate in City contracts, whose participation will continue to not be counted.

⁶⁸ 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, 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.

4.6 DISTRIBUTION OF CONTRACTS BY M/W/DSBE TYPE

This report accounts for the distribution of contracts by M/W/DSBE type by Prime and Subcontractors (see Table 4.6.1) and looks at the M/W/DSBE distribution of contracts, in terms of the proportion of contracts with M/W/DSBE participation (see Table 4.6.2).

As noted previously, these utilization results do not include federally funded contracts; these are influenced by federal guidelines and are subject to lower federal DBE participation goals. Additionally, these utilization results do not include contracts by quasi-public entities such as the Office of Housing and Community Development, the Philadelphia Industrial Development Corporation, and the Philadelphia Redevelopment Authority.

Table 4.6.1 analyzes the number of contracts with M/W/DSBE participation and Table 4.6.2 shows the number of M/W/DSBE contractors who received contracts. As Table 4.6.1 shows, of the M/W/DSBE firm participating in Public Works (PW) contracts, there were 5 contracts in which a M/W/DSBE was utilized as a prime contractor and 405 contracts in which a M/W/DSBE was utilized as a sub-contractor. These PW contracts included 109 unique firms (see Table 4.6.2). Of those M/W/DSBEs, 87 firms participated in five or fewer PW contracts with 51 participating in exactly one PW contract and 36 firms participating in two to five PW contracts.

While there are certainly M/W/DSBEs that have participated in a high number of contracts, Table 4.6.2 shows that **M/W/DSBE participation is fairly widely distributed**: the majority of M/W/DSBEs that participated in at least one contract (564 firms) in FY 2018 participated in five or fewer contracts (501 firms). 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. **Further, of the 3,038 firms listed in the OEO Registry, 564 unique firms were utilized on FY 2018 City contracts.**

Personal and Professional Services (PPS) contracts were just as widely distributed. Of the 930 PPS contracts, 188 M/W/DSBEs participated as prime contractors. Of the 367 firms participating in PPS contracts, 336 firms participated in five or fewer PPS contracts with 203 firms participating in exactly one PPS contract and 133 firms participating in two to five PPS contracts.

Supplies, Services, and Equipment (SSE) contracts were less widely distributed. Of the 47 SSE contracts, 23 M/W/DSBEs participated as prime contractors. Of the firms participating in SSE contracts, 34 participated in five or fewer SSE contracts with 28 firms participating in exactly one SSE contract and 6 participating in two to five SSE contracts.

Table 4.6.1 – Distribution of M/W/DSBE Participation in FY 2018 City Contracts^{69,70}

	All Contracts ⁷¹		All PW Contracts		All PPS Contracts		All SSE Contracts		All Contracts >=\$500K		All Contracts \$100K-\$500K		All Contracts <=\$100K	
	Prime	Sub	Prime	Sub	Prime	Sub	Prime	Sub	Prime	Sub	Prime	Sub	Prime	Sub
MBE - African American Male	97	224	1	104	58	118	3	2	13	153	20	49	64	22
MBE - Hispanic or Latino Male	17	82	0	21	12	61	1	0	4	51	5	30	8	1
MBE – Asian Male	44	158	0	41	20	116	1	1	2	104	12	44	30	10
MBE - Native American Male	3	19	0	0	2	18	1	0	2	11	1	6	0	2
MBE – Other Male	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MBE (Male) – Total	161	483	1	166	92	313	6	3	21	319	38	129	102	35
WBE – White Female	181	545	4	217	69	311	11	17	22	366	30	121	129	58
WBE - African American Female	27	86	0	9	12	74	6	3	8	54	4	28	15	4
WBE - Hispanic or Latino Female	30	14	0	4	2	9	0	1	1	8	0	6	29	0
WBE – Asian Female	18	41	0	9	13	32	0	0	1	29	5	9	12	3
WBE - Native American Female	0	3	0	0	0	3	0	0	0	0	0	0	0	3
WBE – Other Female	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WBE (Female) – Total	256	689	4	239	96	429	17	21	32	457	39	164	185	68
MBE (Male & Female) – Total	236	627	1	188	119	431	12	7	31	410	47	172	158	45
DSBE – Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0
M/W/DSBE – Total	417	1172	5	405	188	742	23	24	53	776	77	293	287	103
Excluding MP/SOP⁷²	217	1172	-	-	-	-	-	-	-	-	-	-	-	-

Source: OEO Annual Participation Report (FY 2018), Econsult Solutions, Inc. (2019)

⁶⁹ This table shows the distribution of M/W/DSBE Participation in FY 2018 City Contracts (excluding Federally Funded City Contracts and quasi-public City Contracts).

⁷⁰ 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.”

⁷¹ In this table, each individual M/W/DSBE participant on a City contract is counted as its own unique contract. Therefore, contracts can be counted more than once.

⁷² Total contracts include only PW, PPS, and SSE contracts.

Table 4.6.2 – FY 2018 Distribution of M/W/DSBE Contractor Utilization in City Contracts⁷³

	PW				PPS				SSE				Total			
	All M/W/DSBE	MBE	MWBE	WBE	All M/W/DSBE	MBE	MWBE	WBE	All M/W/DSBE	MBE	MWBE	WBE	All M/W/DSBE	MBE	MWBE	WBE
# M/W/DSBEs Participating in Exactly 1 Contract	51	21	6	24	203	68	34	101	28	9	4	15	297	99	52	146
# M/W/DSBEs Participating in 2-5 Contracts	36	14	1	21	133	46	25	62	6	0	0	6	204	70	29	105
# M/W/DSBEs Participating in 6-10 Contracts	14	5	2	7	21	11	6	4	1	0	1	0	43	20	10	13
# M/W/DSBEs Participating in 11-20 Contracts	4	2	0	2	4	2	0	2	0	0	0	0	9	4	0	5
# M/W/DSBEs Participating in 21 or More Contracts	4	2	0	2	6	4	0	2	0	0	0	0	11	6	1	4
# M/W/DSBEs Participating in At Least One Contract	109	44	9	56	367	131	65	171	35	9	5	21	564	199	92	273
Highest # of Contracts a Single M/W/DSBE Participated in	32	25	7	32	38	33	10	38	6	1	6	3	38	33	24	38

Source: OEO Annual Participation Report (FY 2018), Econsult Solutions, Inc. (2019)

⁷³ This illustrates FY 2018 Distribution of M/W/DSBE Contractor Utilization in City Contracts (excluding Federally Funded City Contracts, "FONO" Contracts, and quasi-public City Contracts).

