## MECKLENBURG COUNTY, NORTH CAROLINA

## **DISPARITY STUDY REPORT**

## **OCTOBER, 2020**



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#### I. INTRODUCTION

Mecklenburg County, North Carolina ("County") contracted with Griffin & Strong, P.C. ("GSPC") to conduct a disparity study. The purpose of this disparity study ("Study") was to determine if minority and Female owned firms ("MWBE") were participating in County contracting to the extent that should be expected relative to the availability of such firms to compete for County business on Construction, Architecture and Engineering ("A&E"), Professional Services, Other Services, and Goods contracts. Governmental entities, such as the County have authorized disparity studies in response to <u>City of Richmond v. J.A. Croson Co.</u><sup>1</sup> and the cases which followed, to determine whether there has been a compelling interest for remedial procurement programs, based upon ethnicity, race, and gender.

The Study collected and analyzed relevant data on businesses in the industries of:

- 1. Construction
- 2. Architecture and Engineering ("A&E")
- 3. Professional Services
- 4. Other Services
- 5. Goods

The Study Period for this was a four (4) year period from FY2016 through FY2019.

#### A. Study Objectives

#### The principal objectives of this study are:

1. Is there a statistically significant disparity in the relevant geographic and product markets between the percentage of qualified minority and women owned firms ("MWBE") willing and able to provide goods or services to the County in each category of contracts and the percentage of such firms actually utilized by the County (whether as prime contractors/consultants or subcontractors/consultants)?

2. If a statistically significant disparity exists, have factors, other than race and gender, been ruled out as the cause of that disparity, such that there can be an inference of discrimination?

3. Can the discrimination be adequately remedied with race-neutral and genderneutral remedies?

4. If race and gender neutral remedies are not sufficient, does the evidence from the Study legally support a race and/or gender-conscious remedial program?

5. Are the proposed remedies narrowly tailored to the strong basis in evidence from the Study?

1 City of Richmond v. J.A. Croson Co., 488 U.S. 469 (1989).

#### **B.** Technical Approach

In conducting this Study and preparing its recommendations, GSPC followed a carefully designed work plan that allowed Study team members to fully analyze availability, utilization, and disparity with regard to MWBE participation. The final work plan consisted of, but was not limited to, the following major tasks:

- > establishing data parameters and finalizing a work plan;
- ➢ legal analysis;
- > policy and procurement process review and remedial program analysis;
- collecting, organizing, and cleaning data;
- conducting market area analyses;
- conducting product market analysis;
- conducting utilization analyses;
- estimating the availability of qualified firms;
- > analyzing the utilization and availability data for disparity and significance;
- > conducting private sector analysis including credit and self-employment analysis;
- > collecting and analyzing anecdotal information; and
- preparing a final report that presents race- and gender-neutral and narrowly tailored race- and genderbased remedies.

#### C. Report Organization

This report is organized into the following sections, which provide the results of GSPC's quantitative and qualitative analysis. In addition to this introductory chapter, this report includes:

- Chapter II, the Executive Summary including a summary of the findings and recommendations based on the analysis;
- Chapter III, which presents a legal overview of disparity studies and the requirements for race- and gender-conscious programs;
- Chapter IV, review of the County's purchasing policies and practices, particularly as they relate to minority and women owned firms;
- Chapter V, which presents the methodology used in the collection of statistical data from the County and the analyses of those data as they relate to relative MWBE utilization and availability for prime contractors and subcontractors;
- Chapter V, which presents an analysis of disparities, if any, in the private sector and other public entities;
- Chapter VI, which provides the analysis of anecdotal data collected from the survey of business owners, personal interviews, focus groups, public hearings, organizational meetings, and emailed comments and;

Note: Study Definitions are contained in Appendix C.



#### II. EXECUTIVE SUMMARY OF FINDINGS AND RECOMMENDATIONS

This chapter presents the findings and recommendations resulting from the Study for Mecklenburg County related to Construction, Architecture & Engineering, Professional Services, Other Services, and Goods for the four (4) year period of FY2015-FY2018.

As outlined in the Legal Analysis in Chapter III, the courts have indicated that for race-based or genderbased preference programs to be maintained there must be a strong basis in the evidence for the establishment of such programs or the continuation of existing programs. As the detailed findings below will demonstrate, GSPC found statistically significant underutilization of MWBEs in all five (5) work categories that GSPC analyzed. A regression analysis was performed and found that there was evidence to indicate that the disparities by race, ethnicity, or gender status of the firm owners remained after controlling for capacity and other race and gender-neutral factors. This statistical evidence found support in the anecdotal evidence of the experiences of firms in Mecklenburg County's marketplace.

#### A. Legal Findings

Consistent with the "narrow tailoring" aspect of the strict scrutiny analysis, Mecklenburg County (the "County") implemented race- and gender-neutral measures to try to increase utilization of MWBE firms (and SBE firms), but the present Study shows that those measures have not been effective in ameliorating the identified disparities for MWBEs.<sup>2</sup> Accordingly, the County has a basis to introduce race- and gender-conscious remedies or policies toward that goal.<sup>3</sup>

Moreover, the use of a regression analysis and consideration of the contracting environment in the private sector as part of this Study allow the County to demonstrate that factors other than MWBE status cannot fully account for the statistical disparities found. Stated otherwise, it can show that MWBE status continues to have an adverse impact on a firm's ability to secure contracting opportunities with the County, further supporting more aggressive remedial efforts.

Lastly, having obtained statistical and anecdotal evidence of disparities that are race-, ethnicity-, and gender-specific, Mecklenburg County can ensure that the more robust remedies considered as a result of this Study can be limited to minority groups for which underutilization and an inference of discrimination has been identified.<sup>4</sup>

<sup>&</sup>lt;sup>4</sup> <u>Id.</u>; <u>see also H.B. Rowe Company, Inc. v. W. Lindo Tippett</u>, 615 F.3d 233, 256-58 (4<sup>th</sup> Cir. 2010) (finding strong basis in evidence for remedial action for Black American and American Indian firms, but no similar basis for inclusion of other minority groups (including Female-owned businesses) in the remedial policy).



<sup>&</sup>lt;sup>2</sup> <u>See City of Richmond v. J. A. Croson Company</u>, 488 U.S. 469, 507-508; 109 S. Ct. 706; 102 L. Ed. 2d 854 (1989).

<sup>&</sup>lt;sup>3</sup> <u>Id.</u>

#### **B.** Statistical Findings

#### FINDING 1: GEOGRAPHICAL RELEVANT MARKET

The figure below summarizes the geographical area where at least 75 % of prime payees were located in each industry. In analyzing the Relevant Market data, GSPC tabulated the percentage of dollars spent, beginning with Mecklenburg County (by zip codes). GSPC continued counting in radius surrounding Mecklenburg County until the cumulative percentage was equal to or greater than 75 percent. The Availability and utilization analyses were conducted only on firms with offices within the geographical markets. The results were as follows:

#### Figure 1: Summary of Relevant Geographic Market (using Payments)



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#### FINDING 2: AVAILABILITY

The measures of Availability in this disparity study incorporate all of the criteria of Availability required by <u>Croson</u>:

- The firm does business within an industry group from which Mecklenburg County makes certain purchases.
- The firm's owner has taken steps to demonstrate interest in doing business with government.
- The firm is located within a relevant geographical area such that it can do business with Mecklenburg County.

The firms used to calculate Availability came from the Master Vendor File<sup>1</sup>. GSPC found that firms were available to provide goods and services to the County as reflected in the following percentages by each race, ethnicity, and gender group.



#### Table 1: Summary of Availability Estimates by Work Category

In the respective Relevant Markets (Based upon the Master Vendor File) Mecklenburg County Disparity Study

Race/Ethnicity	Construction	Architecture & Engineering	Professional Services	Other Services	Goods & Supplies
American Indian	0.75%	0.54%	0.59%	0.65%	0.29%
Asian American	0.95%	2.18%	1.66%	1.30%	1.05%
Black	9.64%	9.58%	14.82%	13.85%	6.41%
Hispanic American	3.56%	2.61%	1.24%	1.92%	1.08%
Total MBE	14.91%	14.91%	18.30%	17.72%	8.83%
Female	7.43%	6.86%	7.16%	6.69%	6.15%
Unidentified MWBE	0.00%	0.00%	0.06%	0.17%	0.02%
Total MWBE	22.34%	21.76%	25.52%	24.58%	15.00%
Non-Minority	77.66%	78.24%	74.48%	75.42%	85.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

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#### FINDING 3: OVERALL MWBE UTILIZATION

As the table below shows, Mecklenburg County spent a total of \$1,069,359,644 in prime spending in the Relevant Market during the study period and \$120,376,934 of this amount, or 11.26% of this amount was spent with MWBE firms as prime contractors. Non-Minority Female owned firms accounted for 9.62% of the total MWBE awards while MBEs were 1.64% of the payments.

#### Table 2: Summary of Prime Utilization for FY2016-FY2019

Race/Ethnicity	Constr	uction	Architecture	& Engineering	Profession	al Services	Other S	ervices	Goods &	Supplies
	\$	%	\$	%	\$	%	\$	%	\$	%
Black	\$1,666,536	0.28%	\$3,706,676	10.27%	\$691,087	0.57%	\$3,864,780	1.91%	\$94,869	0.08%
Asian American	\$333,213	0.06%	\$93,000	0.26%	\$34,275	0.03%	\$734,965	0.36%	\$81,163	0.07%
Hispanic American	\$1,339,589	0.22%	\$938,299	2.60%	\$33,306	0.03%	\$172,700	0.09%	\$6,930	0.01%
American Indian	\$1,632,170	0.27%	\$78,070	0.22%	\$108,963	0.09%	\$1,782,241	0.88%	\$57,906	0.05%
Total MBE	\$4,971,508	0.83%	\$4,816,045	13.35%	\$867,631	0.71%	\$6,554,686	3.25%	\$240,868	0.21%
Female	\$97,570,292	16.37%	\$317,825	0.88%	\$241,672	0.20%	\$3,593,693	1.78%	\$1,202,715	1.06%
Total MWBE	\$102,541,800	17.20%	\$5,133,870	14.23%	\$1,109,303	0.91%	\$10,148,379	5.03%	\$1,443,582	1.27%
Non-Minority	\$493,498,410	82.80%	\$30,946,853	85.77%	\$120,369,660	99.09%	\$191,794,669	94.97%	\$112,373,117	98.73%
Total	\$596,040,210	100.00%	\$36,080,723	100.00%	\$121,478,963	100.00%	\$201,943,048	100.00%	\$113,816,700	100.00%

By Dollars in the Relevant Markets (Based upon the Master Payment File) Mecklenburg County Disparity Study

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The table below depicts all prime and subcontractor payments combined in total. GSPC found no prime Goods & Supplies awards with subcontractors. In all categories but Construction, the utilization percentages are identical at the prime and sub level. In the Construction category when prime and subcontractors are considered, Total MBE increased by 0.35% and Female increased by 0.28%.

#### Table 3: Summary of Prime and Subcontractor Utilization for FY2016-FY2019

Race/Ethnicity	Construction		Architecture & Engineering		<b>Professional Services</b>		Other Services	
	\$	%	\$	%	\$	%	\$	%
Black	\$2,581,117	0.43%	\$3,706,676	10.27%	\$691,087	0.57%	\$3,864,780	1.91%
Asian American	\$944,517	0.16%	\$93,000	0.26%	\$34,275	0.03%	\$734,965	0.36%
Hispanic American	\$1,888,101	0.32%	\$938,299	2.60%	\$33,306	0.03%	\$172,700	0.09%
American Indian	\$1,632,170	0.27%	\$78,070	0.22%	\$108,963	0.09%	\$1,782,241	0.88%
Total MBE	\$7,045,906	1.18%	\$4,816,045	13.35%	\$867,631	0.71%	\$6,554,686	3.25%
Female	\$99,227,097	16.65%	\$317,825	0.88%	\$241,672	0.20%	\$3,593,693	1.78%
Total MWBE	\$106,273,003	17.83%	\$5,133,870	14.23%	\$1,109,303	0.91%	\$10,148,379	5.03%
Non-Minority	\$489,767,208	82.17%	\$30,946,853	85.77%	\$120,369,660	99.09%	\$191,794,669	94.97%
Total	\$596,040,210	100.00%	\$36,080,723	100.00%	\$121,478,963	100.00%	\$201,943,048	100.00%

By Dollars in the Relevant Markets (Based upon the Master Payment File) Mecklenburg County Disparity Study

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#### FINDING 4: SUMMARY OF DISPARITY ANALYSIS FOR FY2016-FY2019

The tables below indicate those MWBE groups (with a check mark) where a statistically significant underutilization was found.

## Table 4: Summary of Disparity Analysis of MWBE Underutilization in Prime Contracting

	Construction	A&E	Professional Services	Other Services	Goods & Supplies
American Indian	$\checkmark$	$\checkmark$	✓		<
Asian American	$\checkmark$	✓	✓	✓	$\checkmark$
Black	$\checkmark$		✓	$\checkmark$	✓
Hispanic American	$\checkmark$	parity	$\checkmark$	$\checkmark$	$\checkmark$
Female		$\checkmark$	✓	✓	$\checkmark$

Mecklenburg County Disparity Study

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\*Occurrences in this group were too small to measure.

**\*\***Firms in this group were underutilized, but it was not statistically significant.



## Table 5: Summary of Disparity Analysis of Total Utilization (Prime and<br/>Subcontractor Awards)

	Construction	A&E	Professional Services	Other Services
American Indian	$\checkmark$	✓	✓	
Asian American	<b>\</b>	✓	✓	✓
Black	$\checkmark$		✓	1
Hispanic American	~	parity	~	$\checkmark$
Female		1	$\checkmark$	✓

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\* Occurrences in this group were too small to measure.

**\*\***Firms in this group were underutilized, but it was not statistically significant.

#### C. Policy Findings

#### FINDING 5: County Procurement and MWSBE Utilization

County interviewees indicate that the County attempts to increase MWSBE usage on projects under \$50,000. There are reportedly also greater opportunities for MWSBE inclusion in Construction Manager At Risk (CMAR) projects as compared to design-bid-build projects. Under Economic Development Grants the City's MWBE methods for attaining inclusion are applied. County p-card usage is not tracked for MWSBE utilization.

The County's Procurement Policy specifically provides for vendor rotation on Qualifications-based procurement, but interviews revealed that vendor rotation is rarely used. Master agreements are used for



temporary worker agencies, lawn mowing services, and some design/engineering specialty services. There is very limited use of on-call contracts.

#### FINDING 6: Bonding and Insurance

Performance and payment bonds are waivable per County policy. However, interviews confirmed that the bonding requirements associated with County public projects can serve as a barrier to MWSBE participation. About 12.3% of MBE and 6.1% of WBE survey respondents reported bonding as a barrier to obtaining work on Mecklenburg County projects.

The mandatory insurance coverages associated with County projects have anecdotally been seen as a barrier to greater participation/bidding by MWSBE firms, particularly with insurance requirements on Construction Manager at Risk (CMAR) projects. About 11.3% of MBE and 2.3% of WBE survey respondents reported insurance requirements as a barrier to obtaining work on Mecklenburg County projects.

#### FINDING 7: Prompt Payment

Transition to a digital payment system appears to have alleviated concerns by vendors about prompt payment from the County – both as to direct payment to primes, and eventual payment from primes to subcontractors. The few prompt payment disputes that have reached the administrative level tended to involve the failure of prime contractors to finish projects (or milestones) on a timely basis. About 19.5% of MBE and 25.2% of WBE survey respondents reported being paid from 30 to 90 days on Mecklenburg County projects. Only one MWBE reported being paid later than 90 days.

#### FINDING 8: MWSBE Program

The MWSBE Program it is a voluntary, non-binding goals program which "encourages contractors to actively and aggressively seek MWSBE participation." There are no set-asides, annual goals, bid preferences, or points/bonuses in scoring as part of the Program. There also are no SBE set asides or bid preferences. The County Manager is required to report annually to the Board of County Commissioners the M/W/SBE utilizations as compared to the aspirational goals set.

#### FINDING 9: MWSBE Project Goals

The current aspirational project goals are expressly based on the last Disparity Study and are as follows in the table below.



#### Table 6: County Aspirational Goals based upon 2004 MGT Disparity Study

Category	MBE Goal	WBE Goal	SBE Goal	<b>Total Goal</b>
Construction	10%	6%	5%	21%
Architecture &	4%	7%	5%	16%
Engineering				
Professional Services	9%	9%	5%	23%
Other Services	5%	4%	5%	14%
Goods	3%	3%	5%	11%

Recommended Goals for Each Business Category By Race/Ethnic/Gender Classification Based on 2004 Disparity Study

Source: Mecklenburg County Disparity Study, MGT of America, 2004

\*NOTE: The overall Goal can be achieved by any combination of participation by MBE, WBE and or SBE's.

In the Solicitation forms, separate aspirational project goals are announced for MBEs, WBEs, and SBEs. The goals can be met through any combination of M/W/SBE involvement, and no double-counting is permitted (e.g., MBE that is also an SBE). This allows for projects goals to be met entirely by SBE participation.

#### FINDING 10: Good Faith Efforts

The required County Good Faith Efforts Form sets forth a point system for GFEs that in some respects deviates from the guidance provided in North Carolina state statutes on Good Faith Efforts. Policy interviews revealed that while the Good Faith Efforts forms are required to be submitted, there is no effort to confirm that such efforts were undertaken by a bidder, and interviewees did not recall any circumstance where a bid was rejected or declared non-responsive due to insufficient Good Faith Efforts.

#### FINDING 11: MWSBE Certification

Mecklenburg County does not independently certify as to MWSBE status. The County accepts certification from the City of Charlotte; State of North Carolina Historically Underutilized Businesses (HUB) Office; North Caroline DOT; and the federal Small Business Administration (SBA). The County has set size standards for SBE certification at 25% of the applicable SBE size standards.

#### FINDING 12: Budget and Staffing

The FY2020 budget allocates \$109,000 for the MWSBE Program. At present, the MWSBE Program consists of the Program Manager and one shared administrative employee. The office is housed within the Office of Economic Development, having moved from the Procurement division approximately 5 years ago.



#### **D.** Anecdotal Findings

Mecklenburg County marketplace firms and stakeholders raised the following primary concerns:

#### FINDING 13: Outreach and visibility were lacking.

More than 15 % were not registered with the County, and more than 33% of that unregistered number said they did not know how to register to do business with the County. 45% did not even know that there was a registry for working with Mecklenburg County. Nearly 30% said they did not understand the certification process. There is concern of staff that tends to "hide behind an email" and lacks a "sense of urgency." Also, too few bids outside of the construction or construction-related industries (professional services) are being advertised.

#### FINDING 14: Informal Network Monopolizes the Public Contracting Process

More than 43% of the participants in an online survey believe the informal network of Primes and subs monopolize the public contracting process with the County. Anecdotally, several firms complained that the Mecklenburg County marketplace was ruled territorialism – hiring that often excludes firms from outside of the greater Charlotte area. Disturbing the status quo by letting someone into the inner circle is rare because it calls for the ones in a position of power to "stick their neck out." But the so-called "Good Ole' Boy" network was identified as a barrier to doing business, and meant one needed access from, sometimes, as high up as a mayor.

#### FINDING 15: Double Standards in Qualifications and Work Performance

Roughly 56 % of Black respondents agreed in some manner (28% agree, 26% strongly agree) with the statement that "double standards in qualifications and work performance make it more difficult for minority and Female-owned businesses to win bids or contracts." Nearly 24% of Females (18% agree and 6% strongly agree) agreed with this assessment. A minority-owned radio station said that the county contracts with a third-party ad agency to handle RFPs on ad buys that refused to communicate with MBEs. Another firm, however, felt that it was unfair that there was a mandate that they meet a quota of minority hiring to win a bid.

#### E. Marketplace Disparity Findings

#### **FINDING 16: Lower Firm Revenues**

Lower revenues for small, minority, Female, disadvantaged, and Historical Underutilized Business ("HUB") certified firms ("SMWDH") and lower self-employment rates for ethnic and racial minorities in the Mecklenburg County Market Area are suggestive of private sector discimination that undermines their capacity to compete with non-minority owned firms for public contracting opportunities.



#### FINDING 17: Diminished Odds of Public Contracting and Subcontracting

In most instances, we find that a nontrivial subset of SMWDHs in the Mecklenbury County Market Area are particularly harmed by private sector discrimination and/or face diminished odds of public contracting and subcontracting success with Mecklenburg County.

#### FINDING 18: Awarded Less Prime Contracts

Relative to non-SMWDHs, firms owned by Black Americans were awarded less prime contracts with Mecklenburg County.

#### FINDING 19: More Likely to Never Receive a Contract

Relative to non-SMWDHs, firms owned by Black Americans and American Indians, are more likely to have never received either Mecklenburg County prime contracts or subcontracts. The likelihood of SMWDHs certified as a minority business enterprise and owned by Black Americans and American Indians of never receivng a prime contract with Mecklenburg County was higher relative to non-SMWDHs over the time period under consideration in our analysis.

#### FINDING 20: Face Barriers to Securing Contracts

The existence of public contracting success disparities between SMWDHs and non-SMWDHs—particularly when considering the racial/ethnic status of owners—even after controlling for capacity and ability to secure public contracts, suggests that relative to non-SMWDHs, SMWDHs face barriers to securing public contracts with Mecklenburg County.

#### FINDING 21: More Likely to Perceive Contracting Dominated by Informal Networks

Relative to non-SMWDHs, certified minority and disadvantaged business enterprises are more likely to perceive that contracting in Mecklenburg County is monopolized/dominated by informal netwoks.

#### FINDING 22: More Likely to Have Experienced Discrimination

Relative to non-SMWDHs, minority and disadvantaged business enterprises are more likely to have experienced percieved discrimination in the private sector.

#### FINDING 23: Won Fewer Contracts

Relative to non-SMWDHs, certified Female business enterprises won fewer subcontracts with Mecklenburg County.



#### F. Recommendations

The findings of this Study demonstrate that there is significant basis for an inference of discrimination in its public contracting, which may be current or the current effects of past discrimination. Further, GSPC's analysis of marketplace disparities shows the County has been a passive participation in marketplace discrimination toward these same groups. As a result, GSPC makes the following recommendations to assist the County in remedying the disparities found to ensure that all qualified firms within the relevant market are given every chance to succeed in business with the County.

#### Recommendation 1: Allocation of Resources, Including Staffing

The County currently has one full-time equivalent staff member assigned to its MWSBE Program. The County should be commended for adding another full-time equivalent staff member to the upcoming 2021 budget. However, in order to operate a full and robust MWBE Program as GSPC herein recommends, the County will need a larger Contract Compliance staff of at least 2-3 additional staff members. The following are suggested positions:

Chief Diversity Officer – Best practices are that the person in this position oversee all areas of diversity for the County, including procurement and workforce.

Contract Compliance Officer: Responsibilities include: forecasting, outreach, certification review, maintaining availability lists, coordinating supportive services, and coordinating with other agencies.

Contract Administration: Responsibilities include: prebid conferences, working with MWSBEs to make sure they are bidding, investigation of Good Faith Efforts, tracking participation, and reporting participation.

Providing a reasonable budget and having sufficient staff are critical to a successful program. The Covid-19 pandemic has made it difficult for counties and municipalities throughout the country to allocate sufficient resources to launch new initiatives. For that reason, and because the programs recommended by GSPC are new to the County, GSPC recommendations provide a means for the County to ramp up its programs over multiple fiscal years.

#### **Recommendation 2: MWBE Subcontracting Goals**

All MWBE groups were statistically significantly underutilized except Non-Minority Females in Construction, Black American and Hispanic American owned firms in A&E, and American Indian owned firms in Other Services. For those groups that were not the exception, the Study provides a basis for the County to a robust race and gender-based subcontractor program that includes both contract goals and annual goals. However, to begin the program, GSPC suggests that the County only set goals on Construction projects for the first year of the program until additional staff is added.



The County should set separate MBE and WBE goals and no longer set SBE goals. Race and gender discrimination are different and GSPC has suggested other measures to enhance SBEs instead of subcontracting goals since there is no reason to believe that SBEs are not already used as subcontractors when subcontractors are utilized.

The MBE contract goals should be based upon the combined availability of all ethnic groups in order to gain an incentive for Prime Contractors to utilize firms owned by all ethnic minority groups. However, it is equally important for the County to monitor those contract goals and adjust them, if necessary, if the relative balance of the utilization of minority groups is out of line with the individual race/ethnicity group availability.

For those categories that were not underutilized, the County should still have aspirational goals equal to availability that should be monitored to make sure that Non-minority Female owned firms continue to be utilized if Construction subcontractor goals are only set for MBEs.

To effectively administer an MWBE subcontracting program, the County must institute all aspects of contract compliance including robust monitoring to make sure that prime contractors utilize firms as committed to in their bid package.

#### **Recommendation 3: Robust Good Faith Efforts**

If firms do not meet the MWBE contract-by-contract goals, they should demonstrate Good Faith Efforts. The State of North Carolina has a 50-point system to measure Good Faith Efforts that can be modified to meet the County's objectives. If a firm does meet the MWBE goals or does not satisfy Good Faith Efforts, they should be deemed responsive and their cost proposal should not be opened.

#### **Recommendation 4: Small Business Reserve Program**

Availability estimates demonstrate that there are sufficient numbers of MWBE firms that can do the work of prime contractors. The first step to remedy this inequity is to institute a race and gender-neutral program that designates certain contracts, particularly in Construction, that can only be bid on by small businesses. This is an excellent way to get firms that have only worked as subcontractors to bid as prime contractors and grow their capacity. This will ultimately result in more competition in the marketplace. But it is important to provide supportive services to firms making this transition.

#### **Recommendation 5: Increased Vendor Rotation**

County procurement policy already allows for vendor rotation. Some agencies use vendor rotation to limit routine purchases from majority firms, particularly in Professional Services, and to ensure that MWSBEs



have an opportunity to bid along with majority firms. Requiring rotation of diverse teams can assist in this area.

#### **Recommendation 6: Mandatory Subcontracting**

Mandatory subcontracting requires firms with awards over a determined threshold to subcontract a percentage of their work to subcontractors. This will assist in creating more opportunities for small businesses, MWBEs, and require MWBE prime contractors to meet the MWBE goals.

#### **Recommendation 7: Strengthen Forecasting**

Planning plays an important role in establishing and maintaining effective remedial programs. This begins with understanding what services and goods the County will be buying in the year to come.

- **Targeted Outreach-** Annual forecasting will enable the contract compliance personnel to target firms that are capable of doing the work for notification of the work. This is important so that firms, including those outside of construction are aware of upcoming opportunities;
- **Encourage Teaming-** Knowing ahead of time what work will be presented in the coming year will give room for contract compliance to schedule networking events and encourage firms to team. It also gives more time for mandatory pre-bid conferences where potential prime contractors can meet potential subcontractors.

#### **Recommendation 8: Supportive Services**

Annual forecasting will allow the County to provide supportive services well in advance of the bid issuance, if needed. Supportive services may be offered internally in coordination with other agencies, the Small Business Administration bonding program, and the Small Business Development Centers. This is particularly important on the County's large capital projects to insure diverse supplier participation.

#### **Recommendation 9 Prompt Pay Ordinance**

GSPC recommends that the County review prompt payment compliance under state law for its payments and for its prime contractors. This is particularly important because it assists small businesses in meeting their financial obligations. - The County is considering contract compliance software which should allow prime contractors and subcontractors to go into the system to confirm payments.



#### **Recommendation 10: Encourage Joint Ventures**

On very large Construction projects, the County should encourage firms to joint venture with MBE firms. This will assist MBE firms to build their capacity. The City of Atlanta has had a very successful required MWBE joint venture program for more than 25 years for projects over \$5 Million.

#### **Recommendation 11: Data Maintenance Reform**

1. Revise Commodity Code Practices

GSPC made use of both Object Codes (used by Finance) and NIGP Codes to classify payments into a work category. A specific Object Code for Architecture & Engineering services should exist.

Regarding NIGP codes, GSPC found that the most frequently used NIGP codes were also the vaguest in describing services. The NIGP code 96258 (Professional Services) should be disallowed from internal use as we found this to be the misleading. Generally, the vaguest codes start with a 961 or 962 and more specific alternatives should be attempted to be used first before using any code with that prefix.

2. Revise Vendor Data Practices

Process payment data in a way where dollars paid to joint ventures are based on separate vendors. This would entail a unique vendor number for each vendor in the joint venture.

Implement a field called "Is Employee" at the Vendor level to prevent mixing employees in with vendors in vendor level queries.

3. Implement Subcontractor Data System

GSPC found there was informally maintained spreadsheets managed across departments for tracking subcontractors. Additionally, GSPC entered in form VI documents which were notarized but had gaps in the data making them impossible to connect to Prime Payment data without contacting the Prime directly. A proper relational database system for all records the County tracks should exist, even something as simple as a Microsoft Access database.

If the County purchases contract compliance software, it should track all subcontractors, not just MWBEs or only contracts with goals. This will allow the County to accurately track the use of all subcontractors and the percentage of MWBEs utilized as subcontractors. It would also be helpful if subcontractors are required to register as vendors with the County so they can be notified of awards and opportunities.



4. Cohesive Tracking of Awards

An award data system for tracking full award values and decision dates of contracts should be implemented. This award system should also track amendments and status changes of the contract. Necessarily, this system should be connected to the payment system by some sort of primary key that is shared in both systems (reference document ID, for example).

#### 5. Intentional Commodity Codes

The accuracy of any analysis done on data within Mecklenburg relies on the commodity codes. Over the study period we received a lot of skepticism from Mecklenburg itself over the utility of the codes based on the current practices surrounding these codes, even causing problems for internal staff attempting to leverage these codes.

An emphasis should be made at an organizational level to encourage precision when assigning commodity codes. Audits should be done periodically by taking random samples of payments in every department to determine the accuracy of the codes being used. It is possible to generate reports using SQL which randomly select rows from a database by department.

6. Bidders Register as Vendors

An outward facing vendor system should exist. It should be required for any interested vendor to register with this system in order to bid. This will allow for Mecklenburg to have access to a greater pool of ready willing and able vendors and also give a deeper understanding of the firms interested in working with Mecklenburg. This system should allow for vendors to also self-assign a limited number of primary and secondary codes which describe their main focus of work.



#### III. LEGAL ANALYSIS

#### A. Introduction

There is important historical background guiding the development of disparity studies, which effectively began in the United States Supreme Court thirty years ago and has been carried forward to the present time by federal and state courts faced with legal challenges to M/WBE (and DBE) programs and policies.

The parameters of the current study by Griffin & Strong, P.C. (GSPC) of the program administered by Mecklenburg County, and the various methodologies employed therein, are informed by the applicable case law and decades of experience in all aspects of the fields of inclusion programs and disparity studies.

Accordingly, GSPC respectfully provides in this Legal Analysis chapter of the overall study a discussion of the bedrock judicial decisions inviting increased use of disparity studies, and a deeper dive into the legal considerations and related evidentiary requirements for sustaining inclusion programs in the face of a challenge on constitutional grounds. Also included in this analysis are significant decisions from the United States Court of Appeals for the Fourth Circuit, as these decisions demonstrate the continuing significance of the featured United States Supreme Court precedent and highlight the legal foundation under which any challenge to Mecklenburg County's MWSBE program will be analyzed.

Policy interviews recently conducted by GSPC with the County revealed that the County largely follows the North Carolina state procurement statutes (<u>e.g.</u>, North Carolina General Statutes Section 143.128 <u>et. seq</u>. Moreover, the County was, until recently, conducting its contracting and procurement in cooperation with the City of Charlotte. For these reasons, the MWSBE program for Mecklenburg County, now placed under the umbrella of the Office of Economic Development, will likely be the focus of greater scrutiny moving forward. To date, however, there has been no legal challenge to the MWSBE program.

Lastly, upon completion of the Disparity Study GSPC will provide the County with proposed findings and recommendations regarding its MWSBE program, with reference to legal considerations that may support or otherwise be implicated by a particular recommendation. In this regard, GSPC is aware that the University of North Carolina School of Government has apparently taken the position that the 2017 repeal of the North Carolina HB2 ("Bathroom Bill") legislation, provided under North Carolina H142 (S.L. 2017-4), may limit the County's ability to enact or revise local legislation affecting employment-related requirements on Bidders for public contracts.<sup>5</sup> GSPC will address, as appropriate, the possible impact of H142 on any of its recommendations.

<sup>5</sup> <u>See</u> Houston, Norma, <u>Coates' Canons Bog: HB2 Reset Beyond Bathrooms . . . Local Government</u> <u>Contracting Limitations Repealed</u>, UNC School of Government, March 30, 2017 (<u>https://canons.sog.unc.edu/hb2-reset-beyond-bathroomms-local-government-contracting-limitations-repealed/</u>.



#### B. Historical Development of the Relevant Law Regarding M/WBE Programs

The outgrowth of disparity studies was in large measure a response to constitutionally-based legal challenges made against federal, state, and local minority business enterprise programs enacted to remedy past or present discrimination (whether real or perceived). Such studies were effectively invited by the United States Supreme Court in rendering its seminal decision in <u>City of Richmond v. J. A. Croson Company</u>, 488 U.S. 469; 109 S. Ct. 706; 102 L. Ed. 2d 854 (1989), and subsequent judicial decisions have drawn a direct line between <u>Croson</u> and the utilization of disparity studies. <u>See, for example, Adarand Constructors, Inc. v. Slater (Adarand III)</u>, 228 F.3d 1147, 1172-73 (10th Cir. 2000) ("Following the Supreme Court's decision in <u>Croson</u>, numerous state and local governments have undertaken statistical studies to assess the disparity, if any, between availability and utilization of minority-owned businesses in government contracting.").

Disparity studies have therefore become an important tool for governmental entities in deciding whether to enact minority business programs or legislation, and in justifying existing programs or legislation in the face of constitutional challenge. To better understand the proper parameters of such programs, one must understand their judicial origin.

#### 1. The Supreme Court's Decision in <u>City of Richmond v. Croson</u>

To fully appreciate the usefulness of disparity studies for development and defense of minority business programs, an overview of the <u>Croson</u> decision is helpful.

Laws that, on their face, favor one class of citizens over another, may run afoul of the Equal Protection Clause of the Fourteen Amendment. DBE/MBE/WBE programs and legislation are among the types of laws invoking such concerns. Depending on the nature of the differentiation (e.g., based on race, ethnicity, gender), courts evaluating the constitutionality of a minority business program will apply a particular level of judicial scrutiny. As explained at greater length below, race-based programs are evaluated under a "strict scrutiny" standard, and gender-based programs may be subject to strict scrutiny or under a less-rigorous "intermediate scrutiny" standard, depending on the federal circuit within which the entity sits.

In its <u>Croson</u> decision, the Supreme Court ruled that the City of Richmond's Minority Business Enterprise (hereinafter "MBE") program failed to satisfy the requirements of "strict scrutiny." "Strict scrutiny" review involves two co-equal considerations: First, the need to demonstrate a compelling governmental interest; Second, implementation of a program or method narrowly-tailored to achieve/remedy the compelling interest. In <u>Croson</u>, the Supreme Court concluded that the City of Richmond failed to show that its minority set-aside program was "necessary" to remedy the effects of discrimination in the marketplace.

In fact, the Court found that the City of Richmond had not established the necessary factual predicate to infer that discrimination in contracting had occurred in the first place. The Court reasoned that a mere statistical disparity between the overall minority population in Richmond (50% African-American) and



awards of prime contracts to minority-owned firms (0.67% to African-American firms) was an irrelevant statistical comparison and insufficient to raise an inference of discrimination.

Addressing the disparity evidence that Richmond proffered to justify its MBE program, the Court emphasized the need to distinguish between "societal discrimination," which it found to be an inappropriate and inadequate basis for social classification, and the type of identified discrimination that can support and define the scope of race-based relief.

Specifically, the Court opined that a generalized assertion of past discrimination in an entire industry provided no guidance in determining the present scope of the injury a race-conscious program seeks to remedy, and emphasized that "there was no direct evidence of race discrimination on the part of the City in letting contracts or any evidence that the City's prime contractors had discriminated against minority-owned subcontractors."<sup>6</sup>

Accordingly, the Court concluded there was no prima facie case of a constitutional or statutory violation by anyone in the construction industry that might justify the MBE program. Justice O'Connor nonetheless provided some guidance on the type of evidence that might indicate a proper statistical comparison:

[W]here there is a significant statistical disparity between the number of qualified minority contractors willing and able to perform a particular service and the number of such contractors actually engaged by the locality or the locality's prime contractors, an inference of discriminatory exclusion could arise. [Croson, 488 U.S. at 509]

Stated otherwise, the statistical comparison should be between the percentage of MBEs in the marketplace qualified to do contracting work (including prime contractors and subcontractors), and the percentage of total government contract awards (and/or contractual dollars paid) to minority firms. The relevant question among lower federal courts has been which tools or methods are best for such analysis; a matter addressed in the detailed discussion of statistical comparison provided below.

Additionally, the Court in <u>Croson</u> stated that identified anecdotal accounts of past discrimination also could provide a basis for establishing a compelling interest for local governments to enact race-conscious remedies. However, conclusory claims of discrimination by City officials, alone, would not suffice, nor would an amorphous claim of societal discrimination, simple legislative assurances of good intention, or congressional findings of discrimination in the national economy. In order to uphold a race- or ethnicitybased program, the Court held, there must be a determination that a strong basis in evidence exists to support the conclusion that the remedial use of race is necessary.

Regarding the second prong of the strict scrutiny test, the Croson Court ruled that Richmond's MBE



<sup>&</sup>lt;sup>6</sup> <u>Croson</u>, 488 U.S. at 480.

program was not narrowly tailored to redress the effects of discrimination. First, the Court held that Richmond's MBE program was not remedial in nature because it provided preferential treatment to minorities such as Eskimos and Aleuts, groups for which there was no evidence of discrimination in Richmond. Thus, the scope of the City's program was too broad.

Second, the Court ruled that the 30% goal for MBE participation in the Richmond program was a rigid quota not related to identified discrimination. Specifically, the Court criticized the City for its lack of inquiry into whether a particular minority business, seeking racial preferences, had suffered from the effects of past discrimination.

Third, the Court expressed disappointment that the City failed to consider race-neutral alternatives to remedy the under-representation of minorities in contract awards. Finally, the Court highlighted the fact that the City's MBE program contained no sunset provisions for a periodic review process intended to assess the continued need for the program.<sup>7</sup>

Subsequent to the decision in <u>Croson</u>, the Supreme Court and the federal Circuit Courts of Appeal have provided additional guidance regarding the considerations, measurements, information, and features surrounding a DBE/MBE/WBE program which will assist in protecting the program from constitutional challenge under a strict scrutiny analysis.<sup>8</sup> These recommendations have in many respects provided a roadmap of sorts for useful disparity studies and are therefore discussed in greater detail below.

