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## **2017 MINNESOTA JOINT DISPARITY STUDY Hennepin County Executive Summary**

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**EXECUTIVE SUMMARY  
March 2018**

## EXECUTIVE SUMMARY

The 2017 Minnesota Joint Disparity Study examines whether there is a level playing field for minority- and women-owned firms in the Minnesota marketplace and in public procurement. Keen Independent Research LLC (Keen Independent) performed the study for Hennepin County and eight other state and local government entities. The County can use study results when making decisions about programs to assist small businesses, including minority- and women-owned companies. (MBEs and WBEs).

Hennepin County operates the race- and gender-neutral Small Business Enterprise (SBE) Program to increase procurement opportunities for MBEs, WBEs and other small businesses. The County has an overall goal of 25 percent SBE utilization for construction and for professional services and a 20 percent goal for commodities and other biddable services. In addition to setting SBE contract-specific goals, the County helps small businesses to obtain work as prime contractors, consultants and vendors. Companies must be certified through the CERT system to be eligible for the SBE Program. Hennepin County has operated a race- and gender-neutral SBE Program since 1996.

This report was released as a draft for public comment on January 29, 2018. It has been expanded based on public input received through February 28, 2018. The Executive Summary includes:

- A. Background on the study;
- B. Disparity Study research activities;
- C. Quantitative and qualitative information for the Twin Cities marketplace;
- D. Disparity analysis for Hennepin County procurement;
- E. Disparity analysis for combined participating entities;
- F. Recommendations; and
- G. Public participation in the Disparity Study.

### **A. Background on the Study**

In 1989, the U.S. Supreme Court established substantial limitations on the ability of state and local governments to have MBE programs or any other initiatives benefitting businesses based on the race of their owners. Legal restrictions also apply to programs for women-owned firms. Disparity studies help to provide the information that state and local governments require to determine whether programs are needed and supportable.

Even if a targeted business program does not consider race or gender, it can still be subject to legal challenge. However, such programs are more easily defended by the enacting jurisdiction. These types of programs include small business enterprise (SBE) programs and those that provide assistance to firms based on whether they are owned by veterans or by persons with disabilities. Although disparity studies typically do not examine these groups, the Minnesota Joint Disparity Study added analysis of marketplace conditions for businesses owned by veterans and persons with disabilities.

## B. Disparity Study Research Activities

The Keen Independent study team began work in summer 2016 and completed draft reports in late 2017. Local team members included Felton Financial Forensics, C J Petersen & Associates, LLC, Fondungallah & Kigham, and KLD Consulting. Team members from outside Minnesota were Holland & Knight, BBC Research & Consulting and Customer Research International.

**Hennepin County contracts and subcontracts.** Keen Independent examined County procurements from July 1, 2011 through June 30, 2016. The study team included more than 3,857 procurements, including subcontracts, totaling \$1.4 billion.

These contracts do not include those for which the County applied the Federal DBE Program and exclude most health and social services-related contracts, agreements with not-for-profit organizations and public agencies, and types of purchases typically made from a national market. The County spends a large volume of contract dollars with not-for-profit organizations, which are typically not included in a disparity because they are not “owned” by any particular group. Of the county’s \$2.98 billion total procurement for this time period, 3,857 procurements (including subcontracts) that totaled \$1.4 billion were included in the disparity analysis. Figure ES-1 describes the types and dollar amounts of County procurement that were included and excluded from the disparity study.

Figure ES-1.  
Hennepin County procurement dollars, July 2011–June 2016, included in the disparity study.

Inclusions and exclusions	Dollars (thousands)
<b>Inclusions</b>	
Contracts	\$ 2,939,639
Purchase orders	31,108
PCards	17,974
Total inclusions	<u>\$ 2,988,721</u>
<b>Exclusions</b>	
Procurements < \$20,000	\$ 62,676
Government	360,224
Not for profit	749,545
Insurance	6,222
Banks	1,386
Education	6,420
Utilities	15,479
Delegation of authority (projects where DBE goal applies)	258,083
Ball park contracts	1,746
Computer equipment	79,025
Medical	36,623
Total exclusions	<u>\$ 1,577,430</u>
<b>Total procurements less exclusions</b>	<b>\$ 1,411,291</b>

Source: Keen Independent utilization for Hennepin County procurements.