5 AVAILABILITY AND DISPARITY

5.1 AVAILABILITY

In defining M/W/DSBE availability, one must be mindful to be neither too broad nor too narrow. In the past, we have calculated availability in eight different ways. As of 2015, we have streamlined the analysis to include only two definitions of availability that we deemed most appropriate. The availability methods described in Table 5.1.1 are used to determine the pool of available firms within Philadelphia and the Philadelphia MSA (see Table 5.1.1).

Table 5.1.1 – Availability Methods Employed in This Report
**** Denotes Weighted More Heavily in Determining Participation Goals**

Method	Description	Data Source(s)
"A2"	"# M/W/DSBEs with more than one employee", divided by "# All firms with more than one employee"; both referring to firms located within the City of Philadelphia.	2012 US Census Survey of Business Owners, FY 2018 OEO Participation Report
"A6" **	"# M/W/DSBEs with more than one employee", divided by "# All firms with more than one employee"; both referring to firms located within the Philadelphia MSA.	2012 US Census Survey of Business Owners, FY 2018 OEO Participation Report

Source: Econsult Solutions, Inc. (2019)

In any given contract category, the number of M/W/DSBEs in the City of Philadelphia and the Philadelphia MSA are divided by the number of all firms in the City and the MSA. For such an approach, we utilized the 2012 US Census Survey of Business Owners, which is the most current dataset available.

This dataset 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 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 the eight approaches to determining the appropriate availability of M/W/DSBEs, and together help better clarify the availability rate.⁷⁴

⁷⁴ 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

We have considered multiple approaches to determining availability rate. Of the eight approaches utilizing Survey of Business Owners data, “A2” and “A6” are utilized in the report because they are considered the best representation of the availability of M/W/DSBE firms in the selected geographies (see Table 5.1.1).

Of the availability approaches that use the Philadelphia MSA as the unit of geography, we believe “A6” (“# M/W/DSBEs with more than one employee”, divided by “# All firms with more than one employee”; both referring to firms located within the Philadelphia MSA) is the one that most effectively balances “broad” and “narrow” considerations. 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.

Similar to the FY 2017 methodology for calculating availability in which two-digit NAICS codes were determined for each contract type and then information from the SBO was summed to determine availability by contract type, the approach for the FY 2018 Disparity Study weights A1-A8 data according to the distribution of FY 2018 spending by industry, per the FY 2018 Participation Report (see Table 5.1.2 and Table 5.1.3).

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.

Table 5.1.2– Availability of M/W/DSBEs in the City of Philadelphia (A2)^{75 76}

M/W/DSBE Category		FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types
White	Female	*	*	*	*	*	*	*	*
Native American	Male & Female	1.9%	0.1%	0.1%	0.8%	1.2%	0.1%	0.2%	0.6%
Asian American	Male & Female	2.4%	5.0%	8.6%	4.5%	2.8%	8.0%	11.1%	6.2%
African American	Male & Female	4.9%	5.7%	9.6%	5.9%	4.4%	5.6%	2.9%	4.8%
Hispanic	Male & Female	3.7%	4.2%	4.6%	4.1%	3.5%	3.3%	3.6%	3.4%
All MBE	Male & Female	16.6%	19.2%	27.6%	19.3%	15.4%	20.4%	21.9%	18.5%
All WBE	Female	6.3%	18.8%	20.8%	14.6%	10.1%	17.4%	14.0%	14.0%
All M/W/DSBE	Male & Female	23.0%	38.0%	48.3%	33.9%	25.6%	37.8%	35.9%	32.4%

Note: “*” denotes data unavailable or insufficient.

Source: US Census Survey of Business Owners (2012), OEO Annual Participation Report (FY 2018), Econsult Solutions, Inc. (2019)

⁷⁵ This table shows FY 2018 Availability (“A2”). A2 represents the number of M/W/DSBE Firms in Philadelphia County with >1 Employee, divided by the number of all firms in Philadelphia County with >1 Employee.

⁷⁶ In this table, based on US Census Survey of Business Owners, the “All WBE” represents white females.

Table 5.1.3– Availability of M/W/DSBEs in the Philadelphia MSA (A6)^{77 78}

M/W/DSBE Category		FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types
White	Female	*	*	*	*	*	*	*	*
Native American	Male & Female	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Asian American	Male & Female	1.2%	6.8%	4.4%	4.5%	3.6%	7.9%	6.5%	5.9%
African American	Male & Female	1.3%	1.8%	3.4%	1.9%	1.2%	1.9%	0.9%	1.5%
Hispanic	Male & Female	1.6%	1.5%	2.1%	1.6%	1.4%	1.5%	1.4%	1.4%
All MBE	Male & Female	5.8%	12.0%	12.5%	9.9%	7.8%	13.2%	10.9%	10.6%
All WBE	Female	10.9%	17.6%	16.3%	15.1%	13.0%	18.7%	13.7%	15.7%
Disabled	Male & Female	*	*	*	*	*	*	*	*
All M/W/DSBE	Male & Female	16.7%	29.6%	28.7%	24.9%	20.8%	31.8%	24.6%	26.3%

Note: “*” denotes data unavailable or insufficient.