#### 2. The Fourth Circuit's Decision in <u>H.B Rowe v. Tippett</u>

Having the benefit of the Supreme Court's thinking in <u>Croson</u> and subsequent decisions like <u>Adarand</u>, the Fourth Circuit addressed the constitutionality of North Carolina's M/WBE statute governing state-funded transportation projects (N.C. Gen. Stat. § 136-28.4 (1990)) in <u>H.B. Rowe Company, Inc. v. W. Lyndo</u> <u>Tippett</u>, 615 F.3d 233 (4th Cir. 2010).<sup>9</sup>

The legal challenge in <u>H.B Rowe</u> was an outgrowth of an earlier state court challenge to the statute in <u>Dickerson Carolina, Inc. v. Harrelson</u>, 443 S.E.2d 127 (N.C. Ct. App. 1994, <u>appeal dismissed</u>, 448 S.E.2d 520 (N.C. 1994). The <u>Dickerson</u> case was deemed moot and dismissed because the state had suspended application of 136-28.4 in the face of the constitutional challenge, commissioning a disparity study to determine minority utilization. <u>Id. H.B. Rowe</u> addressed the subsequent legal challenge to the amended

<sup>&</sup>lt;sup>9</sup>In contrast, the current program under consideration is promulgated under Chapter 143, Article 3 of the North Carolina General Statutes.



<sup>&</sup>lt;sup>7</sup> <u>Croson</u>, 488 U.S. at 500.

<sup>&</sup>lt;sup>8</sup> Six years after its decision in <u>Croson</u>, the Supreme Court was again confronted with an equal protection challenge to a minority business program, in <u>Adarand Constructors</u>, Inc. v. Pena, 515 U.S. 200 (1995) (<u>Adarand II</u>). This time, however, a DBE program enacted by the federal government was at issue, thus implicating the Fifth Amendment rather than the Fourteenth Amendment analysis required for the local (state) program in <u>Croson</u>. The program was ultimately upheld by the Tenth Circuit on remand in <u>Adarand Constructors</u>, Inc. v. Slater, 228 F.3d 1147 (10<sup>th</sup> Cir. 2000) (<u>Adarand III</u>).

statute.

Denied a contract because of its failure to demonstrate good faith efforts to meet participation goals for minority and Female-owned subcontractors, H. B. Rowe Company, a prime contractor, brought suit asserting that the goals set forth in § 136-28.4 violated the Equal Protection Clause. After extensive discovery and a bench trial, the District Court upheld the challenged statutory scheme as constitutional both on its face and as applied.

The Fourth Circuit Court of Appeals affirmed, finding that the State produced a "strong basis in evidence" justifying the statutory scheme on its face and as applied to Black American and American Indian subcontractors, and that the State further demonstrated that the scheme was narrowly tailored to serve its compelling interest in remedying discrimination against those racial groups. The Court of Appeals did not, however, agree with the District Court that the same was true as applied to other minority groups and Female-owned businesses.

Reviewing the results of the disparity study relied upon by the State, the Court observed that (1) the State's use of a goals program for inclusion of African-American, Native-American, and non-minority Femaleowned businesses was supported by a statistically strong basis, and that (2) the newly revised North Carolina statute which called for frequent goal setting was constitutional. The Court of Appeals focused prominently on the fact that the State's program had been going on since 1983 and had only achieved the inclusion numbers adduced in the 2004 study performed by the commissioned national researcher.<sup>10</sup>

The importance of this case is that it solidified a trend that began in the other appellate courts of this country. When presented with a viable challenge to a state's statute as it concerns M/WBE programs, the program not only must adhere to the requirements of <u>Croson</u> at inception, but also when the program's continued viability is at issue.<sup>11</sup>

Such continuation must be well supported by more than just conjecture as to its necessity. There needs to be statistically sound collection of data from appropriate sources; testing of that data once collected to ensure high confidence; and anecdotal corroboration of findings to disprove other explanations for apparent disparities.<sup>12</sup> These matters are addressed at length in the below Expanded Legal Analysis, which detailed analysis is intended to assist Mecklenburg County evaluate its program, adjust it (if appropriate), and be properly positioned to defend it against legal challenge.

As noted, decisions by the Fourth Circuit, like <u>H.B. Rowe</u>, are particularly important when addressing/evaluating the program implementation and administration by the County. An Expanded Legal Analysis is in Appendix A.

<sup>&</sup>lt;sup>10</sup> <u>H. B. Rowe</u>, 615 F.3d 250.

<sup>&</sup>lt;sup>11</sup> <u>See generally</u>, <u>H.B. Rowe</u>, 615 F.3d at 238-39, 247-48, 251-53.

<sup>&</sup>lt;sup>12</sup> <u>Id.</u>

#### IV. PURCHASING POLICIES. PRACTICES. AND PROCEDURES REVIEW

#### A. Introduction

This chapter is designed to review the written policies and practices of Mecklenburg County with respect to purchasing, contracting, and programs to enhance inclusion of Minority- and Female-owned businesses. Underlying this discussion is an understanding that written policies and practices may not always be consistently administered as there is often room for interpretation or discretionary implementation. Accordingly, policy interviews are intended to identify any deviations or differing interpretations of policies in order to determine whether there may be any effect on participation of Minority- and Female-owned Business Enterprises (M/WBEs).

Policy interviews recently conducted by GSPC with the County revealed that the County was, until recently, conducting its contracting and procurement in cooperation with the City of Charlotte.<sup>13</sup> Also, the Mecklenburg County Minority, Female, and Small Business (MWSBE) Program previously was placed under the Procurement department. When the Office of Economic Development was created approximately five years ago, however, the MWSBE Program was placed under its umbrella.<sup>14</sup>

Several interviewees expressed their understanding or sense about a change of the environment surrounding County purchasing, with increased support for and focus on a robust MWSBE Program.

#### **B.** Document Review and Personnel Interviews

In preparation for the policy interviews, GSPC reviewed the relevant State of North Carolina Statutes on purchasing and contracting; the Mecklenburg County Procurement Policy, and Solicitation Terms & Conditions; the MWSBE Policy Statement, and Program Provisions; prior years' MWSBE Program materials; the 2004 disparity study conducted for Mecklenburg County; relevant budget documents and reports; related Charlotte city ordinances; and prior City of Charlotte disparity studies.

GSPC conducted policy interviews in September 2019 with decisionmakers and officials regularly engaging in purchasing and contracting for Mecklenburg County. Included in these interviews were personnel with the following County offices or departments:

MWSBE Program Manager

<sup>&</sup>lt;sup>13</sup> The decision to conduct purchasing independent of the City of Charlotte was made in response to a recommendation by Deloitte as part of its 2015 study of County operations.

<sup>&</sup>lt;sup>14</sup> The Program is alternately titled "MWSBE" and "M/W/SBE" in the relevant documents. For clarity and consistency MWSBE is used throughout this chapter.

- Finance and Procurement Department
- > Office of Economic Development
- > Land Use and Environmental Services Agency (LUESA)
- Asset and Facilities Management (AFM)
- Charlotte Mecklenburg Library
- > MEDIC
- Legal Department

The Organizational Chart below shows the relationships between these offices and departments:

#### Figure 2: Mecklenburg County Organizational Chart



Source: https://www.mecknc.gov/CountyManagersOffice/Pages/County-Organizational-Chart.aspx



#### C. Overview of Mecklenburg County Purchasing

Mecklenburg County has a written Procurement Policy, most recently updated in June 2018.<sup>15</sup> In its Policy, the County expressly adopts the State of North Carolina procurement statutes,<sup>16</sup> which it then supplements with County-specific policies and practices. The following chart, taken from the Procurement Policy, sets forth the primary policy structure:

This policy is primarily	Subject
G.S. 143-129	Formal bids: apparatus, supplies, materials or
& SL 1997-184 <sup>2</sup>	equipment over
	\$100,000; and construction or repair contracts
	\$500,000 and above.
G.S. 143-131	Informal Bids: apparatus, supplies, materials or
	equipment greater than \$30,000 and less than
	\$100,000; and construction or repair greater than
	\$30,000 but less than \$500,000.
G.S 143-128	Specifications and contracting methods for
	construction projects over \$300,000
G.S. 143-128.2 & .3	Minority business enterprise requirements for
	building construction
G.S. 143-64.3134	Selection of Architect, Engineer, Surveyor, or
	construction manager at risk.
G.S. 143-64.1717K	Guaranteed Energy Savings Contracts
2 C.F.R. Part 200,	Uniform Administrative Requirements, Cost
including Appendix II	Principles, and Audit Requirements for Federal
	Awards
MWSBE Policy	Minority, Women and Small Business Enterprise
*	Procurement Policy and Procedures.

#### Figure 3: Mecklenburg County Procurement Policy

Procurement Policy, p. 3.



<sup>&</sup>lt;sup>15</sup> The Charlotte Mecklenburg Library and MEDIC also have written procurement policies.

<sup>&</sup>lt;sup>16</sup> Procurement Policy, p. 1, ¶ 2.

The tables below show the procurement methods by contract threshold for construction, goods, services, and goods-services combination contracts.

#### 1. Construction

#### Figure 4: Mecklenburg County Procurement Policy

CONSTRUCTION, NON-FEDERALLY FUNDED		
Dollar Threshold	Minimum Requirements	Responsible Party
\$0-\$29,999	1 quote acceptable PO required	Authorized Department Staff
	Contract optional	
\$30,000 - \$499,999	Informal bid process – must seek multiple quotes	Authorized Department Staff
	Obtain price or rate quotes from an adequate number of qualified sources (grantor may issue guidance on "adequate number")	
	Award to lowest cost responsible bidder	
	Cannot divide contract to lower cost below micro- purchase threshold to avoid competitive bidding requirements	
\$500,000 or greater	Sealed bid process BOCC Approval	Authorized Department Staff
	Firm Fixed Price Contract	

Procurement Policy, p. 10.



#### 2. Goods and Services, and Combination Contracts

#### Figure 5: Mecklenburg County Procurement Policy

GOODS, TECHNOLOGY GOODS, SUPPLIES, MATERIALS, EQUIPMENT NON-FEDERALLY FUNDED		
Dollar Threshold	Minimum Requirements	Responsible Party
Micro-Purchase Level: \$0 - \$ 9,999	P-Card or GAX Department purchase order optional	Authorized Department Staff
Small Purchase Level: \$10,000 - \$99,999	Multiple price or rate quotes required from at least two sources Award to lowest cost responsible bidder Cannot divide contract to	Authorized Department Staff or Procurement Division
	lower cost below micro- purchase threshold to avoid competitive bidding requirements, but may divide where economically feasible to encourage MWSBE participation	
Sealed Bid Level: \$100,000 or greater	Cost Estimate must be performed prior to prior to bidding (federally funded projects only) Sealed bid process unless exempt by NC General Statute (if federally funded, must have permission from grantor to use exemption)	Procurement Division
	Formal Advertisement BOCC Approval Firm fixed price Contract	

Procurement Policy, p. 8.


Interviews with the MWSBE Program, Procurement division, and AFM indicated that p-card usage is not tracked for MWSBE utilization.

Dollar Threshold for Services	Minimum Requirements	Responsible Party
\$0 - \$99,999	Best business practice based on the needs of the department.	Authorized Department Staff or Procurement Division
\$100,000 or greater (Competitive Proposal)	Competitive Proposal Procedure Formal Request for Proposals (RFP) Publicly Advertised	Procurement Division
	Federal funds are subject by County P the RFP requirement for Services mus ervices Department.	•

## Figure 6: Mecklenburg County Procurement Policy

Procurement Policy, p. 12.

## 3. Exemptions for Competitive Bidding

The North Carolina public contracting statutes set forth a number of exemptions to the competitive bidding requirements discussed above.<sup>17</sup> Mecklenburg County has expressly adopted several of those § 143.129 exemptions in its Procurement Policy and has provided additional exemptions from other provisions of the State statutes. The enumerated exemptions are:

- > Purchases from other units of government;
- ➢ Emergencies;
- > Group or Cooperative Purchasing Programs;
- Change Order Work;
- ➢ Gas, Fuel, and Oil;



<sup>&</sup>lt;sup>17</sup> <u>See generally</u>, Gen. Stat. § 143.129.

- Sole Source Purchases
- Information Technology Goods and Services awarded by the North Carolina Office of Information and Technology Services;
- Guaranteed Energy Savings Contracts;
- State Contract Purchases;
- Federal Contract Purchases;
- Purchase of Used Goods;
- Construction Management at Risk;
- Previously Bid or "Piggybacking" Contracts;
- ➢ Use of Unit's Own Forces;
- Purchases of Goods and Services from Nonprofit Work Centers for the Blind and Severely Disabled.<sup>18</sup>

## 4. Qualifications-Based Procurement/Selection

Qualifications-Based Procurement is the method used by the County for professional services contracts involving architects, engineers, surveyors, and some design-bid-build projects. The thresholds for such purchases are as follows:

## Figure 7: Mecklenburg County Procurement Policy

ARCHITECT, ENGINEER, SURVEYOR, or CONSTRUCTION MANAGER AT RISK					
Dollar Threshold	Minimum Requirements	Responsible Party			
Less than or equal to \$49,999	County Manager Approval Contract	Authorized Department Staff			
More than \$50,000	Best Qualified Section Procedure See Exhibits F & G <sup>3</sup> BOCC Approval Contract	Authorized Department Staff			

Procurement Policy, p. 12.



<sup>&</sup>lt;sup>18</sup> Procurement Policy, pgs. 19-20, ¶ 15.

The County's Procurement Policy specifically provides for vendor rotation in these Qualificationsbased situations, but policy interviews revealed that vendor rotation is not used often in any respect.<sup>19</sup>

Also, given the above qualification requirements for larger projects, interviewees indicated that the County attempts to increase MWSBE usage on projects under \$50,000. AFM and LUESA interviewees discussed the greater opportunities for MWSBE inclusion in CMAR projects as compared to design-bid-build projects due to unique aspects of planning, timing, and notification for the latter projects, which may limit the County's ability to increase MWSBE utilization.<sup>20</sup>

## 5. Cooperative Purchasing and Piggy-Backing"

The Procurement Policy essentially adopts the North Carolina statutes governing cooperative purchasing and "piggy-backing" purchases with other governmental entities.<sup>21</sup> The County appears to use the terms interchangeably to describe purchases made under existing contracts negotiated with or awarded by other state, County, or municipal (<u>e.g.</u>, City of Charlotte) entities or agencies. Purchases of police/sheriff vehicles, office furniture, Internet Technology, and office supplies were identified as common cooperative or piggy-backing opportunities used by the County.

## 6. Economic Development Grants

Pursuant to an inter-local agreement with the City of Charlotte, the County utilizes economic development grants to provide tax incentives for projects that involve public infrastructure or achieve a "public good."<sup>22</sup> Under these grants, the City's MWBE methods for attaining inclusion are applied, so no additional race- or gender-based policies from the County are needed.

## 7. On-Call Contracts and Master Agreements

Outside of Qualifications-based Procurement the County reportedly does not make regular use of on-call or rotational vendor contracts/awards.<sup>23</sup>

Master agreements, which are expressly permitted under the Procurement Policy, are used by several County divisions, albeit on a limited basis.<sup>24</sup> For example, LUESA divisions use master agreements for temporary worker agencies, lawn mowing services, and some design/engineering specialty services. The Procurement division also uses a master agreement for temporary



<sup>&</sup>lt;sup>19</sup> Procurement Policy, Exhibits C and D.

<sup>&</sup>lt;sup>20</sup> This is discussed further in the section on MWSBE aspirational project goals.

 $<sup>^{21}</sup>$  Procurement Policy, pgs. 21-22,  $\P$  15.

<sup>&</sup>lt;sup>22</sup> To date the grants have been primarily used for parking structures and access roads.

<sup>&</sup>lt;sup>23</sup> LUESA indicated that it maintains on-call vendor <u>lists</u> for specialized services (<u>e.g.</u>, for notification or invitations to bid), but contracts are not awarded for prospective on-call utilization.

<sup>&</sup>lt;sup>24</sup> Procurement Policy, pg. 17, ¶ 12.5.

workers, and for document management services. AFM uses a mater agreement for vehicle washing services.

### 8. Sole Source Contracts

Sole source contracts are exempt from the competitive bidding process pursuant to statute and as reiterated in the Procurement Policy and are widely utilized by the County according to interviewees. Some concerns were raised that sole source contracts were predominantly awarded to majority firms, and also appeared to enable or encourage self-performance to the further detriment to MWSBE inclusion.

### D. Bonding, Insurance, and Prompt Pay Issues

### 1. Bonding

Under North Carolina law, bid bonds of 5% of the bid price are required for formal construction and repair contracts, but not for purchase contracts.<sup>25</sup> Performance and payment bonds are required for construction and repair contracts of more than \$300,000 but are not required for purchase contracts.<sup>26</sup> Performance and payment bonds are also required for contracts worth more than \$50,000 that are part of a project worth more than \$300,000.<sup>27</sup>

Interviews confirmed that the bonding requirements associated with County public projects can serve as a barrier to MWSBE participation.<sup>28</sup> It was suggested that breaking projects down into insular, smaller projects, may ameliorate some of the problems with the required bonding levels. It is noteworthy that performance and payment bonds are waivable per County policy.

### 2. Insurance

The written Procurement Policy informs that "[t]he Risk Management Division of the City of Charlotte Finance Department provides insurance and risk management services to the County."<sup>29</sup> The general insurance coverage requirements are expressly set forth in the Procurement Policy (at Exhibit E), including required coverage levels for Commercial General Liability (\$1,000,000 per occurrence), Automobile Liability (\$1,000,000 per occurrence), Worker's Compensation (\$100,000 per accident), and Professional Errors and Omission coverage (\$1,000,000 per claim occurrence).<sup>30</sup>

Like bonding requirements, the mandatory insurance coverages associated with County projects have



<sup>&</sup>lt;sup>25</sup> G.S.§ 143-129(b).

<sup>&</sup>lt;sup>26</sup> <u>Id.</u>

<sup>&</sup>lt;sup>27</sup> G.S.§ 44A-26.

<sup>&</sup>lt;sup>28</sup> Vendor concerns about bonding requirements will be addressed in the Anecdotal Chapter of the Disparity Study Report.

<sup>&</sup>lt;sup>29</sup> <u>Id.</u>, pg. 17, ¶ 12.6

<sup>&</sup>lt;sup>30</sup> <u>Id.</u>

anecdotally been seen as a barrier to greater participation/bidding by MWSBE firms.<sup>31</sup> AFM personnel described acute issues with insurance requirements in Construction Manager at Risk (CMAR) projects and noted that prime contractors occasionally agreed to cover such costs for subcontractors when needed. The Storm Water division of LUESA likewise informed that some of their subcontractors viewed insurance requirements as a barrier to participation.

### 3. Prompt Payment

Under State law, local governments are required to make prompt payments on public construction contracts within 45 days of project acceptance and certification.<sup>32</sup> Governments must pay interest of 1% per month on the remaining balance to a prime contractor beginning 46 days after project completion.<sup>33</sup> Prime contractors must pay interest of 1% per month on the unpaid balance to a subcontractor beginning on the eighth day after the prime has been paid.<sup>34</sup>

The State prompt payment law also governs the holding of retainage on public construction projects. As project owner, the City cannot withhold more than 5% in retainage.<sup>35</sup> There is no retainage on projects less than \$100,000 in value. Prime contractors may have a retainage policy with its subcontractors, but such retainage cannot exceed the project owner retainage on the project.<sup>36</sup>

Transition to a digital payment system appears to have alleviated any concerns by vendors about prompt payment from the County – both as to direct payment to primes, and eventual payment from primes to subcontractors. The few prompt payment disputes that have reached the administrative level tended to involve the failure of prime contractors to finish projects (or milestones) on a timely basis, which naturally delayed payment.

## E. Registration and Prequalification

## 1. Registration

To participate in County purchasing and contracting, vendors are required to be registered in the eprocurement system established by the County, as set forth in the Solicitation Terms & Conditions promulgated by the Procurement Division (¶ 10: "The County Utilizes a Procurement Software System to interact with vendors. To compete for and be awarded County contracts, vendors must be registered in the MECKProcure system. Registration is required to submit a response to this Solicitation.").



<sup>&</sup>lt;sup>31</sup> This will also be addressed in the Anecdotal Chapter of the Disparity Study Report.

<sup>32</sup> G.S. § 143-134-1.

<sup>&</sup>lt;sup>33</sup> <u>Id.</u>

<sup>&</sup>lt;sup>34</sup> <u>Id.</u>

<sup>&</sup>lt;sup>35</sup> G.S. § 143-134.1(b1)(1).

<sup>&</sup>lt;sup>36</sup> G.S. § 143-134.1(b1)(3).

GSPC understood from interviews that vendors are encouraged to self-report MWSBE status into the MECKProcure system, and that it was the unwritten policy of the County that such self-reporting to be confirmed by staff, but there was some doubt that such confirmation was consistently done. This may create difficulty in tracking and reporting MWSBE availability and utilization (past and future), according to interviewees.

#### 2. Prequalification

In Construction Manager at Risk (CMAR) construction projects in excess of \$9 million, pre-qualification of subcontractors is required, according to administrators with Asset and Facilities Management (AFM). This was the only pre-qualification practice or policy discussed.

### F. MWSBE Program and Office

### 1. Introduction/Mission

The Policy Statement and Program Provisions for the MWSBE Program clarify that it is a voluntary, nonbinding goals program which "encourages contractors to actively and aggressively seek MWSBE participation."<sup>37</sup> There are no set-asides, annual goals, bid preferences, or points/bonuses in scoring as part of the Program. The intention of the Program, as stated, is to "support the economic development of small business enterprises and the minority community" and to "widen opportunities for participation, increase competition, and ensure proper and diligent use of public funds."<sup>38</sup>

The MWBSE Program has published its "Program Provisions" document, which is intended for internal use by the County and as an outward-facing document for vendor information and guidance. The Program Provisions also provide vendors with samples of the several forms required to be submitted by vendors/bidders and MWSBE firms in furtherance of the Program.<sup>39</sup>

Among the policy objectives of the Program are tracking and monitoring good faith efforts to include and increase MWSBE participation, creating and maintaining community outreach efforts, including facilitation of registration and certification, and fielding and resolving complaints of discrimination. In this regard, the County Manager is required to report annually (to the Board of County Commissioners) the M/W/SBE utilizations as compared to the aspirational goals set, and is authorized to make changes to Program procedures consistent with the applicable law and the policy goals of the Program.<sup>40</sup>

<sup>&</sup>lt;sup>37</sup> <u>Id.</u>

<sup>&</sup>lt;sup>38</sup> Program Provisions, p.2 ("Mecklenburg County's M/W/SBE Program is committed to support the economic development of small business enterprises and the minority community. The M/W/SBE Program encourages Contractors to actively and aggressively seek M/W/SBE participation. It is further the intent of the program to widen opportunities for participation, increase competition, and ensure the proper and diligent use of public funds").

<sup>&</sup>lt;sup>39</sup> Program Provisions, Forms I – VI and "Good Faith Efforts" Form.

<sup>&</sup>lt;sup>40</sup> Program Provisions, p. 2.

Of note, the Solicitation Terms & Conditions established and applied by the County's Procurement division expressly include reference to the MWSBE Program, and state that the County MWSBE policy "affords maximum opportunity to compete for and participate in the performance of contracts issued on behalf of Mecklenburg County" and that "[t]he County further requires that its vendors agree to take all the necessary and reasonable steps to ensure that minority and small business enterprises have the maximum opportunity to participate as subcontractors for County contracts."<sup>41</sup>

### 2. Budget and Staffing

The FY2020 budget allocates \$109,000 for the MWSBE Program, a reduction of approximately \$12,000 from FY2019. At present, the MWSBE Program consists of the Program Manager and one shared administrative employee. The office is housed within the Office of Economic Development, having moved from the Procurement division approximately 5 years ago.

The FY2020 budget allocation for the Office of Economic Development is \$11.6 million, a slight increase over the FY 2019 and FY 2018 budgets. The OED has been approved for 8 full-time positions in FY 2020, an increase of 2 positions over prior years.

## 3. MWSBE Certification

Mecklenburg County does not independently certify as to MWSBE status. According to the County's website, to be eligible to participate in the MWSBE Program a business must be certified with the City of Charlotte (Charlotte Business INClusion – CBI).<sup>42</sup> Interviewees indicated, however, that the County accepts certification from the City of Charlotte; State of North Carolina Historically Underutilized Businesses (HUB) Office; North Caroline DOT; and the federal Small Business Administration.

With respect to SBEs, the Program establishes the following.

"The annual sales volume of the business enterprise and the number of employees of the business enterprise cannot exceed the size standards set forth in the table below:"

<sup>&</sup>lt;sup>42</sup> <u>https://www.mecknc.gov/edo/MWSBE/Pages/Eligibility%20and%20Certification.aspx</u>



<sup>&</sup>lt;sup>41</sup> Solicitation Terms & Conditions, ¶ 17.

## Figure 8: Mecklenburg County MWSBE Program Provisions – Size Standards

Industry	NAICS Section	Annual Receipts Over a 3- Year Period	No. of Employees <sup>1</sup>
Agriculture, Forestry, Fishing	11	\$187,500	N/A
Mining	21	\$1,500,000	N/A
Utilities	22	\$3,937,500	N/A
General Construction	23	\$7,125,000	N/A
Specialty Construction Trades	235	\$3,000,000	N/A
Manufacturing	31-33	N/A	99 or less
Wholesale Trade	42	N/A	49 or less
Retail Trade	44-45	N/A	49 or less
Transportation	48-49	\$8,062,500	N/A
Information	51	\$1,500,000	N/A
Finance, Insurance	52	\$1,500,000	N/A
Real Estate	53	\$4,500,000	N/A
Professional and Technical Services	54	\$1,500,000	N/A
Administrative and Support Services	56	\$3,937,500	N/A
Food Service	72	\$1,500,000	N/A
Other	81	\$1,500,000	N/A

#### 1 Based on County Business Patterns (Mecklenburg)

For purposes of the above standards, the "annual receipts" and number of employees of an applicant shall be determined in accordance with the definitions and methodology established by the Small Business Administration at 13 C.F. R. 121.201et. seq., as amended, or successor regulation or classification system (the "SBA Size Regulations"). The size limitation for any firm not included in the categories listed above shall be one fourth of the applicable size standard established by the SBA Size Regulations.

Program Provisions, pgs. 8-9.



Policy interviews revealed that a significant number of MWSBE firms view the certification process(es) as a potential barrier to participation in County purchasing/bidding, citing cost and logistical difficulties as reasons not to seek certification. Relatedly, more than one interviewee expressed personal knowledge of MWSBE firms participating in County contracts despite a lack of certification. These persons were concerned that such circumstances made MWSBE tracking and reporting more difficult, precluding a clear picture of availability and/or utilization as to MWSBE firms.

## G. Race-Conscious and/or Gender-Conscious Program Element(s)

## 1. Aspirational Project Goals

Though a non-binding goals program, and one that also includes small businesses (regardless of ownership), the MWSBE Program does have a race- and gender-conscious element, as separate MBE and WBE aspirational project goals are set and communicated with bidders.

The MWSBE Program consults with the purchasing divisions in the County in the drafting of RFPs, communicating proposed goal levels, and may get involved post-bid if the lowest bidder has not achieved a meaningful level of MWSBE participation notwithstanding the stated goals.

The current aspirational project goals are expressly based on the Disparity Study conducted by MGT Consulting in 2004, and are set forth in the Program Provisions:

## Table 7: County Aspirational Goals based upon 2004 MGT Disparity Study

Category	MBE Goal	WBE Goal	SBE Goal	<b>Total Goal</b>
Construction	10%	6%	5%	21%
Architecture &	4%	7%	5%	16%
Engineering				
Professional Services	9%	9%	5%	23%
Other Services	5%	4%	5%	14%
Goods	3%	3%	5%	11%

Recommended Goals for Each Business Category By Race/Ethnic/Gender Classification Based on 2004 Disparity Study

MWSBE Program Provisions, Section 2.

In the Solicitation forms issued by the Procurement division, separate aspirational project goals are announced for MBEs, WBEs, and SBEs.<sup>43</sup> The goals can be met through any combination of M/W/SBE involvement, and no double-counting is permitted (<u>e.g.</u>, MBE that is also an SBE). This allows for goals to be met entirely by SBE participation, which some interviewees opined subverted the stated programmatic

<sup>&</sup>lt;sup>43</sup> MBEs include Asian, Black, Hispanic, and American Indian Business Enterprises. <u>Id.</u>



goals of MBE and WBE inclusion – whether by implementation or design.

There was some indication that in bid situations where all other criteria are equal among certain bidders, the level of MWSBE participation may "tip the balance" in favor of the bidder achieving greater inclusion, but there is no documentation of such occurrences (including frequency).

Lastly, the discussion of Design-Bid-Build construction projects yielded concerns that the shorter deadlines for bids, uncertainty about project scope early in the process, and notification/advertising limitations relating to Design-Bid-Build projects (as compared to CMAR) may pose a barrier to greater MWSBE participation. Though this concern was not specifically cited, interviewees openly discussed the advantages of CMAR projects for increasing MWSBE participation and noted that the CMAR method was used for a significant majority of the projects.

### 2. Good Faith Efforts

The MWSBE program documents do not specifically reference the North Carolina state law governing Good Faith Efforts (GFEs), G.S. § 143-128.2. Rather, the Program establishes the following requirement:

The Contractor will consider all competitive sub-bids and quotes received from M/W/SBE firms. When a Subcontract is not awarded to the M/W/SBE form submitting the lowest bid, the Contractor must document the reason(s) award was not made and substantiate that documentation in writing. If the Contractor terminates an agreement and/or Subcontract with an M/W/SBE firm, the Contractor will be required to adhere to these provisions of **"Good Faith Efforts"** in the selection of the replacement for that M/W/SBE firm.<sup>44</sup>

Further, the required Good Faith Efforts Form (to be attached to the Bid) sets forth a point system for GFEs that in some respects deviates from the guidance provided in § 143-128.2(f).



<sup>&</sup>lt;sup>44</sup> Program Provisions, p. 11.

#### I have made a good faith effort to comply under the following areas checked:

(A minimum of 50 points is required to have achieved a "good faith efforts" standing)

(Y/N)

- (1) Contacting Minority, Women or Small Businesses that reasonably could have been expected to submit a quote and that were known to the Contractor or available on State or local government maintained lists at least 10 days before the Bid proposal date and notifying them of the nature and scope of the Work to be performed. Value = 10 points
- (2) Making the construction plans, specifications and requirements available for review by prospective Minority, Women, or Small Businesses or providing these documents to them at least 10 days before a Bid proposal is due. Value = 10 points
- (3) Breaking down or combining elements of Work into economically feasible units to facilitate Minority, Women, or Small Business participation. Value = 10 points
  - (4) Working with Minority trade, community, or Contractor organizations identified by the Office of Historically Underutilized Businesses and include in the Bid Documents that provide assistance in recruitment of Minority businesses. Value = 10 points.
- (5) Attending any pre-bid meetings scheduled by the public Owner. Value = 10 points.
  - (6) Providing assistance in getting required bonding or insurance, or providing alternatives to bonding or insurance for Subcontractors. Value = 20 points.
- (7) Negotiating in good faith with interested Minority, Women, or Small Businesses and not rejecting them as unqualified without sound reasons based on their capabilities. Any rejection of Minority, Women, or Small Businesses based on lack of qualification should have the reasons documented in writing. Value = 15 points.
- (8) Providing assistance to an otherwise qualified Minority, Women, or Small Business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisting Minority, Women, or Small Businesses in obtaining the same unit pricing with the Bidder's suppliers in order to help Minority, Women, or Small Businesses in establishing credit. Value = 25 points.
- (9) Negotiating joint venture and partnership arrangements with Minority, Women, or Small Businesses in order to increase opportunities for Minority, Women, or Small Business participation on a public construction or repair Project when possible. Value = 20 points.
- (10) Providing quick pay agreements and policies to enable Minority, Women, or Small Business Contractors and suppliers to meet cash-flow demands. Value = 20 points.

Program Provisions, pgs. 22-23.



Policy interviews revealed that while the Good Faith Efforts forms are required to be submitted, there is no effort to confirm that such efforts were undertaken by a bidder, and interviewees did not recall any circumstance where a bid was rejected or declared non-responsive due to insufficient Good Faith Efforts.

#### 3. Recent MWSBE Utilization Data

A consistent theme throughout the policy interviews was that there is uncertainty and confusion about the relative success of the MWSBE Program in achieving inclusion and how it can be accurately measured. A lack of consistency in self-reporting by vendors, difficulties associated with registration and certification, reporting and tracking challenges, and anecdotal information that MWSBE firms were not being accounted-for as such on County projects, all were cited by interviewees as problems.<sup>45</sup>

With the above caveats regarding the sufficiency of tracking/reporting data, the MWSBE Program recently analyzed its utilization figures for Fiscal Year 2018 and Fiscal Year 2019 (to date). The following summary table reflects all work categories:

### Table 8: MWSBE Program Spend FY 2018-2019 (to date)

	FY 18	FY 19
Total Spend (County)	\$370,456,535.70	\$336,424,440.93
MWSBE Spend (Minus: Rodger's Building)	\$13,913,201.50	\$17,565,820.71
Rodger's Building	\$43,631,328.12	\$12,236,095.64
Total MWSBE	\$57,544,529.62	\$29,801,916.35
MWSBE % (Minus: Rodger's Building)	4%	5%
MWSBE %	16%	9%

Mecklenburg County Disparity Study<sup>46</sup>

Griffin & Strong, P.C. 2020

For Goods and Services, the following participation levels were achieved:

Spend	Goods	Services
	\$	\$
MWSBE	564,820.55	14,081,513.81
	\$	\$
Total (County)	59,535,451.46	374,899,633.15
%	1%	4%

<sup>&</sup>lt;sup>45</sup> Specific references were made to Form I ("Statement of Intent of Minority, Female, and Small Business Enterprise Utilization") and Form III ("Minority, Females, and Small Business Enterprise Utilization Commitment"), which are reportedly not uniformly collected and confirmed.

<sup>&</sup>lt;sup>46</sup> As indicated, the total MWSBE spend was analyzed then further analysis was done by controlling for Rodger's Building ( a HUB certified firm) given its relative predominance in the total.

## H. Race- and Gender-Neutral Elements in the Program and the OED

As an initial point, including small businesses in the Program with minority- and Female-owned firms gives the overall program a race- and gender-neutral posture, as the aspirational project goals on a contract could conceivably be fully achieved by SBE participation. There are no race-conscious set-asides or bid preferences (e.g., points) for MWBE utilization. There also are no SBE set-asides or bid preferences.

### 1. Within the MWSBE Program

Including small businesses in the Program with minority- and Female-owned firms gives the overall program a race- and gender-neutral posture, as the aspirational project goals on a contract could conceivably be fully achieved by SBE participation. There are no race-conscious set-asides or bid preferences (e.g., points) for MWBE utilization. There also are no SBE set-asides or bid preferences.

## 2. Within the Office of Economic Development

There are several race- and gender-neutral initiatives in the OED, including the Small Business Concierge program, Business Lending and Credit Coaching, outreach through social/relational events, registration and certification assistance, and partnerships with management and technical assistance providers in the City of Charlotte geographic area to work with small businesses (including MWBEs) toward performing successfully on County contracts.

In June 2019 the County created the Small Business Loan Program, funded by an initial transfer from the General Fund of \$3.25 million. The loan program is scheduled to receive \$2.75 million over a 5-year period and is designed to assist small business growth.

## I. Non-Discrimination Policy

The Procurement Division includes in its Solicitation Terms & Conditions a Commercial Nondiscrimination provision, and a related Prohibited Discrimination provision.<sup>47</sup> The MWSBE Program similarly sets forth prohibited discrimination in its published Policy Statement: ("It is further the policy of Mecklenburg County to prohibit discrimination against any person or business in pursuit of these opportunities on the basis of race, color, sex, religion, national origin, age, disability, or veteran's status.").<sup>48</sup>



<sup>&</sup>lt;sup>47</sup> <u>Id.</u>, ¶¶ 13, 14.

<sup>&</sup>lt;sup>48</sup> <u>Id.</u>

### J. Conclusions

The Mecklenburg County MWSBE Program is a program in transition, with a renewed emphasis on minority inclusion and small business success by decisionmakers in County government. There are significant questions about buy-in by the community and by the various departments in the County that conduct procurement, however.

The perception gleaned from policy interviews is that there has historically been limited support for the Program (financially, logistically, <u>and</u> staffing), and that there remains uncertainty about the overall level of seriousness and commitment for the Program --- especially as it concerns MBEs and WBEs. As noted, the Program has only one full-time position and a shared administrative assistant, and a budget of only \$109,000 for FY 2020. That said, it continues to provide a substantial amount of outreach and support to the MWSBE community and performs a number of race- and gender-neutral program elements to further assist them.

Because there are myriad difficulties at present with reporting, tracking, and confirming MWSBE status and utilization on County projects, however, the current level of success for the Program is difficult to state, making goal-setting less certain than is optimal. Similarly, compliance is difficult to achieve given the informational and data gaps associated with tracking/reporting,

Outside of the MWSBE Program, County procurement is formalized and substantial, having successfully transitioned away from the joint procurement with the City of Charlotte that was the system up until 2015. Detailed recommendations about County procurement and the MWSBE Program are found in the Recommendations chapter below. Those recommendations are based on the combination of the findings in this chapter with the findings in the statistical and anecdotal chapters in this report.



# V. QUANTITATIVE ANALYSIS

The quantitative analysis measures and compares the availability of firms in each race/ethnicity/gender group within the County's geographical and product market areas to the utilization of each race/ethnicity/gender group, measured by the payments to these groups by the County.

The outcome of the comparison shows us whether there is a disparity between availability and utilization and whether that disparity is an overutilization, an underutilization, or in parity (the amount to be expected). Further, the disparity is tested to see if it is statistically significant. Finally, the regression analysis contained in the Chapter VI Private Sector Analysis will test other explanations for the disparity to determine if it is likely that the disparity is caused by race/ethnicity/gender status, or other factors. If there is statistically significant underutilization of MWBEs that is likely caused by race/ethnicity/gender, then GSPC will determine that there is a legal basis for an inference of discrimination.

Sections A through E address the methodologies employed for data collection, data assessment, database setup, and data clean-up. Section F focuses on establishment of the relevant market in which the County already does business. Section G estimates the pool of available firms which are deemed to be ready, willing and able to do business with the County. Section H lays out the County's contracting, or utilization history for the five (5) year Study Period, and examines utilization for MWBEs in Construction, A&E, Professional Services, Other Services, and Goods. Section I analyzes the availability of MWBEs as compared to the County's utilization of such firms, to determine if there is a disparity. Section J determines whether the foregoing disparity suggests the presence of discrimination, and Section K provides a conclusion to the chapter.

### A. Data Assessment

The data assessment was initiated by a meeting with representatives from the Office of Economic Development and Finance department. The purpose of this meeting was to determine what data Mecklenburg County maintains, in what format, and how GSPC could obtain the data. Further, the objective was for GSPC to get a better understanding of the County's purchasing process in order to best execute the methodology that has been approved by the County. It was also important for GSPC's team to understand how to operate the Study in a manner least intrusive to County personnel.