**Relevant geographic market area.** Focusing on procurements included in the disparity study, 89 percent of the County contract dollars examined went to firms with locations in the Twin Cities Metropolitan Statistical Area. This geographic area was the focus of the marketplace analyses in the Hennepin County disparity study.

**Analysis of marketplace conditions.** The study team compiled and analyzed quantitative information about outcomes for minorities and women, and minority- and women-owned firms in the Twin Cities marketplace. Keen Independent also researched conditions for firms owned by veterans and persons with disabilities.

The study team conducted in-depth interviews, surveys and focus groups that obtained input from 2,449 business owners and other individuals. Keen Independent also held public forums and received comments from the website, dedicated email address and dedicated telephone hotline for the study. Companies interviewed included minority- and women-owned firms, majority-owned firms, veteran-owned businesses and companies owned by persons with disabilities.

**Availability, utilization and disparity analyses.** Disparity analyses compare the percentage of entity contract dollars going to minority- and women-owned firms with what might be anticipated given the relative availability of MBEs and WBEs for individual entity contracts and subcontracts.

- Data for the availability analysis came from Keen Independent’s online and telephone surveys that reached thousands of companies in Minnesota. Firms were asked about their availability for different types, sizes and locations of prime contracts and subcontracts for public agencies in the state.
- After completing surveys with 20,527 businesses in Minnesota, the study team reviewed responses to develop a database of companies that are potentially available for Hennepin County and other participating entity work. The study team’s research identified 5,064 businesses reporting that they were available for specific types of public sector procurements and subcontracts. Of those businesses, 9 percent were minority-owned and 18 percent were white women-owned (27.6% MBE/WBE in total).
- Keen Independent then determined the availability of MBEs, WBEs and majority-owned firms for each of the 3,857 procurements. Keen Independent then combined the results of these contract-by-contract availability analyses. From this analysis, one might expect MBE/WBEs to have received 17.68 percent of Hennepin County contract dollars, including subcontracts.

Keen Independent compared the share of procurement dollars going to minority- and women-owned firms (“utilization”) with what might be expected based on the availability analysis.

## C. Quantitative and Qualitative Information for the Twin Cities Marketplace

Keen Independent examined marketplace conditions based on U.S. Census data, information collected through surveys and in-depth interviews, public forums and other sources.

**Marketplace conditions for minority- and women-owned businesses.** There is quantitative and qualitative information suggesting that there is not a level playing field for minority- and women-owned businesses in the Twin Cities construction, professional services, goods and other services industries. This includes evidence of unequal opportunities to:

- Enter and advance as employees within certain study industries;
- Start and operate businesses within study industries; and
- Obtain financing and bonding.

As a result, there are fewer minority- and women-owned firms in certain industries than there would be if there were a level playing field for minorities and women in the Twin Cities marketplace.

Business outcomes also differed for MBE/WBEs.

- Compared with majority-owned companies, minority- and women-owned businesses in the Twin Cities area are more likely to be small.<sup>1</sup> Therefore, any disadvantages for small businesses disproportionately affect MBEs and WBEs.
- There is evidence that outcomes for minority- and women-owned firms differ from similarly-situated white male-owned companies, even after controlling for other factors. In particular, female business owners earned less than men who owned businesses.
- Success in the Twin Cities marketplace depends on relationships with other individuals, including customers, suppliers, bankers, prime contractors and subcontractors, depending on the type of business. Some of the minority and female interviewees reported unequal access to these relationships, stereotyping and other unequal treatment based on their race or gender.

Such information is important when Hennepin County and other participating entities examine programs that assist MBE/WBE businesses.

**Results for persons with disabilities and veterans.** A portion of the marketplace analyses, including in-depth interviews, focused on marketplace conditions for businesses owned by persons with disabilities and veteran-owned firms.