Source: US Census Survey of Business Owners (2007, 2012), OEO Annual Participation Report (FY 2018), Econsult Solutions, Inc. (2019)

M/W/DSBEs represented 24.9 percent of “ready, willing, and able” firms within the Philadelphia MSA, down 1.4 percentage points from 26.3 percent in FY 2017. From FY 2017 to FY 2018, there was a decrease of 4.1 percentage points in availability for PW contracts, a decrease of 2.2 percentage points in availability for PPS contracts, and an increase of 4.1 percentage points in availability for SSE contracts (see Table 5.1.3). “Ready, willing, and able” is assumed to mean firms with one or more employees in industry codes for which the City contracts for goods and services. The change from FY 2017 to FY 2018 reflects not a change in availability at the individual product or service level, but rather a change in the composition of products and services procured by the City.

In terms of the characteristics of the Philadelphia MSA, as they pertain to M/W/DSBE availability in FY 2017 (based on 2012 data and FY 2017 contracts awarded) and FY 2018 (based on 2012 data and FY 2018 contracts awarded), we note the following points:

⁷⁷ This table shows FY 2018 Availability (“A6”). A6 represents the number of M/W/DSBE Firms in the Philadelphia MSA with >1 Employee, divided by the number of all firms in the Philadelphia MSA with >1 Employee.

⁷⁸ In this table, based on US Census Survey of Business Owners, the “All WBE” represents white females.

- MBE availability decreased from 10.6 percent in 2017 to 9.9 percent in 2018. WBE availability decreased from 15.7 percent in 2017 to 15.1 percent in 2018.
- M/W/DSBE availability for PW contracts decreased from 20.8 percent in 2017 to 16.7 percent in 2018. M/W/DSBE availability for PPS contracts decreased from 31.8 percent in 2017 to 29.6 percent in 2018. M/W/DSBE availability for SSE contracts increased from 24.6 percent in 2017 to 28.7 percent in 2018.
- Availability by M/W/DSBE category decreased for all contract types from 26.3 percent in 2017 to 24.9 percent in 2018.
- Although there is availability for DSBES, that availability is insufficient to categorize as these firms cover too wide a variety of contract types and NAICS codes to properly calculate at the city, metropolitan, or nationwide scales. The OEO Registry contains seven certified DSBES but based on the size of the firms, they may have limited capacity for participation on some contracts.

City spending in FY 2018 was broken out by two-digit NAICS codes for each contract type and by each M/W/DSBE category. The concentration of spending varies by contract type. Over 93 percent of PW contract spending was in NAICS 23-Construction, while 72.2 percent of PPS contract spending was in NAICS 54-Professional, Scientific, and Technical Services. SSE spending was slightly more diversified across NAICS categories, but still allocated 41.3 percent of total spending to NAICS 56-Administrative, support, and waste management and remediation services. Overall, the majority of City spending occurred in NAICS 54-Professional, Scientific, and Technical Services (40.2 percent) and in NAICS 23-Construction (35.5 percent). The City spent no more than fifteen percent within any other NAICS code in FY 2018 (see Table 5.1.4).

Table 5.1.4 – City Spending Distribution by Industry from FY 2018 Participation Report, by Two Digit NAICS⁷⁹

NAICS	NAICS Description	PW	PPS	SSE	All Contract Types
11	Forestry, fishing and hunting, and agricultural support services	0.0%	0.0%	1.6%	0.2%
22	Utilities	0.0%	0.0%	0.2%	0.0%
23	Construction	93.1%	3.5%	4.9%	35.5%
31	Manufacturing	0.0%	0.0%	1.4%	0.2%

⁷⁹ This table shows the City Spending Proportions from the FY 2018 Participation Report, sorted by Two-Digit NAICS Code (excluding quasi-public City Contracts) for calculation of Weighted-Average Availability Estimates.

NAICS	NAICS Description	PW	PPS	SSE	All Contract Types
32	Manufacturing	0.0%	0.8%	0.6%	0.5%
33	Manufacturing	0.0%	0.0%	5.3%	0.7%
42	Wholesale trade	0.0%	0.5%	14.1%	2.0%
44	Retail trade	0.0%	0.0%	1.0%	0.1%
45	Retail trade	0.0%	0.0%	0.0%	0.0%
48	Transportation and warehousing	0.0%	0.2%	20.9%	2.7%
51	Information	0.0%	0.0%	0.1%	0.0%
52	Finance and insurance	0.0%	1.3%	0.0%	0.7%
53	Real estate and Rental and leasing	0.0%	0.2%	0.4%	0.1%
54	Professional, scientific, and technical services	5.3%	72.2%	5.7%	40.2%
56	Administrative, support, and waste management and remediation services	1.6%	17.4%	41.3%	14.8%
61	Educational services	0.0%	0.0%	0.0%	0.0%
62	Health care and social assistance	0.0%	0.3%	0.0%	0.2%
71	Arts, entertainment, and recreation	0.0%	0.2%	0.0%	0.1%
72	Accommodation and food services	0.0%	0.0%	0.0%	0.0%
81	Other services	0.0%	0.1%	1.6%	0.3%
92	Public administration	0.0%	3.1%	0.9%	1.7%
Grand Total		100%	100%	100%	100%

Source: OEO Annual Participation Report (FY 2018), Econsult Solutions, Inc. (2019)

The availability of M/W/DSBEs were also broken out by two-digit NAICS codes where the City had spending in FY 2018. Of the eighteen NAICS codes tracked, M/W/DSBEs are available in all but three NAICS codes: 11-Agriculture, 22-Utilities, and 55-Management of Companies. Asian and female-owned firms have the highest availability overall at 19.7 percent and 17.9 percent, respectively. African American firms are fairly well distributed across most industries and have the highest availability in 48-49-Transportation and Warehousing at 17.3 percent.

Hispanic firms have the most availability in 56-Administrative and Support Services at 7.0 percent, and Native American firms are most prevalent in 23-Construction. Asian and female-owned firms are also fairly well distributed across industries. The highest percentage of Asian (40.4 percent) and female-owned (35.9 percent) firms are in 61-Educational Services. This data can assist the City in directing increased utilization of minorities and women in industries where availability is higher and also use this data to encourage minority- and female-owned firms to enter industries where availability is currently low (see Table 5.1.5).