Following this assessment GSPC sent a data request which was prefixed with a review of GSPC's understanding of the data systems the County utilizes.

GSPC's Data Assessment Report is attached hereto as Appendix B and the Data Collection Plan is in Appendix C.



#### B. Data Setup

#### 1. Electronic Data

Electronic data (queried data tables and spreadsheets) supplied by the County and other data collected by GSPC were catalogued and stored in GSPC's computer systems subsequent to the data collection effort. The data entered were used to develop databases containing contracting history for each business type for prime and sub-contracting done on behalf of the County.

#### 2. Manual Data Entry

Manual data entry was needed for filling in data gaps, for the assignment of work categories for vendors without commodity codes, for entering Form VI documents containing subcontractor data, as well as marking duplicates within overlapping data sets.

#### C. Data Assignment, Cleanup, and Verification

After the completion of data collection, the data was electronically and manually cleaned to find duplicates (both electronically and manually) and fill in unpopulated fields. The clean-up phase also included the following five (5) tasks:

- > Assigning and verifying ethnicity, race & gender of each firm;
- Assigning each firm to one or more of the five (5) business categories based upon the kind of work that the firm performs;
- > Utilizing zip codes to determine certain areas to assign each firm's location
- Matching files electronically to pick up addresses, ethnicity/race/gender, and/or work category; and
- > Filling in any additional missing data on firms.

File clean-up was first done electronically by linking information provided by the County to certain indicators, like commodity codes or cross-referencing information with other files to fill in missing fields. Additionally, rows with conflicting information regarding firm name, ethnicity, and zip code were electronically isolated and manually resolved.

### D. Assignment of Race/Gender/Ethnicity

In order to identify all other minority groups, GSPC utilized the assignments given to firms in the governmental lists from the State of North Carolina Historically Underutilized Business (NC HUB) list, the North Carolina DOT list, and the Carolina-Virginia Supplier Diversity list. Self-identified certifications were not considered. For vendors deriving from certified lists without an identifiable minority group, they are included and placed in the "Unidentified MWBE" category. In assignment of race/gender/ethnicity, priority



is given to race/ethnicity, so that all minority owned firms were categorized according to their race/ethnicity and not by gender. Females are categorized by race and gender. Firms with no race/ethnicity/gender indicated and Caucasian male owned firms are categorized as Non-Minority firms.

#### E. Assignment of Business Categories

To assign work categories to vendors, GSPC considered all commodity codes associated with a vendor from all vendor systems. This means a vendor can appear in multiple work categories depending on the codes related to vendor from certified lists, internal records, as well as the manually assigned codes relating to the County's spending.

Generally, (a) the Construction category includes those firms that perform construction services; (b) the Architecture & Engineering category includes only architecture and engineering firms; (c) the Professional Services category includes lawyers, doctors, accountants, banks, and other highly skilled and licensed services; (d) the Other Services category includes services such as janitorial, landscape, and cleaning services; and (e) the Goods category includes firms who provide a tangible product.

### F. Contract Classifications

Firms were identified and classified into the following five (5) work categories:

- Construction the process of building, altering, repairing, improving, or demolishing any public structure or building, or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair or routine maintenance of existing structures, buildings or real property.
- Architecture & Engineering (A&E) includes design services, architectural and engineering services.
- Professional Services (i.e., legal services, fiscal agent, financial advisor or advisory services, educational consultant services, and similar services by professional persons or groups of high ethical standards).
- Other Services the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports that are merely incidental to the required performance. This term does not include employment agreements or collective bargaining agreements." (not including Construction, Professional Services or other Professional Services).
- Goods & Supplies all property, excluding real property or an interest in real property, including but not limited to supplies, equipment, and materials.



#### G. Data Source Description

The following describes the databases created by GSPC and used for the analyses contained in this Study:

#### 1. Master Payment File

The Master Payment file is all prime payments of \$3,000 or more made during the Study period. It contains a combination of CGI Advantage and the Libraries independent payment system. The completed Master Payment File contains unique payments to unique vendors for included and excluded payments in the analysis.

Dollars would be excluded for being a non-competitive award to a not-for-profit, a utility expense, a lease agreement, an award within/between governmental entities, or an award made to a vendor outside of the country with no location in the United States. The grand total of payments over \$3,000 for FY 2016-2019 was \$2,199,794,201.40. Of that amount, \$1,243,464,794.37 were included in the study and \$956,329,407.03 was excluded.

#### 2. Master Subcontractor Award File

The Master Subcontractor Award file is all subcontractor awards made during the Study period. It contains all subcontractor data being tracked by AFM in Form VI documents. Only data that had a direct match to a prime award is included in the analysis.

### 3. Mecklenburg County Data Files

- Prime Payments (Within Study Period)
- > AFM Subcontractor Form VI Documents (Within Study Period)
- > HUBSCO Subcontractor Tracking data (Within Study Period)
- CGI Advantage Vendors (Current)
- Library Vendors (Within Study Period)

#### 4. Outside Files

- City of Charlotte Vendors (Current)
- North Carolina HUB List (Current)
- > NCDOT Directory of Firms List (Current)
- NCDOT Certified Firms List (Current)
- > Carolina-Virginia Supplier Diversity List (Current)



#### H. Relevant Market Analysis

The now commonly held benchmark that the relevant market area should encompass at least 75% to 85% of the "qualified" vendors that serve a particular sector has its origins in antitrust lawsuits. In line with antitrust precepts, United States Supreme Court Justice Sandra Day O'Connor in Croson, specifically criticized Richmond, Virginia, for making Minority Business Enterprises (MBEs) all over the country eligible to participate in its set-aside programs. The Court reasoned that a mere statistical disparity between the overall minority population in Richmond, Virginia, which was 50% Black American, and the award of prime contracts to minority owned firms, 0.67% of which were Black American owned firms, was an insufficient statistical comparison to raise an inference of discrimination. Justice O'Connor also wrote that the relevant statistical comparison is one between the percentage of Minority Business Enterprises in the marketplace [or Relevant Market] who were qualified to perform contracting work (including prime contractors and subcontractors) and the percentage of total City contracting dollars awarded to minority firms. It should be noted that it is preferable, from an economic standpoint, to evaluate the largest and most exhaustive group of firms, even to 100% of all firms, but for this Study, GSPC utilized a benchmark of at least 75 percent.

The relevant market has been determined for each of the major procurement categories:

- > Construction
- Architecture & Engineering (A&E)
- Professional Services
- > Other Services
- ➢ Goods & Supplies

For each procurement category, GSPC measured the "relevant market" by the area where at least 75% of the type's dollars were spent during the Study Period.

The figure below, summarizes the geographic area where at least 75% of prime payees are located in each industry. In analyzing the relevant market data, GSPC tabulated the percentage of dollars spent, beginning with Mecklenburg County (by zip codes). GSPC continued counting in radius surrounding Mecklenburg County until the cumulative percentage was equal to or greater than 75 percent.





## Figure 9: Levels of Measurement for Geographic Relevant Market

If, after counting where dollars were spent during the Study Period, the percentage of dollars paid to firms within Mecklenburg County, NC was not at least 75% of all dollars spent, then GSPC calculated the percentages in the Charlotte-Concord-Gastonia, NC-SC MSA (but not including the zip codes in Mecklenburg County that had already been counted). The counties in the MSA are Mecklenburg County, York County, Union County, Gaston County, Cabarrus County, Iredell County, Rowan County, Lancaster County, Lincoln County, Chester County, and Anson County. If the 75% benchmark was still not met, then GSPC counted the dollars spent in the counties in the Charlotte-Concord, NC-SC CSA. The counties in the CSA are Cleveland County and Stanly County.

If dollars received by firms doing business with the County that are located within the CSA did not reach the 75% benchmark, then GSPC began counting dollars going to firms located in the State of North Carolina. If dollars received by firms still did not reach the 75% benchmark, GSPC went to all states adjacent to North Carolina.

Excluding Goods, the 75% benchmark was reached for all procurement categories in the State of North Carolina.



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The tables below detail the dollars awarded in each level of the Geographic Relevant Market calculations by Total Payment Amount. Only regions that have awards appear in the tables. The County spend by counties for each work category is in Appendix D.

## Table 9: Geographical Relevant Market – Construction

## (Using Payment Dollars FY2016-FY2019) Mecklenburg Disparity Study

Relevant Market Region	Payment Amount	Percent	Cumulative Percent
Mecklenburg County	\$577,545,802.95	88.71%	88.71%
MSA	\$18,494,407.35	2.84%	91.55%
CSA	\$285,403.00	0.04%	91.60%
NC	\$24,732,571.45	3.80%	95.40%
SC	\$11,161,451.44	1.71%	97.11%
GA	\$1,458,015.61	0.22%	97.34%
VA	\$644,002.40	0.10%	97.44%
TN	\$317,816.06	0.05%	97.48%
USA	\$16,380,438.54	2.52%	100.00%



# Table 10: Geographical Relevant Market – Architecture & Engineering

## (Using Payment Dollars FY2016-FY2019) Mecklenburg Disparity Study

Relevant Market Region	Payment Amount	Percent	Cumulative Percent
Mecklenburg County	\$33,804,753.34	82.99%	82.99%
MSA	\$2,275,969.48	5.59%	88.57%
NC	\$2,229,512.03	5.47%	94.05%
SC	\$1,407,923.57	3.46%	97.50%
VA	\$57,382.45	0.14%	97.64%
GA	\$53,222.56	0.13%	97.78%
USA	\$906,141.45	2.22%	100.00%



## Table 11: Geographical Relevant Market – Professional Services

## (Using Payment Dollars FY2016-FY2019) Mecklenburg Disparity Study

Relevant Market Region	Payment Amount	Percent	Cumulative Percent
Mecklenburg County	\$61,665,258.28	45.90%	45.90%
MSA	\$9,779,026.75	7.28%	53.18%
CSA	\$16,507.14	0.01%	53.19%
NC	\$50,018,171.10	37.23%	90.43%
VA	\$2,283,984.32	1.70%	92.13%
GA	\$1,613,305.82	1.20%	93.33%
TN	\$703,023.55	0.52%	93.85%
SC	\$509,218.95	0.38%	94.23%
USA	\$7,752,766.21	5.77%	100.00%



## Table 12: Geographical Relevant Market – Other Services

## (Using Payment Dollars FY2016-FY2019) Mecklenburg Disparity Study

Relevant Market Region	Payment Amount	Percent	Cumulative Percent
Mecklenburg County	\$166,259,981.49	62.12%	62.12%
MSA	\$22,439,403.20	8.38%	70.50%
CSA	\$543,038.09	0.20%	70.71%
NC	\$12,700,625.06	4.75%	75.45%
GA	\$7,909,633.18	2.96%	78.41%
VA	\$3,640,791.06	1.36%	79.77%
SC	\$2,582,465.95	0.96%	80.73%
TN	\$1,764,189.70	0.66%	81.39%
USA	\$49,802,792.22	18.61%	100.00%



# Table 13: Geographical Relevant Market – Goods & Supplies

## (Using Payment Dollars FY2016-FY2019) Mecklenburg Disparity Study

Relevant Market Region	Payment Amount	Percent	Cumulative Percent
Mecklenburg County	\$74,212,517.94	49.57%	49.57%
MSA	\$6,541,501.22	4.37%	53.93%
CSA	\$500,255.19	0.33%	54.27%
NC	\$14,892,865.12	9.95%	64.22%
GA	\$11,233,164.32	7.50%	71.72%
SC	\$6,436,396.12	4.30%	76.02%
VA	\$2,485,400.31	1.66%	77.68%
TN	\$272,984.20	0.18%	77.86%
USA	\$33,150,714.20	22.14%	100.00%



### I. Availability Analysis

#### 1. Methodology

The methodology utilized to determine the availability of businesses for public contracting is crucial to understanding whether a disparity exists within the relevant market. Availability is a benchmark to examine whether there are any disparities between the utilization of MWBEs and their availability in the marketplace.

Croson and subsequent decisions give only general guidance as to how to measure availability. One common theme from the court decisions is that being qualified to perform work for a local jurisdiction is one of the key indices of an available firm. In addition, the firm must have demonstrated that it is both willing and able to perform the work.

The measures of availability utilized in this Study incorporate all the criteria of availability required by Croson:

- > The firm does business within an industry group from which Mecklenburg County makes certain purchases.
- > The firm's owner has taken steps to do business with the Mecklenburg County and qualified itself to do such business by registering or certifying itself.
- > The firm is located within a relevant geographical area such that it can do business with Mecklenburg County.

The following definitions are necessary for the estimation of availability:

Definitions: Let: Firm (Business Name, Ethnicity, Work Category, County, State) A = Availability Estimates A (Asian) = Availability Estimates for Asian American Business Enterprises N (Asian) = Number of Asian American Business Enterprises in the relevant market N (MWBE) = Number of Minority owned Business Enterprises N (t) = Total number of businesses in the pool of bidders in the procurement category (for example, Construction).

Availability, (A), is a percentage and is computed by dividing the number of firms in each MWBE group by the total number of businesses in the pool of bidders for that procurement category, N (t). For instance, availability for Asian American Business Enterprises is given by A (Asian) = N (Asian)/N (t) and total availability for all MWBE groups is given by A (MWBE) = N (MWBE)/N (t).

Once these availability estimates were calculated, GSPC compared them to the percentage of firms utilized in the respective business categories in order to generate the disparity indices which will be discussed later in this analysis.



#### 2. Measurement Basis for Availability

There are numerous approaches to measuring available, qualified firms. GSPC has established a methodology of measuring availability based upon demonstrated interest in doing business with governments. In determining whether a firm is ready, willing, and able, it cannot be presumed that simply because a firm is doing business in a relevant market, it desires, or is capable of, working for the County, particularly as a prime contractor, which may require a particular capacity. However, a determination of availability for subcontractors, where all levels of work are available, (to be made strictly based upon the existing vendor base of the County assumes that there are no discriminatory barriers associated with registration or certification. GSPC measured Prime Contractor Availability by utilizing the Master Vendor File (the contents of which is set forth below) but including only those firms that have bid, been pre-qualified, or performed as prime contractors (sources for prime contractors indicated by an (\*). In determining those firms to be included in the subcontractor availability pool, GSPC included the entire "Master Vendor File."

- > County's Awarded Prime Vendors (Study Period)
- > County's Awarded Subcontractor Vendors (Study Period)
- Mecklenburg Payment System Vendors (Current)
- City of Charlotte Vendor System (Current)
- > State of North Carolina HUB List (Current
- > Carolina-Virginia Supplier Diversity List (Current)
- > North Carolina DOT Directory of Firms (Current)
- North Carolina DOT Certified List (Current)

#### 3. Capacity

Due to the County's recent adoption of a contracting system which stores award values (as of FY 2018), GSPC was not able to perform a threshold analysis. Regardless, the Regression Analysis conducted in Chapter VI below tests for the ability or capacity to perform work.

First, capacity is important to determine whether a separate availability estimate for prime contractors and subcontractors is needed. GSPC performs a threshold analysis of the level of contracting done by prime contractors to determine if it is reasonable to believe that the firms in the marketplace that have at least registered to do business with governments and that are included in our availability lists, have the capacity to perform as prime contractors, or only as subcontractors. The threshold analysis shows the tier of awards at each level and across all race/ethnicity/gender groups.



Secondly, from the Survey of Business Owners, GSPC determined whether the level of contracting awarded to MWBEs outside of contracting with Mecklenburg County indicates similar levels of contracting to those attained in County awards. If not, that could indicate a level of unutilized capacity of MWBEs within the County's contracting.

Finally, the regression analysis shows whether race/ethnicity/gender factors are impediments overall to the success of MWBEs in obtaining awards in the Mecklenburg County marketplace and whether, but for those factors, firms would have the capacity to provide goods and services on a level higher than what is presently being utilized.

### 4. Availability Estimates

Below are the Availability Estimates for the Study. The data are separated into the five (5) major business categories: Construction, A&E, Professional Services, Other Services, and Goods. The figures below show the number of firms by race/gender/ethnicity as compared with the total number of firms. It is important to note that a firm can appear in multiple work categories based on the commodity codes in the original vendor data sources, as well as categorization done at the award level. If there were no commodity codes for a vendor that is within the relevant market, GSPC manually assigned a single work category to them.

The relevant market for Construction is Mecklenburg County and the surrounding MSA. Within the MSA, 22.34% of available firms are MWBE and have the ability to perform work in the Construction Work Category.

Detailed Availability Tables are in Appendix E.



## Table 14: Availability Estimates - Construction







The relevant market for Architecture & Engineering is Mecklenburg County and the surrounding MSA. Within the County, 21.76% of available firms are MWBE.

## Table 15: Availability Estimates – Architecture & Engineering

In the Relevant Market – Charlotte-Concord-Gastonia, NC-SC MSA Mecklenburg Disparity Study



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The relevant market for Professional Services is the state of North Carolina. Within the County, 25.52% of firms are MWBE.

## Table 16: Availability Estimates – Professional Services



In the Relevant Market – State of North Carolina Mecklenburg Disparity Study

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The relevant market for Other Services is the state of North Carolina. Within the state, 24.58% of firms are MWBE.

## Table 17: Availability Estimates – Other Services







The relevant market for Goods & Supplies is the state of North Carolina, South Carolina, and Georgia. This is the largest relevant market out of all work categories. Adjacent states are considered before expanding to a market area of the United States. Within these states, 15.00% of firms are MWBE.

## Table 18: Availability Estimates – Goods & Supplies

In the Relevant Market – State of North Carolina, South Carolina, and Georgia Mecklenburg Disparity Study



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#### J. Utilization Analysis

#### 1. Prime Utilization

The relevant award history for the County has been recorded based upon the award databases provided by the County. In the Prime Utilization tables below, the dollars and percentage of dollars awarded in each of the five (5) major procurement categories have been broken out by race/ethnicity/gender for each year of the Study Period. Additionally, the tables include the number of awards and percentage of awards. The total of each race/ethnicity/gender group represented in the MWBE category will, when added to the Non-MWBE Category, equal the Total Column.

Only firms certified firms within the relevant market are considered for the utilization analysis. In Construction, the overall Prime MWBE utilization for the study period was 17.20% of dollars. The largest paid construction vendor in the study period was a Female-owned construction firm who was paid 14.3% of all construction dollars and 83.2% of all MWBE construction dollars. In Architecture & Engineering, the overall Prime MWBE utilization for the study period was 14.23% of dollars. In Professional Services, the overall Prime MWBE utilization for the study period was 0.91% or \$1,109,303.20. In Other Services, the overall Prime MWBE utilization for the study period was 5.03% of dollars. In Goods & Supplies, the overall Prime MWBE utilization for the study period was 2.00% of dollars.

#### Table 19: Prime Utilization - Construction

Race/Ethnicity	y 2016		2017		2018		2019		Study Peri	od
	\$	%	\$	%	\$	%	\$	%	\$	%
Black	\$560,128.76	0.42%	\$477,330.13	0.28%	\$350,949.86	0.21%	\$278,126.75	0.22%	\$1,666,535.50	0.28%
Asian American	\$184,720.95	0.14%	\$40,745.00	0.02%	\$103,496.79	0.06%	\$4,250.00	0.00%	\$333,212.74	0.06%
Hispanic American	\$472,475.95	0.35%	\$532,973.05	0.32%	\$285,655.39	0.17%	\$48,485.00	0.04%	\$1,339,589.39	0.22%
American Indian	\$157,759.67	0.12%	\$751,870.17	0.45%	\$84,468.75	0.05%	\$638,071.89	0.51%	\$1,632,170.48	0.27%
Total MBE	\$1,375,085.33	1.02%	\$1,802,918.35	1.07%	\$824,570.79	0.49%	\$968,933.64	0.78%	\$4,971,508.11	0.83%
Female	\$10,295,375.84	7.64%	\$26,010,922.18	15.50%	\$48,029,547.78	28.43%	\$13,234,446.44	10.62%	\$97,570,292.24	16.37%
Total MWBE	\$11,670,461.17	8.66%	\$27,813,840.53	16.57%	\$48,854,118.57	28.92%	\$14,203,380.08	11.40%	\$102,541,800.35	17.20%
Non-Minority	\$123,050,994.87	91.34%	\$140,000,328.52	83.43%	\$120,085,057.51	71.08%	\$110,362,029.05	88.60%	\$493,498,409.95	82.80%
Total	\$134,721,456.04	100.00%	\$167,814,169.05	100.00%	\$168,939,176.08	100.00%	\$124,565,409.13	100.00%	\$596,040,210.30	100.00%

## In the Relevant Market – Charlotte-Concord-Gastonia, NC-SC MSA Mecklenburg Disparity Study



## Table 20: Prime Utilization – Architecture & Engineering

## In the Relevant Market – Charlotte-Concord-Gastonia, NC-SC MSA Mecklenburg Disparity Study

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Race/Ethnicity	2016		2017		2018		2019		Study Period		
	\$	%	\$	%	\$	%	\$	%	\$	%	
Black	\$0.00	0.00%	\$278,234.25	11.20%	\$1,554,289.00	27.66%	\$1,874,152.49	6.81%	\$3,706,675.74	10.27%	
Asian American	\$0.00	0.00%	\$68,900.00	2.77%	\$19,800.00	0.35%	\$4,300.00	0.02%	\$93,000.00	0.26%	
Hispanic American	\$274,977.20	60.00%	\$219,931.50	8.85%	\$220,945.18	3.93%	\$222,445.45	0.81%	\$938,299.33	2.60%	
American Indian	\$0.00	0.00%	\$24,115.50	0.97%	\$52,726.30	0.94%	\$1,228.25	0.00%	\$78,070.05	0.22%	
Total MBE	\$274,977.20	60.00%	\$591,181.25	23.80%	\$1,847,760.48	32.88%	\$2,102,126.19	7.64%	\$4,816,045.12	13.35%	
Female	\$0.00	0.00%	\$4,225.00	0.17%	\$178,391.59	3.17%	\$135,208.21	0.49%	\$317,824.80	0.88%	
Total MWBE	\$274,977.20	60.00%	\$595,406.25	23.97%	\$2,026,152.07	36.05%	\$2,237,334.40	8.13%	\$5,133,869.92	14.23%	
Non-Minority	\$183,284.24	40.00%	\$1,888,412.42	76.03%	\$3,593,643.37	63.95%	\$25,281,512.87	91.87%	\$30,946,852.90	85.77%	
Total	\$458,261.44	100.00%	\$2,483,818.67	100.00%	\$5,619,795.44	100.00%	\$27,518,847.27	100.00%	\$36,080,722.82	100.00	



## Table 21: Prime Utilization – Professional Services

## In the Relevant Market – State of North Carolina Mecklenburg Disparity Study

Race/Ethnicity	2016		2017		2018		2019		Study Period	
	\$	%	\$	%	\$	%	\$	%	\$	%
Black	\$0.00	0.00%	\$210,632.36	0.66%	\$187,106.06	0.54%	\$293,349.05	0.76%	\$691,087.47	0.57%
Asian American	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$34,275.00	0.09%	\$34,275.00	0.03%
Hispanic American	\$3,306.00	0.02%	\$0.00	0.00%	\$0.00	0.00%	\$30,000.00	0.08%	\$33,306.00	0.03%
American Indian	\$0.00	0.00%	\$0.00	0.00%	\$102,350.00	0.30%	\$6,612.70	0.02%	\$108,962.70	0.09%
Total MBE	\$3,306.00	0.02%	\$210,632.36	0.66%	\$289,456.06	0.84%	\$364,236.75	0.94%	\$867,631.17	0.71%
Female	\$10,345.00	0.06%	\$52,820.08	0.17%	\$141,656.95	0.41%	\$36,850.00	0.09%	\$241,672.03	0.20%
Total MWBE	\$13,651.00	0.08%	\$263,452.44	0.83%	\$431,113.01	1.25%	\$401,086.75	1.03%	\$1,109,303.20	0.91%
Non-Minority	\$16,447,452.55	99.92%	\$31,530,953.36	99.17%	\$33,978,100.90	98.75%	\$38,413,153.26	98.97%	\$120,369,660.07	99.099
Total	\$16,461,103.55	100.00%	\$31,794,405.80	100.00%	\$34,409,213.91	100.00%	\$38,814,240.01	100.00%	\$121,478,963.27	100.00


## Table 22: Prime Utilization – Other Services

# In the Relevant Market – State of North Carolina Mecklenburg Disparity Study

Race/Ethnicity	2016		2017		2018		2019		Study Period	
	\$	%	\$	%	\$	%	\$	%	\$	%
Black	\$702,744.15	1.35%	\$505,099.86	0.92%	\$2,100,805.05	4.30%	\$556,130.78	1.21%	\$3,864,779.84	1.91%
Asian American	\$65,485.01	0.13%	\$111,730.68	0.20%	\$251,523.90	0.51%	\$306,225.88	0.66%	\$734,965.47	0.36%
Hispanic American	\$47,563.43	0.09%	\$85,455.88	0.16%	\$3,000.00	0.01%	\$36,680.40	0.08%	\$172,699.71	0.09%
American Indian	\$120,808.00	0.23%	\$175,560.00	0.32%	\$429,654.00	0.88%	\$1,056,219.00	2.29%	\$1,782,241.00	0.88%
Total MBE	\$936,600.59	1.79%	\$877,846.42	1.60%	\$2,784,982.95	5.70%	\$1,955,256.06	4.25%	\$6,554,686.02	3.25%
Female	\$398,298.10	0.76%	\$386,708.87	0.71%	\$1,273,053.67	2.60%	\$1,535,632.65	3.33%	\$3,593,693.29	1.78%
Total MWBE	\$1,334,898.69	2.56%	\$1,264,555.29	2.31%	\$4,058,036.62	8.30%	\$3,490,888.71	7.58%	\$10,148,379.31	5.03%
Non-Minority	\$50,898,776.77	97.44%	\$53,491,175.65	97.69%	\$44,841,166.35	91.70%	\$42,563,549.76	92.42%	\$191,794,668.53	94.97%
Total	\$52,233,675.46	100.00%	\$54,755,730.94	100.00%	\$48,899,202.97	100.00%	\$46,054,438.47	100.00%	\$201,943,047.84	100.00%



## Table 23: Prime Utilization-Goods & Supplies

In the Relevant Market – State of North Carolina, South Carolina, and Georgia Mecklenburg Disparity Study

Race/Ethnicity	2016	2016		2017		2018		2019		iod
	\$	%	\$	%	\$	%	\$	%	\$	%
Black	\$32,227.11	0.14%	\$24,973.08	0.11%	\$7,696.45	0.02%	\$29,972.00	0.10%	\$94,868.64	0.08%
Asian American	\$27,728.00	0.12%	\$28,436.68	0.13%	\$9,944.76	0.03%	\$15,053.76	0.05%	\$81,163.20	0.07%
Hispanic American	\$6,930.00	0.03%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$6,930.00	0.01%
American Indian	\$49,703.97	0.22%	\$2,719.49	0.01%	\$5,482.27	0.01%	\$0.00	0.00%	\$57,905.73	0.05%
Total MBE	\$116,589.08	0.51%	\$56,129.25	0.26%	\$23,123.48	0.06%	\$45,025.76	0.15%	\$240,867.57	0.21%
Female	\$195,674.88	0.85%	\$147,762.08	0.67%	\$310,807.29	0.79%	\$548,470.67	1.85%	\$1,202,714.92	1.06%
Total MWBE	\$312,263.96	1.35%	\$203,891.33	0.93%	\$333,930.77	0.85%	\$593,496.43	2.00%	\$1,443,582.49	1.27%
Non-Minority	\$22,764,115.31	98.65%	\$21,719,944.34	99.07%	\$38,862,201.10	99.15%	\$29,026,856.67	98.00%	\$112,373,117.42	98.73%
Total	\$23,076,379.27	100.00%	\$21,923,835.67	100.00%	\$39,196,131.87	100.00%	\$29,620,353.10	100.00%	\$113,816,699.91	100.00%

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#### 2. Total Utilization (Prime and Subcontractor Awards)

The County only tracks subcontracting dollars on MWSBE firms. This data is not stored in a single data system. The full set of all subcontracting data GSPC obtained was not all subcontracting dollars on all projects. Because this data does not represent a comprehensive view of all subcontracting dollars, GSPC conducted a total utilization analysis by combining prime contract dollars with subcontract dollars, after subtracting subcontract dollars from prime contract dollars on a contract by contract basis. Some records were excluded from the analysis on the basis that they did not have sufficient data to accurately match to the prime file by contract number. Excluded data has been provided to Mecklenburg County.



The final subcontractor data set had Primes in every work category but Goods & Supplies, hence no analysis was performed in this category. After conducting the analysis, GSPC found no change in total utilization for Architecture & Engineering, Professional Services, and Other Services. Construction was the only category to have a change in Total Utilization.

In Construction, the Total MWBE utilization for the study period was 17.83% of dollars with Nonminority Female firms composing 16.65%.

## Table 24: Total Utilization - Construction

Race/Ethnicity	Race/Ethnicity 2016		2017		2018		2019		Study Period	
	\$	%	\$	%	\$	%	\$	%	\$	%
Black	\$736,940.76	0.55%	\$486,693.63	0.29%	\$1,063,506.23	0.63%	\$293,976.33	0.24%	\$2,581,116.95	0.43%
Asian American	\$192,024.98	0.14%	\$644,745.00	0.38%	\$103,496.79	0.06%	\$4,250.00	0.00%	\$944,516.77	0.16%
Hispanic American	\$761,699.95	0.57%	\$532,973.05	0.32%	\$544,943.39	0.32%	\$48,485.00	0.04%	\$1,888,101.39	0.32%
American Indian	\$157,759.67	0.12%	\$751,870.17	0.45%	\$84,468.75	0.05%	\$638,071.89	0.51%	\$1,632,170.48	0.27%
Total MBE	\$1,848,425.36	1.37%	\$2,416,281.85	1.44%	\$1,796,415.16	1.06%	\$984,783.22	0.79%	\$7,045,905.59	1.18%
Female	\$9,695,014.66	7.20%	\$26,602,354.19	15.85%	\$48,840,798.33	28.91%	\$14,088,929.80	11.31%	\$99,227,096.98	16.65%
Total MWBE	\$11,543,440.02	8.57%	\$29,018,636.04	17.29%	\$50,637,213.49	29.97%	\$15,073,713.02	12.10%	\$106,273,002.57	17.83%
Non-Minority	\$123,178,016.02	91.43%	\$138,795,533.01	82.71%	\$118,301,962.59	70.03%	\$109,491,696.11	87.90%	\$489,767,207.73	82.17%
Total	\$134,721,456.04	100.00%	\$167,814,169.05	100.00%	\$168,939,176.08	100.00%	\$124,565,409.13	100.00%	\$596,040,210.30	100.00%

# In the Relevant Market – Charlotte-Concord-Gastonia, NC-SC MSA Mecklenburg Disparity Study



In Architecture & Engineering, the Total MWBE utilization for the study period was 14.23%.

# Table 25: Total Utilization – Architecture & Engineering

# In the Relevant Market – Charlotte-Concord-Gastonia, NC-SC MSA Mecklenburg Disparity Study

Race/Ethnicity	201	2016		2017		2018		2019		Study Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	
Black	\$0.00	0.00%	\$278,234.25	11.20%	\$1,554,289.00	27.66%	\$1,874,152.49	6.81%	\$3,706,675.74	10.27%	
Asian American	\$0.00	0.00%	\$68,900.00	2.77%	\$19,800.00	0.35%	\$4,300.00	0.02%	\$93,000.00	0.26%	
Hispanic American	\$274,977.20	60.00%	\$219,931.50	8.85%	\$220,945.18	3.93%	\$222,445.45	0.81%	\$938,299.33	2.60%	
American Indian	\$0.00	0.00%	\$24,115.50	0.97%	\$52,726.30	0.94%	\$1,228.25	0.00%	\$78,070.05	0.22%	
Total MBE	\$274,977.20	60.00%	\$591,181.25	23.80%	\$1,847,760.48	32.88%	\$2,102,126.19	7.64%	\$4,816,045.12	13.35%	
Female	\$0.00	0.00%	\$4,225.00	0.17%	\$178,391.59	3.17%	\$135,208.21	0.49%	\$317,824.80	0.88%	
Total MWBE	\$274,977.20	60.00%	\$595,406.25	23.97%	\$2,026,152.07	36.05%	\$2,237,334.40	8.13%	\$5,133,869.92	14.23%	
Non-Minority	\$183,284.24	40.00%	\$1,888,412.42	76.03%	\$3,593,643.37	63.95%	\$25,281,512.87	91.87%	\$30,946,852.90	85.77%	
Total	\$458,261.44	100.00%	\$2,483,818.67	100.00%	\$5,619,795.44	100.00%	\$27,518,847.27	100.00%	\$36,080,722.82	100.00%	



In Professional Services, the Total MWBE utilization for the study period was 0.91%.

# Table 26: Total Utilization - Professional Services

# In the Relevant Market – State of North Carolina Mecklenburg Disparity Study

Race/Ethnicity	Ethnicity 2016		2017		2018		2019		Study Period	
	\$	%	\$	%	\$	%	\$	%	\$	%
Black	\$0.00	0.00%	\$210,632.36	0.66%	\$187,106.06	0.54%	\$293,349.05	0.76%	\$691,087.47	0.57%
Asian American	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$34,275.00	0.09%	\$34,275.00	0.03%
Hispanic American	\$3,306.00	0.02%	\$0.00	0.00%	\$0.00	0.00%	\$30,000.00	0.08%	\$33,306.00	0.03%
American Indian	\$0.00	0.00%	\$0.00	0.00%	\$102,350.00	0.30%	\$6,612.70	0.02%	\$108,962.70	0.09%
Total MBE	\$3,306.00	0.02%	\$210,632.36	0.66%	\$289,456.06	0.84%	\$364,236.75	0.94%	\$867,631.17	0.71%
Female	\$10,345.00	0.06%	\$52,820.08	0.17%	\$141,656.95	0.41%	\$36,850.00	0.09%	\$241,672.03	0.20%
Total MWBE	\$13,651.00	0.08%	\$263,452.44	0.83%	\$431,113.01	1.25%	\$401,086.75	1.03%	\$1,109,303.20	0.91%
Non-Minority	\$16,447,452.55	99.92%	\$31,530,953.36	99.17%	\$33,978,100.90	98.75%	\$38,413,153.26	98.97%	\$120,369,660.07	99.09%
Total	\$16,461,103.55	100.00%	\$31,794,405.80	100.00%	\$34,409,213.91	100.00%	\$38,814,240.01	100.00%	\$121,478,963.27	100.00%

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In Other Services, the Total MWBE utilization for the study period was 5.03% of dollars.



## In the Relevant Market – State of North Carolina Mecklenburg Disparity Study

Race/Ethnicity	2016	2016		2017		2018			Study Period	
	\$	%	\$	%	\$	%	\$	%	\$	%
Black	\$702,744.15	1.35%	\$505,099.86	0.92%	\$2,100,805.05	4.30%	\$556,130.78	1.21%	\$3,864,779.84	1.91%
Asian American	\$65,485.01	0.13%	\$111,730.68	0.20%	\$251,523.90	0.51%	\$306,225.88	0.66%	\$734,965.47	0.36%
Hispanic American	\$47,563.43	0.09%	\$85,455.88	0.16%	\$3,000.00	0.01%	\$36,680.40	0.08%	\$172,699.71	0.09%
American Indian	\$120,808.00	0.23%	\$175,560.00	0.32%	\$429,654.00	0.88%	\$1,056,219.00	2.29%	\$1,782,241.00	0.88%
Total MBE	\$936,600.59	1.79%	\$877,846.42	1.60%	\$2,784,982.95	5.70%	\$1,955,256.06	4.25%	\$6,554,686.02	3.25%
Female	\$398,298.10	0.76%	\$386,708.87	0.71%	\$1,273,053.67	2.60%	\$1,535,632.65	3.33%	\$3,593,693.29	1.78%
Total MWBE	\$1,334,898.69	2.56%	\$1,264,555.29	2.31%	\$4,058,036.62	8.30%	\$3,490,888.71	7.58%	\$10,148,379.31	5.03%
Non-Minority	\$50,898,776.77	97.44%	\$53,491,175.65	97.69%	\$44,841,166.35	91.70%	\$42,563,549.76	92.42%	\$191,794,668.53	94.979
Total	\$52,233,675.46	100.00%	\$54,755,730.94	100.00%	\$48,899,202.97	100.00%	\$46,054,438.47	100.00%	\$201,943,047.84	100.00

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#### K. Determination of Disparity

This section of the report addresses the crucial question of whether, and to what extent, there is disparity between the utilization of MBEs/WBEs as measured against their availability in the Mecklenburg County marketplace.

#### 1. Methodology

The statistical approach to answer this question is to assess the existence and extent of disparity by comparing the MWBE utilization percentages (by dollars) to the percentage of the total pool of MWBE firms in the relevant geographic and product areas. The actual disparity derived as a result of employing this approach is measured by use of a Disparity Index (DI).



The Disparity Index is defined as the ratio of the percentage of MWBE firms utilized (U) divided by the percentage of such firms available in the marketplace, (A):

Let: U =Utilization percentage for the MWBE group A =Availability percentage for the MWBE group DI =Disparity Index for the MWBE group DI =U/A

The results obtained by a disparity analysis will result in one of three conclusions: overutilization, underutilization or parity. Underutilization is when the Disparity Index is below one. Overutilization is when the Disparity Index is over one. Parity, or the absence of disparity is when the Disparity Index is one (1.00) which indicates that the utilization percentage equals the availability percentage. In situations where there is availability, but no utilization, the corresponding disparity index will be zero. Finally, in cases where there is neither utilization nor availability, the corresponding disparity index is undefined and designated by a dash (-) symbol. Disparity analyses are presented separately for each procurement category and for each race/gender/ethnicity group. They are also disaggregated by year, for each year of the Study Period.

## 2. Summary of Prime Disparity Indices

The table below consolidates the disparity index tables, isolating only the index for the full study period. A statistically significant underutilization is indicated by a p-value less than 0.5. The phrase "Small Numbers" indicates that there is not enough evidence to accept or reject the null hypothesis.

In Construction, there was a statistically significant underutilization of Prime MBE firms during the study period. Female firms were overutilized by an index of 2.24, the largest index in the study.

In Architecture & Engineering, there was a statistically significant underutilization of American Indian, Asian American, and Female firms. There was an overutilization of Black firms, though with a disparity percentage of less than 10%. Additionally, Hispanic American firms are at parity with 2.60% utilized and 2.61% available.

In Professional Services, there was a statistically significant underutilization of Prime MWBE firms during the study period.

In Other Services, there was a statistically significant underutilization of Prime MWBE excluding American Indian firms who were overutilized with a disparity percentage greater than 10%.

In Goods & Supplies, there was a statistically significant underutilization of Prime MWBE firms.

In all categories except for Construction, Prime Non-Minority firms were overutilized with a disparity percentage of 10% or greater.