Persons with disabilities and veterans in the Twin Cities area are more likely than other groups to own businesses. There is also evidence that persons with disabilities who own businesses earn less than other business owners. Veterans who own businesses have slightly lower earnings than non-veteran business owners.

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<sup>1</sup> For example, three-quarters or more of MBE/WBEs in the Twin Cities Metro Area that are available for County procurements have annual gross revenue of less than \$1 million, depending on the industry. MBE/WBEs are more likely than majority-owned firms to have revenue in this range.

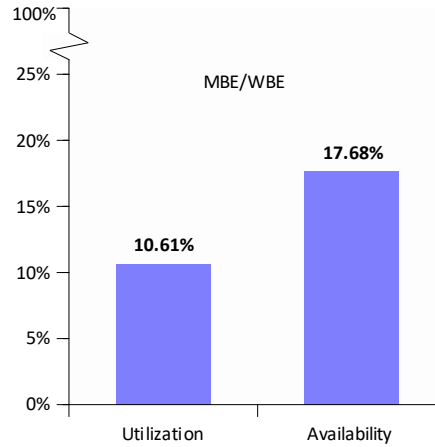
## D. Disparity Analysis for Hennepin County Procurement

**Overall MBE/WBE utilization and availability.** Minority- and women-owned businesses received 10.61 percent of the Hennepin County procurement dollars examined in this study, including payments to non-certified MBE/WBEs. Utilization of minority- and women-owned firms in Hennepin County procurement was below the 17.68 percent that might be expected from the availability analysis. Figure ES-2 presents these overall results from the disparity analysis.

Figure ES-2.  
MBE/WBE utilization and availability  
for Hennepin County procurements,  
July 2011–June 2016

Note:  
3,857 procurements analyzed.

Source:  
Keen Independent disparity analysis for County  
procurements.



The study team compared utilization and availability results using a “disparity index,” calculated by dividing utilization by availability and multiplying by 100 (“100” is parity). The disparity index for MBE/WBE utilization in Hennepin County procurement is 60 (10.61% divided by 17.68%, multiplied by 100). Because the index is below 80, the disparity is “substantial,” according to court guidance.

**Utilization and availability by MBE group and for WBEs.** Figure ES-3 shows overall utilization, availability and disparity results for individual MBE groups as well as white women-owned firms. There were disparities for MBEs and WBEs overall. The disparities for MBEs and WBEs overall were substantial (disparity indexes of 67 and 56, respectively). There was no disparity for Asian American-owned firms, overall, with one company representing most of that participation.

Figure ES-3.  
Disparity analysis for Hennepin County procurements, July 2011-June 2016

	Utilization	Availability	Disparity index
African American-owned	0.88 %	3.06 %	29
Asian American-owned	2.51	0.92	273
Hispanic American-owned	0.50	1.19	42
Native American-owned	0.68	1.70	40
Unknown MBE	0.01		
Total MBE	4.58 %	6.87 %	67
WBE (white women-owned)	6.03	10.81	56
<b>Total MBE/WBE</b>	<b>10.61 %</b>	<b>17.68 %</b>	<b>60</b>

Note: Disparity index = 100 x Utilization/Availability.

There was \$91,000 going to MBEs for which race of business owner could not be identified.

Source: Keen Independent utilization and availability analyses for County procurements.

**MBE/WBE utilization and availability by industry.** Figure ES-4 presents results for Hennepin County construction, professional services, goods and other services procurements. The disparity index was least severe (75) for MBE/WBE professional services firms and most severe (26) for MBE/WBE goods firms. There was a pattern of disparities for MBEs and WBEs across industries, with some exceptions (discussed more at the end of this Executive Summary).

Figure ES-4.