Table 5.1.5 – Proportion of Firms with Employees in the City of Philadelphia by M/W/DSBE Category as a Percentage of all Firms, by Two Digit NAICS⁸⁰

NAICS	NAICS Description	American Indian and Alaska Native	Asian	Black or African American	Hispanic	Minority	Female-owned
11	Agriculture	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22	Utilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Construction	2.1%	2.2%	4.8%	3.6%	12.7%	5.3%
31-33	Manufacturing	0.0%	7.8%	1.0%	1.1%	11.7%	15.4%
42	Wholesale Trade	0.0%	12.7%	1.8%	4.6%	19.6%	14.6%
44-45	Retail Trade	0.0%	33.8%	2.4%	6.1%	42.3%	14.5%
48-49	Transportation and Warehousing	0.0%	4.3%	17.3%	2.5%	24.0%	19.7%
51	Information	0.0%	5.5%	7.3%	1.2%	14.6%	2.4%
52	Finance and Insurance	0.0%	6.8%	8.9%	1.1%	18.0%	3.2%
53	Real Estate	0.0%	6.7%	1.9%	2.1%	10.6%	10.6%
54	Professional Services	0.0%	4.0%	4.4%	3.9%	12.2%	18.3%
55	Management of Companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
56	Administrative and Support Services	0.0%	10.2%	12.2%	7.0%	28.9%	28.0%
61	Educational Services	0.0%	40.4%	5.1%	5.6%	51.5%	35.9%
62	Health Care and Social Assistance	0.2%	8.2%	14.9%	3.4%	26.0%	30.1%

⁸⁰ This table shows the proportion of Firms with Employees in the City of Philadelphia by M/W/DSBE Category as a Percentage of All Firms, Sorted by Two-Digit NAICS Code (2017).

NAICS	NAICS Description	American Indian and Alaska Native	Asian	Black or African American	Hispanic	Minority	Female-owned
71	Arts, Entertainment, and Recreation	0.0%	0.0%	1.1%	0.0%	1.1%	34.2%
72	Accommodation and Food Services	0.0%	37.7%	5.7%	4.8%	48.3%	14.3%
81	Other Services	0.0%	26.5%	8.0%	3.2%	38.0%	27.1%
Grand Total		0.1%	19.7%	6.5%	4.1%	30.6%	17.9%

Source: 2012 US Census Bureau Survey of Business Owners (2017), Econsult Solutions, Inc. (2019)

5.2 DISPARITY

M/W/DSBE disparity is defined as the utilization rate divided by the availability rate. A disparity ratio of more than 1.00 means the utilization rate is greater than the availability rate, and a disparity ratio of less than 1.00 means the utilization rate is lower than the availability rate. It is important to note 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 a particular contract category, commensurate to M/W/DSBE availability (unusually low utilization rate divided by normal availability rate = disparity ratio of less than 1.00).
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 1.00).

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 1.00 is a very positive outcome, as it means that the M/W/DSBE utilization rate exceeds the M/W/DSBE availability rate. Furthermore, even in cases in which availability rates are unusually low, leading to somewhat misleadingly 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:⁸¹

- “D2” = “U1” ÷ “A2” = “Utilization of M/W/DSBEs in the city”, divided by “Availability of M/W/DSBEs with employees in the city” (see Table 4.2.2)
- “D6” = “U2” ÷ “A6” = “Utilization of M/W/DSBEs in the Philadelphia MSA”, divided by “Availability of M/W/DSBEs with employees in the MSA” (see Table 4.2.3)

In some NAICS codes there are City contracts which have few or no M/W/DSBEs available to participate. There are also some contracts, particularly court mandated contracts, which the City has no control over and for which there are few or no opportunities for M/W/DSBEs to participate. The following set of tables considers the impact of excluding those City contracts from the overall analysis. For a list of contract categories where there are “few or no opportunities” for M/W/DSBE participation in FY 2017 and FY 2018, see Section 5.3.

The disparity ratio calculations are based on utilization and availability data sources that look at firm and industry concentrations within Philadelphia MSA and the city (see Tables 4.2.2 and 4.2.3 and Tables 5.1.2 and 5.1.3):

- At the Philadelphia MSA level, the disparity ratios indicate some areas of under-utilization as well as pockets of over-utilization. Most notably, there is over-utilization for MBEs within the PW, PPS, and all contract type categories. There is also over-utilization for MBEs, WBEs, and all M/W/DSBEs for PW contracts. Conversely, for PPS and all contract types, WBE firms are underutilized. WBE firms realized a decrease in the disparity ratio for all contracts from 0.85 in FY 2017 to 0.81 in FY 2018. **Overall, the increase in utilization outpaced the growth in availability.** The all M/W/DSBE ratio increased from 0.99 in FY 2017 to 1.00 in FY 2018, equaling parity for the first time (see Table 5.2.1).

M/W/DSBEs represented 33.9 percent of all firms located within the city but received only 16.7 percent of City contracts, for a disparity ratio of 0.49. The FY 2018 data shows that there are small pockets of over-utilization of M/W/DSBEs located in the city (African American firms in PPS and All WBE firms in SSE) but that the disparity ratios for all M/W/DSBEs across all categories shows that M/W/DSBE firms are still under-utilized in City procurements (see Table 5.2.2).

- It is important to note that disparity ratios for M/W/DSBE firms in the city are much lower than those in the MSA due to the fact that M/W/DSBE availability as a percentage of all firms at the city-level is much higher than the MSA as a whole. The

⁸¹ “U1” can also be divided by the “A1”, “A3”, and “A4” to determine disparity at the City level. “U2” can also be divided by “A5”, “A7”, and “A8” to determine disparity at the MSA level.

City of Philadelphia is not limited to purchasing goods and services strictly from vendors located in the city; however, city-based vendors could provide a lot of the goods and services the city does procure. Therefore, availability at the city level strengthens our case for stretch goals for overall utilization.