## Table 28: Summary of Disparity Indices (Prime)

Based on Total Utilization Disparity Index for Study Period (FY 2016 – 2019) Mecklenburg Disparity Study

Race/Ethnicity	Construction	Architecture & Engineering	Professional Services	Other Services	Goods & Supplies
American Indian	0.36*	0.4**	0.15*	1.36***	0.18**
Asian American	0.17*	0.12*	0.02*	0.28*	0.07*
Black	0.04*	1.07	0.04*	0.14*	0.01*
Hispanic American	0.09*	1.0	0.02*	0.04*	0.01*
Total MBE	0.08*	0.9	0.04*	0.18*	0.02*
Female	2.24***	0.13*	0.03*	0.27*	0.17*
Total MWBE	0.8*	0.65*	0.04*	0.2*	0.08*
Non-Minority	1.06	1.1***	1.33***	1.26***	1.16***

Legend

Significant Disparity (Disparity Percentage Below 80%)	* Statistically Significant Underutilization (Confidence interval of 95% and probability error of less than 5%)
Disparity (Disparity Percentage 80% to 99.9%)	** Very small number to produce statistical significance
Overutilized (Disparity Percentage over 100%)	*** Overutilized and Disparity Percentage of 110% or greater

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#### 3. Summary of Prime and Subcontractor Disparity Indices

In Construction, there was a statistically significant underutilization of Prime and Subcontractor MBE firms during the study period. Female firms were overutilized by an index of **2.2**.

In Architecture & Engineering, there was a statistically significant underutilization of Prime and Subcontractor American Indian, Asian American, and Female firms. There was an overutilization of Black firms, though with a disparity percentage of less than 10%. Additionally, Hispanic American firms are at parity with 2.60% utilized and 2.61% available.

In Professional Services, there was a statistically significant underutilization of Prime and Subcontractor MWBE firms during the study period.



In Other Services, there was a statistically significant underutilization of Prime and Subcontractor MWBE firms excluding American Indian firms who were overutilized with a disparity percentage greater than 10%.

There were no subcontractor payments found under Prime Goods firms.

#### Table 29: Summary of Disparity Indices (Prime and Subcontractor)

Based on Total Utilization Disparity Index for Study Period (FY 2016 - 2019) Mecklenburg Disparity Study

	Race/Ethnicity	Construction	Architecture & Engineering	Professional Services	Other Services				
	American Indian	0.36*	0.4**	0.15*	1.36***				
	Asian American	0.06*	0.12*	0.02*	0.28*				
	Black	0.03*	1.07	0.04*	0.14*				
	Hispanic American	0.06*	1.0	0.02*	0.04*				
	Total MBE	0.06*	0.9	0.04*	0.18*				
	Female	2.2***	0.13*	0.03*	0.27*				
	Total MWBE	0.77*	0.65*	0.04*	0.2*				
	Non-Minority	1.07	1.1***	1.33***	1.26***				
			Legend						
Significant D	isparity (Disparity P	ercentage Belov		Significant Underutiliz % and probability erro					
Disparity	(Disparity Percenta	age 80% to 99.9	<mark>%)</mark> ** Very s	** Very small number to produce statistical significance					
Overutili	zed (Disparity Perco	entage over 100	%) *** Overutili.	zed and Disparity Per	centage of 110	% or greater			
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Detailed Disparity Analyses are in Appendix F.



#### 4. Determining the significance of Disparity Indices

The determination that a particular ethnic or gender group has been overutilized or underutilized is not, standing alone, proof of discrimination. Typically, the determination of whether a disparity is "statistically significant" can be based on the depth of the disparity in that any disparity index that is less than .80 is considered to be a statistically significant underutilization and any disparity index over 1.10 is considered to be a statistically significant overutilization. The disparity indices impact as designated in the above tables as "overutilization", "underutilization", or "parity" have been colored to indicate such statistically significant impact.

Typically, the determination of whether a disparity is "substantially significant" can be based on any disparity index that is less than .80. Further, GSPC uses a statistical test that considers whether or not the typical disparity index across all vendor categories is equal to unity. This constitutes a null hypothesis of "parity" and the test estimates the probability that the typical disparity index departs from unity, and the magnitude of the calculated test statistic indicates whether there is typically underutilization or overrepresentation. Statistical significance tests were performed for each disparity index derived for each MBE/WBE group, and in each procurement category. This approach to statistical significance in disparity studies.

The existence of a statistically significant disparity between the availability and utilization of minority or Female owned businesses that is determined to likely be the result of the owners' race, gender, or ethnicity will impact the recommendations provided as a result of this study. GSPC will, in such a case, make recommendations for appropriate and narrowly tailored race/ethnicity/gender-neutral remedies for this discrimination to give all firms equal access to public contracting with the County. GSPC will also, if appropriate, recommend narrowly tailored race/ethnicity/gender-conscious remedies. If no statistically significant disparity is found to exist or if such a disparity is not determined to be a likely result of firm owners' race, ethnicity, or gender on their success in the marketplace, GSPC may still make recommendations to support the continuation of engagement, outreach, small business development, and non-discrimination policies in the procurement processes of Mecklenburg County.

#### 5. Conclusion

Generally, every MWBE group was underutilized in each category in total throughout the Study Period as prime contractors and in total utilization. The cases where there was an overutilization for a MWBE group in prime and total utilization were created by a disproportionately large awards to a single firm. Further econometric analysis of disparities is contained in Chapter VI below.



## VI. ANALYSIS OF PUBLIC CONTRACTING DISPARITIES IN MECKLENBURG COUNTY

#### A. Introduction

In this section GSPC considers the market entry, private sector, public contracting and subcontracting outcomes and related market experiences of minority owned relative to non-MWBE owned firms in the Mecklenburg County market area. Our analysis utilizes data from business firms that are either willing, able, or have actually contracted/subcontracted with Mecklenburg County, with the aim of determining if the likelihood of successful contracting/subcontracting opportunities—actual and perceived—is conditioned in a statistically significant manner on the race, ethnicity, or gender status of firm owners. Such an analysis is a useful and important complement to estimating simple disparity indices, which assume all things important for success and failure are equal among business firms competing for public contracts, and are based on unconditional moments—statistics that do not necessarily inform causality or the source of differences across such statistics. As simple disparity indices do not condition on possible confounders of new firm entry, and success and failure in public sector contracting/subcontracting by business firms, they are only suggestive of disparate treatment, and their implied likelihood of success/failure could be biased. In other words, they only tell us that a disparity exists, but do not provide any insight as to what might cause the disparity.

Our analysis recognizes that there are possible confounders of success and failure in the entry of new firms in the market and public sector contracting/subcontracting that are sources of heterogeneity, or differencesamong business firms that lead to differences in success and failure. Failure to condition on the sources of heterogeneity in success/failure in new firm formation and public sector contracting/subcontracting outcomes can leave simple disparity indices devoid of substantive policy implications as they ignore the exent to which firm owner race/ethnicity characteristics are causal factors of the disparity. Disparate outcomes could possibly reflect in part or in whole outcomes driven by disparate business firm characteristics that matter fundamentally for success/failure in the formation of new firms and public sector contracting/subcontracting outcomes. If the race, ethnicity, or gender status of a firm owner conditions lower likelihoods of success/failure, this would be suggestive of these salient and mostly immutable characteristics causing the observed disparities. So, our analysis seeks to find if the race, ethnicity, or gender of the firm owner is the likely cause of the disparity or whether some other factor or factors cause the disparity.

A broad context for considering disparities by firm ownership status can be informed by considering private sector outcomes in the relevant Mecklenburg County market area. In general, the success and failure of minority-owned firms in public contracting could be conditioned by their outcomes in the private sector regarding their revenue generating capacity. The value of a descriptive private sector analysis is that it situates disparity analyses in the ``but-for-justification." Ian Ayres and Frederick Vars (1998) , in their consideration of the constitutionality of public affirmative programs posit a scenario in which private suppliers of financing systematically exclude or charge higher prices to minority businesses, which potentially increases the cost of which minority owned businesses can provide services required under



public contracts relative to non-MWBE owned businesses .<sup>49</sup> This private discrimination means that as minority-owned firms may only have recourse to higher cost financing due to facing discrimination in private sector capital markets, which compromises the competitiveness of their bids. Such a perspective on discrimination suggests that barriers faced by minority-owned firms in the private sector can rationalize targeted contracting programs by political jurisdictions, as the counterfactual is that in the *absence of such private sector discrimination*, they would be able to compete with other firms in bidding for public contracts. So, what happens to firms in the private sector may affect their ability to compete for public contracts.

Table 30 reports on firm ownership type and revenue for the Mecklenburg County market area—which is the available market area from the US Census Bureau's 2012 Survey of Business Owners (SBO).<sup>50</sup> The SBO Data are collected every 5 years since 1972, for years ending in "2" and "7" as part of the economic census. The program began as a special project for minority-owned businesses in 1969 and incorporated into the economic census in 1972 along with the Survey of Females-Owned Businesses. The GSPC descriptive private sector analysis considers the percentage of representation in the population of firms and revenue across the firm ownership type classifications.

For the Mecklenburg County market area, Table 30 reveals that relative to Non-MWBE-owned firms, the revenue shares of each MWBE firm never exceeds 3.3% (Female).<sup>51</sup> With the exception of firms owned by Asians, the revenue shares of other MWBEs never exceeds 0.8% (Chinese). This is particularly a stark finding for firms owned by MWBEs, as each represent approximately 35% of all firms in the Mecklenburg County market area, but collectively, MWBEs have revenue shares drastically smaller than their overall share in the Mecklenburg County market area universe. This is consistent with and suggestive of—but not necessarily causal evidence for—MWBEs facing discriminatory barriers in the private sector of the Mecklenburg County market area.

<sup>&</sup>lt;sup>51</sup> The percentages do not ``add-up" to one, as the Female ownership category is not ``mutually exclusive" of the other race/ethnicity categories.



<sup>&</sup>lt;sup>49</sup> See: Ayres, Ian, and Fredrick E. Vars. 1998, "When does private discrimination justify public affirmative action?" *Columbia Law Review*, 98: 1577-1641.

<sup>&</sup>lt;sup>50</sup> SBO data are publicly available at http://www.census.gov/programs-surveys/sbo/data.html The SBO data will soon be replaced by the Annual Business Survey (ABS). As of publication of this analysis, ABS data were not yet made available by the US Census Bureau.

## Table 30: Firm Ownership Type and Revenue Characteristics

Ownership Structure	Number of Firms	Percentage of all Firms (approximate)	Market Area Total Revenue (\$1,000)	Percentage of Market Area Total Revenue (approximate)	Ratio of Firm Share to Revenue Share (approximate)
All	101,799	100	174,963,408	100	1
Female	39,281	.386	5,704,467	.0326	11.84
Caucasian	65,772	.646	40,325,262	.231	2.79
African-American	23,217	.228	1,497,354	.0085	26.82
American Indian & Alaskan Native	770	.007	144,371	.0008	8.75
Asian	5,481	.0538	2,526,077	.0142	3.79
Asian Indian	1,121	.0110	689,852	.0039	2.82
Chinese	836	.0082	1,373,724	.0080	1.02
Filipino	177	.0017	Suppressed <sup>a</sup>	Suppressed <sup>a</sup>	-
Japanese	69	.0006	10,138	.00006	10
Korean	758	.0074	159172	.0009	8.22
Vietnamese	1,876	.0184	116,540	.0007	26.28
Other Asian	702	.0069	112,323	.0006	11.5
Native Hawaiian & Other Pacific Islander	83	.0008	12,683	.00007	11.43
Hispanic	8,055	.0791	960,326	.0055	14.38
Some Other Race	3,788	.0372	222,642	.0013	28.61
Publicly Held and not classifiable by race, gender, ethnicity	3,832	.0376	130,298,302	.7449	.0505

# For the Mecklenburg County Market Area: 2012 Survey Of Business Owners

*Source:* US Census Bureau 2012 Survey of Business Owners. <sup>a</sup>Value suppressed for confidentiality reasons.

Given that publicly held firms are not usually classifiable by MWBE status, and account for a disproportionate share of revenues, a simple comparison of a MWBE firm and revenue share may not inform the existence of any private sector disparities with precision. In this context, the ratio of a MWBE's market share to revenue share may be more informative of disparities. For example, in the case of firms owned by Black Americans, this ratio is (.228)/(.0085) or approximately 26.82. This suggests that the revenue share of firms owned by Black Americans would have to increase by a factor of approximately 27 to achieve firm share parity in the Mecklenburg County market area. This ratio also reveals that in the Mecklenburg County market area, MWBEs owned by Other Race, Black Americans, and Vietnamese have



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the highest firm to revenue share disparities. That the firm to revenue share disparity for Publicly held firms is less than unity implies they are overrepresented with respect to revenue share.

Table 31 replicates Table 30, to the extent the SBO data enable, for the Mecklenburg County market area construction sector—a sector which is a significant venue for public sector contracting.<sup>52</sup> As in the case of the private sector overall in Table 30, in general, all minority owned construction firms have revenue shares below their firm representation shares, consistent with and suggestive of—but not necessarily causal evidence for—MWBEs facing discriminatory barriers in the private construction sector of the Mecklenburg County market area. This ratio of firm to revenue share also reveals that for the construction sector in the Mecklenburg County market area, MWBEs owned by Other Race and American Indian & Alaskan native have the highest firm to revenue share disparities. That the firm to revenue share disparity for Publicly held construction firms is less than unity implies they are overrepresented with respect to revenue share.

## Table 31: Firm Ownership Type and Revenue Characteristics

Ownership	Number	Percentage of	Market	Percentage of	Ratio of Firm
Structure	of	all Firms	Area Total	Market Area	Share to
	Firms	(approximate)	Revenue	Total Revenue	Revenue Share
			(\$1,000)	(approximate)	(approximate)
All	8,271	100	6,841,177	100	1
Female	1,155	.1396	720,012	.1052	1.33
Caucasian	5,879	.7108	4,224,469	.6175	1.15
African-American	958	.1158	Suppressed <sup>a</sup>	Suppressed <sup>a</sup>	-
American Indian &	147	.0177	9,663	.0014	12.64
Alaskan Native					
Asian	115	.0139	33,729	.0049	2.84
Hispanic	2,103	.2543	185,548	.0271	9.38
Some Other Race	1,262	.1526	53,336	.0078	19.56
Publicly Held and	80	.0097	2,324,723	.3398	.0285
not classifiable by					
race, gender,					
ethnicity					

#### For the Mecklenburg County Market Area Construction Sector: 2012 Survey Of Business Owners

*Source:* US Census Bureau 2013 Survey of Business Owners.

<sup>a</sup>Value suppressed for confidentiality reasons. The same race/ethnicity aggregations in Table 1 were not reported for the construction sector.

Overall, the descriptive summary in Tables 30-31 suggests that in the Mecklenburg County market area

<sup>&</sup>lt;sup>52</sup> For the construction sector, 2012 SBO data do not provide detailed disaggregated race/ethnicity detail to the same extent as for all sectors. <sup>a</sup>Value suppressed to preserve confidentiality as a result of very few firms or there are one or two large firms that dominate the statistic.



private sector and construction sector, MWBEs face barriers that translate into lower firm revenues. In general, if being an MWBE in the Mecklenburg County market area private sector is associated with lower firm revenue, this lends some support to the "but-for" justification for affirmative action in public procurement. Lower revenues for MWBEs in the Mecklenburg County market area is suggestive of, but does not proves, private discimination that undermines their capacity to compete with non-MWBE owned firms for public contracting opportunities. This could motivate a private discrimination justification for Affirmative Action in the Mecklenburg County procurement policies, otherwise Mecklenburg County is potentially a *passive participant* in private discrimination against MWBEs with respect to its procurement practices.

To explicitly examine potential disparities in the rates of business ownership in the larger Charlotte-Concord-Gastonia (CCG) market area, GSPC estimated the parameters of a Logit model using 2018 American Community Survey (ACS) data.<sup>53</sup> The ACS is a project of the U.S. Census Bureau that has replaced the decennial census as the key source of information about American population and housing characteristics. The 2018 ACS is an approximately 1-in-100 weighted public use sample consisting of U.S households with the smallest identifiable unit being the Public Use Microdata Unit (PUMA), which is a geography containing at least 100,000 individuals. The specification of each model controls for those variables in customary in the literature that are utilized to explain self-employment, so as to estimate the effects of MWBE status on self-employment while minimizing and/or eliminating confounding factors.<sup>54</sup> GSPC determines statistical significance on the basis of the estimated coefficient's probability value—or P-value. The P-value is the probability of obtaining an estimate of the coefficient by chance alone, assuming that the null hypothesis of the variable having a zero effect is true. As a convention, GSPC rejects the null hypothesis of no effect, and concludes the estimated coefficient is statistically significant as long as P-value  $\leq$  .10, which we highlight in bold for all parameter estimates.

In the GSPC Logit model of self-employment, the estimated parameters are odds ratios, and when greater (less) than unity indicate that having a particular characteristics increases (decreases) the likelihood of being self-employed. In the case of the MWBE status indicators (e.g. Black American, Female), the excluded category is Caucasian Males, and a positive (negative) odds ratio indicates that relative to Caucasian Males, having that MWBE characteristic increases (decreases) the likelihood of being self-employed in the CCG market area.<sup>55</sup>

 $<sup>^{55}</sup>$  We use the IPUMS MET2013 = 16740 variable that identifies the Charlotte-Concord-Gastonia Metropolitan Statistical Area (MSA) using definitions from the U.S. Office of Management and Budget (OMB). Relative to the market area considered in the SMOBE in Tables 1-2 Charlotte-Concord-Gastonia is more appropriate for the relevant economic market for public contracting in Mecklenburg county as firms physically located within the county face competition from outside.



<sup>&</sup>lt;sup>53</sup> ACS data are publicly available at https://usa.ipums.org/usa/. See: Steven Ruggles, Katie Genadek, Ronald Goeken, Josiah Grover, and Matthew Sobek. 2017. *Integrated Public Use Microdata Series: Version 7.0* [dataset]. Minneapolis: University of Minnesota. https://doi.org/10.18128/D010.V7.0.

<sup>&</sup>lt;sup>54</sup> See: Grilo, Isabel, and Roy Thurik. 2008. "Determinants of Entrepreneurial Engagement Levels in Europe and the US." *Industrial and Corporate Change* 17: pp. 1113-1145, and Van der Sluis, Justin, Mirjam Van Praag, and Wim Vijverberg. 2008. "Education and Entrepreneurship Selection and Performance: A Review of the Empirical Literature." *Journal of economic surveys* 22: pp. 795-841.

Table 32 reports parameter estimates across all ACS measured business sectors in the CCG market area. To control for ability and other unobservables that could condition the decision to be self-employed our regression specification includes controls for age, marital status, education, english language capability, disability, capital income, and home value/payments. The estimated odds ratios less than unity with statistical significance suggest that relative to Caucasian Males, Females, Black Americans, and American Indians are less likely to be self-employed in the CCG market area. Thes estimated odds ratios estimates are suggestive of barriers to self-employment for these type of MWBEs in the CCG market area, that could potentially be ameilorated through successful MWBE public contracting programs that induce MWBE firm entry as Chatterji, Chay, and Fairlie (2014) find that the self-employment rate of black Americans is increasing with respect to the provisioning and establishment of MWBE set-aside public procurement programs.<sup>56</sup>

Table 33 reports parameter estimates for the construction sector in the CCG market area—an important sector in the market for public procurement. The estimated odds ratios less than unity with statistical significance suggest that relative to Caucasian Males, Females, Black Americans, American Indians and Asian Americans are less likely to be self-employed in the CCG market area. The estimated odds ratios estimates are suggestive of barriers to self-employment in the construction sector for these type of MWBEs in the CCG market area that could potentially be ameilorated through successful MWBE public contracting programs that induce MWBE firm entry, as Marion (2009) finds that the self-employment rate of black Americans in construction is increasing with respect to the provisioning and establishment of MWBE set-aside public construction procurement programs.<sup>57</sup> In this context, the existence of a proportionality between MWBE entry and set-asides in the public sector construction sector (Marion, 2009) suggests that the Logit parameter estimates in Table 33 could be informing, at least in part, racial/ethnic disparities in the awarding of public sector construction projects in the CCG market area.

<sup>&</sup>lt;sup>56</sup> Chatterji, Aaron K., Kenneth Y. Chay, and Robert W. Fairlie. 2014. "The Impact of City Contracting Setasides on Black Self-employment and Employment." *Journal of Labor Economics* 32: pp. 507-561.
<sup>57</sup> Marion, Justin. 2009. "Firm Racial Segregation and Affirmative Action in the Highway Construction Industry." *Small Business Economics* 33: Article 441.



## Table 32: Self-Employment/Business Ownership Model:

## Logit Parameter Odds Ratio Estimates From The 2018 American Community Survey

	Coefficient	Standard Error	P-value
Regressand: Self Employment in The Charlotte-			
Concord-Gastonia Metropolitan Area (Binary)			
Regressors:			
Constant	.0347	.0013	.0000
Age	1.25	.0026	.0000
Age-Squared	.6792	.0031	.1374
Married	1.14	.0652	.0691
Female	.9341	.0173	.0451
Black American	.9138	.1158	.0168
Hispanic American	.9517	.1138	.1217
American Indian	.9678	.3215	.0648
Pacific Islander American	.5924	.1527	<b>.</b> 1248
Asian American	1.17	.0238	.1263
Other Race American	.9615	.0083	<b>.</b> 1431
College Degree	1.05	.0637	.0531
Speaks English Only	1.12	.0037	.0461
Disabled	.9143	.1538	.0000
Value of Home (\$)	1.21	.0013	.0000
Interest, Dividend, and Rental Income (\$)	1.15	.0015	.0000
Mortgage Payment (\$)	1.17	.0021	.0000
Number of Observations	16,254		
Pseudo-R <sup>2</sup>	.073		

Bold P-value indicates statistical significance level of .10 or lower.

Source of Data: American Community Survey 2018, IPUMs USA



 Table 33: Construction Sector Self-Employment/Business Ownership Model:

Logit Parameter Odds Ratio Estimates From The 2018 American Community Survey

	Coefficient	Standard Error	P-value
Regressand: Self Employment in The Charlotte-			
Concord-Gastonia Metropolitan Area (Binary)			
Regressors:			
Constant	.0531	.0012	.0000
Age	1.17	.0168	.0000
Age-Squared	•9437	.0319	.1632
Married	1.12	.0271	.0647
Female	.5312	.0158	.0263
Black American	.1735	.0251	.0469
Hispanic American	.9731	.0483	<b>.</b> 1134
American Indian	.6437	.0597	.0815
Pacific Islander American	.8913	.1734	.1221
Asian American	.1638	.0317	.0475
Other Race American	1.12	.0914	<b>.</b> 1364
College Degree	.9671	.0417	.0728
Speaks English Only	1.14	.1376	.0814
Disabled	1.11	1.35	.1782
Value of Home (\$)	1.38	1.13	.0734
Interest, Dividend, and Rental Income (\$)	1.15	.8793	.0619
Mortgage Payment (\$)	1.31	.0381	.1162
Number of Observations	7,421		
Pseudo-R <sup>2</sup>	.093		

Bold P-value indicates statistical significance level of .10 or lower.

Source of Data: American Community Survey 2018, IPUMs USA

## B. GSPC Survey Data and Regression-Based Disparity Analysis

Our Mecklenburg County regression-based disparity analysis is based on custom survey data compiled by GSPC, and constitutes the respondents from a combined list from the NCDOT certified lists, the State of North Carolina Historically Underutilized Business (HUB) list, the City of Charlotte Vendor and Certified Lists, and the Mecklenburg County Vendor list. The survey was sent out to a total of 5,696 firms and 330 firms completed the survey.

The GSPC survey was a questionnaire that captured data on firm and individual owner characteristics. The GSPC research interest is in the extent to which a firm's status as Small, Minority, Female, Disadvantaged, Veteran, and Historically Underutilized (SMWDVH) conditions success/failure in contracting with Mecklenburg County in public contracting opportunities. In this analysis, our use of the data in the GSPC survey is limited to the measured covariates that in our view are best suited for evaluating the extent to



which SMWDVH status is a possible cause of public contracting disparities in Mecklenburg County. Table 34 reports, for the 330 survey responses available, a summary on the description, mean and standard deviation of the covariates from the GSPC survey that are relevant to the analysis, and utilized as regressors and regressands in our econometric specifications.

## Table 34: Covariate Summary

Covariate	nburg County Disparity Description	Mean	Standard	Number of
			Deviation	Observations
Firm entered market within past five years	Binary Variable:	.230	.422	330
ι <i>ν</i>	1 = yes			
Number of times denied a commercial bank loa		.845	.602	330
	1 = O	10		
	2 = 1 - 10			
	3 = 11 - 25			
	4 = 26 - 50			
	5 = 51 - 100			
	6 = Over 100			
Number of prime bids submitted on	Ordinal Variable:	1.25	.875	330
Mecklenburg county projects	1 = O	-		
	2 = 1 - 10			
	3 = 11 - 25			
	4 = 26 - 50			
	5 = 51 - 100			
	6 = Over 100			
Number of Mecklenburg county contracts	Ordinal Variable:	1.04	.692	330
awarded between 1/1/14 - 6/30/17	1 = O			
	2 = 1 - 10			
	3 = 11 - 25			
	4 = 26 - 50			
	5 = 51 - 100			
	6 = Over 100			
Number of Mecklenburg county subcontracts	Ordinal Variable:	1.25	.811	330
awarded between 1/1/14 - 6/30/18	1 = O			
	2 = 1 - 10			
	3 = 11 - 25			
	4 = 26 - 50			
	5 = 51 - 100			
	6 = Over 100			
Did not serve as a contractor or subcontractor or	n Binary Variable:	.291	·455	330
Mecklenburg county projects between 1/1/14 –	1 = Yes			
6/30/17				
Largest single contract awarded since 1/1/18	Ordinal Variable:	2.53	2.82	330
	1 = \$100,00 or less			
	2 = \$100,001 - \$250,000			
	3 = \$250,001 - \$500,000			
	4 = \$500.001 - \$750,000			
	5 = \$750,001 - \$1,000,000			
	6 = \$1,000,001 - 1,320,000			
	7 = 1,320,001 - \$1.500,000			
	8 =\$1,500,001 - \$5,000,000			
	9 = \$5,000,001 - \$10,000,000			
Firms has a main and mainteen a star	10= Over \$10,000,000	110		000
Firm has experienced private sector	Binary Variable	.118	.323	330
liscrimination	1 = Yes			

#### Mecklenburg County Disparity Study



# Table 34: Covariate Summary (con't)

Mecklenburg C	County Disparity	Study		
Owner has more than 20 years of experience	Binary Variable 1 = Yes	.573	.495	330
Firm has more than 10 employees	<i>Binary Variable</i> 1 = Yes	.348	·477	330
Firm owner has a baccalaureate degree	Binary Variable: 1 =Yes	.469	·499	330
Firm gross revenue greater than \$1,500,000	<i>Binary Variable:</i> 1 = Yes	.106	.308	330
Firm bonding limit greater than \$1,500,000	<i>Binary Variable:</i> 1 = Yes	.052	.221	330
Financing is a	Binary Variable:	.091	.288	330
Barrier To Submitting	1 = Yes			
Bids and Securing				
Contracts From				
СС				
Firm is in the construction sector	<i>Binary Variable:</i> 1 = Yes	.154	.363	330
	<i>Binary Variable:</i> 1 = Yes	.879	.327	330
0 ·	<i>Binary Variable:</i> 1 = Yes	.845	.361	330
Firm is willing to do business with Mecklenburg county as a prime contractor	Binary Variable: 1 = Yes	.857	.350	330
Firm is a certified minority business enterprise	<i>Binary Variable:</i> 1 = Yes	.294	.456	330
Firm is a certified Female business enterprise	<i>Binary Variable:</i> 1 = Yes	.245	.431	330
	<i>Binary Variable:</i> 1 = Yes	.418	.494	330
	<i>Binary Variable:</i> 1 = Yes	.133	.340	330
	Binary Variable: 1 = Yes	•333	.472	330
Firm is a veteran-owned business enterprise	Binary Variable: 1 = Yes	.003	.055	330
	Binary Variable:	.294	.456	330
is Black American	1 = Yes			
Majority Firm Owner is Asian/Pacific Islander	Binary Variable: 1 = Yes	.024	.154	330
Majority Firm Owner	Binary Variable:	.057	.233	330
is Hispanic	1 = Yes			
Majority Firm Owner	Binary Variable:	.009	.095	330
	1 = Yes	.009	.090	
Majority Firm Owner is bi/multiracial	Binary Variable: 1 =Yes	.009	.095	330
	Binary Variable: 1 = Yes	.018	.134	330
Majority Firm Owner is a Female	<i>Binary Variable:</i> 1 = Yes	.485	.501	330

#### Mecklenburg County Disparity Study



#### C. Statistical and Econometric Framework

Methodologically, the GSPC statistical and econometric analysis of possible SMWDVH public contracting disparities with Mecklenburg County utilizes a Categorical Regression Model (CRM) framework.<sup>58</sup> As the covariates measuring public contracting activity/outcomes and and other respondent characteristics in Table 34 are categorical responses to questionaire items (e.g. public contracting bid ranges, yes, no), a CRM views the categories as latent variables with likelihood thresholds that are conditioned on other covariates. In the case where there are more than two categories and the succession of categories have a natural ranking, a CRM permits a determination as to how particular covariates condition the likelihood/probability of being in the highest valued category relative to the lower-valued categories. In the case of just two categorical but not naturally ordered categories, the CRM reduces to a Binary Regression Model (BRM).<sup>59</sup>

For all the CRM/BRM parameter estimates below, we report them as "odds ratios", which measure the ratio of the probability of success and the probability of failure relative to the omitted group in all our specifications—nonminority owned firms.<sup>60</sup> When the odds ratio is greater (less) than unity for a parameter, the measure characteristic has the effect of increasing (decreasing) the likelihood of the outcome under consideration relative to nonnminority owned firms. We determine statistical significance on the basis of the estimated coefficient's probability value—or P-value. The P-value is the probability of obtaining an estimate of the coefficient by chance alone, assuming that the null hypothesis of the variable having a zero effect is true. As a convention, GSPC rejects the null hypothesis of no effect, and concludes the estimated coefficient is statistically significant as long as P-value  $\leq$  .10, which we highlight in bold for all parameter estimates.

The covariates of interest to our disparity analysis are the race/ethnicity and SMWDVH characteristics of firms in the Charlotte-Concord-Gastonia market area, and the extent, if any, they matter for public

<sup>59</sup> More formally, if the latent realization of an outcome is  $Y_i^*$ , ranging from -  $\infty$  to  $\infty$ , a structural and conditional specification for  $Y_i^*$  is  $Y_i^* = \mathbf{X}_i \ \beta + \mathcal{E}_i$ , where  $\mathbf{X}$  is a vector of exogenous covariates,  $\beta$  is a vector of coefficients measuring the effects of particular covariates on the realization of  $Y_i^*$ , and  $\mathcal{E}_i$  is a random error. For categorical and ordinal outcomes  $m = 1 \dots J$ ,  $Y_i = m$  if  $\tau_{m-1} \leq Y_i^* < \tau_m$ , where the  $\tau_i$  are thresholds for the particular realizations of  $Y_i^* = m$ . Conditional on  $\mathbf{X}$  the likelihood/probability that  $Y_i$  takes on a particular realization is  $Pr(\mathbf{Y}_i = m \mid \mathbf{X}) = \Phi(\tau_m - \mathbf{X} \beta) - \Phi(\tau_{m-1} - \mathbf{X} \beta)$ , where  $\Phi$  is the cumulative density function of  $\mathcal{E}$ . The GSPC methodology utilizes covariates that control and/or proxy for the education level of the firm owner, the age of the firm, the size of the firm with respect to the number of employees and revenues,, firm bonding capacity, and firm financial standing.

<sup>&</sup>lt;sup>60</sup> An "odds-ratio" is also a measure of "effect size" in that in addition to the statistical significance of a parameter, the "odds-ratio" provides a measure of a parameter estimate's "practical magnitude." For an "odds-ratio" the practical magnitude is the absolute value of 1 minus the "odds-ratio", measuring the percentage change in the likelihood of observing the dependent outcome.



<sup>&</sup>lt;sup>58</sup> See: Richard D. McKelvey and William Zavoina. 1975. "A Statistical Model for the Analysis of Ordinal Level Dependent Variables," *Journal of Mathematical Sociology*, 4: pp. 103 - 120.

contracting and associated outcomes. As such, the analytical exposition addresses the race/ethnicity and SMWDVH effects. The other covariates serve as controls for an observed and unobserved firm's capacity, and they eliminate/mitigate any confounding that would result from considering just race/ethnicity and SMWDVH characteristics alone.

As nonresponse probabilities are in the GSPC survey are unknown, we estimate all parameters from our CRM/BRM specifications with robust empirical standard errors to minimize/eliminate the bias that can result from a sample being unrepresentative of the population of interest due to nonresponse.<sup>61</sup> CRM/BRM parameter estimates with robust empirical standard errors effects can mitigate/eliminate the bias in parameter estimates caused by a sample that may not be fully representative of the population of interest.

# D. The Relative New Firm Entry Propensities of Minority Firm Owners in Mecklenburg County Market Area

We first examine the effects of SMWDVH status on an individual's participation in the private sector as a relatively new business firm in the Mecklenburg County market area. To the extent that SMWDVHs have a lower likelihood of market entry relative to non-SMWDVHs, it would suggest that private discrimination against minority-owned is sufficiently present to warrant consideration of public sector legal remedies such as affirmative action and minority set-aside contracting, that would improve the prospects for theentry of new minority-owned firms in the market. Such a perspective on discrimination suggests that entry barriers impede the formation of minority-owned firms. The counterfactual is that in the absence of such entry barriers, manifested perhaps as discrimination against minority-owned firms in access to capital, credit, etc, SMWDVHs would be able to enter the market, and compete with non-SMWDVHS in bidding and securing public contracts from Mecklenburg County.

To determine if SMWDVH status is a barrier to the formation of new businesses in the Mecklenburg County market area, Tables 35-36 report, for each of the distinct SMWDVHs and owner self-reported race/ethnicity in the GSPC sample, the estimated parameters of a Logit BRM with a binary variable for a firm establishing itself within the past ten years as the dependent variable. As standard control covariates we include measures of, or proxies for, the firm's owner's experience, the size of the firm having, firm gross revenue, firm bonding status, firm financial standing, whether or not the firm is in the construction/construction services sector, whether the firm is qualified for and registered to do business with Mecklenburg County, and the education of the firm owner. As a goodness-of-fit measure, Pseudo-R<sup>2</sup> is reported.<sup>62</sup>

<sup>&</sup>lt;sup>61</sup> These standard errors are commonly referred to as robust standard errors. However, they are also empirically samplebased estimates of the unknown population variance and standard deviation. Thus, utilizing them assumes the relevant population has an unknown spread about its mean. See Christopher Zorn. 2006. "Comparing GEE and Robust Standard Errors for Conditionally Dependent Data,

Political Research Quarterly, 59: pp. 329 – 342.

<sup>&</sup>lt;sup>62</sup> Pseudo- $R^2$  is not to be interpreted as the  $R^2$  in standard Ordinary Least Squares (OLS) estimation, as OLS proceeds my minimizing variance to get parameter estimates. Logit specifications are likelihood-based, and higher values of

Pseudo-R<sup>2</sup> indicate that the specified model is an increasingly better alternative to a null model with only an intercept.

The parameter estimates in Tables 35-36 suggest that only firms owned by American Indians and Veterans are relatively lesslikely to be new firms, as the estimated odds ratio less than unity and statistically significant in this instance. This suggests that for these type of SMWDHs, there are discriminatory barriers to market entry, and public sector legal remedies such as affirmative action and minority set-aside contracting, could improve prospects for the entry of these type—American Indians and Veterans—of SMWDH's in the market. As the excluded group is non-SMWDVHs, to the extent that market experience is an important determinant of , and correlated with success in bidding and securing public contracts, that most SMWDVHs in the Mecklenburg County Market Area are no different, or more likely than non-SMWDVHs in being recent entrants to the market suggests that, with the exception of new firms owned American Indians and Veterans, the market experience of SMWDVHs and non-SMWDVHs is similar. To the extent that this also implies similar knowledge/experience about bidding and securing public contracts, any disparities in public contracting outcomes between these type o SMWDVHs and non-SMWDVHs—with the exception of firms owned by American Indians—can't be explained by differential market experience.

## Table 35: Logit Parameter Estimates (Odds Ratio):

	Coefficient	P-value
<i>Regressand</i> : Firm entered market within past 5		
years:		
Owner has more than 20 years experience:	0.1642	0.0000
More than 10 employees	0.3018	0.0200
Owner has a baccalaureate degree	0.6341	0.1676
Firm gross revenue greater than 1.5 million	0.4476	0.4571
Firm Bonding limit greater than 1.5 million	0.0000	0.0000
Financing is a barrier for securing Mecklenburg	2.8332	0.0247
Co. projects: Binary		
Firm is in the construction sector	1.1740	0.7595
Firm is qualified to do business with	0.6066	0.3248
Mecklenburg Co.		
Firm is registered to do business with	0.5097	0.1636
Mecklenburg Co.		
Firm is a certified minority business enterprise	2.2101	0.0664
Firm is a certified Female enterprise	1.1948	0.6476
Firm is a certified disadvantaged business	1.1033	0.8316
enterprise		
Firm is a certified small business enterprise	1.2299	0.6082
Firm is a historically underutilized business	0.8589	0.7072
enterprise		
Firm is a veteran-owned enterprise	0.2312	0.0000
Observations	330	
Pseudo R <sup>2</sup>	0.2590	

#### SMWDVH Status and Firm Entry in Mecklenburg County Market Area



# Table 36: Logit Parameter Estimates (Odds Ratio):

Owner Racial/Ethnic Status and Firm Entry in Mecklenburg County Market Area

	Coefficent	P-value
<i>Regressand:</i> Firm entered market within past 5		
years: Binary		
Owner has more than 20 years experience:	0.1865	0.0000
More than 10 employees	0.3129	0.0209
Owner has a baccalaureate degree:	0.6953	0.2668
Firm gross revenue greater than 1.5 million	0.4272	0.4257
Firm Bonding limit greater than 1.5 million	0.0000	0.0000
Financing is a barrier for securing Mecklenburg	3.1540	0.0175
Co. projects		
Firm is in the construction sector	1.2739	0.6224
Firm is qualified to do business with	0.6265	0.3745
Mecklenburg Co		
Firm is registered to do business with	0.5655	0.2458
Mecklenburg Co.		
Firm is Black American-owned:	1.5905	0.1958
Firm is Hispanic American-owned:	2.2035	0.2502
Firm is Subcontinent Asian American-owned:	1.0432	.00000
Firm is Asian American-owned:	0.7257	0.8046
Firm is American Indian-owned:	0.9317	0.0000
Firm is bi/multiracial-owned	0.7185	0.7500
Firm is other race-owned: Binary	0.4226	0.4303
Firm is Female-owned: Binary	0.9948	0.9864
Observations	330	
Pseudo R <sup>2</sup>	0.2497	



# E. SMWDVHs and Bank Loan Denials in The Charlotte-Concord-Gastonia Market Area

To the extent that SMWDVHs are credit-constrained as a result of facing discrimination in private lending markets, their capacity to compete for and execute public project could be compromised. In this context, a political jurisdiction that awards public contracts is potentially a *passive participant* in discrimination as SMWDVHs may only have recourse to higher cost financing due to facing discrimination in private credit markets, which compromises the competitiveness of their bids. Such a perspective on discrimination suggests that barriers faced by SMWDVHs in the private sector can rationalize targeted public contracting programs by political jurisdictions, and the capacity and growth of SMWDVHs could be enhanced with access to public contracting opportunites (Bates, 2009).<sup>63</sup>

To determine if SMWDVH status is a barrier to the formation of new businesses in the Charlotte-Concord-Gastonia market area, Tables 37-38 report, for each of the distinct SMWDVHs and owner self-reported race/ethnicity in the GSPC sample, the estimated parameters of an Ordinal Logit BRM with the dependent variable being a categorical variable for the number of times the firm was denied a private bank loan firm between the years 2014 - 2019. Relative to the regressions reported in Tables 35-35, we add additional binary controls to account for a firms willingness/ability to do business with Mecklenburg County as a prime or sub-contractor.