Disparity analysis for Hennepin County procurements by industry, July 2011–June 2016

	Utilization	Availability	Disparity index
<b>Construction</b>			
African American-owned	0.46 %	2.09 %	22
Asian American-owned	3.65	0.56	652
Hispanic American-owned	0.82	0.87	94
Native American-owned	1.33	3.17	42
Unknown MBE	<u>0.01</u>		
Total MBE	6.27 %	6.68 %	94
WBE (white women-owned)	<u>5.33</u>	<u>10.28</u>	52
<b>Total MBE/WBE</b>	<b>11.60 %</b>	<b>16.96 %</b>	<b>68</b>
<b>Professional services</b>			
African American-owned	0.42 %	2.30 %	18
Asian American-owned	2.96	1.95	152
Hispanic American-owned	0.26	0.47	55
Native American-owned	<u>0.00</u>	<u>0.95</u>	0
Total MBE	3.65 %	5.67 %	64
WBE (white women-owned)	<u>9.64</u>	<u>12.03</u>	80
<b>Total MBE/WBE</b>	<b>13.28 %</b>	<b>17.70 %</b>	<b>75</b>
<b>Goods</b>			
African American-owned	0.02 %	1.52 %	1
Asian American-owned	0.00	0.98	0
Hispanic American-owned	0.05	2.53	2
Native American-owned	<u>0.00</u>	<u>0.16</u>	0
Total MBE	0.07 %	5.18 %	1
WBE (white women-owned)	<u>4.48</u>	<u>12.53</u>	36
<b>Total MBE/WBE</b>	<b>4.55 %</b>	<b>17.71 %</b>	<b>26</b>
<b>Other services</b>			
African American-owned	4.29 %	9.74 %	44
Asian American-owned	1.50	0.39	385
Hispanic American-owned	0.48	1.57	31
Native American-owned	<u>0.56</u>	<u>0.14</u>	400
Total MBE	6.83 %	11.84 %	58
WBE (white women-owned)	<u>4.73</u>	<u>8.21</u>	58
<b>Total MBE/WBE</b>	<b>11.56 %</b>	<b>20.05 %</b>	<b>58</b>

Note: Disparity index = 100 x Utilization/Availability.

Source: Keen Independent utilization and availability analyses for Hennepin County procurements, including subcontracts.



**Trends during the study period.** Keen Independent examined whether there were trends in utilization over the study period. Figure ES-5 presents the procurement dollars going to all minority- and women-owned firms, whether or not they were certified (top half of the figure) and participation of CERT-certified companies, including white male-owned firms (bottom half of Figure ES-5). The study period was divided into two equal time periods.

Many of the County's new efforts to include small businesses occurred since 2014, when Hennepin County increased its focus to increase MBE/WBE and other SBE participation. Some of these efforts were after the June 2016 end of the study period.

The County's overall utilization of certified SBEs increased between the two time periods (from 2.92% to 12.61%), as shown in the bottom portion of Figure ES-5. In part, this was due to growing participation of white male-owned CERT-certified companies (increased from 1.12% to 5.50%). For January 2014 through June 2016, there was more utilization of white male-owned certified businesses than WBEs (3.05%) or MBEs (4.05%).

Utilization also grew for minority-owned firms in January 2014 through June 2016 compared with the previous two and one-half years.

- Growth in participation of minority-owned businesses that were certified SBEs appeared to contribute to the increase.
- Utilization of certified SBEs that were minority-owned was only 1.45 percent of contract dollars in July 2011 through December 2013, but increased to 4.05 percent in the most recent time period.
- The percentage of procurement dollars going to African American-, Asian American- and Native American-owned companies increased.

The utilization of WBEs that were SBE-certified also increased, but overall participation of WBEs decreased between these two time periods.

Figure ES-5.

Utilization of minority- and women-owned firms in County procurement,  
July 2011–Dec 2013 and Jan 2014–June 2016