Under Mayor Kenney, the City changed the procurement policy from awarding contracts based on “lowest responsible bid” to awards based on “best value.” This policy went into effect in the first quarter of FY 2018 (July 2017). FY 2018 data indicates that this policy change has had a positive effect on M/W/DSBE firms. However, as there is currently only one year of data, it is unknown at this time if this change has a long-term positive or negative impact on disparity. As future years of data are collected, a disparity trend may emerge that can be quantified.

Table 5.2.1 – FY 2018 Disparity Ratio for the Philadelphia MSA (D6), by Contract Type and M/W/DSBE Category⁸²

M/W/DSBE Category	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types	FY 17 PW	FY 17 PPS	FY 17 SSE	FY 17 All Contract Types
White Female	*	*	*	*	*	*	*	*
Native American	*	*	*	*	*	*	*	*
Asian American	1.91	0.24	0.00	0.37	0.69	0.19	0.08	0.29
African American	5.47	7.73	0.81	5.82	3.81	9.55	4.53	7.30
Hispanic	1.48	1.53	0.00	1.28	1.59	1.30	0.00	1.33
All MBE	2.03	1.52	0.22	1.52	1.23	1.65	0.42	1.37
All WBE	1.19	0.56	1.49	0.81	0.84	0.78	1.27	0.85
Disabled	*	*	*	*	*	*	*	*
All M/W/DSBE	1.42	0.86	0.92	1.00	0.94	1.03	0.89	0.99

Note: “” denotes data unavailable or insufficient*

Source: City of Philadelphia Office of Economic Opportunity (FY 2017, FY 2018), US Census Bureau Survey of Business Owners (2007, 2012), Econsult Solutions (2019)

⁸² The (“D6”) Disparity Ratio is equal to Utilization (“U2”) divided by Availability (“A6”), by Contract Type and by M/W/DSBE Category (for M/W/DSBEs located within the Philadelphia MSA).

Table 5.2.2 – FY 2018 Disparity Ratio for the City of Philadelphia (D2), by Contract Type and M/W/DSBE Category⁸³

Ethnicity	Gender	FY 18	FY 18	FY 18	FY 18	FY 17	FY 17	FY 17	FY 17
		PW	PPS	SSE	All Contract Types	PW	PPS	SSE	All Contract Types
White	Female	*	*	*	*	*	*	*	*
Native American	Male & Female	0	0	0	0	0	0	0	0
Asian American	Male & Female	0.86	0.08	0.00	0.20	0.84	0.05	0.05	0.19
African American	Male & Female	0.69	2.04	0.29	1.45	0.52	2.97	1.16	1.91
Hispanic	Male & Female	0.41	0.51	0.00	0.40	0.48	0.48	0.00	0.41
All MBE	Male & Female	0.42	0.74	0.10	0.58	0.41	0.91	0.17	0.63
All WBE	Female	0.91	0.30	1.07	0.50	0.46	0.36	1.06	0.49
Disabled	Male & Female	*	*	*	*	*	*	*	*
All M/W/DSBE	Male & Female	0.52	0.48	0.51	0.49	0.40	0.59	0.88	0.52

Note: “” denotes data unavailable or insufficient.*

Source: City of Philadelphia Office of Economic Opportunity (FY 2017, FY 2018), US Census Bureau Survey of Business Owners (2007, 2012), Econsult Solutions (2019)

⁸³ The (“D2”) Disparity Ratio is equal to Utilization (“U1”) divided by Availability (“A2”), by Contract Type and by M/W/DSBE Category (for M/W/DSBEs located within the City of Philadelphia).

Table 5.2.3 through Table 5.2.10 provide additional analysis and details for the disparity ratios by contract type, geographic location, and M/W/DSBE category.

Table 5.2.3– FY 2018 Utilization (“U2”), Availability (“A6”), and Disparity (“D6”) for OEO-Registered White Females

	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types
U2	11.9%	7.2%	23.7%	9.8%
A6	*	*	*	*
D6	*	*	*	*

Note: “” denotes data unavailable or insufficient.*

Source: Econsult Solutions, Inc. (2019); Utilization = OEO Annual Participation Report (FY 2018); Availability = 2012 US Census Bureau

Table 5.2.4 – FY 2018 Utilization (“U2”), Availability (“A6”), and Disparity (“D6”) for OEO-Registered Native Americans

	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types
U2	0.0%	0.3%	0.0%	0.2%
A6	0.2%	0.2%	0.2%	0.2%
D6	0	0	0	0

Source: Econsult Solutions, Inc. (2019); Utilization = OEO Annual Participation Report (FY 2018); Availability = 2012 US Census Bureau

Table 5.2.5– FY 2018 Utilization (“U2”), Availability (“A6”), and Disparity (“D6”) for OEO-Registered Asian Americans

	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types
U2	2.3%	1.6%	0.0%	1.7%
A6	1.2%	6.8%	4.4%	4.5%
D6	1.91	0.24	0.00	0.37

Source: Econsult Solutions, Inc. (2019); Utilization = OEO Annual Participation Report (FY 2018); Availability = 2012 US Census Bureau

Table 5.2.6 – FY 2018 Utilization (“U2”), Availability (“A6”), and Disparity (“D6”) for OEO-Registered African Americans

	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types
U2	7.1%	13.9%	2.8%	11.1%
A6	1.3%	1.8%	3.4%	1.9%
D6	5.47	7.73	0.81	5.82

Source: Econsult Solutions, Inc. (2019); Utilization = OEO Annual Participation Report (FY 2018); Availability = 2012 US Census Bureau

Table 5.2.7 – FY 2018 Utilization (“U2”), Availability (“A6”), and Disparity (“D6”) for OEO-Registered Hispanics

	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types
U2	2.4%	2.3%	0.0%	2.0%
A6	1.6%	1.5%	2.1%	1.6%
D6	1.48	1.53	0.00	1.28

Source: Econsult Solutions, Inc. (2019); Utilization = OEO Annual Participation Report (FY 2018); Availability = 2012 US Census Bureau