The estimated odds ratios in Table 37 reveal that for the five distinct SMWDVHs in the GSPC sample, relative to non-SMWDVHs—the excluded group in the CRM specification—Small business enterprises more likely to be denied commerical bank loans at high frequency, as the estimated odds ratio is greater than unity and statistically significant in these instances. The parameter estimates in Table 38 suggest that irms owned by Black Americans and Asians are more likely to be denied loans at higher frequency relative to non-SMWDVHs. This suggests that among SMWDVHs in the Charlotte-Concord-Gastonia market area, firm owners who are Black American, Asian and those certified small business enterprises, are most likely to have their capacity to compete in the market for public procurement constrained as a result of private sector credit market discrimination.

<sup>&</sup>lt;sup>63</sup> See: Bates, Timothy. 2009 "Utilizing Affirmative Action in Public Sector Procurement as a Local Economic Development Strategy." *Economic Development Quarterly*, 23: pp. 180 - 192., and Bates, Timothy, and Alicia Robb. 2013. "Greater Access to Capital is Needed to Unleash the Local Economic Development Potential of Minority-owned Businesses." *Economic Development Quarterly*, 27: pp.250 - 259.



# Table 37: Ordinal Logit Parameter Estimates (Odds Ratio):

Owner Racial/Ethnic Status and Commercial Bank Loan Denials In Mecklenburg County Market Area

	Coefficient	<b>P-Value</b>
Regressand: Number of times denied		
commercial bank loan:		
Owner has more than 20 years experience	0.9927	0.9772
More than 10 employees	1.5352	0.1314
Owner has a baccalaureate degree	0.9458	0.8106
Firm gross revenue greater than 1.5 million	1.8747	0.0737
Firm Bonding limit greater than 1.5 million	0.7949	0.6469
Financing is a barrier for securing Mecklenburg	2.3214	0.2105
Co. projects		
Firm is in the construction sector: Binary	1.7181	0.1162
Firm is qualified to do business with	0.7162	0.3750
Mecklenburg Co.		
Firm is registered to do business with	0.8264	0.5686
Mecklenburg Co.		
Firm is willing/able prime contractor for	0.9823	0.9586
Mecklenburg Co.		
Firm is willing/able subcontractor for	1.4794	0.3496
Mecklenburg Co.		
Firm is a certified minority business enterprise	0.9815	0.9612
Firm is a certified Female enterprise	0.3791	0.0040
Firm is a certified disadvantaged business	1.1785	0.7470
enterprise		
Firm is a certified small business enterprise	1.9342	0.0190
Firm is a historically underutilized business	1.4672	0.3082
enterprise		
Firm is veteran-owned business enterprise	0.9814	0.0000
Number of Observations	330	
Pseudo R <sup>2</sup>	0.0562	



## Table 38: Ordinal Logit Parameter Estimates (Odds Ratio):

SMWDVH Status and Commercial Bank Loan Denials In Mecklenburg County Market Area

	Coefficient	P-value
Regressand: Number of times denied		
commercial bank loan		
Owner has more than 20 years experience	0.9447	0.8252
More than 10 employees	1.1939	0.5470
Owner has a baccalaureate degree	0.9661	0.8843
Firm gross revenue greater than 1.5 million	1.6807	0.1282
Firm Bonding limit greater than 1.5 million	0.6418	0.3786
Financing is a barrier for securing Mecklenburg	2.1616	0.2948
Co. projects		
Firm is in the construction sector	1.7927	0.0950
Firm is qualified to do business with	0.9038	0.7962
Mecklenburg Co.		
Firm is registered to do business with	0.7768	0.4753
Mecklenburg Co.		
Firm is willing/able prime contractor for	0.9729	0.9375
Mecklenburg Co.		
Firm is willing/able subcontractor for	1.6395	0.2608
Mecklenburg Co.		
Firm is Black American-owned	1.1812	0.0696
Firm is Hispanic American-owned	2.0965	0.3417
Firm is Subcontinent Asian American-owned	.8913	0.1363
Firm is Asian American-owned	2.4885	0.0001
Firm is American Indian-owned	1.8490	0.7414
Firm is bi/multiracial-owned	1.5527	0.2514
Firm is other race-owned	0.6215	0.5281
Firm is Female-owned	0.4031	0.0004
Number of Observations	330	
Pseudo R <sup>2</sup>	0.0530	



# F. Are Minority-Owned Firms Less Likely To Compete for Prime Contracts in Mecklenburg County Market Area?

One reason disparities in public contracting outcomes between SMWDVHs and non-SMWDVHs could exist is that relative to non-SMWDVHs, SMWDVHs are less likely to submit bids for public contracts. To determine if this is the case in the Mecklenburg County market area, Tables 39-40 report Ordinal Logit parameter estimates of a CRM with the number of prime contracting bids submitted by a firm to Mecklenburg County between 2014 - 2019 as the dependent variable, for each of the distinct SMWDVHs in the GSPC sample. The statistically significant parameter estimates in Tables 39-40 suggest that with the exception of SMWDVHs owned by Veterans and Black Americans who are more likely to submit bids, SMWDVHs are not less likely to submit prime bid submissions relative to non-SMWDVHs. Firms owned by Females are relatively less likely to submit prime bids.

To the extent that public contracting success is proportional to the number of submissions, this suggests that, particularly for firms owned by Veterans and Black Americans, and with the exception of Femaleowned firms, any public contracting disparities in Mecklenburg County between SMWDVHs and non-SMWDVHs cannot be explained by differential public bid submission rates to Mecklenburg County. Indeed, in the case of SMWDVHs owned by Veterans and Black Americans, their relatively high prime bid submission rate would suggest, all things being equal, a higher success rate relative to non-SMWDVHs in securing public contracts from Mecklenburg County to the extent that public contracting success is proportional to the number of submissions.



## Table 39: Ordinal Logit Parameter Estimates (Odds Ratio):

SMWDVH Status and Number of Prime Bid Submissions To Mecklenburg Co. In Mecklenburg County Market Area

	Coefficient	P-value
Regressand: Number of prime bids on		
Mecklenburg Co. projects		
Owner has more than 20 years experience	1.4899	0.0956
More than 10 employees	0.8192	0.4708
Owner has a baccalaureate degree	0.7965	0.3393
Firm gross revenue greater than 1.5 million	0.5573	0.3329
Firm Bonding limit greater than 1.5 million	4.4655	0.1235
Financing is a barrier for securing Mecklenburg	1.2283	0.5145
Co. projects		
Firm is in the construction sector	2.3117	0.0393
Firm is qualified to do business with	0.8682	0.5859
Mecklenburg Co.		
Firm is registered to do business with	1.8453	0.0105
Mecklenburg Co.		
Firm is willing/able prime contractor for	1.3978	0.3205
Mecklenburg Co.		
Firm is willing/able subcontractor for	1.5893	0.2037
Mecklenburg Co.		
Firm is a certified minority business enterprise	1.4454	0.2214
Firm is a certified Female enterprise	0.6848	0.1837
Firm is a certified disadvantaged business	0.9272	0.8348
enterprise		
Firm is a certified small business enterprise	1.4672	0.1918
Firm is a historically underutilized business	0.9201	0.7626
enterprise		
Firm is veteran-owned business enterprise	8.4699	0.0000
Number of Observations	330	
Pseudo R <sup>2</sup>	0.0523	



# Table 40: Ordinal Logit Parameter Estimates (Odds Ratio):

Owner Racial/Ethnic Status and Number of Prime Bid Submissions To Mecklenburg Co. In Mecklenburg County Market Area

	Coefficient	P-value
<i>Regressand:</i> Number of prime bids on		
Mecklenburg Co. projects		
Owner has more than 20 years experience	1.7450	0.0242
More than 10 employees	0.7610	0.3345
Owner has a baccalaureate degree	0.7818	0.3243
Firm gross revenue greater than 1.5 million	0.5831	0.3646
Firm Bonding limit greater than 1.5 million	4.2981	0.1013
Financing is a barrier for securing Mecklenburg	1.0178	0.9563
Co. projects		
Firm is in the construction sector	2.4341	0.0274
Firm is qualified to do business with	0.9153	0.7418
Mecklenburg Co.		
Firm is registered to do business with	1.6215	0.0610
Mecklenburg Co.		
Firm is willing/able prime contractor for	1.4437	0.2844
Mecklenburg Co.		
Firm is willing/able subcontractor for	1.6453	0.1850
Mecklenburg Co.		
Firm is Black American-owned:	2.1581	0.0034
Firm is Hispanic American-owned: Binary	1.0937	0.8857
Firm is Subcontinent Asian American-owned	1.0000	
Firm is Asian American-owned	0.5322	0.2582
Firm is American Indian-owned	0.2046	0.4668
Firm is bi/multiracial-owned	0.7911	0.4456
Firm is other race-owned	1.8198	0.4372
Firm is Female-owned	0.5950	0.0246
Number of Observations	330	
Pseudo R <sup>2</sup>	0.0645	



## G. SMWDVHs And Prime Contracting Success in Mecklenburg County Market Area

To the extent that success in winning puble contracts is proportional to frequency of public contract bids, if SMWDVHs bid on public contracts at rates that do not differ from non-SMWDVHs, all things being equal, one would not expect differences in public contracting success. To determine if there are differences in succesful public contracting outcomes the Mecklenburg County market area, Tables 41-42 report Ordinal Logit BRM parameter estimates where the dependent variable is the number of Mecklenburg County prime contracts awarded to the firm between 2014 - 2019.

The parameter estimates in Table 41 suggest that relative to non-SMWDVHs, certified minority business enterprises won fewer prime contract with Mecklenburg County, as the estimated odds ratio is less than unity and statistically significant. The parameter results in Table 42 suggest that, relative to on-SMWDVHs, firms owned by Black Americans were awarded less prime contracts with Mecklenburg County To the extent that public contract success is proportional to prior experience as a prime contractor, this suggests that any public contracting success disparities between non-SMWDVHs, and SMWDVHs that are certified minority business enterprises, and owned by Black Americans may reflect past constraints on public contract success if current public contracting success is correlated with the experience gained from past public contracting success.



## Table 41: Ordinal Logit Parameter Estimates (Odds Ratio):

SMWDVH Status and Number of Mecklenburg Co. Prime Contracts Awarded In Mecklenburg County Market Area

	Coefficient	P-value
Regressand: # of Mecklenburg Co. prime		
contracts awarded 1/1/15 - 6/30/19		
Owner has more than 20 years experience:	1.3400	0.2187
More than 10 employees	0.9635	0.9022
Owner has a baccalaureate degree	0.9887	0.9653
Firm gross revenue greater than 1.5 million	1.4012	0.6072
Firm Bonding limit greater than 1.5 million	1.5884	0.5705
Financing is a barrier for securing Mecklenburg	1.8633	0.0300
Co. projects		
Firm is in the construction sector	1.6749	0.1631
Firm is qualified to do business with	0.7995	0.3958
Mecklenburg Co.		
Firm is registered to do business with	1.4943	0.1391
Mecklenburg Co.		
Firm is willing/able prime contractor for	1.9450	0.0217
Mecklenburg Co.		
Firm is a certified minority business enterprise	0.7065	0.0821
Firm is a certified Female enterprise	0.7333	0.3175
Firm is a certified disadvantaged business	0.8623	0.6721
enterprise		
Firm is a certified small business enterprise	1.4145	0.2762
Firm is a historically underutilized business	1.0822	0.7965
enterprise		
Firm is veteran-owned business enterprise	1.0605	0.8542
Number of Observations	330	
Pseudo R <sup>2</sup>	0.0263	



## Table 42: Ordinal Logit Parameter Estimates (Odds Ratio):

Owner Racial/Ethnic Status and Number of Mecklenburg Co. Prime Contracts Awarded In Mecklenburg County Market Area

	Coefficient	P-value
<i>Regressand</i> : # of Mecklenburg Co. prime		
contracts awarded 1/1/15 - 6/30/19		
Owner has more than 20 years experience	1.3609	0.2057
More than 10 employees	0.9437	0.8463
Owner has a baccalaureate degree	1.0050	0.9856
Firm gross revenue greater than 1.5 million	1.5003	0.5401
Firm Bonding limit greater than 1.5 million	1.4867	0.6398
Financing is a barrier for securing Mecklenburg	1.5419	0.1341
Co. projects		
Firm is in the construction sector	1.6489	0.1833
Firm is qualified to do business with	0.8840	0.6338
Mecklenburg Co.		
Firm is registered to do business with	1.3475	0.2907
Mecklenburg Co.		
Firm is willing/able prime contractor for	1.8601	0.0338
Mecklenburg Co.		
Firm is Black American-owned	0.9608	0.0916
Firm is Hispanic American-owned	1.4526	0.5285
Firm is Subcontinent Asian American-owned	1.0000	
Firm is Asian American-owned	1.0851	0.8931
Firm is American Indian-owned	0.4846	0.0739
Firm is bi/multiracial-owned	1.1138	0.7423
Firm is other race-owned	2.2334	0.3936
Firm is Female-owned	0.7073	0.1515
Number of Observations	330	
Pseudo R <sup>2</sup>	0.0277	

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#### H. SMWDVHs And SubContracting in the Mecklenburg County Market Area

To the extent that submitting and winning public contract bids requires experience, which can also be gained through subcontracting with lead prime firms, SMWDVHs can potentially become more frequent and successful prime contract bidders by acquiring experience as subcontractors. As such, the low-frequency of prime bid submission and lower likelihood of being a prime contractor by SMWDVHs need not be a concern if they are gaining valuable subcontracting experience that will translate into high frequency contract bids and success later. To determin if this is the case in the Mecklenburg County market area, Tables 43-44 report Ordinal Logit BRM parameter estimates where the dependent variable is the number of Mecklenburg County subcontracts awarded to the firm between 2015 - 2018.

The parameter estimates in Table 43 suggest that relative to non-SMWDVHs, certified Female business enterprises won fewer subcontracts with Mecklenburg County, as the estimated odds ratio is less than unity and statistically significant. The parameter results in Table 44 suggest that, relative to on-SMWDVHs, firms owned by Females were awarded less subcontracts with Mecklenburg County. To the extent that public contract success is proportional to prior experience as a subcontractor, this suggests that any public contracting success disparities between non-SMWDVHs, and SMWDVHs that are certified Female business enterprises, and owned by Females may reflect past constraints on public sub-contractind success if current public contracting success is correlated with the experience gained from past public sub-contracting success.

#### Table 43: Ordinal Logit Parameter Estimates (Odds Ratio):

	Coefficient	P-value
Regressand: # of Mecklenburg Co.		
subcontracts awarded 1/1/15 - 6/30/19		
Owner has more than 20 years experience	1.5146	0.1200
More than 10 employees	0.9290	0.8316
Owner has a baccalaureate degree	0.8935	0.6891
Firm gross revenue greater than 1.5 million	2.9671	0.0463
Firm Bonding limit greater than 1.5 million	1.0898	0.9120
Financing is a barrier for securing Mecklenburg	0.9997	0.9993
Co. projects		
Firm is in the construction sector	3.5141	0.0013
Firm is qualified to do business with	0.6733	0.1777
Mecklenburg Co.		
Firm is registered to do business with	1.2857	0.3828
Mecklenburg Co.		
Firm is willing/able subcontractor for	4.0778	0.0001
Mecklenburg Co.		
Firm is a certified minority business enterprise	0.9012	0.7706
Firm is a certified Female enterprise	0.4709	0.0304
Firm is a certified disadvantaged business	1.0229	0.9483
enterprise		
Firm is a certified small business enterprise	1.1286	0.7252
Firm is a historically underutilized business	1.8353	0.0872
enterprise		
Firm is veteran-owned business enterprise	8.5224	0.0000
Number of Observations	330	
Pseudo R <sup>2</sup>	0.0790	

#### SMWDVH Status and Number of Mecklenburg Co. Subcontracts Awarded In Mecklenburg County Market Area



## Table 44: Ordinal Logit Parameter Estimates (Odds Ratio):

Owner Racial/Ethnic Status and Number of Mecklenburg Co. Subcontracts Awarded In Mecklenburg County Market Area

	Coefficient	P-value
Regressand: # of Mecklenburg Co.		
subcontracts awarded 1/1/15 - 6/30/19		
Owner has more than 20 years experience	1.3834	0.2556
More than 10 employees	0.7611	0.4278
Owner has a baccalaureate degree	0.8869	0.6650
Firm gross revenue greater than 1.5 million	2.5735	0.0909
Firm Bonding limit greater than 1.5 million	0.8813	0.8786
Financing is a barrier for securing Mecklenburg	1.0915	0.8194
Co. projects		
Firm is in the construction sector	3.5977	0.0009
Firm is qualified to do business with	0.7361	0.3159
Mecklenburg Co.		
Firm is registered to do business with	1.2231	0.5028
Mecklenburg Co.		
Firm is willing/able subcontractor for	4.5708	0.0001
Mecklenburg Co.		
Firm is Black American-owned	0.7107	0.3233
Firm is Hispanic American-owned	1.8619	0.1714
Firm is Subcontinent Asian American-owned	1.0265	0.1284
Firm is Asian American-owned	1.1138	0.8476
Firm is American Indian-owned	21.9756	0.0000
Firm is bi/multiracial-owned	2.3672	0.4129
Firm is other race-owned	3.0789	0.0716
Firm is Female-owned	0.5275	0.0199
Number of Observations	330	
Pseudo R <sup>2</sup>	0.0994	

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Given the apparent heterogeneity in the effects of race/ethnicity stastus on the number of prime contracts and subcontracts awarded in Tables 41-44, Tables 45-46 report Logit parameter estimates where the dependent variable is whether the firm "never" served as prime contractor or subcontractor for Mecklenburg County. The results in Table 45 suggest that small and veteran-owned business enterprises are less likely to have never served as a subcontractor or prime contractor with Mecklenburg County. Fir the remaining broad certification of non-SMWDVHSs, there are no statistically significant differences between them an non-SMWDVHs. The results in Table 46 suggest that relative to non-SMWDVHs, firms owned by Black Americans and American Indians, are more likely to have never received either Mecklenburg County prime contracts or subcontracts, as the estimated odds ratio is less than unity and



statistically significant. This is suggestive of disparities in contracting and sub-contracting with Mecklenburg County between non-SMWDVHs, and those firms owned by Black Americans, and American Indians being driven by discrimination on the basis of race/ethnicity.

#### Table 45: Logit Parameter Estimates (Odds Ratio):

SMWDVH Status and Never Serving as Contractor/Subcontractor In Mecklenburg County Market Area

	Coefficient	P-Value
Regressand: Served as neither		
contractor/subcontractor on contract since		
1/1/15		
Owner has more than 20 years experience	1.2229	0.4791
More than 10 employees	0.7947	0.5009
Owner has a baccalaureate degree	0.9044	0.7151
Firm gross revenue greater than 1.5 million	0.6027	0.3525
Firm Bonding limit greater than 1.5 million	0.9815	0.0000
Financing is a barrier for securing Mecklenburg	0.6327	0.3965
Co. projects		
Firm is in the construction sector	0.0699	0.0104
Firm is qualified to do business with	0.5548	0.2000
Mecklenburg Co.		
Firm is registered to do business with	1.6750	0.2360
Mecklenburg Co.		
Firm is willing/able prime contractor for	1.1249	0.8008
Mecklenburg Co.		
Firm is willing/able subcontractor for	0.2464	0.0120
Mecklenburg Co.		
Firm is a certified minority business enterprise	1.1972	0.6732
Firm is a certified Female enterprise	0.9060	0.7803
Firm is a certified disadvantaged business	1.0974	0.8652
enterprise		
Firm is a certified small business enterprise	0.5653	0.0707
Firm is a historically underutilized business	0.6235	0.2827
enterprise		
Firm is veteran-owned business enterprise	0.8614	0.0000
Number of Observations	330	
Pseudo R <sup>2</sup>	0.1632	


# Table 46: Logit Parameter Estimates (Odds Ratio):

Owner Racial/Ethnic Status and Never Serving as Contractor/Subcontractor In Mecklenburg County Market Area

	Coefficient	P-value
<i>Regressand:</i> Served as neither		
contractor/subcontractor on contract since		
1/1/15		
Owner has more than 20 years experience	1.3664	0.2806
More than 10 employees	1.0114	0.9726
Owner has a baccalaureate degree	0.8930	0.6870
Firm gross revenue greater than 1.5 million	0.7500	0.6135
Firm Bonding limit greater than 1.5 million	0.9317	0.0000
Financing is a barrier for securing Mecklenburg	0.4307	0.1179
Co. projects		
Firm is in the construction sector	0.0621	0.0070
Firm is qualified to do business with	0.5240	0.1816
Mecklenburg Co.		
Firm is registered to do business with	1.5275	0.3597
Mecklenburg Co.		
Firm is willing/able prime contractor for	0.9914	0.9847
Mecklenburg Co.		
Firm is willing/able subcontractor for	0.1908	0.0027
Mecklenburg Co.		
Firm is Black American-owned	2.0417	0.0399
Firm is Hispanic American-owned	0.7322	0.6582
Firm is Subcontinent Asian American-owned	1.0000	•
Firm is Asian American-owned	0.7859	0.7682
Firm is American Indian-owned	1.138	0.0000
Firm is bi/multiracial-owned	1.9968	0.6344
Firm is other race-owned	1.2238	0.8254
Firm is Female-owned	1.1964	0.5120
Number of Observations	330	
Pseudo R <sup>2</sup>	0.1613	



# I. SMWDVHs, Private Sector Contracting, and Perceived Discrimination in the Mecklenburg County Market Area

As the parameter results in Table 46 are suggestive of discrimination against firms owned by Black Americans and American Indians, in securing prime contracts and subcontracts with Mecklenburg County, Tables 47-50 explore if SMWDVHs face discrimination in the private sector with respect to contract size, and if firms perceive they have been discriminated against. Tables 47-48 report Ordinal Logit parameter estimates where the dependent variable is the size of the contract awarded from the private sector. Tables 49-50 report Logit parameter estimates where the binary dependent variable is whether the firm experienced discrimination in the private sector.

The parameter estimates in Table 47 suggest that relative to non-SMWDVHs, small business enterprises, historically underutilized business enterprises, and veteran-owned business enterprises secure larger contracts from the private sector. To the extent that success in securing private sector contracts builds capacity for success in securing public sector contracts, this suggests that any disparities between non-SMWDVHs and SMWDVHs certified as small, historically underutilized or veteran-owned in public contracting success in Mecklenburg County cannot be explained on the basis of any differential private contracting capacity. The parameter estimates in Table 48 suggest that SMWDVHs, this relative lack of success in securing large private sector contracts also appears to be true for firms owned by Females, as relative to non-SMWDVHs, they secure smaller private sector contracts.

To the extent that perceptions of discrimination correlate positively with actual discrimination in the private sector, the parameter estimates in Table 49 suggest that relative to non-SMWDVHs, minority and disadvantaged business enterprises are more likely to have experienced discrimination in the private sector, as the odds ratio is greater than unity and statistically significant in that instance. For SMWDVHs owned by Black Americans, Hispanics, and American Indians, this seem to be particularly the case, as the estimated odds ratio in Table 49 is greater than unity and statistically significant in these instances. To the extent that private sector discrimination undermines the capacity of minority and disadvantaged business enterprises, and those firms owned by Black Americans, Hispanics, and Statistically of minority and disadvantaged business enterprises, and those firms owned by Black Americans, Hispanics, and American Indian , this could be a source of disparities in public contracting between firms owned by SMWDVHs and non-SMWDVHs.



## Table 47: Ordinal Logit Parameter Estimates (Odds Ratio):

SMWDVH Status and Largest Contract Awarded In Mecklenburg County Market Area

	Coefficient	P-value
Regressand: Largest single contract awarded		
since 1/1/15		
Owner has more than 20 years experience	1.3487	0.1241
More than 10 employees: Binary	4.1014	0.0000
Owner has a baccalaureate degree	1.3824	0.1069
Firm gross revenue greater than 1.5 million	2.7177	0.0083
Firm Bonding limit greater than 1.5 million	9.7825	0.0000
Financing is a barrier for securing Mecklenburg	0.8615	0.6334
Co. projects		
Firm is in the construction sector	2.1369	0.0017
Firm is qualified to do business with	1.2005	0.6148
Mecklenburg Co.		
Firm is registered to do business with	1.5531	0.1553
Mecklenburg Co.		
Firm is willing/able prime contractor for	1.4510	0.2720
Mecklenburg Co.		
Firm is willing/able subcontractor for	2.3010	0.0433
Mecklenburg Co.		
Firm is a certified minority business enterprise	0.6741	0.1398
Firm is a certified Female enterprise	0.7238	0.1652
Firm is a certified disadvantaged business	0.8140	0.5238
enterprise		
Firm is a certified small business enterprise	1.7295	0.0246
Firm is a historically underutilized business	1.8858	0.0145
enterprise		
Firm is veteran-owned business enterprise	5.2243	0.0000
Number of Observations	330	
Pseudo R <sup>2</sup>	0.1253	



# Table 48: Ordinal Logit Parameter Estimates (Odds Ratio):

SMWDVH Status and Largest Contract Awarded In Mecklenburg County Market Area

	Coefficient	P-value
Regressand: Largest single contract awarded		
since 1/1/15		
Owner has more than 20 years experience	1.2452	0.2649
More than 10 employees	2.9858	0.0003
Owner has a baccalaureate degree	1.3117	0.1804
Firm gross revenue greater than 1.5 million	2.2496	0.0254
Firm Bonding limit greater than 1.5 million	9.9549	0.0000
Financing is a barrier for securing Mecklenburg	1.0031	0.9920
Co. projects		
Firm is in the construction sector	2.0352	0.0034
Firm is qualified to do business with	1.3137	0.4700
Mecklenburg Co.		
Firm is registered to do business with	1.4744	0.2618
Mecklenburg Co.		
Firm is willing/able prime contractor for	1.5770	0.1515
Mecklenburg Co.		
Firm is willing/able subcontractor for	3.1693	0.0083
Mecklenburg Co.		
Firm is Black American-owned	0.4982	0.0089
Firm is Hispanic American-owned	1.1328	0.7322
Firm is Subcontinent Asian American-owned	1.0000	
Firm is Asian American-owned	0.6907	0.4767
Firm is American Indian-owned	0.4999	0.1623
Firm is bi/multiracial-owned	1.3335	0.3397
Firm is other race-owned	0.3620	0.2878
Firm is Female-owned	0.6238	0.0197
Number of Observations	330	
Pseudo R <sup>2</sup>	0.1242	



# Table 49: Logit Parameter Estimates (Odds Ratio):

SMWDVH Status and Private Sector Discrimination In Mecklenburg County Market Area

	Coefficient	P-value		
<i>Regressand</i> : Firm experienced private sector				
discrimination				
Owner has more than 20 years experience	1.0353	0.9388		
More than 10 employees	0.5792	0.3573		
Owner has a baccalaureate degree	1.6473	0.2163		
Firm gross revenue greater than 1.5 million	0.4073	0.3084		
Firm Bonding limit greater than 1.5 million	1.2974	0.7533		
Financing is a barrier for securing Mecklenburg	2.3099	0.1204		
Co. projects				
Firm is in the construction sector	2.6233	0.0616		
Firm is qualified to do business with	0.2562	0.0390		
Mecklenburg Co.				
Firm is registered to do business with	1.5601	0.5439		
Mecklenburg Co.				
Firm is willing/able subcontractor for	6.4264	0.0083		
Mecklenburg Co.				
Firm is a certified minority business enterprise	2.9172	0.0937		
Firm is a certified Female enterprise	0.3298	0.0225		
Firm is a certified disadvantaged business	2.4268	0.0664		
enterprise				
Firm is a certified small business enterprise	0.7387	0.5827		
Firm is a historically underutilized business	2.8253 0.1231			
enterprise				
Firm is veteran-owned business enterprise	0.9614	0.0000		
Number of Observations	330			
Pseudo R <sup>2</sup>	0.2355			



# Table 50: Logit Parameter Estimates (Odds Ratio):

Owner Racial/Ethnic Status and Private Sector Discrimination In Mecklenburg County Market Area

	Coefficient	P-value
<i>Regressand</i> : Firm experienced private sector		
discrimination		
Owner has more than 20 years experience	1.3496	0.4879
More than 10 employees	0.6826	0.5066
Owner has a baccalaureate degree	1.8841	0.1246
Firm gross revenue greater than 1.5 million	0.3625	0.1391
Firm Bonding limit greater than 1.5 million	1.1004	0.8958
Financing is a barrier for securing Mecklenburg	1.9127	0.1924
Co. projects		
Firm is in the construction sector	3.3788	0.0267
Firm is qualified to do business with	0.4205	0.1656
Mecklenburg Co.		
Firm is registered to do business with	1.3326	0.6640
Mecklenburg Co.		
Firm is willing/able subcontractor for	2.9885	0.1179
Mecklenburg Co.		
Firm is Black American-owned	8.9882	0.0002
Firm is Hispanic American-owned	10.5935	0.0013
Firm is Subcontinent Asian American-owned	1.0138	0.1384
Firm is Asian American-owned	5.1888	0.1913
Firm is American Indian-owned	19.8069	0.0121
Firm is bi/multiracial-owned	0.0000	0.0000
Firm is other race-owned	5.9239	0.2018
Firm is Female-owned	0.7625	0.5172
Number of Observations	330	
Pseudo R <sup>2</sup>	0.2008	



## J. The Perceived Role of Informal Contracting Networks

Access to informal networks matter for success in a wide variety of economic outcomes.<sup>64</sup> Public contracting outcomes could also be conditioned on a firm's access to informal networks that have advantages—due to say experience, political capital, insider knowledge—that are proportional to success in public contracting. If for example, informal networks are have a monopoly or dominate public contracting in Mecklenburg County, and these networks exclude non-Caucasians, firm owned by non-Caucasians could be disadvantage with respect to competing for, and winning public contracts with Mecklenburg County. In Tables 51-52, we estimate the effects of being an SMWDVH on the perception that informal networks dominate/monopolize public contracting in Mecklenburg County.

The parameter estimates in Table 51 suggest that relative to non-SMWDVHs, certified minority and disadvantaged, business enterprises are more likely to perceive that contracting in Mecklenburg County is monopolized/dominated by informal networks, as the odds ratio is greater than unity and statistically significant in this instance. Disaggregating by race and gender, the parameter estimates in Table 52 suggest that firms owned by Black Americans, and Subcontinent asians are more likely to perceive that contracting in Mecklenburg County is monopolized/dominated by informal networks, as the odds ratio is greater than unity and statistically significant in these instances. To the extent this perception of networks determining public contracting success in Mecklenburg County drives actual behavior, it could potentially be a constraint on the number of bids submitted by SMWDVHs, and a possible driver of disparities between SMWDVHs that are certified as minority/disadvantages, owned by Black Americans and Subcontinent asians, and non-SMWDVHs in actual awards if contract success is proportional to bidding.

<sup>&</sup>lt;sup>64</sup> See: Gail M. McGuire, 2002.. "Gender, race, and the shadow structure: A study of informal networks and inequality in a work organization." *Gender & Society*, 16: pp. 303 - 322.

# Table 51: Logit Parameter Estimates (Odds Ratio):

## SMWDVH Status and Informal Networks In Mecklenburg County Market Area

	Coefficient	P-value
Regressand: There is an informal network that		
enables business with Mecklenburg Co.		
Owner has more than 20 years experience	0.7235	0.2086
More than 10 employees	0.4735	0.0207
Owner has a baccalaureate degree	0.8979	0.6727
Firm gross revenue greater than 1.5 million	0.4847	0.1650
Firm Bonding limit greater than 1.5 million	1.2646	0.7268
Financing is a barrier for securing Mecklenburg	1.1773	0.7181
Co. projects		
Firm is in the construction sector	1.2586	0.5513
Firm is qualified to do business with	1.0845	0.8621
Mecklenburg Co.		
Firm is registered to do business with	0.9225	0.8460
Mecklenburg Co.		
Firm is willing/able subcontractor for	2.6801	0.0583
Mecklenburg Co.		
Firm is a certified minority business enterprise	2.3092	0.0211
Firm is a certified Female enterprise	1.2315	0.5252
Firm is a certified disadvantaged business	2.5067	0.0362
enterprise		
Firm is a certified small business enterprise	0.8617	0.6420
Firm is a historically underutilized business	1.1394	0.7145
enterprise		
Firm is veteran-owned business enterprise	0.8974	0.0000
Number of Observations	330	
Pseudo R <sup>2</sup>	0.1394	



# Table 52: Logit Parameter Estimates (Odds Ratio):

SMWDVH Status and Informal Networks In Mecklenburg County Market Area

	Coefficient	P-value		
<i>Regressand</i> : There is an informal network that				
enables business with Mecklenburg Co.				
Owner has more than 20 years experience	1.0728	0.7977		
More than 10 employees	0.5182	0.0402		
Owner has a baccalaureate degree	1.0405	0.8821		
Firm gross revenue greater than 1.5 million	0.6206	0.3373		
Firm Bonding limit greater than 1.5 million	1.2432	0.7569		
Financing is a barrier for securing Mecklenburg	1.0034	0.9945		
Co. projects				
Firm is in the construction sector	1.6310	0.2123		
Firm is qualified to do business with	1.0593	0.9095		
Mecklenburg Co.				
Firm is registered to do business with	0.8384	0.7019		
Mecklenburg Co.				
Firm is willing/able subcontractor for	2.1402	0.1718		
Mecklenburg Co.				
Firm is Black American-owned	6.5670	0.0000		
Firm is Hispanic American-owned	1.4966	0.4635		
Firm is Subcontinent Asian American-owned	1.1381	0.0741		
Firm is Asian American-owned	2.5659	0.2389		
Firm is American Indian-owned	1.4237	0.7991		
Firm is bi/multiracial-owned	1.3050	0.8138		
Firm is other race-owned	0.3928	0.4000		
Firm is Female-owned	1.4848	0.1409		
Number of Observations	330			
Pseudo R <sup>2</sup>	0.1772			



#### K. Conclusion

GSPC's analysis of disparities in public contracting and subcontracting outcomes in Mecklenburg County aimed to provide some policy relevant insight to observed unconditional disparity indices. A descriptive private sector analysis of the Mecklenburg County market area private sector revealed that in general, being an SMWDVH in the Mecklenburg County market area is associated with lower firm revenue, and is far below their market firm share, which lends some support to the "but-for" justification for affirmative action in public procurement. Lower revenues for SMWDVHs and lower self-employment rates for ethnic and racial minorities in the Mecklenburg County market area are suggestive of private sector discrimination that undermines their capacity to compete with non-MWBE owned firms for public contracting opportunities. In this context, the regression results reported in Tables 37-50 provides specific detail on which particular SMWDVHs in the broad Mecklenburg County market area are potentially constrained by private sector discrimination that translate into a diminished capacity to compete successfully for public contracts with Mecklenburg County. The parameters estimates from the GSPC sample suggest that in most instances, at least a nontrivial subset of SMWDVHs are particularly harmed by private sector discrimination and/or face diminished odds of public contracting and subcontrating success with Mecklenburg County.

The results of the GSPC disparity analysis provide a framework to rationalize observed disparities in public contracting outcomes/success with Mecklenburg County between SMWDVHs and non-SMWDVHs in the Mecklenburg County market area. Our regression analysis suggests that any observed disparities in public contracting outcomes between SMWDVHs and non-SMWDVHs are not explained by differential capacities for public contracting success with Mecklenburg County. Our regression specifications control for firm public contracting capacity by including measures for the education level of the firm owner, the age and market tenure of the firm, the size of the firm with respect to the number of employees and revenues, firm bonding capacity, willingness and ability to do business with Mecklenburg County, and firm financial standing. This inclusion of these control covariates in our regression specifications permit an assessment of public contracting success/failure conditional on SMWDVH and non-SMWDVH public contracting capacity. The existence of public contracting success disparities between SMWDVHs and non-SMWDVHs-particularly when considering the racial/ethnic status of owners-even after controlling for capacity suggests that relative to non-SMWDVHs, SMWDVHs face barriers independent of their capacityor their ability-in securing public contracts with Mecklenburg County. Perhaps most indicative of disparities in public contracting at Mecklenburg County, our results suggest that the likelihood of SMWDVHs certified as a minority business enterprise and owned by Black Americans and American Indians of never receiing a prime contract with Mecklenburg County was higher relative to non-SMWDVHs over the time period under consideration in our analysis. Similar results were found with respect to subcontracting on Mecklenburg County contracts. In this context, and coupled with our findings of perceived discrimination being higher for firm owners who are racial/ethnic minorities, our results are also consistent with disparities in winning prime contracts with Mecklenburg County being driven by discrimination against SMWDVHs.



# VII. ANECDOTAL EVIDENCE OF DISCRIMINATION

#### A. Introduction

This chapter of the Disparity Study offers anecdotal evidence to support the overall findings of the Study from an analysis of the opinions, viewpoints, experiences, beliefs and perspectives of business owners, community organizations, and other stakeholders in the greater Charlotte/Mecklenburg County metropolitan area. These business owners interact commercially with the Mecklenburg County government ("County") and within its borders and jurisdiction. GSPC utilized a variety of methods to collect qualitative data by engaging a wide spectrum of individuals to participate in the Study and by providing multiple layers of evidence gathering to track frequently occurring responses. This process began by conducting an informational meeting to educate community members on the Study's role and methods. Next, the Study team invited stakeholders to participate in a variety of forums, including an online survey, multiple focus groups, one-on-one interviews, meetings with area industry organizations, email commentary solicitation, and a pair of virtual public hearings.