	July 2011–Dec 2013		Jan 2014–June 2016	
	\$1,000s	Percent of dollars	\$1,000s	Percent of dollars
<b>Business ownership</b>				
African American-owned	\$ 3,469	0.84 %	\$ 9,004	0.90 %
Asian American-owned	7,355	1.79	28,026	2.80
Hispanic American-owned	2,065	0.50	5,048	0.50
Native American-owned	1,335	0.32	8,249	0.83
Unknown MBE		0.00	91	0.01
Total MBE	\$ 14,224	3.46 %	\$ 50,418	5.04 %
WBE (white women-owned)	28,979	7.04	56,158	5.62
<b>Total MBE/WBE</b>	<b>\$ 43,203</b>	<b>10.50 %</b>	<b>\$ 106,576</b>	<b>10.66 %</b>
Majority-owned	368,302	89.50	893,208	89.34
<b>Total</b>	<b>\$ 411,505</b>	<b>100.00 %</b>	<b>\$ 999,784</b>	<b>100.00 %</b>
<b>CERT-certified small businesses</b>				
African American-owned	\$ 1,306	0.32 %	\$ 7,224	0.72 %
Asian American-owned	3,831	0.93	21,810	2.18
Hispanic American-owned	58	0.01	3,660	0.37
Native American-owned	760	0.18	7,810	0.78
Total MBE	\$ 5,955	1.45 %	\$ 40,504	4.05 %
WBE (white women-owned)	1,447	0.35	30,530	3.05
Majority-owned	4,601	1.12	55,005	5.50
<b>Total CERT-certified</b>	<b>\$ 12,003</b>	<b>2.92 %</b>	<b>\$ 126,039</b>	<b>12.61 %</b>
Non-CERT	399,502	97.08	873,755	87.39
<b>Total</b>	<b>\$ 411,505</b>	<b>100.00 %</b>	<b>\$ 999,794</b>	<b>100.00 %</b>

Note: Numbers may not add to totals due to rounding.

Source: Keen Independent utilization analysis for Hennepin County procurements.

## E. Disparity Analysis for Combined Participating Entities

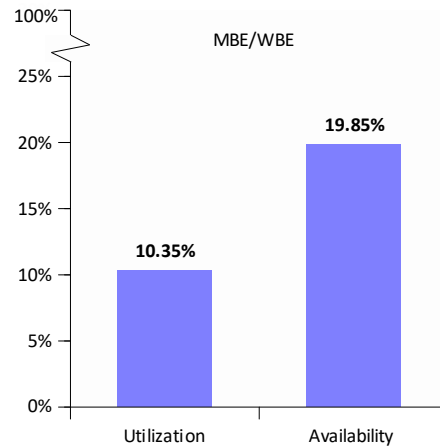
The study team also analyzed whether there were disparities between MBE/WBE utilization and availability for combined participating entity procurement. Figure ES-6 reports aggregate results. As with the analysis for the County, availability was based on a contract-by-contract analysis across entities taking into account the type of work, contract role, year, size and location of each contract.

The combined utilization of minority- and women-owned firms in participating entity procurement during the study period — 10.35 percent of total procurement dollars — was below the 19.85 percent that might be expected from the availability analysis. The resulting disparity index for MBE/WBEs is 52. The disparity occurred even though eight of the nine entities operated race- and gender-based programs during this time period and the ninth entity drew from a pool of certified firms that was mostly MBE/WBEs.

Figure ES-6.  
MBE/WBE utilization and availability for  
combined entity procurements,  
July 2011–June 2016

Note:  
125,474 procurements analyzed.

Source:  
Keen Independent utilization and availability analyses for  
combined entities.



## F. Recommendations

The County’s SBE Program has made progress in encouraging utilization of MBE/WBEs in County procurement, but it has not eliminated disparities for minority- and women-owned firms. Even with such efforts in place, minority- and women-owned firms, in total, received slightly more than one-half of the County procurement dollars that might be expected if there were a level playing for these companies. There were disparities in the utilization of MBE/WBEs for each of the eight other entities that participated in the Minnesota Joint Disparity Study.

Keen Independent recommends that the County:

1. Work with other entities to address barriers and open opportunities for minority- and women-owned firms and other small businesses;
2. Expand existing programs;
3. Consider narrowly-tailored race- and gender-conscious supplementary measures to bolster the SBE Program;
4. Continue to track and report results on MBE/WBE participation; and
5. Carefully consider study results and other information to determine future program eligibility by group.

**1. Work with other entities to address barriers and open opportunities for MBE/WBEs and other small businesses.** There is a need for a broad combined effort by participating entities and other partners to address the effects of race and gender discrimination in employment, entrepreneurship and business success. The County and other participating entities might work together to:

- a. Better communicate procurement opportunities, coordinate outreach and build a joint bidders list.
- b. Strengthen local technical assistance, financing, bonding assistance and other capacity-building efforts.
- c. Improve virtual assistance portals for businesses in Minnesota.