Table 5.2.8 – FY 2018 Utilization (“U2”), Availability (“A6”), and Disparity (“D6”) for All OEO-Registered MBEs

	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types
U2	11.8%	18.2%	2.8%	15.0%
A6	5.8%	12.0%	12.5%	9.9%
D6	2.03	1.52	0.22	1.52

Source: Econsult Solutions, Inc. (2019); Utilization = OEO Annual Participation Report (FY 2018); Availability = 2012 US Census Bureau

Table 5.2.9 – FY 2018 Utilization (“U2”), Availability (“A6”), and Disparity (“D6”) for All OEO-Registered WBEs

	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types
U2	13.0%	9.8%	24.4%	12.3%
A6	10.9%	17.6%	16.3%	15.1%
D6	1.19	0.56	1.49	0.81

Source: Econsult Solutions, Inc. (2019); Utilization = OEO Annual Participation Report (FY 2018); Availability = 2012 US Census Bureau

Table 5.2.10 – FY 2018 Utilization (“U2”), Availability (“A6”), and Disparity (“D6”) for All OEO-Registered M/W/DSBEs

	FY 18 PW	FY 18 PPS	FY 18 SSE	FY 18 All Contract Types
U2	23.7%	25.3%	26.4%	24.8%
A6	16.7%	29.6%	28.7%	24.9%
D6	1.42	0.86	0.92	1.00

Source: Econsult Solutions, Inc. (2019); Utilization = OEO Annual Participation Report (FY 2018); Availability = 2012 US Census Bureau

As shown in Table 4.2.3 and Table 5.2.1, the disparity ratio increased from 0.99 in FY 2017 (MSA utilization of 26.0 percent vs. MSA availability of 26.3 percent) to 1.00 in FY 2018 (MSA utilization of 24.8 percent vs. MSA availability of 24.9 percent). An overall disparity ratio of less than 1.0 means that M/W/DSBE utilization is not in parity with M/W/DSBE availability. Although the disparity ratio is over 1.0 for PW contracts, the disparity ratios for PPS and SSE contracts remain under 1.0.

5.3 FEW OR NO OPPORTUNITY CONTRACTS

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 the utilization rate and then at the availability rate. For FY 2018, where possible, the utilization data was analyzed in four ways, with #4 below representing the main way data were displayed and upon which goals were set:

	Including “Few or No Opportunity” (“FONO”) Contracts	Excluding “FONO” Contracts
Including Federally Funded City Contracts	#1	#2
Excluding Federally Funded City Contracts	#3	#4

Contracts with few or no opportunity (FONO) for M/W/DSBE participation are excluded for comparison to evaluate utilization on contracts in which there is a real opportunity for an M/W/DSBE firm to participate. Some of the FONO contracts are the result of a court order and the procurement of these services are outside the control of the City. Further, contracts that are federally funded are excluded from most participation and all goal-setting analyses, as the City does not have direct control over setting the goals for federally funded contracts. Within both analyses, quasi-public entities are included in the utilization analysis, but only at a summary level, as individual firm detail on M/W/DSBE participation for quasi-public entities is limited.

The exclusion of “few or no opportunity” (FONO) contracts does not indicate that M/W/DSBEs are unable to participate on these contracts and it is not an attempt to lower the bar for participation. Instead it is an indication there are likely barriers to M/W/DSBE utilization that are systemic or administrative that need to be addressed. These barriers may be related to areas such as M/W/DSBE certification, burdensome administrative policies, bonding and insurance requirements, or how the City contracts. With the identification of the types of barriers and increased outreach, these FONO categories may be reduced over time as utilization increases.

Where data constraints result in missing, insufficient, or ambiguous figures, we do not include these figures, but instead show an “*”.

The primary analysis for the FY 2018 Annual Disparity Study is based on the exclusion of contracts for which there are “few or no opportunities” for M/W/DSBE participation. Utilization levels and corresponding recommended participation goals were determined based on the exclusion of these “few or no opportunity” contracts in order to focus efforts on those contracts for which there was more of a chance for M/W/DSBE utilization.

Excluded from the \$1.45 billion in contracts analyzed in this report are 156 contracts totaling \$220.1million for which there are “few or no opportunities” (“FONO”) for M/W/DSBEs to participate (see Tables 5.3.1 and 5.3.2).

Table 5.3.1 – FY 2018 Contracts with Few or No Opportunity ("FONO") for M/W/DSBE Participation, as Determined by the City's Office of Economic Opportunity⁸⁴

	FY 18	FY 18	FY 18	FY 18	FY 17	FY 17	FY 17	FY 17
	PW	PPS	SSE	All Contract Types ⁸⁵	PW	PPS	SSE	All Contract Types
#	35	61	29	156	0	82	47	132
\$M	\$97.0	\$98.2	\$24.5	\$220.1	\$0.0	\$85.5	\$19.4	\$105.1

Source: OEO Annual Participation Report (FY 2017, FY 2018), Econsult Solutions, Inc. (2017, 2018)

Table 5.3.2 – FY 2018 Contracts with "Few or No Opportunity" ("FONO") for M/W/DSBE Participation, as Determined by the City's Office of Economic Opportunity

Contract #	NAICS	Total Amount	FONO Amount	Total Few or No Percentage
PW CONTRACTS: 35 CONTRACTS TOTALING \$97,042,143				
WATER DEPARTMENT				
182747	2362	\$1,853,460	\$926,725	50%
181169	2362	\$3,033,525	\$735,034	24%
181173	2362	\$1,943,945	\$1,029,945	53%
181270	2362	\$3,016,459	\$714,530	24%
181271	2362	\$4,000,000	\$1,349,758	34%
181272	2362	\$3,737,000	\$1,366,332	37%
181273	2362	\$3,982,405	\$957,960	24%
181274	2362	\$4,119,825	\$965,998	23%
181275	2362	\$2,083,865	\$651,000	31%
181430	2362	\$1,318,810	\$276,940	21%
181714	2362	\$633,050	\$185,160	29%
181722	2362	\$1,113,580	\$385,890	35%
181723	2362	\$3,830,000	\$2,221,418	58%
181724	2362	\$3,065,560	\$1,335,325	44%
181725	2362	\$4,065,830	\$1,361,680	33%
181726	2362	\$3,910,068	\$2,410,839	62%

⁸⁴ FY 2017 includes \$3.9 million in sole source contracts.