It should be noted that in many cases, the expressions of the interviewees may not comport with the policies, procedures, and practices of Mecklenburg County and may not include acknowledgements of programs already in place with the County. Although GSPC encourages the reader to review the policy chapter of this study, anecdotal evidence represents the valid perceptions of those giving evidence.

The Study team found anecdotal evidence of waning outreach to potential County vendors seeking to bid on public contracts, as well as belief that an informal network hindered firms new to the area from doing business in the area and concerns about discriminatory practices with County agencies.

The Study team randomly selected a diverse group of local vendors and businesses to take part in 30- to 60minute interviews in person or over the phone. Email commentary was collected through the duration of the Study, and GSPC created an Online Survey of Business Owners that was distributed widely throughout the area requesting feedback about both anecdotal and demographic experiences. A pair of focus groups were convened by the Study team to draw from discussions about working with County agencies. And members of several community and/or industry organizations were interviewed to gain insight on the general business environment in Mecklenburg County and the surrounding metropolitan area. Finally, the Study team conducted four public hearings – two live and two virtual – that were widely publicized via press releases to area media, email blasts, social media and the Study website with the goal of the online public hearings being to adhere to safe social distancing practices recommended by state and federal governments during the onset of the coronavirus crisis.

The following is an amalgamation of the feedback GSPC received from the various methods of information gathering, arranged by subject matter and type of analysis. It should be noted again that these are the



experiences and perceptions of the commenter but may not align with Mecklenburg County's policies or practices.

#### **B.** Anecdotal Interviews

The Study team pulled from a random sample of business owners operating within the Mecklenburg County area to select thirty (30) to interview. The interviewees represented a broad assortment of business types and demographics representing the Greater Charlotte/Mecklenburg County area. The demographic breakdown of interview subjects went as follows: five (5) American Indian owned businesses, five (5) Hispanic owned businesses, six (6) Black owned businesses, six (6) non-minority Female-owned businesses, five (5) Asian owned businesses, and three (3) non-minority male owned businesses. Participating business segments included publishing, construction, real estate, media, change management, apparel, marketing, architecture, logistics, automotive, landscaping, retail, engineering, and manufacturing. Through each of the interviews a variety of topics were covered, but the following narrative represents themes that were common among the interview subjects.

#### 1. Outreach and Visibility

Many of the interviewees indicated some degree of scarcity of information regarding either the bidding opportunities from the County Procurement Office or access to the Minority/Female Business Enterprise Office.

In the GSPC Survey of Business Owners ("Survey")<sup>65</sup>, of 330 vendors or potential vendors, more than 15% said they either were not registered. Of that unregistered number, more than 33% said they did not know how to register to do business with the County. That includes more than 43% of Female-owned firms and 16.7% each of both Black-owned and Nonminority owned businesses. Some 45% of those unregistered vendors told the Survey they were not even aware that there was a registry for working with the County. Nearly 16% of all Survey respondents said limited knowledge of purchasing and contracting policies and procedures prevented them from bidding on work with the County.

Often, however, Study participants drew a stark contrast between outreach from the County and corresponding opportunities from the City of Charlotte.

The co-owner of Asian female business AI-19 said, "the City proactively sought to cultivate a relationship with our company," while conversely, Mecklenburg County did no outreach and was extremely hard to

<sup>&</sup>lt;sup>65</sup> The GSPC Survey of Business Owners was sent out to a broad groups of vendors in the Mecklenburg County Marketplace. It was also available to firms on the Study website. Three hundred thirty (330) firms responded. All references to in this Chapter about the Survey reference this GSPC Survey of Business Owners and all table references are to the tables in the Survey of Business Owners attached hereto as Appendix G.



reach. He noted on the day of his interview that while the City of Charlotte posted 20 bid opportunities, the County advertised only two.

American Indian general contractor AI-9 pointed to the County bidding process as cumbersome with bid proposals sometimes up to 800 pages long. "They should have a defined package for clarity," he said.

Along with AI-9, AI-14 noticed a decline in the level of availability of opportunities and County officials to help with the bidding process over a five-year period. Landscaper AI-18 said the "staff tends to hide behind an email, and they do not have a sense of urgency to conduct business."

Other businesses simply characterized County staffers who might work with them to submit bids as out of reach. AI-18, AI-11, AI-15, AI-19, and AI-13 all said they had difficult times just getting in touch with someone to do business with the County. The Mecklenburg County office was "difficult to communicate with because the staff members did not interact with me and only gave me a piece of paper to complete," said AI-11, the non-minority female architect. "They aren't easy to contact," AI-18 said of County officials.

More than that, however, more than a third of the participants signaled that they just did not know how to do business with the County. AI-21, AI-30, AI-16, AI-25, AI-20, AI-28, AI-3, AI-19, AI-4, AI-24, AI-15, and AI-29 said they needed to know more about how to submit bids, become certified as a Disadvantaged Business Enterprise, or even just get on the County's radar. "They should provide some kind of class on how to do business with the County," grocer AI-29 said. Or, as AI-24 said, "The County should design an online booklet about 'How to Do Business with the County."

There were 146 vendors who told the Study Survey they were not certified as a Small, Minority, Female, or Disadvantaged Business Enterprise, or as a North Carolina Historically Underutilized Business. More than 29% said they did not understand the certification process. Of that number, 60% were Black and about 34% were Female. Also, 20% of the uncertified vendors said they did not understand how certification could help them.

Not all the participants found the County so hard to contact for bid information, however. American Indian engineering consultant AI-7 said he has a good working relationship with the County. "They are helpful," he said. AI-14, a commercial real estate professional, said he did not have a problem getting negotiating County rules of engagement. "Mecklenburg County is good about informing companies what they can and cannot do," he said.

#### 2. Informal Networks

Informal networks go beyond building relationships. At best, informal networks operate to favor the same firms because they are a known entity or have done work for the agency before and at worst, operate as a



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back channel that provides information and preference to the same firms. In both cases, they exclude the entrance of new firms into doing business with a public agency. In the private sector, firms can legitimately and exclusively use the same firms over and over, but with public money, that is not a permissible practice because it feeds a continuing practice of exclusion of underutilized tax paying populations.

Some business owners not native to Mecklenburg County and the Charlotte metropolitan area identified obstacles being accepted into the commercial ecosystem. They said there was an unspoken system in place that kept those who were not familiar on the fringes of business relationships in the way of an informal network hostile to outsiders.

"Charlotte business owners still view their city as a small town," said AI-13, a non-minority entrepreneur who focuses on business improvement. "So, they do business with people they know."

Better than 43% of Survey respondents said they believed an informal network of Prime and subcontractors monopolized the public contracting process with the County. Of that number, Black participants were the most to respond in the affirmative, at more than 76 percent. Females followed at nearly 36 percent. And nearly 47% of respondents either agreed or strongly agreed with the statement, "my company's exclusion from this informal network has prevented us from winning contracts with Mecklenburg County."

AI-10 said the so-called "Good Ole' Boy Network in the Mecklenburg County area surpasses the trappings race, gender, or ethnicity, however. It "does not have to be white or Caucasian, but more political oriented—like knowing the mayor or a city council member," said the Black specialty retailer.

While African America media company owner AI-12 was able to make inroads with advertisement from the Mecklenburg County Sheriff's Office and Health Department, she said the rest of the County agencies were not so accommodating in comparison to other ad sellers. "It's harder to develop partnerships with other departments because (our) staff has to get to know the decision makers," she said.

Letting someone new into the network is a tall order, AI-19 said. "When agencies and organizations change vendors, it means that someone must stick their neck out because it is much easier to maintain the status quo," he said.

AI-13 said the Charlotte marketplace is difficult to do business in "because it takes from 18 months to three years to develop business relationships and get a 'yes.'" He went on to say that one had to be from Charlotte to be successful. "I was told by one potential customer that he was don going to do business with me because I was not from Charlotte."

AI-10 said this marketplace was no different than any other. "No matter where your company is based, it is the same old story," he said. "You have to know somebody in order to get ahead."



#### 3. Discrimination from Different Perspectives

Study participants identified accounts of discrimination from different points of view. With diverse perspectives in play, there are a variety of individuals who do not believe the marketplace is fair.

In the Study Survey, 24.7% of Black Americans believed they experienced discriminatory behavior from the private sector in the past four years. In that same time, 9% of Black Americans believed they experienced racial, gender or ethnicity-based discrimination "often." Another roughly 3% said they had experienced the same kind of discrimination "very often." According to the Survey, more than 28% of Black Americans agree, and about 26% strongly agree with the statement that "double standards in qualifications and work performance make it more difficult for minority and Female-owned businesses to win bds or contracts." To this same statement, nearly 18% of Females agree and another 6% strongly agree; 6.6% of Nonminorities either agree or strongly agree.

AI-18 said it is unfair that Mecklenburg County hires his company to work then requires them to have minority participation. "I'm discriminated against when I'm told I must have minority participation on a project or I will not get the contract," he said. "The County has a different set of expectations for a less qualified company then they do for a company like mine that has a lot of experience. I think the days of getting preferential treatment should be over."

Both AI-23 and AI-12 depend on advertising dollars to drive their respective businesses. The two companies, however, encounter obstacles because of their audience. AI-12 caters to Black Americans, but says she struggles to sell ads come Mecklenburg County agencies, as well as to Charlotte area corporations. "Corporations do not want to buy advertising from an urban radio company whose target audience is Black," she said. "They don't weigh Black value or economic ability as high as that of their neighbors or the people they work with."

AI-23 caters to a Hip-Hop audience – which often is made up of Black Americans – and said he gets frustrated when companies snub his long-running online publication for ad space. "I was upset when I saw new white owned publications with corporate content begin to come into the area and receive ad dollars where my publication did not," he said.

AI-12 said Mecklenburg County officials contract with a third-party advertising agency to handle Request for Proposals on ad buys "because the third party won't contact us." And she added, "some businesses are mandated not to purchase Black radio."



#### C. Public Hearings

GSPC held four (4) public hearings. Two were live, and two were conducted virtually to allow participants to safely observe social distancing guidelines established by state and local authorities to protect against COVID-19. At each hearing, a representative of GSPC introduced the Study and outlined the purpose of the meeting before opening the floor for attendees to speak. In these forums, GSPC does not respond to comments or answer questions except to clarify items for the record as to avoid influencing anyone's perspectives.

In total, 34 local business owners or area stakeholders attended one of the four hearings. The first hearing was held Feb. 5, 2020, at the Goodwill Opportunity Campus in Charlotte, and was attended by five (5) individuals. The second meeting took place on Feb. 7, 2020, at the Judge Clifton E. Johnson Mecklenburg County Building in Charlotte where two (2) attendees were recorded. On April 2, 2020, 22 people attended the public hearing via virtual online connection. There were five (5) participants at the public online hearing on April 4, 2020. All the vendors in the Study team's database were sent invitations via email blast and press releases were distributed in the community and to local civic and trade organizations to solicit their participation. Because a transcript was produced, each participant who spoke was asked to state his or her name for the record. At each meeting, the Study team listened to a collection of business advocacy organizations and businesses who offered specific ideas and opinions about Mecklenburg County's business programming and barriers to participation, and ways to improve both.

PH-8 sells and markets natural men's grooming products and a crystal healing product, and said she is interested in getting into manufacturing. She said she was interested in Mecklenburg County present an "outlier approach to contracting." She said, particularly for those individuals considering going into business for themselves, not everyone is going to be into construction or landscaping, to give examples she said the County procurement office tends to cater to. "We're more than the usual businesses they always show." PH-8 said she was nervous about speaking during the public hearing because she did not have any minority certifications with the County or with the City. But she said she was eager to learn about improving her business prospects. "I would like to see for (County officials) to have more classes, but reach outside of construction," she said. "Have mentors who can give us information or walk us through what is needed to be successful. Or maybe give us a projection of our potential as an SBE or MBE."

Professional services consulting firm owner PH-16 applauded Mecklenburg County for regularly sending email notifications regarding contracting opportunities.

s. "The County does a great job," she said, acknowledging the work of the Female who runs the M/WBE office. "One day a week she'll send out things that are going on, activities and events that are going on in the County, which are great." However, H-16 said that too often those opportunities are for large jobs or construction jobs that do not align with the scope of her firm's work. "I get solicitations for things that I don't even do," she said. "My company primarily is not in construction, so you don't hear about those services contracts as much." PH-16 said the County could improve on, "how you notify the community about



particular service contracts in order for me to compete in that marketplace. When you're trying to find RFPs and RFQs, they're always larger things. But I know that the County is purchasing smaller contracts, they aren't advertising."

Glass and aluminum manufacturing owner PH-1 said although he appreciated the work County officials did to alert him of new opportunities, but he still had one problem. "When I have an issue with a contractor, it's hard to get any information back from the County," said. "It's like I've been thrown out there to the wolves." He said the County was eager to call him with a general or prime contractor needed a minority firm to fill a quota. But when those same contractors get paid by the County and do not pay him on time, County officials cannot be found. "We're looking for the County help get more involved in issues like that," he said.

Landscaping company owner PH-6 said it concerned her that she does not see as many Females working in more skilled roles in construction. "If you go to a pre-bid meeting or a bid opening, it is still very common to see there are no Females in the room except for the engineer or the owner," she said. PH-6 also shared PH-1's thoughts that the County need to do a better job of making sure General contractors and prime contractors paid subcontractors. "I would like to see more accountability with the primes," she said.

Female-owned architecture firm PH-14 said she believes opportunities typically go to larger, more established firms that regularly work with the Prime Contractor on a given project. "Big firms who have been doing business a long time with the County, they're the ones that are going to get the work," she said. "I don't necessarily feel discriminated against because I'm a Female. It's just being a small business. It's just getting started, no matter what race, creed or whatever you are. And in my work in constructions ... it's called familiarity bias. That just goes on." PH-14's belief is reflected in the Survey results pointing to nearly 22% of respondents who count unfair competition with large firms as a barrier to doing business with the County.

PH-11 is a minority engineer who typically works as a prime consultant with the City of Charlotte. He said he recently discovered that if he tries to bid on a project as a prime, he loses a portion of his minority certification. "I have to look for a minority owned, or a Female owned business to make up the percentage to qualify," he said.

Construction firm owner PH-3 said he was looking for a way to connect with an opportunity without having to bid. "We'd prefer to work on an opportunity where there is some informal stuff," he said. "Where they don't put it out to traditional bid." He said his challenge was finding points of access where the structure falls just under the larger price points that require solicitation. "That's the sweet spot," he said.

IT consultant PH-5 said it is good to see that the County keeps contract opportunities available for contract workers. But most of the jobs involve construction or something similar, leaving her with few options. "I'm in IT," she said. "I'd like to see more of those opportunities being published." She recommended that County officials followed the lead of North Carolina HUB officials who periodically arrange meet and greets



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between contractors and agencies who might be looking to pair with skilled professionals. "We should meet the purchaser or meet the decision makers so that those introductions can be made," she said.

PH-17 has not bid directly with the County on any projects, but believes her architectural services company is often overlooked by General Contractors who already have an established team to do the work she does. "I believe there have been (outreach) events, but I'm not sure if the big companies attend them," she said. "I have the feeling that they sometimes send somebody just to have a presence, but not really taking it seriously because they are set. They've already set their vendor ... or their contractor is not going to look for us because they already are set with whatever team they have." PH-17 said the County M/WBE office is good at getting firms certified and getting information about jobs out into the public. But more should be done to accommodate firms that operate outside the scope of construction. "My services are professional and there should be a different approach," she said. "They should probably have a different way to include me or let me be part of the vendors ... to get to bigger firms. I see the opportunities and I don't know where to go."

PH-2 is currently working for the County and wanted to give County officials kudos. "There are some things that the County is doing extremely well," said the career contract worker. "We hear more about contracts … a lot more in the last two years than I have in the last five years that I have been in government contracting." Before that time, she said getting contract information from the County "was like pulling teeth." PH-2 said the County procurement office could improve even more if the staff streamlined the RFP process, offered classes, and better regulated general contractors and prime contractors. "Contractors need to play fair and prime consultants need to pay fair and start letting some of the diverse firms get on these contract opportunities," she said.

PH-13 said the County should create some incentive to encourage General Contractors to work with small or disadvantaged business enterprises. "Otherwise, they're just going to come up with some excuse why they're not going to use us," the electrical services business owner said. "They reach out when they're made to reach out. They're definitely not going to do it on their own. Then, when they do reach out, they're just going through the motions. There's no incentive for them to do different."

When he received his M/WBE certification, PH-7 was disappointed to not receive any more business than he had before. "It's been a little challenging," he said. "Nothing has materialized." He said he spoke with other newly certified business owners who had the same experience. PH-7 wanted to pull other business owners together to work with the County to align them with contractors or potential buyers. "Maybe we could organize some sort of expo or conference," the Black American consulting firm owner said. "We could have these government agencies come and sit down with us. Have a panel discussion and breakout sessions." He said his certification was not easy to come by and he did not want it going to waste.

PH-15 is Female-owned architectural and project management company based in South Carolina. She said a barrier to getting business with the County is breaking into the informal networks established among Prime and General Contractors that work with the County. "Everyone wants to go with the



companies that they know versus a company that may be reputable, especially coming from another city," she said. "But it's still difficult for us to gain work, without having those internal connections and people actually knowing who we are. I have noticed it is difficult to get into the realm if you are a smaller company versus ... (when) I was working with a large prominent, or one of the two to three General Contractors in Charlotte."

#### **D.** Focus Groups

GSPC hosted two focus groups in February in the Mecklenburg County area. The first, on February 5, 2020, took place at the Goodwill Opportunity Campus in Charlotte. The second was held on February 6, 2020, at the Judge Clifton E. Johnson Mecklenburg County Office Building in Charlotte. Potential participants for each group were selected from a random group of vendors in the Mecklenburg County database. The purpose of each focus group was to engage participants of varying backgrounds in dialogue in a semi-anonymous environment.

FG-4 does firestop work as a subcontractor for an electrical and HVAC prime contractor working with Mecklenburg County, and she must wait three or four months before she gets paid. In one job with the airport, she said she was aware the Prime got paid, but has been waiting almost a year to get paid. She said it often is unclear where the money is because the prime directs her to the County and tells her to check with either the prime or the general contractor. "I'm tired of getting the runaround," she said. As she continues to work and try to chase down pay, FG-4 said scratches things out of the contract, then holds the contractor liable for not having the appropriate language in the contract. She said she lost about \$85,000 on a job because the prime did not inform her about the changes to the contract until the last minute. And she said she has no recourse because the prime tries to prevent her from talking to the source at County. "We're afraid that if we fight (the problem) they're not going to use us," she said. "You'll get blackballed."

When FG-2 started working with Mecklenburg County, she said County officials told her that she would be connected to work with all the surrounding counties. "When I started asking people who were doing business with the County, 'what has been your experience?' I started hearing the same stories about pay, delay, contract squabbles, and decided, 'Maybe this is not what I need to do.'" Hearing about having to wait almost a year or more for pay from the County confirmed her decision to stay away. "Your business could literally perish while you are looking to receive what you have rightfully worked for."

Architect FG-11 says he had to network to win contracts. He said those contracts started out exceedingly small, and very infrequently. It took me a while to get the first job for Assets and Security Management for all the County properties. Then he began getting more and more small projects that he would work as a prime contractor, with dollar amounts averaging around \$5,000 each. He said he became concerned about the actual contracts. He was not an expert at reading contracts. "When you're taking contracting and insurance, sometimes there are 250 pages of a contract, there's no way I'm going to understand what I'm doing or where things are going. I just had to hope that it goes OK, and I sign it," the Hispanic man said. "There is no way to understand where I'm coming from. It would be more helpful if I understood what I



was being asked for." But being an architect does not help him win bids. The bidding process is time consuming. Just responding to an RFP can easily be 12 hours of work just to do the paperwork. "I know I can do the work," he said.

Printing professional FG-14 is disappointed with how little she has gotten from being certified with the City of Charlotte and with the County. "Within the City of Charlotte and in Mecklenburg I don't see a lot of opportunity coming through for printing," she said. "So, I end up just deleting the emails." She takes some responsibility, however, wondering if when she does find bids pricing dictates decisions on bids. "Not knowing who else I'm competing with a lot of those opportunities seem to go to lower bidders." She does get frequent emails from the Charlotte-Mecklenburg Police Department. "CMPD happens to email me directly," FG-14 said. "Obviously in the County there are tons of opportunity. That's my one criticism: how to become aware of those opportunities are so I can provide bids. I guess I just have to be more assertive."

FG-10 feels out of her depth when it comes to competing for jobs. "I go to outreach meetings, but the opportunities are already taken," she said. She said she has the same experience as FG-11 – juggling the process for submitting bids with doing her job as a consultant. "They requirements (for RFP) are so much," FG-10 said. "There's no way I can compete against a big company that has 20 people and it's only me. It's very hard for me to get into a project where somebody is providing all the work." Also, she worries about how solid the contracts are that she is signing with the municipalities she does work for. "The contracts are super large," she said. "They are not contracts. They can dismiss you at any time. In the contract, it doesn't protect the business. Just the entity writing the checks."

FG-5 used to be a general contractor and took on a remodel project for the County on the ground floor of the permitting office. It was a small project. From the beginning, the whole project was disorganized. "When we did the walk through, we were told materials were going to be on site," he said. But when he showed up to stat the project, they said, "no, you're supposed to have the materials." FG-5 had multiple supervisors during the project, and there was terrible communication as a result. And doing work on the adjacent break room, the wrong ice machine was ordered, and someone from the County blamed him for installing it. "It was just a mess," he said. "I didn't want to work for the County ever again after that."

FG-13 is black chiropractor. "I'm a wellness company. I want to see how I can work with the police department, and County health agencies," she said.

FG-1 gets sole source work through the City Attorney in Charlotte. She said she is leery of taking on work as a minority or Female-owned business, "because they take advantage of them. Where they might pay a regular business 'X' amount of dollars then they say, 'we're going to give it to you,' and they cut your rate."

Black real estate agent FG-7 said she finds it difficult to get grant money, but she needs those funds to bid on jobs. She said she had to let her agents go and stop using workers from NC Works program through North Carolina Workforce Development because the County was delayed in paying her. "I was \$10,000 in



the hole and I was having to pay them from my savings," she said. "It hurt my heart that I had to let them go, but what am I to do? I can't keep paying them from my savings." She said she was supposed to have been paid in November.

#### **E. Organizational Meetings**

The Study team reached out to several business and community organizations serving the Mecklenburg County area to elicit opinions and insight on behalf of the businesses in the Charlotte marketplace. Representatives from each organization were interviewed to gain a variety of perspectives the businesses in the area have about working with the County and about the general atmosphere of the broader metropolitan area. With 10 organizations voicing their views, there will be a wide array of ideas expressed.

ORG-3 is the business extension of a higher education institution designed to help students interested in entrepreneurship and individuals seeking to become business owners to get a head start. State funds were used to create the organization in 1983 and the executive director has seen Mecklenburg County evolve over the last 15 years. "Mecklenburg County has grown leaps and bounds," she said. "We have had tons of growth. This is a good thing. However, training, and true partnerships with the county has happened." ORG-3 provides business development education, government contracting seminars, proposal certification workshops, business counseling and small business feedback sessions. The organization also builds bridges with the County. "Navigating the system has been tough for some that are not as tech savvy," ORG-3 said. "Mecklenburg County is doing more in this area by training on their procurement system. We post the information for them. We need to keep this type of important training going." Identifying other points of need is also important, and she said the County is planting the seeds of change. "They are doing this Diversity Study to garner the information needed to make more change," she said. "I would say it is an emphasis at this point." ORG-3 already has some feedback for County officials that can precede the results of this Stud, however. "Provide feedback to those who do not win bids," she said. "They should advertise their upcoming RFPs to all. Partner with people or groups to help them with diversity so they do not have to recreate the wheel. Provide chances for primes and subcontractors to meet."

Calling itself a "think tank," ORG-8 identified the Mecklenburg County area out of all of the State of North Carolina as the best in terms of business development and growth." However, she added the caveat, "It does not mean they still can't have more when it comes to small and Female owned business, but it is a thriving area. For example, within Mecklenburg County there are good contractors working in that part of the state. It is more than any other, but again there still could be more." Feedback about contracting in the area, considering some impending process changes, is good, ORG-8 said. "They are very happy with the direction of the contracting opportunities coming their way," she said. "They are busy, and they are happy with the contractors' RFP process." Concern about slow response to needs is something that could alleviated with what on the surface is a simple solution. "They need more staff dedicated to help make sure small and diverse businesses get an opportunity," she said.



ORG-1 was established more than 30 years ago to help support minority-owned construction businesses in the Charlotte area. Boasting an institutional knowledge base of more than 250 years, the organization has some ideas of new directions County leaders can take procurement. "Certain areas engage with the county better than others," ORG-1 said. "For the areas that do not have a good percentage of minority participation it is because of lack of information being shared." She said, in particular, more attention needs to be given to leveling the playing field among construction firms in the area. "I do not feel diverse firms are treated equitably," ORG-1 said. "The good ole boy system is in place. These businesses do not know when bids and RFPs are out that they can apply for. When they do learn of bids, more times than not, the county already knows whom they plan to use. Spreading the wealth should be a consideration from the County."

This governmental office operates to aid in carrying out the goals of the County. ORG-5 acknowledged the effort to develop diverse business in the community, but said, "more intention needs to be shown by the County." She said the County had made some positive moves toward making inclusion and diversity a priority. "I do feel that diversity and inclusion is a priority for Mecklenburg County," ORG-5 said. "Several things have been done to ensure they do. This Disparity Study is shows that it is a priority. Also, the county Economic Development plan and the county providing access to capital are other reasons that prove they are intentional. Things are not perfect in this area for Mecklenburg County, but they are making steps in the right direction." The organization took some time for introspection, as well. "We need to do a better job assessing how our members feel about trying to do business with Mecklenburg County's."

An advocacy group for small businesses, ORG-2 aims to promote economic development. While the group's leader believes the County succeeds in sharing the role of general business development, she feels that more emphasis should be placed on helping disadvantaged businesses. "Mecklenburg County does not minority and Female businesses," she said. "I do not feel diverse firms are treated equitably. The way things happen is through finance. The people that control the money are not diverse." As a remedy, ORG-2 frequently gives County Commissioners recommendations to spur change. "The county should share information on what they are looking for with minority businesses," she said. "For example, what does a winning proposal have included. Who does the small business owner need to know inside the County that will guide them along the way to ultimately win a bid?" She also has advice for minority and Female owned businesses that could help more closely align them with fundraising elected officials. "We were told that the only way to win jobs is to line the pockets of the correct people," ORG-2 said. "This was not a joke. We know it happens. The problem with this is that small, Female owned businesses do not have the extra capital to pay people to help them win jobs."

ORG-4 is a cooperative of business, community and leadership organizations dating back more than 20 years with the goal of supporting minority business endeavors in the Cleveland area. Organization representatives said the County currently is investing in a partnership that will source future projects in the construction, manufacturing, healthcare, and IT sectors. "Part of the priority is to focus on including and integrating D&I strategies in all of these sectors," ORG-4b said. The announcement comes months after the Ohio State Supreme Court struck down a law that created a 20-percent set-aside for City of Cleveland residents to be included in construction projects of more than \$100,000. Despite this, he said there was optimism at the County's recent organizational restructuring project which resulted in an Office of Inclusion. "The fact that there is an active role within the County ... that's an important change," ORG-4b



said. His colleague, ORG-4a, however, pointed to some improvements that can be made with the role. "I think the position was buried in a department, but had responsibilities beyond that department," he said. "They lost the (initial) individual after a couple of years. That's tough to be in that position where you don't have power." They said reporting of County and City RFPs should be modeled after state practices, where needs are announced based upon industry segment to applicable potential suppliers, and in advance to qualified minority or disadvantaged vendors if it is determined that there are enough to create competitive bidding among them.

ORG-7 said the County did a good job of advertising requests for proposals, but still noted that, "they could do more." The organization pointed to other issues that the County could stand to address. We have been told slow pay is a major issue," he said. "Not sure who is holding it up, but it's a hinderance. Getting prequalified is intimidating for small business owners." ORG-7 also noted that paperwork is too hard for most of his members to fill out, and background checks for their employees make it difficult for them to win bids. Mimicking a similar refrain from other Study participants, ORG-7 recommended the County conduct training for the certification process. "A session should be conducted with those diverse firms that find the current method hard to understand." But in terms of diversity and inclusion in the County, he said, "yes, opportunities are growing."

Local ORG-9 seeks to help its members grow their respective businesses to seven- and eight-figure empires. The group leader owns two businesses in the Charlotte area and believes changes need to happen in the marketplace for small and diverse businesses. "There is not enough access to capital," she said. "The credit score hurdle on the loan program should be more lenient. The county should reduce barriers to entry. The due diligence used is prohibitive to keeping out black businesses." ORG-9 said members would like to see the County take a different path regarding procurement and hiring vendors. "Mecklenburg County should have opportunities for more than just diverse contractors," she said. "Many of our members feel it is not a transparent process and thus they feel why even try." And members believe the County has more to offer than just jobs in hard hats. "Again, they feel there are not RFPs for professional services," she said. "They find there are only opportunities for construction. This is good, but the county should expand to ensure other types of black businesses owners gets a fair share of the contracts."

ORG-6 is the local chapter of a national activist organization that advocates for political, social, and economic causes. The chapter president believes Mecklenburg County is positioned to move in the right direction when it comes to hiring diversity. "I think it is a real priority when it comes to equity in an area like Mecklenburg with a large corporate base," he said. "Diversity and inclusion are nice fancy terms, but when it comes to equity inclusion it is not really a priority all around the state." To meat that mark, however, ORG-6 listed some issues the County needs to address where contracting is concerned. 1. Not being informed about opportunities that come about. 2. Contractors are not being paid. 3. There is a lack of state staff that can do the outreach to properly seek businesses to apply. There is no recruitment officer. 4. The bid process is low bid or no bid. 5. The on-call companies continue to get the jobs repeatedly. 6. There needs to be an effective elected body to speck to systematic exclusion. 7. Change Order of Contracts hurts minority businesses because majority companies that win them bid low, win the job, and then change the dollar amount. Still, he acknowledges that County officials hear the demand for a change. "They are trying," he said of the County.



#### F. Survey of Business Owners

When the Survey closed, there were 330 respondents from among the local certified firms and firms contacted from the Mecklenburg County vendor database to participate. Anecdotal findings from this Survey align with the concerns raised across demographics about the current state of business in the Greater Charlotte marketplace. Business owners primarily expressed concern with the amount of information and/or learning available about purchasing and contracting policies and procedures, unfair competition with large or prime contractors, exclusionary internal networks, and lack of understanding of the County and certification processes.

Notably, many respondents indicated that information from Mecklenburg County Government about policies and procedures for purchasing and contracting prohibited them from obtaining work. Overall, approximately 16% of respondents were unable to work for this reason (Table 42 from the Survey of Business Owners ). Roughly 12% of Non-minorities, 20% of Female, 17% of Black Americans, and 11% of Asians responded to this as a barrier for getting work.

Has limited knowledge of	Owners' Minority Status									
purchasing/ contracting policies and procedures been a barrier to your firm obtaining work on projects in Mecklenburg County?	Non- Mino rity	Female	Black	Asian	Hispanic	American Indian	Bi- Racial or Multi- Racial	Publicly Traded Company	Other	
Not Selected	96 88.1 %	70 80.5 %	81 83.5 %	<b>8</b> 88.9 %	15 78.9 %	<b>3</b> 100 %	2 66.7 %	2 100 %	1 100 %	278 84.2 %
Selected	13 11.9 %	<b>17</b> 19.5 %	16 16.5 %	<b>1</b> 11.1 %	<b>4</b> 21.1 %	0 0 %	1 33.3%	<b>0</b> 0 %	<b>0</b> 00 %	<b>52</b> 15.8 %
Total	109 100 %	<b>87</b> 100 %	<b>97</b> 100 %	9 100 %	19 100 %	3 100 %	<b>3</b> 100 %	2 100 %	1 100 %	330 100 %

# Table 53: Results of Question 42 of the Survey of Business Owners

Griffin & Strong, P.C. 2020

In discussing barriers to small and diverse businesses, nearly 31% of Black firms saw unfair competition with large firms as a barrier to bidding on County projects. Eighteen percent of Females cited the same reason and nearly 15% of non-minorities (Table 51). Overall, about 22% thought large firms offered unfair competition.



Has unfair competition	Owners' Minority Status									Total
with large firms been a barrier to your firm obtaining work on projects in Mecklenburg County?	Non- Minority	Female	Black	Asian	Hispanic	American Indian	Bi- Racial or Multi- Racial	Publicly Traded Company	Other	
Not Selected	93	71	67	6	13	<b>3</b>	2	2	1	258
	85.3 %	81.6 %	69.1 %	66.7 %	68.4 %	100 %	66.7 %	100 %	100 %	84.2 %
Selected	<b>16</b>	<b>16</b>	<b>30</b>	<b>3</b>	6	0	1	0	0	<b>72</b>
	14.7 %	18.4 %	30.9 %	33.3 %	31.6 %	0 %	33.3%	0 %	00 %	21.8 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

# Table 54: Results of Question 51 of the Survey of Business Owners

Griffin & Strong, P.C. 2020

Black Americans displayed a proportionately larger lack of understanding of the SMWDBE or HUB certification process, at 60 percent, whereas only about 34% of Females and nearly 18% of non-minorities expressed difficulty understanding the process (Table 60). Overall, more than 28% cited trouble understanding the certification process.

## Table 55: Results of Question 60 of the Survey of Business Owners

Why is your company not	Owners' Minority Status									
certified as an SMWDBE or HUB [I do not understand the certification process]?	Non- Minority	Female	Black	Asian	Hispanic	American Indian	Bi- Racial or Multi- Racial	Publicly Traded Company	Other	
Not Selected	65	23	6	3	1	0	0	2	1	101
	82.3 %	65.7 %	40 %	75 %	20 %	0 %	0 %	100 %	100 %	71.6 %
Selected	14	12	9	1	4	0	0	0	0	40
	17.7 %	34.3 %	60 %	25 %	80 %	0 %	0 %	0 %	0 %	28.4 %
Total	79	35	15	4	5	0	0	2	1	141
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %



As to whether an exclusionary informal network of prime and subcontractors monopolizes the Mecklenburg County marketplace, more than 76% of Black Americans responded in the affirmative while nearly 36% of Females believed (Table 79). Of non-minorities, 78% did not think there was an informal network.

## Table 56: Results of Question 79 of the Survey of Business Owners

Do you believe	Owners' Minority										
there is an	Status										
there is an informal network of prime and subcontractors doing business with Mecklenburg County that monopolizes the contracting process?	Non- Minority	Female	Black	Asian	Hispanic	American Indian	Bi- Racial or Multi- Racial	Publicly Traded Company	Other		
Yes	24	31	74	<b>4</b>	8	1	1	0	0	143	
	22 %	35.6 %	76.3 %	44.4 %	42.1 %	33.3 %	33.3 %	0 %	0 %	43.3 %	
No	<b>85</b>	56	23	<b>5</b>	11	2	2	<b>2</b>	<b>1</b>	187	
	78 %	64.4 %	23.7 %	55.6 %	57.9 %	66.7 %	66.7 %	100 %	100 %	56.7 %	
Total	109	<b>87</b>	<b>97</b>	9	19	<b>3</b>	<b>3</b>	<b>2</b>	1	330	
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	

Griffin & Strong, P.C. 2020

## A. Email Comments

Throughout the Study, email commentary was collected from businesspeople active in the Mecklenburg County and greater Charlotte marketplace – or those who want to be – to provide further insight. The Study team monitored the email address MecklenburgCountyStudy@gspclaw.com, which serves as supplement to the broader slate of data collected and is a highly effective method in obtaining commentary from business owners who may have missed the public hearings or being randomly selected for focus groups or interviews. Commentary received in this manner reflects opinions about doing business with Mecklenburg County as well as the Study itself. As a feature of the virtual public hearings, a chat room was available for those who logged on but only wanted to share their experience with the County in writing. This feature provided an option for them.



EC-3 said the minority business designations intended to assign affirmative action are being misused in the County as businesses game the system. "Businesses are not being properly vetted, and white men are putting their businesses in their wives' names," she said. "The designations are a joke. When Lyndon Johnson signed the Civil Rights Act of 1964, and Nonminority Females were included as a "minority," that pretty much was the beginning of the end for affirmative action."

EC-1 expressed a concern that Black Americans receive more preferential treatment than Females. "Odds stacked against Females," she said. "If I was a Black American, that would help me a lot."

#### **B.** Conclusion

Study participants called out a nativist brand of informal network and incidents of discrimination present in the Mecklenburg County marketplace. But the most pressing issue repeated during the study was the persistent and gnawing absence of representatives from the County procurement and M/WBE staff. Useful information went wanting, phone calls were not returned, and help was not rendered. A focus group participant described thousands of dollars in subcontractor pay being hacked from a contractor with little action and even less regard from County officials and a looming statute of limitations. Respondents imagined County staffers hiding from phone calls. Public hearing attendees applauded the courage of a single, seemingly over-taxed County worker in a sorely understaffed office.

This same County government hired an advertising agency that aggressively will not buy ads from the blackowned national urban media company headquartered within the county. Meanwhile, a white contractor complained that he was being treated unfairly by the County for requiring him to meet a quota of minority hiring in order to land a job.

And again, and again, study participants acknowledged that if they are not from Charlotte or Mecklenburg County, natives likely will not do business with them unless they absolutely must.

For all of these concerns, a remedy of increasing the resources dedicated to outreach, education, certification and oversight should help if the change is seriously applied and sustained. Critical staff to respond to vendor questions and needs for information about bidding and certifications processes means more businesses able to register to bid on contracts with the County. With enough personnel in place, leadership in Mecklenburg County procurement can apply and monitor regulations to ensure that County agencies and Prime and General Contractors follow hiring guidelines.



# APPENDIX A – EXPANDED LEGAL ANALYSIS

# A. Expanded Legal Analysis

Having provided an overview of the significance and initial development of disparity studies, the following underscores the legal benefit to such studies should an M/WBE program or initiative be challenged in a court of law. There are several important legal standards and considerations which arise when a constitutional challenge to an M/WBE program is initiated, and each is addressed in turn. Following this discussion, GSPC provides in this analysis an overview of some of the key aspects of its Study methodology for gathering and analyzing statistical and anecdotal evidence (which provides the "factual predicate" for any remedial program/policy), and discussion of the underlying legal basis for them.

## 1. Equal Protection and Levels of Judicial Scrutiny

The Fourteenth Amendment provides that "No state shall . . . deny to any person within its jurisdiction the equal protection of the laws". U.S. Const. amend. XIV, § 1. Courts determine the appropriate standard of equal protection review by "[f]irst. . . [determining] whether a state or local government has developed the program, or whether Congress has authorized the program's creation", then by examining the protected classes embodied in the statute. <u>S. J. Groves & Sons Company v. Fulton County et al</u>, 920 F.2d 752, 767 (11th Cir. 1991).

When a program or ordinance provides race-based policies or remedies, equal protection considerations are triggered, and the court will apply what is referred to as "strict scrutiny" in evaluating its constitutional legitimacy. When gender-based, the program (or policy) will be reviewed under the less-stringent "intermediate scrutiny" standard.