- d. Maintain efforts that enforce non-discrimination in employment as well as further training, employment and advancement for women and people of color in certain industries.
- e. Jointly work to streamline and simplify public procurement processes, including unbundling large contracts, removing unnecessary contract specifications, writing procurement documents in plain language, routinely providing feedback to bidders and proposers, and prompt payment.
- f. Share best practices and results of pilot programs among government entities.
- g. Streamline certification and pursue reciprocity or joint certification when possible.
- h. Jointly pursue action by the State Legislature to reduce barriers to public sector procurement embedded in state law.

**2. Expand existing programs.** Hennepin County operates the Small Business Enterprise (SBE) Program that encourages participation of MBEs, WBEs and other small businesses in County procurement. The County:

- Sets SBE contract goals for construction and professional contracts;
- Gives points for SBE participation in its best value procurement for construction projects;
- Gives first consideration to pre-qualified SBE consulting firms through its Consulting Services Program and requires at least three SBE firms be solicited for projects greater than \$25,000;
- Pre-qualifies “emergent” SBE construction firms, which are within the bottom 10th percentile of the SBE industry size standard based on annual receipts, for small facility remodeling projects (\$25,000 - \$100,000) through the Targeted SBE Program, as a way to build the capacity of these firms (currently 83% are MBEs);
- Pre-qualifies SBE construction firms located within certain geographic areas of concentrated poverty for rehabbing tax-forfeited homes (currently 90% are MBEs); and
- Solicits SBEs for quotes for non-advertised procurements (those less than \$100,000).

The County has implemented other neutral measures; unbundling large contracts and support for technical assistance are two examples.

Through these and other components of its SBE Program, the County has achieved 10.61 percent participation of minority- and women-owned firms. Although the County's efforts to encourage MBE/WBE participation appear to have a positive effect, the impact of the SBE Program might be less if the pool of certified small businesses matched the demographics of all small businesses in the Twin Cities area. In the CERT directory, nearly 70 percent of certified firms are MBE/WBEs.<sup>2</sup>

Based on the information included in this report and subject to further legal review, the County should consider augmenting its SBE Program to:

- a. Add a price and evaluation preference program for SBEs (or emerging small businesses) similar to the State of Minnesota Targeted Group Business program, which is available to small MBE and WBE firms. The State's program, which allows up to 6 percent price and evaluation preferences, is authorized by state statute. The County would need specific legislative authority to employ a similar measure.
- b. Expand the disciplines under the Consultant Services Program, prequalify more SBEs and increase the dollar limit for procurements under the program and encourage County departments to increase their use of prequalified SBEs in the program.
- c. Expand the disciplines and types of projects under the Targeted SBE Program to include transportation construction (currently limited to facility construction), prequalify more SBEs and encourage greater use of the program within the County. The County should also increase the dollar limit for these procurements to an amount greater than the current formal bid threshold of \$100,000.
- d. Develop more programs that involve pre-qualifying and soliciting businesses in economically disadvantaged neighborhoods when the procurements are related to those communities.
- e. Expand sheltered market initiatives to other industries, as applicable.
- f. Create a new category of eligible firms that focuses on the smallest and youngest companies (emerging SBEs).
- g. Create a new category of eligible firms that focuses on employer partners in designated county workforce development initiatives (e.g. Career Pathways, Productive Day Enterprises.)
- h. Within the above programs, provide targeted technical, financial, bonding and other assistance for SBEs. The County should also continue its practice of accelerating payments to SBE construction firms and should expand this practice to SBE professional firms.

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<sup>2</sup> The composition of the CERT directory is affected by the fact that other entities using CERT certification operate race- and gender-conscious programs.