⁸⁵ 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 PWA M/W/DSBEs to all RWA firms.

182106	2362	\$776,440	\$634,100	82%
182113	2362	\$1,184,401	\$443,853	37%
182114	2362	\$1,798,635	\$819,395	46%
182115	2362	\$1,802,600	\$760,325	42%
182116	2362	\$2,184,485	\$819,240	38%
182117	2362	\$3,580,000	\$1,140,706	32%
182118	2362	\$5,773,800	\$1,430,425	25%
182567	2362	\$4,655,700	\$1,677,009	36%
182568	2362	\$2,202,345	\$680,331	31%
182569	2362	\$4,571,135	\$1,547,605	34%
182570	2362	\$4,871,620	\$1,548,500	32%
182571	2362	\$5,144,640	\$2,012,764	39%
182588	2362	\$1,069,200	\$342,303	32%
182726	2362	\$2,142,000	\$592,791	28%
182745	2362	\$1,141,055	\$747,716	66%
182746	2362	\$1,894,365	\$967,236	51%
182748	2362	\$2,605,100	\$1,442,344	55%
182810	2362	\$2,242,540	\$929,695	41%
182811	2362	\$1,694,700	\$290,416	17%
PPS CONTRACTS: 61 CONTRACTS TOTALING \$98,223,791				
HEALTH, DEPARTMENT OF PUBLIC				
1820002	9261	\$20,000	\$20,000	100%
1720022-01	9261	\$200,000	\$200,000	100%
HUMAN SERVICES, DEPARTMENT OF				
170212	5416	\$9,666,819	\$9,666,819	100%
1720212	5416	\$10,719,249	\$1,052,430	10%
1820142	5416	\$88,367	\$88,367	100%
1820143	5416	\$433,466	\$433,466	100%
1820145	5416	\$88,367	\$88,367	100%
1820195	5416	\$87,600	\$87,600	100%
17200236	5416	\$889,111	\$889,111	100%
1520231-03	5416	\$2,562	\$2,562	100%
1520566-05	5416	\$1,378,578	\$1,378,578	100%
1620307-02	5416	\$170,000	\$170,000	100%
1620528-02	5416	\$904,770	\$904,770	100%
1620528-03	5416	\$1,000,000	\$1,000,000	100%
1720127-01	5416	\$4,644,561	\$4,644,561	100%

1720231-02	5416	\$63,875	\$63,875	100%
1720233-04	5416	\$75,480	\$75,480	100%
1720234-02	5416	\$419,000	\$419,000	100%
1820144-01	5416	\$499,889	\$499,889	100%
1820145-01	5416	\$30,000	\$30,000	100%
LIBRARY, FREE				
1820043	5179	\$860,938	\$860,938	100%
MANAGING DIRECTOR'S OFFICE				
1620213-02	5416	\$41,055,000	\$41,055,000	100%
OFFICE OF INNOVATION & TECHNOLOGY				
1620304-04	5415	\$11,206	\$11,206	100%
1720800	5415	\$169,300	\$169,300	100%
1820437	5415	\$555,664	\$555,664	100%
1320598-03	5415	\$150,855	\$150,855	100%
1320598-04	5415	\$156,125	\$156,125	100%
1320659-02	5415	\$477,384	\$477,384	100%
1320681-03	5415	\$3,216,590	\$172,200	5%
1320681-04	5415	\$2,218,541	\$1,072,821	48%
1420233-05	5415	\$300,000	\$300,000	100%
1420233-06	5415	\$600,368	\$599,408	100%
1420393-04	5415	\$169,449	\$169,449	100%
1520392-04	5415	\$185,500	\$185,500	100%
1520392-05	5415	\$50,000	\$50,000	100%
1520427-05	5415	\$18,134	\$18,134	100%
1520427-06	5415	\$169,860	\$169,860	100%
1520467-05	5415	\$1,108,317	\$474,774	43%
1520494-05	5415	\$1,765,000	\$1,765,000	100%
1520496-04	5415	\$405,000	\$405,000	100%
1520524-03	5415	\$97,900	\$97,900	100%
1520549-03	5415	\$140,713	\$140,713	100%
1520555-03	5415	\$400,000	\$400,000	100%
1520557-03	5415	\$120,200	\$120,200	100%
1620093-02	5415	\$45,252	\$45,252	100%
1620161-01	5415	\$691,904	\$372,444	54%
1620341-02	5415	\$171,733	\$165,133	96%
1620343-01	5415	\$233,117	\$233,117	100%
1720389-01	5415	\$125,118	\$125,118	100%

1720439-01	5415	\$200,000	\$200,000	100%
POLICE				
1520111-04	5413	\$600,000	\$600,000	100%
1520511-02	5413	\$84,000	\$84,000	100%
1620070-02	5413	\$35,000	\$35,000	100%
PRISONS				
1720596	5612	\$34,800	\$34,800	100%
1520449-02	5612	\$8,466,290	\$8,466,290	100%
1720281-01	5612	\$336,840	\$336,840	100%
1720596-01	5612	\$36,000	\$36,000	100%
WATER DEPARTMENT				
1620003-01	5413	\$300,000	\$300,000	100%
1620252-02	5413	\$800,000	\$800,000	100%
1820066	5413	\$60,000	\$60,000	100%
1820400	5413	\$220,000	\$220,000	100%
CITYWIDE SSE CONTRACTS: 23 CONTRACTS TOTALING \$21,528,673				
181053	5413	\$1,078,000	\$1,078,000	100%
181401	2213	\$284,720	\$284,720	100%
181402	2213	\$472,963	\$472,963	100%
181403	2213	\$7,401,750	\$7,401,750	100%
181404	2213	\$439,920	\$439,920	100%
181405	2213	\$2,333,250	\$2,333,250	100%
181406	2213	\$1,326,620	\$1,326,620	100%
181407	2213	\$5,834,014	\$5,834,014	100%
181408	2213	\$58,800	\$58,800	100%
181409	2213	\$125,504	\$125,504	100%
181496	8112	\$101,203	\$101,203	100%
181554	3345	\$173,286	\$173,286	100%
181671	2213	\$207,150	\$207,150	100%
181672	2213	\$332,072	\$332,072	100%
181673	2213	\$153,870	\$153,870	100%
181990	2213	\$764,982	\$764,982	100%
182260	9221	\$206,190	\$206,190	100%
182261	9221	\$32,000	\$32,000	100%
182262	9221	\$32,000	\$32,000	100%
182263	9221	\$74,380	\$74,380	100%
182377	9221	\$32,000	\$32,000	100%