"We have held that all racial classifications imposed by government must be analyzed by a reviewing court under strict scrutiny." <u>Grutter v. Bollinger</u>, 539 U.S. 306, 326 (2003).<sup>1</sup> The Fourth Circuit previously put into sharp relief its view of the rationale for this level of judicial review:

Racial and ethnic distinctions of any sort are inherently suspect and thus call for the most exacting judicial examination. <u>Wygant v. Jackson Board of Education</u>, 476 U.S. 267, 273, 106 S.Ct. 1842 1846, 90 L.Ed.2d 260 (1986) (plurality opinion) (quoting <u>Regents of the University of California v. Bakke</u>, 438 U.S. 265, 291, 98 S.Ct. 2733 2748, 57 L.Ed.2d 750 (1978) (Powell, J.)). The rationale for this stringent standard of review is plain. Of all the criteria by which men and women can be judged, the most pernicious is that of race. The injustice of judging human beings by the color of their skin is so apparent that racial classifications cannot be rationalized by the casual invocation of benign remedial aims. <u>City of Richmond v. J.A. Croson Co.</u>, 488 U.S. 469, 500, 109 S.Ct. 706, 724, 102 L.Ed.2d 854 (1989). While the inequities and indignities visited by past discrimination are undeniable, the use of race as a reparational device risks perpetuating the very race-consciousness such a remedy purports to overcome.... It thus remains our constitutional premise that race is an impermissible arbiter of human fortunes. [Podberesky v. Kirwin, 38 F.3d 147, 152 (4th Cir. 1994) (quoting <u>Maryland Troopers Ass'n v. Evans</u>, 993 F.2d 1072, 1076 (4th Cir.1993)]

"Under strict scrutiny, a racial classification must (1) serve a compelling state interest and (2) be narrowly tailored to achieve that interest." <u>Tuttle v. Arlington County School Board</u>, 195 F.3d 698, 704 (4th Cir. 1999). These concepts are covered in greater depth below.



<sup>&</sup>lt;sup>1</sup> See also Adarand II, 515 U.S. at 212 (same).

Though still unsettled in some federal Circuits, it appears in the Fourth Circuit that programs with genderbased classifications are evaluated for constitutionality under a more relaxed level of scrutiny than racebased ones, i.e., intermediate scrutiny:

Precedent dictates, and the parties agree, that courts apply "intermediate scrutiny" to statutes that classify on the basis of gender. <u>Adkins v. Rumsfeld</u>, 464 F.3d 456, 468 (4th Cir.2006); <u>see also Miss. Univ. for Women v. Hogan</u>, 458 U.S. 718, 724, 102 S.Ct. 3331, 73 L.Ed.2d 1090 (1982). A defender of such a statute meets this burden "by showing at least that the classification serves important governmental objectives and that the discriminatory means employed are substantially related to the achievement of those objectives." <u>Hogan</u>, 458 U.S. at 724, 102 S.Ct. 3331 (internal quotation marks omitted). Of course, intermediate scrutiny requires less of a showing than does "the most exacting" strict scrutiny standard of review. <u>See Clark v. Jeter</u>, 486 U.S. 456, 461, 108 S.Ct. 1910, 100 L.Ed.2d 465 (1988). [<u>H.B. Rowe Co., Inc. v. Tippett</u>, 615 F.3d at 242]

In light of the above, the gender-based classification component in the Mecklenburg MWSBE program will be analyzed under level of scrutiny which is more favorable to the than that which will be applied to the race-based component, if challenged.

2. Government as Active or Passive Participant in Discrimination

The Supreme Court has uniformly held that general societal discrimination is insufficient to justify the use of race-based measures to satisfy a compelling governmental interest.<sup>2</sup> Rather, there must be some showing of prior discrimination by the governmental actor involved, either as an "active" or "passive" participant.<sup>3</sup> The upshot of this dual-faceted (active/passive) evaluation of the enacting governmental entity is that, even if the entity did not directly discriminate, it can take corrective action.<sup>4</sup>

Subsequent lower court rulings have provided more guidance on passive participation by local governments. In <u>Concrete Works of Colorado, Inc. v. City of Denver</u>, 36 F.3d 1513 (10th Cir. 1994), the Tenth Circuit held that it was sufficient for the local government to demonstrate that it engaged in passive participation in discrimination rather than showing that it actively participated in the discrimination:

Neither <u>Croson</u> nor its progeny clearly state whether private discrimination that is in no way funded with public tax dollars can, by itself, provide the requisite strong basis in evidence necessary to justify a municipality's affirmative action program. Although we do not read <u>Croson</u> as requiring the municipality to identify an exact linkage between its award of public contracts and private discrimination, such evidence would at least enhance the municipality's factual predicate for a race/gender-conscious program. [Concrete Works, 36 F.3d at 1529]

Thus, the desire for a government entity to prevent the infusion of public funds into a discriminatory industry is enough to satisfy the requirement.

<sup>&</sup>lt;sup>4</sup> Engineering Contractors Association of South Florida v. Metropolitan Dade County, 122 F.3d 895, 907 (11th Cir. 1997) ("[I]f the County could show that it had essentially become a 'passive participant' in a system of racial exclusion practiced by elements of the local construction industry, the Supreme Court has made it clear that the [County] could take affirmative steps to dismantle such a system."); <u>Croson</u>, 488 U.S. at 492 ("Thus, if the city could show that it had essentially become a 'passive participant' in a system of racial exclusion practiced by elements of the local construction industry, we think it clear that the city could take affirmative steps to dismantle such a system.").



<sup>&</sup>lt;sup>2</sup> <u>Adarand II</u>, 515 U.S. at 227; <u>Croson</u>, 488 U.S. at 496-97.

<sup>&</sup>lt;sup>3</sup> <u>Croson</u>, 488 U.S. at 498.



The next question, however, is whether a public entity has the requisite factual support for its program in order to satisfy the particularized showing of discrimination required by <u>Croson</u>. This factual support can be developed from anecdotal and statistical evidence, as discussed hereafter.

# 3. Burdens of Production/Proof

As noted above, the <u>Croson</u> court struck down the City of Richmond's minority set-aside program because the City failed to provide an adequate evidentiary showing of past and present discrimination as was its initial burden.<sup>5</sup> Since the Fourteenth Amendment only allows race-conscious programs that narrowly seek to remedy particularized discrimination, the Court held that state and local governments "must identify that discrimination . . . with some specificity before they may use race-conscious relief." The Court's rationale for judging the sufficiency of the City's factual predicate for affirmative action legislation was whether there existed a "strong basis in evidence for its [government's] conclusion that remedial action was necessary."<sup>6</sup>

The initial burden of production on the state or local governmental entity is to demonstrate a "strong basis in evidence" that its race- and gender-conscious contract program is aimed at remedying identified past or present discrimination. Merely stating a "benign" or "remedial" purpose does not constitute a "strong basis in evidence" that the remedial plan is necessary, nor does it establish a prima facie case of discrimination. Thus, the local government must identify the discrimination it seeks to redress and produce particularized findings of discrimination.<sup>7</sup>

A governmental entity may, for example, establish an inference of discrimination by using empirical evidence that proves a significant statistical disparity between the number of qualified M/WBEs, the number of M/WBE contractors actually awarded a contract by the governmental entity, or M/WBEs brought in as subcontractors by prime contractors to which a contract is awarded. The courts maintain that the quantum of evidence required for the governmental entity is to be determined on a case-by-case basis, and in the context and breadth of the M/WBE program it purports to advance.<sup>8</sup> If the governmental body is able to do this, then the burden shifts to the challenging party to rebut the showing.<sup>9</sup>

Once the governmental entity has shown acceptable proof of a compelling interest in remedying past discrimination and illustrated that its plan is narrowly tailored to achieve this goal, the party challenging the affirmative action plan bears the ultimate burden of proving that the plan is unconstitutional. <u>Sherbrooke Turf, Inc. v. Minnesota D.O.T.</u>, 345 F.3d 964, 971 (8th Cir. 2003) ("Sherbrooke and Gross Seed have the ultimate burden of establishing that the DBE program is not narrowly tailored."); <u>Gever Signal</u>, <u>Inc. v. Minnesota D.O.T.</u>, 2014 WL 1309092, \*26 (D. Minn. 2014) ("The party challenging the constitutionality of the DBE program bears the burden of demonstrating that the government's evidence did not support an inference of prior discrimination.").<sup>10</sup>

# 4. "Compelling Public Interest" Considerations

Although imposing a substantial burden, strict scrutiny is not automatically "fatal in fact." <u>Adarand</u>, 515 U.S. at 237, 115 S.Ct. 2097. After all, "[t]he unhappy persistence of both the practice and the lingering effects of racial discrimination against minority groups in this



<sup>&</sup>lt;sup>5</sup> <u>Croson</u>, 488 U.S. at 498-506.

<sup>&</sup>lt;sup>6</sup> <u>Croson</u>, 488 U.S. at 500 (quoting <u>Wygant v. Jackson Bd. of Educ.</u>, 476 U.S. 267, 277, 106 S.Ct. 1842, 1849 (1986)).

<sup>&</sup>lt;sup>7</sup> <u>Croson</u>, 488 U.S. at 500-01.

<sup>&</sup>lt;sup>8</sup> See Concrete Works, 36 F.3d 1513 (10th Cir. 1994).

<sup>&</sup>lt;sup>9</sup> <u>Id.</u>

<sup>&</sup>lt;sup>10</sup> <u>Citing Adarand III</u>, 228 F.3d at 1166.

country is an unfortunate reality, and government is not disqualified from acting in response to it." <u>Id.</u>; <u>Alexander</u>, 95 F.3d at 315. In so acting, a governmental entity must demonstrate it had a compelling interest in "remedying the effects of past or present racial discrimination." <u>Shaw v. Hunt</u>, 517 U.S. 899, 909, 116 S.Ct. 1894, 135 L.Ed.2d 207 (1996).

Thus, to justify a race-conscious measure, a state must "identify that discrimination, public or private, with some specificity," <u>Croson</u>, 488 U.S. at 504, 109 S.Ct. 706, and must have a " 'strong basis in evidence for its conclusion that remedial action [is] necessary,' " <u>id.</u> at 500, 109 S.Ct. 706 (quoting <u>Wygant v. Jackson Bd. of Educ.</u>, 476 U.S. 267, 277, 106 S.Ct. 1842, 90 L.Ed.2d 260 (1986) (plurality opinion)); <u>see also Podberesky v. Kirwan</u>, 38 F.3d 147, 153 (4th Cir.1994). As courts have noted, "there is no 'precise mathematical formula to assess the quantum of evidence that rises to the Croson 'strong basis in evidence' benchmark.'" <u>Rothe Dev. Corp. v. Dep't of Def.</u>, 545 F.3d 1023, 1049 (Fed.Cir.2008) (<u>Rothe II</u>) (quoting <u>W.H. Scott Constr. Co. v. City of Jackson</u>, 199 F.3d 206, 218 n. 11 (5th Cir.1999)). [<u>H.B. Rowe</u>, 615 F.3d at 241]

This compelling interest must be proven by particularized findings of discrimination. The strict scrutiny test ensures that the means used to address the compelling goal of remedying discrimination "fit" so closely that there is little likelihood that the motive for the racial classification is illegitimate racial prejudice or stereotype.

The relevant case law establishes that the compelling state interests of remedying past discrimination and of avoiding discrimination in the context of governmental procurement programs are well-accepted, and not controversial at this point. <u>See W.H. Scott Const. Co. v. City of Jackson</u>, 199 F.3d 206, 217 (5th Cir. 1999) ("Combatting racial discrimination is a compelling government interest.").<sup>11</sup>

5. Statistical Data and Anecdotal Evidence Combine to Establish Compelling Interest

The types of evidence routinely presented to show the existence of a compelling interest include statistical and anecdotal evidence.<sup>12</sup> Where gross statistical disparities exist, they alone may constitute prima facie proof of a pattern or practice of discrimination. Anecdotal evidence, such as testimony from minority or female business owners, is most useful as a *supplement* to strong statistical evidence, as it cannot carry the burden for the entity by itself. See infra.

For example, the <u>Croson</u> majority implicitly endorsed the value of personal accounts of discrimination, but <u>Croson</u> and subsequent decisions also make clear that selective anecdotal evidence about M/WBE experiences *alone* would not provide an ample basis in evidence to demonstrate public or private discrimination in a municipality's construction industry.<sup>13</sup>

<sup>&</sup>lt;sup>11</sup> <u>See also Croson</u>, 488 U.S. at 492 ("It is beyond dispute that any public entity, state or federal, has a compelling interest in assuring that public dollars, drawn from the tax contributions of all citizens, do not serve to finance the evils of private prejudice."); <u>Adarand II</u>, 515 U.S. at 237 ("The unhappy persistence of both the practice and the lingering effects of racial discrimination against minority groups in this country is an unfortunate reality, and government is not disqualified from acting in response to it.").

<sup>&</sup>lt;sup>12</sup> <u>Croson</u>, 488 U.S. at 501.

<sup>&</sup>lt;sup>13</sup> <u>Croson</u>, 488 U.S. at 480 (noting as a weakness in the City's case that the Richmond City Council heard "no direct evidence of race-conscious discrimination on the part of the city in letting contracts or any evidence that the City's prime contractors had discriminated against minority-owned subcontractors"); <u>See also Coral Construction Co. v. King County</u>, 941 F.2d 910, 919 (9<sup>th</sup> Cir. 1991)("While anecdotal evidence may suffice to prove individual claims of discrimination, rarely, if ever, can such evidence show a systematic pattern of discrimination necessary for the adoption of an affirmative action plan.").

Thus, personal accounts of actual discrimination or the effects of discriminatory practices are admissible and effective, and anecdotal evidence of a governmental entity's institutional practices that provoke discriminatory market conditions is particularly probative. In order to carry the day, however, such evidence must be supplemented with strong statistical proof:

A state need not conclusively prove the existence of past or present racial discrimination to establish a strong basis in evidence for concluding that remedial action is necessary. <u>See, e.g., Concrete Works</u>, 321 F.3d at 958. Instead, a state may meet its burden by relying on "a significant statistical disparity" between the availability of qualified, willing, and able minority subcontractors and the utilization of such subcontractors by the governmental entity or its prime contractors. <u>Croson</u>, 488 U.S. at 509, 109 S.Ct. 706 (plurality opinion). We further require that such evidence be "corroborated by significant anecdotal evidence of racial discrimination." <u>Md. Troopers Ass'n, Inc. v. Evans</u>, 993 F.2d 1072, 1077 (4th Cir.1993). [H.B. Rowe, 615 F.3d 241]

Of note, several courts have rejected assertions by plaintiffs attacking programs that anecdotal evidence must be verified to be considered as part of a governmental entity's evidentiary proffer.<sup>14</sup>

## a) Statistical Data Generally

In <u>Croson</u>, the court explained that an inference of discrimination may be made with empirical evidence that demonstrates "a significant statistical disparity between the number of qualified minority contractors ... and the number of such contractors actually engaged by the locality or the locality's prime contractors."<sup>15</sup> A predicate to governmental action is a demonstration that gross statistical disparities exist between the proportion of M/WBEs awarded government contracts and the proportion of M/WBEs in the local industry "willing and able to do the work," in order to justify its use of race-conscious contract measures. <u>Ensley Branch N.A.A.C.P. v. Seibels</u>, 31 F.3d 1548, 1565 (11th Cir. 1994). In other words, a disparity study is intended to evaluate whether there is a statistically-significant disconnect – <u>i.e.</u>, disparity – between the availability of and utilization of women- or minority-owned firms in public contracting.

In order to adequately assess statistical evidence, there must be information identifying the basic qualifications of minority (or women) contractors "willing and able to do the job" and the Court must determine, based upon these qualifications, the relevant statistical pool with which to make the appropriate statistical comparisons.<sup>16</sup>

#### b) Availability

The attempted methods of calculating M/WBE (or DBE) availability have varied from case to case. In <u>Contractors Association of Eastern Pennsylvania v. City of Philadelphia</u>, 6 F.3d 990 (3rd Cir. 1993), the

<sup>&</sup>lt;sup>16</sup> <u>See e.g., Associated General Contractors v. California D.O.T.</u>, 713 F.23d at 1197-1199.



<sup>&</sup>lt;sup>14</sup> <u>Associated General Contractors of America, San Diego Chapter v. California D.O.T.</u>, 713 F.3d 1187, 1196-97 (9<sup>th</sup> Cir. 2013) ("AGC contends that the anecdotal evidence has little or no probative value in identifying discrimination because it is not verified. AGC cites to no controlling authority for a verification requirement. Both the Fourth and Tenth Circuits have rejected the need to verify anecdotal evidence."), citing <u>H.B. Rowe</u>, 6115 F.3d at 249; <u>Concrete Works</u>, 321 F.3d at 989. <u>See also Kossman</u> <u>Contracting Co. v. City of Houston</u>, Case No. H-14-1203, at 58 (S.D. Texas 2016) ("Plaintiff criticizes the anecdotal evidence with which NERA supplemented its statistical analysis as not having been verified and investigated. Anecdotes are not the sole or even primary evidence of discrimination in this case.... One reason anecdotal evidence is valuable supplemental evidence is that it reaches what statistics cannot: a witness' narrative of an incident told from the witness' perspective and including the witness' perceptions.") (quotations and citations omitted).

<sup>&</sup>lt;sup>15</sup><u>Croson</u>, 488 U.S. at 509.

Third Circuit stated that available and qualified minority-owned businesses comprise the "relevant statistical pool" for purposes of determining availability. The Court permitted availability to be based on the metropolitan statistical area (MSA) and local list of the Office of Minority Opportunity for non-M/WBEs, which itself was based on census data.

In <u>Associated General Contractors v. City of Columbus</u>,<sup>17</sup> the City's consultants collected data on the number of M/WBE firms in the Columbus MSA in order to calculate the percentage of available M/WBE firms. Three sources were considered to determine the number of M/WBEs "ready, willing and able" to perform construction work for the city. However, the Court found that none of the measures of availability purported to measure the number of M/WBEs who were qualified and willing to bid as a prime contractor on City construction projects because neither the City Auditor Vendor Payment History file, Subcontractor Participation Reports, or Contract Document Database of the City were attentive to which firms were able to be responsible or provide either a bid bond or performance bond. The Court wrote, "[t]here is no basis in the evidence for an inference that qualified M/WBE firms exist in the same proportions as they do in relation to all construction firms in the market."<sup>18</sup>

In <u>H.B. Rowe</u>, availability was calculated using a vendor list that included: "1) subcontractors approved by the Department to perform subcontract work on state-funded projects, (2) subcontractors that performed such work during the study period, and (3) contractors qualified to perform prime construction work on state-funded contracts."<sup>19</sup>

Similarly, in <u>Associated General Contractors v. California D.O.T.</u>, the court noted with approval that in the course of conducting its disparity study for Caltrans "[t]he research firm gathered extensive data to calculate disadvantaged business availability in the California transportation contracting industry"[,] and used "public records, interviews and assessments as to whether a firm could be considered available for Caltrans contracts[.]"<sup>20</sup>

A common question in collecting and applying availability data is whether prime contractor and subcontractor data needs to be evaluated separately; the trend is to accept combined data.

NCI's argument is that IDOT essentially abused its discretion under this regulation by failing to separate prime contractor availability from subcontractor availability. However, NCI has not identified any aspect of the regulations that requires such separation. Indeed, as the district court observed, the regulations require the local goal to be focused on overall DBE participation in the recipient's DOT-assisted contracts. See 49 C.F.R. § 26.45(a)(1). It would make little sense to separate prime contractor and subcontractor availability as suggested by NCI when DBEs will also compete for prime contracts and any success will be

<sup>&</sup>lt;sup>20</sup> 713 F.3d at 1191-92. <u>Cf. Engineering Contractors v. Metropolitan Dade</u>, 122 F.3d 895 (when special qualifications are necessary to undertake a particular task, the relevant statistical pool must include only those minority-owned firms qualified to provide the requested services).



<sup>&</sup>lt;sup>17</sup> <u>Associated General Contractors of America v. City of Columbus</u>, 936 F. Supp. 1363 (1996), <u>reversed on</u> related grounds, 172 F.3d 411 (6th Cir. 1999).

<sup>&</sup>lt;sup>18</sup> <u>Associated General Contractors</u>, 936 F. Supp. at 1389. The Court also questioned why the City did not simply use the records it already maintains "of all firms which have submitted bids on prime contracts" since it represents "a ready source of information regarding the identity of the firms which are qualified to provide contracting services as prime contractors." <u>Id.</u>

<sup>&</sup>lt;sup>19</sup> 615 F.3d at 244.

reflected in the recipient's calculation of success in meeting the overall goal. [Northern Contracting, Inc. v. Illinois DOT, 473 F.3d 715, 723 (7<sup>th</sup> Cir. 2007)]<sup>21</sup>

Also, several courts have accepted the use of a "custom census" methodology for calculating availability. For example, in <u>Northern Contracting</u>, after identifying the relevant geographic market and product market (transportation construction) the analyst "surveyed Dun & Bradstreet's *Marketplace*, which is a comprehensive database of American businesses that identifies which businesses are minority or womenowned. Wainwright supplemented this survey with IDOT's list of DBEs in Illinois.").<sup>22</sup> In <u>Kossman</u>, for example, the consulting analyst "relied on data acquired from Dun & Bradstreet's Hoovers subsidiary on the total number of businesses in the defined market area. . . . Because the Dun & Bradstreet data did not adequately identify all MWBEs, NERA collected information on MWBEs in Texas and surrounding states through lists from public and private entities, as well as prior NERA studies, and culled records for MWBEs within the [City's] defined market area."<sup>23</sup>

#### c) Utilization

Utilization is a natural corollary to availability, in terms of statistical calculation. Different courts have applied utilization rates to different base measures, including percentage-based analyses regarding contract awards and dollars paid.

For example, in <u>H.B. Rowe</u>, the state demonstrated statistical disparity using subcontracting dollars won by minority subcontractors.<sup>24</sup> In <u>Associated General Contractors v. California D.O.T.</u>, the State's disparity study consultants calculated the percentage of contracting dollars that were paid to DBE firms.<sup>25</sup> This is referred to as the rate of utilization. From this point, one could determine if a disparity exists and, if so, to what extent.

In <u>Cone Corp. v. Hillsborough County</u>, 908 F.3d 908 (11th Cir. 1990), the following utilization statistics were developed and presented to justify an MBE program:

The County documented the disparity between the percentage of MBE contractors in the area and the percentage of contracts awarded to those MBE contractors. Hillsborough County determined that the percentage of County construction dollars going to MBE contractors compared to the total percentage of County construction dollars spent... The data extracted from the studies indicates that while ten percent of the businesses and twelve percent of the contractors in the County were minorities, only 7.89% of the County purchase orders, 1.22% of the County purchase dollars, 6.3% of the awarded bids, and 6.5%

<sup>&</sup>lt;sup>25</sup> 713 F.23d at 1191-1193. In <u>Kossman v. City of Houston</u>, NERA used both "award amounts" and "paid amounts" to determine utilization. <u>Id.</u> at 3, n. 10. The court, in approving the statistical proffer, looked only at the award amounts to "simplify matters." <u>Id.</u>



<sup>&</sup>lt;sup>21</sup> <u>See Associated General Contractors v. California D.O.T.</u>, 713 F.23d at 1199 (citing <u>Northern</u> <u>Contracting</u>); <u>Kossman</u>, at 58 ("Separately considering prime contractors and subcontractors is not only unnecessary but may be misleading. The anecdotal evidence indicates that construction firms had served, on different contracts, as both."). <u>See also H.B.Rowe</u>, 615 F.3d at 245 (court accepted combined data based on experts' explanation that prime contractors are also qualified to do subcontracting work, and often do).

<sup>&</sup>lt;sup>22</sup> 473 F.3d at 718.

<sup>&</sup>lt;sup>23</sup> <u>Id.</u> at 5. <u>See also Midwest Fence</u>, 840 F.3d at 950 (discussing and approving custom census method).
<sup>24</sup> 615 F.3d at 241, 250-51 ("[A] state may meet its burden by relying on 'a significant statistical disparity' between the availability of qualified, willing, and able minority subcontractors and the utilization of such subcontractors by the governmental entity or its prime contractors."), citing <u>Croson</u>, 488 U.S. at 509, 109 S.Ct. 706.

of the awarded dollars went to minorities. The statistical disparities between the total percentage of minorities involved in construction and the work going to minorities, therefore, varied from approximately four to ten percent, with a glaring 10.78% disparity between the percentage of minority contractors in the County and the percentage of County construction dollars awarded to minorities. Such a disparity clearly constitutes a prima facie case of discrimination indicating that the racial classification in the County plan were necessary. [Id. at 915-16]

#### d) Disparity Indices

Once the statistical data has been collected and preliminarily assed, further analysis must be done to evaluate whether any disparity identified is statistically significant. Reviewing courts have approved the use of disparity indices and standard deviations for this purpose, and GSPC will be utilizing them in the present Disparity Study.

One way to demonstrate the under-utilization of M/WBEs (or DBEs) in a particular area is to employ a statistical device known as the "disparity index." The use of such an index was explained, and cited approvingly, in <u>H.B. Rowe</u>, 615 F.3d at 243-44.

In <u>H.B. Rowe</u>, after noting the increasing use of disparity indices, the court explained that the State (through a consulting firm) calculated a disparity index for each relevant racial or gender group covered by the DBE program, and further, conducted a standard deviation analysis on each of those indices using t-tests.<sup>26</sup> The resulting calculations "demonstrated marked underutilization of [] African American and Native American subcontractors," according to the court.<sup>27</sup>

The utility of disparity indices or similar measures to examine the utilization of minorities or women in a particular industry has been recognized by a number of federal circuit courts.<sup>28</sup> Specifically, courts have used these disparity indices to apply the "strong basis in evidence" standard in <u>Croson</u>. As noted, the disparity index in <u>H.B. Rowe</u> was 0.46 for African Americans, and was 0.48 for Native Americans.<sup>29</sup> Based on a disparity index of 0.22, the Ninth Circuit upheld the denial of a preliminary injunction to a challenger of the City of San Francisco's MBE plan based upon an equal protection claim.<sup>30</sup> Similarly, the Third Circuit held that a disparity of 0.04 was "probative of discrimination in City contracting in the Philadelphia construction industry."<sup>31</sup>

## e) Standard Deviations

The number calculated via the disparity index (established above) is then tested for its validity through the application of a standard deviation analysis. Standard deviation analysis measures the probability that a result is a random deviation from the predicted result (the more standard deviations, the lower the



 $<sup>^{26}</sup>$  <u>Id.</u> at 244. The disparity index is calculated by dividing the percentage of available M/WBE participation (amount of contract dollars) by the percentage of M/WBEs in the relevant population of local firms. A disparity index of one (1.0) demonstrates full M/WBE participation, whereas the closer the index is to zero, the greater the under-utilization. Some courts multiply the disparity index by 100, thereby creating a scale between 0 and 100, with 100 representing full utilization. <u>Engineering Contractors</u>, 122 F.3d at 914.

<sup>&</sup>lt;sup>28</sup> See Associated General Contractors v. California D.O.T., 713 F.23d at 1191, citing <u>H.B. Rowe; Concrete Works</u>, 36 F.3d at 1523 n. 10 (10th Cir.1994) (employing disparity index); <u>Contractors Ass'n</u>, 6 F.3d at 1005 (3d Cir.1993) (employing disparity index).

<sup>&</sup>lt;sup>29</sup> <u>Id.</u> at 245.

<sup>&</sup>lt;sup>30</sup> <u>AGC v. Coal. for Economic Equity</u>, 950 F.2d 1401, 1414 (9th Cir. 1991).

<sup>&</sup>lt;sup>31</sup> <u>Contractors Ass'n.</u>, 6 F.3d at 1005.

probability the result is a random one). Social scientists consider a finding of two standard deviations significant, meaning that there is about one chance in 20 that the explanation for the deviation could be random, so the deviation must be accounted for by some factor.

As noted above, standard deviations were applied by the State of North Carolina in the statistical analysis utilized to defend its M/WBE program in <u>H.B. Rowe</u>.<sup>32</sup> The Fourth Circuit described the significance of the findings as follows:

For African Americans the t-value of 3.99 fell outside of two standard deviations from the mean and, therefore, was statistically significant at a 95 percent confidence level. In other words, there was at least a 95 percent probability that prime contractors' underutilization of African American subcontractors was not the result of mere chance. For Native American subcontractors, the t-value of 1.41 was significant at a confidence level of approximately 85 percent. [Id. at 245]

Similarly, the Eleventh Circuit has directed that "where the difference between the expected value and the observed number is greater than two or three standard deviations', then the hypothesis that [employees] were hired without regard to race would be suspect." <u>Peightal v. Metropolitan Dade County</u>, 26 F.3d 1545, 1556 (11th Cir. 1994) (quoting <u>Castaneda v. Partida</u>, 430 U.S. 482, 497 n.17, 97 S.Ct. 1272, 1281 n.17, (1977)).

#### f) Regression Analyses

In conducting its statistical analysis of the County's program, GSPC will also be employing a regression analysis, which essentially seeks to control for numerous factors *other than discrimination*, <u>e.g.</u>, firm size, experience level, which may be causing or contributing to any disparity identified. This aspect of the GSPC methodology likewise has the support of several courts as a current "best practice" for disparity studies.

For example, after the Fourth Circuit in <u>H.B. Rowe</u> noted the statistical significance of certain quantitative analyses showing two standard deviations or a disparity ratio higher than .80, it addressed the value of a regression analysis as a further evaluative tool. Specifically, in discussing the disparity evidence offered by the State, the court favorably noted:

To corroborate the disparity data, MGT conducted a regression analysis studying the influence of certain company and business characteristics - with a particular focus on owner race and gender - on a firm's gross revenues. MGT obtained the data from a telephone survey of firms that conducted or attempted to conduct business with the Department. The survey pool consisted of a random sample of 647 such firms; of this group, 627 participated in the survey.

MGT used the firms' gross revenues as the dependent variable in the regression analysis to test the effect of other variables, including company age and number of fulltime employees, and the owners' years of experience, level of education, race, ethnicity, and gender. The analysis revealed that minority and women ownership universally had a negative effect on revenue. African American ownership of a firm had the largest negative effect on that firm's gross revenue of all the independent variables included in the regression model. These findings led MGT to conclude that "for African Americans, in particular, the disparity in firm revenue was not due to capacity-related or managerial characteristics alone." [Id. at 245-46; 250]



<sup>&</sup>lt;sup>32</sup> 615 F.3d at 244-45.
In <u>Kossman v. City of Houston</u>, the key feature of the supporting study was a regression analysis addressing availability and utilization.<sup>33</sup> Using both statistical and anecdotal evidence, the study ultimately concluded that "business discrimination against M/WBEs existed in the geographic and industry markets for [the City's] awarding of construction contracts":

[W]e conclude that there is strong evidence of large, adverse, and frequently statistically significant disparities between minority and female participation in business enterprise activity in [Defendant's] relevant market area and the actual current availability of those businesses. We further conclude that these disparities cannot be explained solely, or even primarily, by difference between M/WBE and non-M/WBE business populations in factors untainted by discrimination, and that these differences therefore give rise to a strong inference of the continued presence of discrimination in [Defendant's] market area. There is also strong anecdotal evidence of continuing barriers to the full and fair participation of M/WBEs on [Defendant] contracts and subcontracts, despite the implementation of the M/W/SBE Program, and in the wider Houston construction economy. Remedial efforts remain necessary to ensure that Houston does not function as a passive participant in discrimination. [Kossman, at p. 11]

6. Requirement for a Narrowly-Tailored Remedy

Under the <u>Croson</u> framework, any race-conscious plan or remedy must also be narrowly tailored to ameliorate the effects of past discrimination. <u>See Michigan Road Builders Ass'n v. Milliken</u>, 834 F.2d 583, 589-90 (6th Cir. 1987).<sup>34</sup>

The Fourth Circuit addressed the parameters of this requirement in <u>Tuttle v. Arlington County</u>:

When reviewing whether a state racial classification is narrowly tailored, we consider factors such as: (1) the efficacy of alternative race-neutral policies, (2) the planned duration of the policy, (3) the relationship between the numerical goal and the percentage of minority group members in the relevant population or work force, (4) the flexibility of the policy, including the provision of waivers if the goal cannot be met, and (5) the burden of the policy on innocent third parties. [195 F.3d at 706 (citation omitted)]<sup>35</sup>

Similar guideposts are provided in several post-<u>Croson</u> cases wrestling with efforts to meet the "narrowly tailored" prong – which we simply list for ease of reference:

- Relief is limited to minority groups for which there is identified discrimination;
- Remedies are limited to redressing the discrimination within the boundaries of the enacting jurisdiction;
- The goals of the programs should be flexible and provide waiver provisions;
- Race and/or gender neutral measures should be considered to the extent reasonably possible; and

<sup>&</sup>lt;sup>35</sup> <u>See also Croson</u>, 488 U.S. at 507-08. <u>See also Sherbrooke Turf</u>, 345 F.3d at 971-72 ("Narrow tailoring does not require exhaustion of every conceivable race-neutral alternative, but it does require serious, good faith consideration of workable race-neutral alternatives."); <u>Adarand III</u>, at 1177.



<sup>&</sup>lt;sup>33</sup> <u>Id.</u> at pp. 2-10.

<sup>&</sup>lt;sup>34</sup> <u>See also Sherbrooke Turf</u>, 345 F.3d at 972 (citing <u>Croson</u>, 488 U.S. at 496).



Inherent in the above discussion is the notion that M/WBE Programs and remedies must maintain flexibility with regard to local conditions in the public and private sectors. Courts have suggested project-by-project goal setting and waiver provisions as means of ensuring fairness to all vendors.

Also, "review" or "sunset" provisions are strongly suggested components for an M/WBE program to guarantee that remedies do not out-live their intended remedial purpose. As an example, the Fourth Circuit had little problem rejecting a challenged college scholarship program because it had no "sunset" provision.<sup>37</sup> In contrast, in <u>H.B. Rowe</u>, the court specifically noted with approval the mandatory review and sunset provisions included in the relevant North Carolina statute (§ 136-28.4).<sup>38</sup>

#### CONCLUSION

The <u>Croson</u> decision, handed down thirty years ago, continues to cast a long shadow over M/WBE (and DBE) programs and legislation. Significant refinement by the Supreme Court and the federal Circuit Courts of Appeal transpired in its wake, though, addressing the acceptable and proper methodologies for achieving the legal standards established by <u>Croson</u>.

In fact, the Court in <u>Kossman</u> recently included in its opinion a lengthy legal overview of what it dubbed "<u>Croson</u>'s Continuing Significance." In this section of its decision, the court opined about why a statistical analysis like that presented by the City of Houston was necessary and proper under the Equal Protection scheme established by <u>Croson</u> and refined by its (continuing) progeny.<sup>39</sup> In many respects, this opinion provides a roadmap for success in implementing and defending an M/WBE program (such as the Mecklenburg County MWSBE program) under the current state of the law, with appropriate attribution and reference to <u>Croson</u>.

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<sup>&</sup>lt;sup>36</sup> <u>Sherbrooke Turf</u>, 345 F.3d at 971 ("In determining whether a race-conscious remedy is narrowly tailored, we look to factors such as the efficacy of alternative remedies, the flexibility and duration of the race-conscious remedy, the relationship of the numerical goals to the relevant labor market, and the impact of the remedy on third parties.").

<sup>&</sup>lt;sup>37</sup> <u>Podberesky</u>, 38 F.3d at 160 ("The program thus could remain in force indefinitely based on arbitrary statistics unrelated to constitutionally permissible purposes.").

<sup>&</sup>lt;sup>38</sup> 615 F.3d at 239.

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# MECKLENBURG COUNTY 2019 PURCHASING PROTOCOLS STUDY DATA ASSESSMENT REPORT

Griffin & Strong, P.C. ("GSPC") conducted a series of data assessment meetings on May 30<sup>th</sup> and July 16-17, 2019 regarding the Mecklenburg County ("County") 2019 Purchasing Protocols Study ("Study"). This report summarizes that meeting and sets forth action items and preliminary questions to be answered. It is necessary to issue a data assessment report prior to completing the data collection plan to confirm that GSPC has the correct understanding of how and where data is kept by County.

#### I. Scope Statement

The purpose of this engagement is to conduct a Study that assists Mecklenburg County to fully understand the effectiveness of its existing MWSBE and procurement policies and programs that are used by all its departments and divisions.

The goal of the project will be to answer the following research questions: > What is the scope and scale of the County's current MWSBE contracting processes across disparate parts of the enterprise? > What are the best practices for benchmarking the County's utilization of MWSBEs?

The Study will collect and analyze relevant utilization data on vendors in the areas of:

- A. Construction
- B. Architecture and Engineering ("A/E")
- C. Professional Services
- D. Other Services
- E. Goods

Although it is optimal to analyze both prime and subcontractor utilization data, the County does currently not maintain subcontractor data at the enterprise level, so only prime utilization will be analyzed. Construction subcontract data is maintained by the department within construction/portfolios; AFM, LUESA, and Parks. The county is working on but has not yet implemented a standard.

The study period for the Study has been determined as a 4 year study period from July 1, 2015 through June 30, 2019. The County's purchasing operations were through joint purchasing with the City of Charlotte ended on 2/1/2015. ("Study Period")

## II. Data Assessment Meeting

GSPC conducted data assessment meetings to ascertain the location, types, and constraints on the



data needed for the Study, as well as to obtain a basic understanding of the County's purchasing practices.

## **III.** Preliminary Purchasing Practices

The County follows the State of North Carolina procurement laws.

Generally, the County has centralized data systems for purchasing and financial data, with a few exceptions, but the procurement process is not fully centralized. For example, those Departments with Construction or similar activities have a higher degree of delegated authorities. Also, procurement policies establish thresholds for whether formal, informal, or other contracting requirements apply based on type of purchase, consistent with Federal, State, and County statutory, regulatory, and other requirements. All contracts must go through a contract approval workflow, which includes legal, risk management, County Manager's office, and Finance Officer sign off, and these contracts are reviewed by procurement as part of the approval process. Workflow data for contract approvals is captured in the County's procurement approval system, OnBase, and all purchasing data is entered into the County's financial system (CGI Advantage).

Every County department is slated to be included in the study. The only partner agencies to be included in the Study are the Library and Medic. Charlotte Mecklenburg Schools (CMS) and the Sheriff's Office will not be included. There are no County airports to be included. The list of departments is:

- 1. Financial Services
- 2. Office of the Tax Collector
- 3. County Assessor's Office
- 4. IT Services
- 5. Risk Management\* (Consolidated service managed by the City of Charlotte)
- 6. Consolidated Health and Human Services Depending on project may work through community-based organizations (not for profits). For federal dollars, subcontractors are tracked.
  - a. Child Support Enforcement
  - b. Community Support Services
  - c. Department of Community Resources
  - d. Department of Social Services
  - e. Public Health
- 7. County Manager's Office
  - a. County Administration
  - b. Clerk's Office
  - c. Business Process Management
  - d. Enterprise Project Management Office
  - e. Strategic Planning & Evaluation
- 8. Asset & Facility Management (AFM) all construction & construction related professional services for agencies, including Library and Medic will be done by this group (also see



LUESA) should list department that construction is done for.