**3. Consider narrowly-tailored race- and gender-conscious supplementary measures to bolster the SBE Program.** The County could potentially increase the utilization of minority- and women-owned firms in its procurements if it supplemented the SBE Program with narrowly-tailored race- and gender-conscious measures. It would need to consider the information in this report and conduct further legal review before enacting any programs, which might include:

- a. Authorizing the use of MBE and WBE contract-specific goals for its locally-funded contracts;
- b. Further encouraging use of MBE/WBE firms for small purchases;
- c. Creating additional industry-targeted programs, including those that other participating entities have implemented; and
- d. Ensuring that the County is using all available tools for MBE outreach for HUD-assisted projects (for example, it might evaluate setting MBE/WBE aspirational goals for those projects).

**4. Continue to track and report results on MBE/WBE/SBE participation.** The County prepares very comprehensive reports on MBE/WBE participation in County procurement, including information about use of non-certified MBE/WBEs. It should continue such reports. The County might refine the information as described in Chapter 10.

**5. Carefully consider study results and other information to determine future program eligibility by group.** If the County considers any race- and gender-conscious programs, it will need to fully consider the evidence for each MBE/WBE group (including additional information beyond this study). Results of the disparity analysis include the following.

- Even with application of the SBE Program for construction, there were substantial disparities for African American-, Native American- and white women-owned businesses. There was a small disparity in the utilization of Hispanic American-owned construction firms. As discussed in Chapter 8, the highest utilization of CERT-certified firms for County construction contracts was for white male-owned businesses.

Utilization of Asian American-owned firms exceeded what might be expected based on availability for County construction contracts. One firm accounted for most of this participation, which was CERT-certified during the study period but was no longer certified at the time of this report (it graduated from CERT because its gross revenue exceeded the size standard). Hennepin County's disparity results for Asian American-owned construction firms were similar to other entities participating in the joint disparity study.

- For professional services contracts, there were substantial disparities for African American-, Hispanic American- and Native American-owned firms. There was also a disparity in the utilization of white women-owned companies. Utilization of Asian American-owned firms exceeded availability for County professional services contracts (similar to results for other participating entities as a whole).

- For goods purchases, there were substantial disparities for each MBE/WBE group (similar to the results for other participating entities). This is in part due to state requirements that such purchases go to the low, responsible and responsive bidder, and the frequency that public entities use regional or national group purchasing agreements.
- For other services contracts, there were substantial disparities for each MBE/WBE group except for Asian American- and Native American-owned firms.<sup>3</sup> Most of the participation of Asian American- and Native American-owned companies came from CERT-certified businesses.

The County should review this evidence along with other information in the Joint Disparity Study and other sources when considering the need for any future race- and gender-conscious programs and program eligibility for specific groups.

### **G. Public Participation in the Disparity Study**

In addition to considerable time devoted to the study by their own staff, the government entities participating in the Joint Disparity Study implemented an extensive public participation process. These activities included:

- Obtaining regular feedback from an External Stakeholder Group that met with the study team once per quarter throughout the project. The External Stakeholder Group included representatives of the local business community and community groups that had an interest in entity contracting and programs, and small business development.
- Distribution of information to interested groups through press releases, email blasts and presentations.
- A study website that posted information about the 2017 Joint Disparity Study from the outset of the study.
- A telephone hotline and dedicated email address for anyone wishing to comment.
- Public forums at the start of the study and after the draft report release to obtain input from stakeholders and other interested groups.
- Through online and telephone surveys, opportunities for company owners and managers to provide information about their businesses and any perceived barriers in the marketplace (the study team successfully reached 20,527 businesses).
- In-depth interviews and focus groups with businesses, trade associations and others.

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<sup>3</sup> Although not a part of the study, the County has awarded contracts utilizing what is referred to as a “set-aside” to certain not-for-profits that specifically benefit African American employees.

Keen Independent and the participating entities sought public input regarding the study and draft Disparity Study report. The public was able to give feedback and provide written comments:

1. In person at public forums (including comment cards collected at those meetings);
2. Through the study website;
3. By calling the study telephone hotline;
4. Via email; and
5. Through regular mail to Keen Independent Research.

Keen Independent reviewed information from the public forums and written and telephone comments before preparing the final Disparity Study report. This information will aid the County and other participating entities in making decisions concerning continuation or enhancement of existing programs and implementation of new programs.