182380	9221	\$32,000	\$32,000	100%
182382	9221	\$32,000	\$32,000	100%
SSE CONTRACTS: 6 CONTRACTS TOTALING \$2,960,821				
AVIATION				
181472	4883	\$79,709	\$79,709	100%
FIRE				
181227	9221	\$2,301,400	\$2,301,400	100%
FLEET MANAGEMENT				
181676	2383	\$289,003	\$289,003	100%
HEALTH, DEPARTMENT OF PUBLIC				
182370	5324	\$215,112	\$215,112	100%
POLICE				
181489	5415	\$41,912	\$41,912	100%
WATER DEPARTMENT				
181064	4234	\$33,685	\$33,685	100%
SOP CONTRACTS: 30 CONTRACTS TOTALING \$328,355				
FIRE				
POXX18117137	5617	\$548	\$548	100%
POXX18117843	4881	\$25,200	\$25,200	100%
POXX18117844	4881	\$9,000	\$9,000	100%
POXX18117935	4881	\$16,387	\$16,387	100%
OFFICE OF INNOVATION & TECHNOLOGY				
POXX18101021	4234	\$26,423	\$26,423	100%
POXX18101155	8112	\$1,679	\$1,679	100%
POXX18104230	4234	\$5,440	\$5,440	100%
POXX18105470	8112	\$14,590	\$14,590	100%
POXX18105958	4234	\$7,400	\$7,400	100%
POXX18106334	8112	\$23,140	\$23,140	100%
POXX18107091	8112	\$19,845	\$19,845	100%
POXX18109741	4234	\$1,000	\$1,000	100%
POXX18109749	4236	\$14,189	\$14,189	100%
POXX18110978	8112	\$8,648	\$8,648	100%
POXX18120247	4234	\$5,900	\$5,900	100%
POXX18121726	4234	\$2,900	\$2,900	100%
PARKS AND RECREATION				
POXX18119205	5617	\$3,100	\$3,100	100%

PRISONS				
POXX18113510	4234	\$649	\$649	100%
POXX18114577	5173	\$1,395	\$1,395	100%
POXX18114851	2382	\$10,680	\$10,680	100%
WATER DEPARTMENT				
POXX18101021	4234	\$26,423	\$26,423	100%
POXX18104230	4234	\$5,440	\$5,440	100%
POXX18105958	4234	\$7,400	\$7,400	100%
POXX18108484	5412	\$27,215	\$27,215	100%
POXX18108560	4234	\$16,972	\$16,972	100%
POXX18109741	4234	\$1,000	\$1,000	100%
POXX18115881	2382	\$31,972	\$31,972	100%
POXX18118239	4234	\$5,020	\$5,020	100%
POXX18120247	6213	\$5,900	\$5,900	100%
POXX18121726	4441	\$2,900	\$2,900	100%
MP CONTRACTS: 1 CONTRACT TOTALING \$32,000				
LICENSES & INSPECTIONS				
MPXX18000299	6113	\$32,000	\$32,000	100%
TOTAL = 156 CONTRACTS TOTALING \$220,115,783				

Source: Econsult Solutions, Inc. (2019); City of Philadelphia Office of Economic Opportunity (FY 2018)

LIST OF ABBREVIATIONS

CEP	Philadelphia International Airport’s Capacity Enhancement Program
DJMA	DJ Miller & Associates
DSBE(s)	Disabled Business Enterprise(s)
EMSDC	Eastern Minority Supplier Development Council
EOP	Economic Opportunity Plan
EORC	City of Philadelphia Economic Opportunity Review Committee
FONO	Few or No Opportunity
FY	Fiscal Year
LBE	Local Business Entity
L&I	Licenses and Inspections, Department of
M/W/DSBE(s)	Collective name for Minority, Women, and Disabled Business Enterprise(s)
MBE(s)	Minority Business Enterprise(s)
MPO	Miscellaneous Purchase Orders contract
MSA	Philadelphia Metropolitan Statistical Area
NAICS	North American Industry Classification System
NMSDC	National Minority Supplier Development Council
OEO	City of Philadelphia Office of Economic Opportunity
OHCD	City of Philadelphia Office of Housing & Community Development
OSH	City of Philadelphia Office of Supportive Housing
PIDC	Philadelphia Industrial Development Corporation
PPS	Personal and Professional Services contract
PW	Public Works contract
Q1	Quarter 1 or 1st Quarter
RWA	“Ready, willing and able” firms
SBA	Small Business Administration
SBO	US Census Survey of Business Owners
SEPTA	Southeastern Pennsylvania Transportation Authority

SMOBE/SWOBE	US Census Bureau Survey of Minority- and Women-Owned Business Enterprises
SOP	Small Order Purchases contract
SSE	Supplies, Services, and Equipment contract
WBE(s)	Women Business Enterprise(s)
WBNEC	Women’s Business Enterprise National Council

ANNUAL DISPARITY STUDY
FISCAL YEAR 2018

OFFICE OF ECONOMIC OPPORTUNITY
DEPARTMENT OF COMMERCE
CITY OF PHILADELPHIA