- 9. Human Resource Department
- 10. Public Safety
  - a. Criminal Justice Services
  - b. Medical Examiner
- 11. Partner Agencies
  - a. Medic (partner agency with Hospital System) has its own procurement and leadership team so its data is not centrally tracked. Mostly goods direct from manufacturer.
  - b. Charlotte Mecklenburg Library
  - c. Sheriff's Office
- 12. Land Use & Environmental Services Agency (LUESA)
  - a. Air Quality
  - b. Code Enforcement does not have their own A/E projects; AFM manages them (e.g. LUESA building renovation)
  - c. GIS
  - d. Solid waste and recycling (Construction and engineering)
  - e. Storm Water Services (construction and engineering)
- 13. Park & Recreation
- 14. Workforce Development/Literacy
- 15. County Attorney Office
- 16. Office of Management & Budget
- 17. Internal Audit
- 18. Public Information
- 19. Office of Economic Development

All financial and procurement data is centralized in Finance and contract workflow systems, with the exception of subcontractor data which is only kept by Departments responsible for construction projects. Subcontractor data is tracked for HUBSCO.

There are no third-party entities doing procurement on the County's behalf, however there are occasions where the County will hire a third party to develop an RFP and facilitate the RFP process. This is typically done for a niche area that requires specialized knowledge for example, Medical/Pharmacy Benefits for employees.

## A. Purchasing Levels

- 1. P-Cards usage is generally limited to purchases up to \$3,000.00. Anything over this threshold would be submitted to the Finance Department. These payments will potentially show up in the Advantage system because there is a contract or Purchase Order number associated with the purchases. We found pcards that are not associated with contracts or purchase orders in the payment data.
- 2. Department's informal contract thresholds are less than \$100,000 for goods and services. For



construction the informal contract threshold from \$30,000 to \$500,000. Anything above these thresholds requires a formal process.

- a. For AFM Projects, the following purchasing thresholds apply:
  - i. Construction less than \$30K, can contract with any responsive vendor
  - ii. Design less than \$50K, any qualified vendor

The following are purchasing thresholds for non-federally funded purchases. Federally funded purchases follow Uniform Guidance requirements, and thresholds in those cases are outlined in the County Procurement Policy. County Procurement Policy does not reference Library or Medic.

- For purchases between \$0 \$9,999, the Department may use a P-card up to \$3,000 or Department Purchase Order (PD) in CGI Advantage. PD's are not routed through Procurement as there are no bidding requirements at this threshold.
- For all purchases between \$10,000 \$99,999, multiple quotes are required. Quotes may be obtained by the Department or by Procurement at the Department's request. Regardless of whether the Department or Procurement obtains the quotes, once they're obtained the Department submits an RQS in CGI Advantage which routes to Procurement for review and approval. Once Procurement approves the RQS, the system generates a Purchase Order which is sent to the vendor for order fulfillment.
- Purchases of Goods over \$100,000 require a Sealed Bid process. Purchases of Technology Goods & Services Combination require a Request For Proposal process.

Non-Federally Funded Construction projects have the following thresholds. These purchases are facilitated by the departments that conduct construction projects. Procurement will review in Advantage and/or OnBase for policy compliance but does not facilitate the process.

- \$0-\$29,999 Department may obtain one quote and must submit an RQS in CGI Advantage.
- \$30,000 \$499,999 Department must seek multiple quotes and award to lowest responsible bidder.
- \$500,000 or greater requires a sealed bid process that must be conducted by authorized Departmental staff.

Library formal bids are \$90,000 or more

#### **IV.** Data Assessment

#### A. General Data

All vendor and spend data is stored in the financial system of record (CGI Advantage). There is an enterprise content management system (OnBase) which stores contract approval data but there



is no indexing which means that specific data cannot be quickly pulled out of the contracts and would require manual work. Additionally, the County utilizes a grants management system (Amplifund) for grant approval and tracking. Data from both OnBase and Amplifund is loaded into CGI Advantage, these two systems are mainly used for approval/workflow. The County uses Legistar to manage the Board of County Commissioner (BOCC) Request For Board Action (RFBA) process. Departments submit RFBAs through Legistar, which go through a review and approval process and once approved, Legistar is used to publish the BOCC Agenda and minutes. Legistar will house any attachments associated with an RFBA e.g bid tabs, presentations, etc. The RFBA may contain information related to MWSBE participation.

## **B.** Analysis

## 1. Utilization

The County reviews not-for-profits, so GSPC should provide an analysis of the dollars spent with non-profits as part of its analysis. Currently, non-profit spending is part of the equity and inclusion effort and was not initially seen as something under the for-profit MWSBE analysis. There is a field, but standards/criteria have not been implemented, so may be difficult to track from a data perspective.

#### 2. Anecdotal

GSPC should talk to the Hispanic and Asian Chambers that have a good relationship with the County. The County has no outreach information.

There are thirty-seven (37) business assistance groups in Mecklenburg County. GSPC should consider whether it would be beneficial to reach out to those groups to see how they are outreaching to MWSBEs and what services they provide. Also determine which, if any of them have accountability to the County. The Central Piedmont Community College has a small business center that does have accountability and provides a monthly reporting.

Action Item: Obtain a list of these business assistance groups from the County and any monthly reports.

## C. Specific Data files

It was determined in this meeting that GSPC will need from County:

- List of Solicitations- (issued during the Study Period)
- Prequalified List
- Vendor list
- > Awards



- Purchase Orders (during the Study Period)
- > Payments
- > P-cards
- Contracts
- Bidders
- Subcontractors
- HUB/DBE/SBE Certified

## 1. Solicitations

Bids and Solicitations for Goods, Services and Technology were not in CGI Advantage until January 26, 2017. Prior to July 1, 2015, the City of Charlotte was performing some of the County's Goods, Services, and Technology bidding and solicitations and this was done manually. Some County Departments were conducting their own bids and solicitations during this time. The City of Charlotte Procurement Office ended July a, 2015.

Action Item: Study should only analyze data from July 1, 2015

## **2.** Prequalified List

LUESA is the only department that uses a prequalified list.

Construction Manager At Risk (CMAR) is a qualification-based selection process. However, once selected the CMAR process includes a pre-qualification process for sub-contractor selection. That process requires Board of County Commissioners (BOCC) approval.

Action Item: Check whether CMARs also must be prequalified under State law. GSPC heard two different takes on this. CMARs are selected by qualification per G.S. 143-128.1. A prequalification process is used to select subcontractors on a CMAR project per G.S. 143-135.8

## 3. Vendor List

CGI Advantage has a Vendor Self Service (VSS) module that the County uses to maintain and manage the Master Vendor File. Vendors access VSS through <u>www.meckprocure.com</u> and are able to create a vendor profile to become a registered vendor with the County. A vendor is considered "inactive" until it submits a W-9 and ACH form and the vendor is fully vetted. Vetting requirements vary depending on the type of contract. However, all vendors are checked against the Secretary of State site for Legal Name, and against State Debarment. A vendor cannot receive payment unless they are active in CGI Advantage. A vendor can receive solicitation notices and participate in the solicitation process if they're inactive.



Currently MWSBE vendors are identified within the Vendor Master File. NC HUB vendors are being loaded in based on a list provided by the State. Prior to April 2019, vendors would self-certify within the VSS system and was manually confirmed against City of Charlotte, HUB and DOT lists. The County is exploring automating MWSBE certification downloads from the City of Charlotte and identifying whether there are vendor self-certifications in the system that can be processed. Vendors are confirmed through match using Tax ID numbers.

Subcontractors do not currently have to register as vendors.

## 4. Awards

The contract amount is stored in Advantage and shows both the total contract amount and the amount encumbered in each year. As of January 1, 2019, the maximum Contract amount was also added. Formal contracts are stored as Master Agreements (MA) or Contracts CT documents and reporting can be pulled by the document type. Additionally, purchase orders are identified as PO or PD documents and can be pulled in this way as well. Only contracts with an encumbrance and Master Agreements are keyed in Advantage. The CT and MA physical documents are stored in OnBase (not Advantage).

OnBase and Advantage give us the full amount of the contract award, but this data was not consistently entered until January 1, 2019. Awards prior to that time may have blanks in the values field. Only the CT/MA designation is documented on the Control Sheet in Onbase or in the contract document itself, however there are not reportable fields. Contracts can be pulled from OnBase based on various data points including but not limited to year and department, vendor and contract number. d

For CMARs, details are held by the project managers. All the money for CMARs is listed under the CMAR and not under the firms they hired.

#### **Purchasing Documents**

There are multiple ways to encumber funds once an award is made and depending on the type of purchase. Goods (including technology goods) are on Purchase Order (PO). Services (including technology goods and services combination) are either on a PO or Contract (CT). When a pricing agreement for goods or services is awarded, a Master Agreement is created, and funds are encumbered by a Direct Order (DO).

The encumbering document (PO, CT, DO) includes the total award amount.

The encumbering document will include open amount and closed amount and may identify the solicitation or contract number in the extended description.



GSPC should make sure it includes the following data fields in its request:

Contract Number and/or PO Number Start date End/Close date Contract Status Contract Award Amount Matched NIGP Code

Purchase orders should contain most relevant data fields for analysis.

## 5. Payments

There are 5-digit NIGP codes in the payment data, as well as contract and PO numbers which can be used as a shared column between systems to merge data. Payment data is tracked in Advantage and includes a ledger or expense account code for which there is a chart of accounts to identify the spend. Payment data includes the Vendor ID

NIGP codes are used to 5 digits as well as an expense account which is a 4-digit code that embeds the type of expense. Department, program, and fund are also included in payments data. This is being stored inside Advantage.

GSPC should make sure it includes the following data fields in its request:

Purchase Order Number Payment Amount Payment Date Vendor ID NIGP Code Contract Number Expense Account Source of Funds Department

For Library funds we will see lump sums, we need to query the Library directly to get the details of spend. Will show up at 001 fund. Run a report in Advantage under LIB will come up except fleet direct bills that we have to get from the Library itself. Best to search for General Fund plus LIB as the department and exclude those and get directly from the Library. Library does its own Microsoft because it gets a better rate. Library uses Munis. Library uses a 5-digit object code in the chart of accounts instead of 4, so get chart of accounts from Finance and Library.

Medic has extensive IT purchases, but otherwise all goods.



#### 6. P-cards

GSPC is only looking at P-card purchases that exceed the \$3,000 limitation. P-card data comes from Bank of America except Library that uses PNC. Library P-Card data is not held by Finance. GSPC would need to find out who does hold the Library P-card data.

## 7. Contracts

Contracts are stored in OnBase as digital replications of physical documents. Contract numbers are maintained in both the OnBase and Advantage system.

For master contracts, the encumbering document is a Direct Order (DO) Contracts are shown as a Purchase Order Type (CT/SCF/MA) If the contract (CT) continues for multiple years, sometimes it will have an A or B that follows the contract number. The Finance Department provided the following example:

- 2 year Contract for \$100,000
- Year one Contract document is created in Advantage CT# 12345 \$50,000 is encumbered
- Year two Department requests a CCE (Continuing Contract Encumbrance) Central creates a new CT document #12345A and encumbers the remaining \$50,000
- A department can also add additional monies on contract within a fiscal year using a CCE; this does not warrant an A document to be created.

Master Agreements are coded as MA with the encumbering document as a DO.

## 8. Bidders (only if full disparity study)

All bidders are now registered, but not before April, 2019. For the Finance Department, vendors are only required to set up a profile in VSS to respond.

Vendors interested in participation in a solicitation that is published by Finance-Procurement must be registered in order to submit a bid in Advantage. Vendors bidding on construction bids are encouraged to register but are not required to be registered in order to submit a bid. Vendors are also encouraged to register with the North Carolina Interactive Purchasing System (NCIPS) as the County (FIN, AFM, LUE) all post bid notifications to this site. Some departments have their own lists of firms to notify about an upcoming bid. Procurement requests vendor contact information from departments so that there is a single point of contact for vendor communication once a solicitation is released.

For informal procurements, there are 1, 2 or 3 bids that are put in Advantage System, but there is no reporting capability from these attachments.

Formal non-construction solicitations responses are also housed in Advantage.



Action Item: GSPC should request this information to see if it can be pulled.

#### 9. Subcontractors

The County has MWSBE forms. For the County's MWSBE forms: Forms I and II are intent forms and Finance and AFM report that these forms are submitted during the proposal submission phase and kept with the proposal once submitted, e.g. submitted with construction bids. AFM notes that Form VI is submitted at construction close out. Form VI's have not been submitted for some projects – although most have been received.

The referenced excel file is for GC/CMAR construction contracts from FY15 thru current FY. We have since extended the data base to include all projects (see attached). AFM does not utilize Forced Labor.

AFM submitted that there has been annual collection of MWSBE spending although it has not been submitted to the State HUB Program. The County is currently establishing a process to get back in compliance with Stat HUB reporting requirements. Board minutes do not always include subcontractor data. There have not been any recent DBE projects, so there are no DBE reports either. There is no subcontractor data except that data has been tracked digitally in an excel file by AFM, the data includes GC/CMAR construction contracts that have been tracked from FY15 through the current Fiscal Year, and the data that is there is very accurate. The problem is that, although AFM reports that they have now expanded the databased to include all projects, for much of the study period, not every contract was being tracked. However, GSPC can match against the list of solicitations to see what projects are missing. LUESA never digitally tracked subcontractors. It will be difficult to get data before that because it is manually kept in physical documents. This includes final contract amounts for MWSBE subcontractors. There is no information on non-minority subcontractors.

OnBase does not include subcontractor data so this Excel file is the only usable digital data.

GCs/CMARs use a Form VI. The GC/CMAR includes MWSBE subs in Form VI, and these forms are requested during Final Close out. Final payment is not released until MWSBE forms are received, but the County does not maintain that data, GSPC would have to get it from the CMAR. AFM started to include CMARs 5 years ago and based on dollars; those are the largest dollars with about 50-60 small projects a year. So, GSPC should try to identify the CMARs to see if that data is available. LUESA doesn't use CMARs.

Parks & Rec does force accounts, so GSPC should request the firms that they hire and list them as primes and not subcontractors. AFM does not currently use forced labor, but GSPC may check if AFM has had force accounts for Inmate Construction Program through Public Safety department in the past. Health & Human Services does not do any force accounts.WE3 m



So, GSPC will request the excel spreadsheets and any other subcontractor data, including Form VI that AFM, LUESA, and Parks and Rec has and perform an analysis on that data if it is found to be consistently maintained.

Any departments that received federal funds and utilizes sub-recipients will track performance and allocation of funds.

#### **10.Certified MWBE/DBE list**

The County uses the State of NC HUB list for MWBEs and the City of Charlotte does SBE certification. The last HUB/HUBSCO reporting was 2014.

GSPC should note that there are large MWBE firms that are not HUB certified but have been utilized by the County. GSPC will note the firms, if identified in the County's data, as MWBEs but will note that they are uncertified.

GSPC will use the HUB, Charlotte SBE, and NCDOT DBE and SBE certified list to match against the utilization lists to identify MWSBEs and will accept other firms identified in the County's records as "uncertified" firms.



# APPENDIX C – STUDY DEFINITIONS

**Anecdotal** – A reported personal experience or encounter, retold through interview, testimony, email, or survey. Not necessarily verified or based on research.

**Availability** –A calculated percentage computed by dividing the number of businesses in each study group by the total number of businesses in the pool for that work category.

<u>City of Richmond v. J.A. Croson Company</u> **488 U.S. 469 (1989) ("Croson")** – Laws that, on their face, favor one class of citizens over another, may run afoul of the Equal Protection Clause of the 14 Amendment of the U.S. Constitution even if those laws are meant to remedy discrimination. Such laws, including those that create race conscious programs, must withstand judicial "strict scrutiny" or they will be dismantled. In its <u>Croson</u> decision, the Supreme Court ruled that the City of Richmond's Minority Business Enterprise (hereinafter "MBE") program failed to satisfy the requirements of "strict scrutiny" review under the 14<sup>th</sup> Amendment "Strict scrutiny" review involves two co-equal considerations to determine whether a race conscious program can withstand the Strict Scrutiny: First, the need to demonstrate a compelling governmental interest (which may be established through periodic disparity studies); Second, implementation of a program or method narrowly-tailored to achieve/remedy the compelling interest. In <u>Croson</u>, the Supreme Court concluded that the City of Richmond failed to show that its minority set-aside program was "necessary" to remedy the effects of discrimination in the marketplace.

**Disparity Index** – A statistical measure demonstrated by the failure to meet parity between availability and Utilization. Disparity is calculated by comparing the utilization percentage to the availability percentage of each race/gender/ethnic group. Will result in either overutilization, underutilization or parity.

**Disparity Study ("Study")** – A tool, identified by the Supreme Court as necessary for satisfying the strict scrutiny threshold for race conscious programs and demonstrating the compelling governmental interest by "factual predicate" that identifies discrimination and a narrowly tailored remedy to redress any finding of discrimination. Must adhere to the legal requirements of U.S Supreme Court decisions like <u>City of Richmond v. J.A. Croson Company</u>, 488 U.S. 469 (1989) and its progeny. Disparity studies are not designed to be an analysis of any current remedial programs but an analysis of race, ethnicity, and gender status and how it affects participation in the procurement process and in the marketplace.

**Fiscal Year ("FY")** – The business year for the County for purchasing and accounting purposes. Measured by the County from July 1 – June 30<sup>th</sup>. The study period for this study is FY 2015-2019.

**Good Faith Efforts ("GFE")** – The documentation and verification process to ensure that prime contractors are soliciting and negotiating with MWBEs in "good faith" for potential subcontracting opportunities.

**Minority Business Enterprise ("MBE")** – any for-profit business owned and controlled by an individual or group of individuals who have at least 51% stake in ownership and identify with one of the following ethnic minority groups:

- Black American
- Asian American
- Hispanic American American Indian

**MWBE** – For profit businesses owned and controlled by a person or group of individuals who have at least 51% stake in ownership and identify as an MBE or Nonminority Female.

**Non-MWBE** – Any for profit business owned and controlled by a person or group of individuals who have at least 51% stake in ownership and identify as either Caucasian Males or is Publicly Traded with no majority owner of which to attribute an ethnicity. Not-for-profit and governmental entities are not included as Non-MWBEs.

**Nonminority Female** – Any for profit business owned and controlled by an individual or group of individuals who have at least 51% stake in ownership and identify as Non-Hispanic Caucasian women.

**Overutilization** – The measure by which the utilization percentage is higher than the availability percentage and the Disparity Index is above 100. In order to be statistically significantly overutilized, the Disparity Index must be 110 or more.

**Parity** – The absence of disparity, demonstrated by the utilization percentage being equal to availability percentage and the Disparity Index equaling 100.

**Prime Contractor** – A business who has entered into direct contractual relationship with the County, or other public or private entity to provide a good, service, or perform a scope of services.

**Qualitative Analysis** – Also known as anecdotal analysis. Referring to a measurement of quality (ex. how good over how much). Typified through collection and analysis of constituents' anecdotal impressions, such as interviews, public hearings, focus groups, and other forms of commentary.

**Quantitative Analysis** – Commonly referred to as statistical analysis. Referring to a measurement of quantity over quality (ex. how much over how good). Typified by analysis of mathematical or statistical modeling.

**Regression Analysis** – Statistical measure used to determine whether the race, ethnicity or gender status of a business owner are an impediment in contracting in the County marketplace and whether but for these, they would have the capacity to provide services on a higher level than is currently utilized.

**Relevant Market** – A statistical measure, determined by where the County has spent at least 75% of its prime payment dollars. All aspects of the availability, utilization, and disparity analysis will encompass only firms located within the relevant market, by work category, to ensure that any resulting program is "narrowly tailored" per Croson standards.

Strict Scrutiny – The highest level of judicial scrutiny used in determining the constitutionality of laws.

**Study Period** – The period between which all City payments are subject to study analysis. For this study it has been defined as July 1, 2015 – June 30, 2019 (FY16-FY19)

**Subcontractor** – A business who has entered into a direct contractual relationship with a Prime Contractor to either provide a good or service or perform a full scope, or portion of a scope of services.

**Utilization** – A review of the County's payment to determine where and with whom Prime Contractor and Subcontractor payments were made. The analysis is conducted both with regard to the number of firms and the dollars in each race, ethnicity, gender group during each year of the Study.

**Work Categories** – The work categories for services which are purchased by the County and are utilized by the County (for primes) and the County primes (for subcontractors). For the purpose of this study, contract data was collected and analyzed in the following business sectors.

- Construction
- Architecture & Engineering (A&E)
- Professional Services
- Other Services
- Goods

**Underutilization** – The measure by which the utilization percentage is less than the availability percentage and the Disparity Index is below 100. In order to be statistically significantly underutilized, the Disparity Index must be 80 or less.

#### APPENDIX D - Relevant Market Determination by County

The tables in Appendix D (Tables D-1 through D-5) presents the dollar value of awards by county for all Mecklenburg prime spending, broken down by the five procurement categories. The counties are arranged from the highest dollar value to the lowest dollar value. The first percentage column is the percentage of Mecklenburg prime spending with firms in that county and the last column is the cumulative percentage of Mecklenburg spending with firms for that county and the counties above it. Note that any dollars paid below the minimum threshold of \$3,000 appear in this table only if the total payment amount was over \$3,000 and line items in the payment were excluded due to their object code.

## Table D-1: Prime Construction by Counties Mecklenburg Disparity Study (Using Payment Dollars, FY 2016-2019)

County, State	Amount	Percent	Cumulative Percent
Mecklenburg County, NC	\$577,545,802.95	88.71%	88.71%
New Haven County, CT	\$9,828,960.31	1.51%	90.22%
Lincoln County, NC	\$8,995,977.64	1.38%	91.61%
Cherokee County, SC	\$5,559,824.35	0.85%	92.46%
Forsyth County, NC	\$4,463,560.07	0.69%	93.15%
Wake County, NC	\$4,194,558.62	0.64%	93.79%
York County, SC	\$3,299,935.72	0.51%	94.30%
Richland County, SC	\$2,901,389.85	0.45%	94.74%
Davidson County, NC	\$2,531,540.70	0.39%	95.13%
Franklin County, NC	\$2,375,046.91	0.36%	95.50%
Guilford County, NC	\$2,235,113.78	0.34%	95.84%
Spartanburg County, SC	\$2,214,037.35	0.34%	96.18%
Union County, NC	\$2,110,933.97	0.32%	96.50%
Chatham County, NC	\$1,930,609.68	0.30%	96.80%
Iredell County, NC	\$1,883,754.40	0.29%	97.09%
Lee County, NC	\$1,852,177.07	0.28%	97.37%
Cabarrus County, NC	\$1,701,268.52	0.26%	97.64%
Mcdowell County, NC	\$1,675,388.28	0.26%	97.89%
Robeson County, NC	\$1,422,588.04	0.22%	98.11%
Fulton County, GA	\$988,334.16	0.15%	98.26%
Tulsa County, OK	\$828,750.00	0.13%	98.39%
Miami County, OH	\$768,380.15	0.12%	98.51%
Cuyahoga County, OH	\$753,457.45	0.12%	98.62%
Fairfax County, VA	\$625,075.60	0.10%	98.72%
Mchenry County, IL	\$495,267.51	0.08%	98.80%
Gaston County, NC	\$471,077.10	0.07%	98.87%
Gwinnett County, GA	\$459,889.18	0.07%	98.94%
Greenville County, SC	\$388,899.89	0.06%	99.00%
Wilson County, NC	\$360,124.42	0.06%	99.05%
Santa Clara County, CA	\$337,903.94	0.05%	99.11%
Orange County, NC	\$334,141.21	0.05%	99.16%
Marion County, IN	\$286,067.43	0.04%	99.20%
Stanly County, NC	\$285,403.00	0.04%	99.25%
Fayette County, KY	\$283,457.53	0.04%	99.29%
Cook County, IL	\$268,696.64	0.04%	99.33%
Knox County, TN	\$260,413.00	0.04%	99.37%

Steele County, MN	\$223,876.26	0.03%	99.40%
Granville County, NC	\$216,192.39	0.03%	99.44%
Haywood County, NC	\$215,352.69	0.03%	99.47%
Johnston County, NC	\$214,200.00	0.03%	99.50%
Sangamon County, IL	\$203,142.35	0.03%	99.53%
Morgan County, IL	\$202,596.41	0.03%	<b>99.</b> 57%
New York County, NY	\$175,778.52	0.03%	99.59%
Los Angeles County, CA	\$173,735.65	0.03%	99.62%
Niagara County, NY	\$155,546.48	0.02%	99.64%
Buncombe County, NC	\$120,702.50	0.02%	99.66%
Lenoir County, NC	\$118,260.00	0.02%	99.68%
Crawford County, KS	\$112,841.62	0.02%	99.70%
Watauga County, NC	\$112,202.00	0.02%	99.71%
Placer County, CA	\$111,748.20	0.02%	99.73%
Durham County, NC	\$109,498.06	0.02%	99.75%
Cumberland County, NC	\$102,331.00	0.02%	99.76%
Frederick County, MD	\$98,662.50	0.02%	99.78%
Lake County, IL	\$85,978.25	0.01%	99.79%
Anoka County, MN	\$78,623.01	0.01%	99.80%
Waukesha County, WI	\$75,897.18	0.01%	99.82%
Dallas County, TX	\$65,965.65	0.01%	99.83%
Hartford County, CT	\$60,331.68	0.01%	99.84%
Nicollet County, MN	\$59,963.00	0.01%	99.85%
Lexington County, SC	\$59,750.00	0.01%	99.85%
Davidson County, TN	\$57,403.06	0.01%	99.86%
Montgomery County, MD	\$50,563.15	0.01%	99.87%
St. Louis County, MO	\$45,994.00	0.01%	99.88%
Bergen County, NJ	\$45,599.00	0.01%	99.88%
Hennepin County, MN	\$45,199.00	0.01%	99.89%
Beaufort County, SC	\$37,550.00	0.01%	99.90%
Johnson County, IA	\$36,086.41	0.01%	99.90%
Washington County, PA	\$34,604.49	0.01%	99.91%
Catawba County, NC	\$33,400.00	0.01%	99.91%
Pitt County, NC	\$31,882.00	0.00%	99.92%
Rowan County, NC	\$31,460.00	0.00%	99.92%
Wayne County, NC	\$31,353.19	0.00%	99.93%
Butler County, OH	\$28,975.00	0.00%	99.93%
Nassau County, NY	\$25,270.30	0.00%	99.94%
Suffolk County, MA	\$23,183.20	0.00%	99.94%
Alamance County, NC	\$22,941.50	0.00%	99.94%
St. Louis (city) County, MO	\$22,502.82	0.00%	99.95%
Burlington County, NJ	\$22,450.00	0.00%	99.95%

Dane County, WI	\$21,386.12	0.00%	99.95%
Maricopa County, AZ	\$19,505.93	0.00%	99.95%
Lake County, FL	\$18,000.00	0.00%	99.96%
San Diego County, CA	\$17,865.62	0.00%	99.96%
Seminole County, FL		0.00%	
Ť	\$17,585.26	+ +	99.96%
Multnomah County, OR	\$17,260.12	0.00%	99.97%
Anne Arundel County, MD	\$17,112.00	0.00%	99.97%
Manassas (city) County, VA	\$15,526.80	0.00%	99.97%
Hamilton County, OH	\$14,506.66	0.00%	99.97%
Salt Lake County, UT	\$14,005.14	0.00%	99.98%
Travis County, TX	\$12,997.40	0.00%	99.98%
Vance County, NC	\$11,936.00	0.00%	99.98%
Westchester County, NY	\$10,809.90	0.00%	99.98%
Burke County, NC	\$10,500.00	0.00%	99.98%
Suffolk County, NY	\$10,045.00	0.00%	99.99%
Dekalb County, GA	\$9,792.27	0.00%	99.99%
Johnson County, KS	\$9,275.00	0.00%	99.99%
Arapahoe County, CO	\$8,153.91	0.00%	99.99%
Denver County, CO	\$7,200.00	0.00%	99.99%
Jefferson County, KY	\$6,070.75	0.00%	99.99%
Middlesex County, MA	\$5,655.50	0.00%	99.99%
Harrison County, IA	\$5,615.20	0.00%	99.99%
Essex County, MA	\$5,286.59	0.00%	99.99%
Erie County, NY	\$4,384.00	0.00%	100.00%
Prince George's County, MD	\$3,894.06	0.00%	100.00%
Larimer County, CO	\$3,699.80	0.00%	100.00%
Christian County, KY	\$3,600.00	0.00%	100.00%
Kenosha County, WI	\$3,598.54	0.00%	100.00%
Randolph County, NC	\$3,587.34	0.00%	100.00%
Jefferson County, WI	\$3,572.20	0.00%	100.00%
Lee County, VA	\$3,400.00	0.00%	100.00%
Martin County, NC	\$3,384.00	0.00%	100.00%
Allegheny County, PA	\$3,298.75	0.00%	100.00%
Total	\$651,019,908.80		

### Table D-2: Prime Architecture & Engineering by Counties Mecklenburg Disparity Study (Using Payment Dollars, FY 2016-2019)

County, State	Amount	Percent	Cumulative Percent
Mecklenburg County,			
NC	\$33,804,753.34	82.99%	82.99%
Forsyth County, NC	\$1,888,492.62	4.64%	87.62%
York County, SC	\$1,690,465.41	4.15%	91.77%
Charleston County, SC	\$838,245.23	2.06%	93.83%
Greenville County, SC	\$465,106.97	1.14%	94.97%
Sangamon County, IL	\$317,994.04	0.78%	95.75%
Chittenden County, VT	\$260,803.00	0.64%	96.39%
Cabarrus County, NC	\$244,424.07	0.60%	96.99%
Union County, NC	\$139,657.50	0.34%	97.34%
Guilford County, NC	\$115,232.00	0.28%	97.62%
Lancaster County, SC	\$108,200.00	0.27%	97.89%
Beaufort County, SC	\$104,571.37	0.26%	98.14%
Johnson County, KS	\$96,085.00	0.24%	98.38%
Durham County, NC	\$94,327.41	0.23%	98.61%
Orange County, NC	\$87,480.00	0.21%	98.82%
Gaston County, NC	\$79,124.50	0.19%	99.02%
New York County, NY	\$51,825.19	0.13%	99.15%
Fairfax (city) County,		C C	
VA	\$49,108.29	0.12%	99.27%
Cuyahoga County, OH	\$43,544.56	0.11%	99.37%
Marion County, IN	\$38,110.66	0.09%	99.47%
Jefferson County, KY	\$35,000.00	0.09%	99.55%
Gwinnett County, GA	\$29,400.25	0.07%	99.62%
Dare County, NC	\$26,480.00	0.07%	99.69%
Franklin County, OH	\$26,095.00	0.06%	99.75%
Sonoma County, CA	\$21,250.00	0.05%	99.81%
Fulton County, GA	\$18,995.38	0.05%	99.85%
Wake County, NC	\$10,000.00	0.02%	99.88%
Lincoln County, NC	\$8,448.00	0.02%	99.90%
Fairfax County, VA	\$8,274.16	0.02%	99.92%
Watauga County, NC	\$7,500.00	0.02%	99.94%
Dupage County, IL	\$5,750.00	0.01%	99.95%
Iredell County, NC	\$5,650.00	0.01%	99.96%
Marin County, CA	\$5,170.00	0.01%	99.98%
Dekalb County, GA	\$4,826.93	0.01%	99.99%
Sarasota County, FL	\$4,514.00	0.01%	100.00%
Total	\$40,734,904.88		

Table D-3: Prime Professional Services by Counties
Mecklenburg Disparity Study
(Using Payment Dollars, FY 2016-2019)

County, State	Amount	Percent	Cumulative Percent
Mecklenburg County, NC	\$61,665,258.28	45.90%	45.90%
Durham County, NC	\$40,113,936.88	29.86%	75.76%
Pasquotank County, NC	\$5,956,186.05	4.43%	80.20%
Cabarrus County, NC	\$5,794,772.60	4.31%	84.51%
Rowan County, NC Virginia Beach (city) County,	\$1,760,485.47	1.31%	85.82%
VA	\$1,501,067.12	1.12%	86.94%
Collin County, TX	\$1,268,367.75	0.94%	87.88%
Wake County, NC	\$1,197,690.29	0.89%	88.77%
Fulton County, GA	\$1,049,482.08	0.78%	89.55%
Gaston County, NC	\$901,200.72	0.67%	90.22%
Cook County, IL	\$893,546.51	0.67%	90.89%
York County, SC	\$850,070.74	0.63%	91.52%
Westchester County, NY	\$849,818.01	0.63%	92.15%
Surry County, NC	\$842,721.16	0.63%	92.78%
Fairfax County, VA	\$748,475.64	0.56%	93.34%
Forsyth County, NC	\$723,554.00	0.54%	93.88%
Shelby County, TN	\$703,023.55	0.52%	94.40%
Suffolk County, MA	\$528,761.64	0.39%	94.79%
Buncombe County, NC	\$447,562.56	0.33%	95.13%
Cobb County, GA	\$418,699.25	0.31%	95.44%
Washington County, OR	\$374,633.64	0.28%	95.72%
Charleston County, SC	\$351,560.00	0.26%	95.98%
Suffolk County, NY	\$326,337.80	0.24%	96.22%
Union County, NC	\$302,487.26	0.23%	96.45%
Dallas County, TX	\$302,327.89	0.23%	96.67%
Essex County, MA	\$297,868.75	0.22%	96.89%
Clay County, MO	\$283,679.08	0.21%	97.11%
Guilford County, NC	\$281,809.33	0.21%	97.32%
Yadkin County, NC	\$245,925.00	0.18%	97.50%
Franklin County, OH	\$243,185.00	0.18%	97.68%
Ingham County, MI	\$237,376.80	0.18%	97.86%
Middlesex County, MA District Of Columbia County,	\$225,522.75	0.17%	98.02%
DC	\$179,552.42	0.13%	98.16%
Orange County, NC	\$149,888.64	0.11%	98.27%
Iredell County, NC	\$136,700.00	0.10%	98.37%
El Paso County, CO	\$129,828.86	0.10%	98.47%
Lake County, IL	\$128,102.38	0.10%	98.56%

Baltimore (city) County, MD	\$121,130.70	0.09%	98.65%
Dekalb County, GA	\$118,200.00	0.09%	98.74%
Marion County, IN	\$98,764.25	0.07%	98.82%
Richland County, SC	\$97,158.95	0.07%	98.89%
New York County, NY	\$94,178.25	0.07%	98.96%
Contra Costa County, CA	\$86,250.00	0.06%	99.02%
Johnson County, KS	\$83,957.50	0.06%	99.08%
Morris County, NJ	\$71,195.00	0.05%	99.14%
Hays County, TX	\$65,000.00	0.05%	99.14% 99.19%
Horry County, SC	\$60,500.00	0.05%	99.19% 99.23%
Arapahoe County, CO	\$60,001.71	0.04%	99.28%
San Diego County, CA	\$59,656.15	0.04%	99.20% 99.32%
Hennepin County, MN	\$51,100.34	0.04%	99.32 <i>%</i> 99.36%
Sonoma County, CA	\$49,800.00	0.04%	99.30% 99.39%
Maricopa County, AZ	\$46,940.31	0.03%	99.39% 99.43%
Salt Lake County, UT	\$46,609.27	0.03%	99.43 <i>%</i> 99.46%
New Haven County, CT		0.03%	99.40 <i>%</i> 99.50%
Jackson County, MO	\$45,885.00 \$43,064.39	0.03%	
Santa Clara County, CA		0.03%	99.53% 99.56%
•	\$42,083.40	•	
Ramsey County, MN	\$39,548.29	0.03%	99.59%
Orange County, CA	\$36,756.45	0.03%	99.62%
Williamson County, TX	\$34,574.32	0.03%	99.64%
Hartford County, CT	\$32,326.00	0.02%	99.67%
Miami-dade County, FL	\$30,140.00	0.02%	99.69%
Los Angeles County, CA	\$30,000.00	0.02%	99.71%
Madison County, AL	\$29,100.00	0.02%	99.74%
Polk County, IA	\$26,692.02	0.02%	99.75%
New Hanover County, NC	\$24,752.22	0.02%	99.77%
Chester County, SC	\$23,200.00	0.02%	99.79%
Bernalillo County, NM	\$22,249.02	0.02%	99.81%
Jefferson Parish County, LA	\$21,352.00	0.02%	99.82%
Allegheny County, PA	\$20,995.25	0.02%	99.84%
Stanly County, NC	\$16,507.14	0.01%	99.85%
Catawba County, NC	\$15,695.27	0.01%	99.86%
Harris County, TX	\$14,574.00	0.01%	99.87%
Dauphin County, PA	\$12,500.00	0.01%	99.88%
King County, WA	\$11,490.10	0.01%	99.89%
Jasper County, GA	\$11,000.00	0.01%	99.90%
Gwinnett County, GA	\$10,924.49	0.01%	99.91%
Carteret County, NC	\$10,104.00	0.01%	99.92%
Pima County, AZ	\$10,020.00	0.01%	99.92%
Lee County, VA	\$9,750.00	0.01%	99.93%
Tulsa County, OK	\$9,108.00	0.01%	99.94%
Yolo County, CA	\$8,232.85	0.01%	99.94%

Total	\$134,341,262.12		
Livingston County, MI	\$3,000.00	0.00%	100.00%
Ventura County, CA	\$3,212.81	0.00%	100.00%
Milwaukee County, WI	\$3,280.97	0.00%	100.00%
Transylvania County, NC	\$3,282.82	0.00%	99.99%
Ida County, IA	\$4,088.58	0.00%	99.99%
Lincoln County, NC	\$4,109.96	0.00%	99.99%
Chesapeake (city) County, VA	\$4,175.00	0.00%	99.98%
Clayton County, GA	\$5,000.00	0.00%	99.98%
Davidson County, NC	\$5,062.88	0.00%	99.98%
Hanover County, VA	\$5,316.56	0.00%	99.97%
Lancaster County, SC	\$6,000.00	0.00%	99.97%
City Of Richmond County, VA	\$7,200.00	0.01%	99.97%
Mercer County, NJ	\$7,500.00	0.01%	99.96%
Rockingham County, NH	\$7,500.00	0.01%	99.95%
VA VA	\$8,000.00	0.01%	99.95%
City Of Harrisonburg County,			

(Using Payment Dollars, FY 2016-2019)				
County, State	Amount	Percent	<b>Cumulative Percen</b>	
Mecklenburg County, NC	\$166,259,981.49	62.12%	62.12%	
New Haven County, CT	\$9,670,186.23	3.61%	65.73%	
Cabarrus County, NC	\$9,408,608.10	3.52%	69.25%	
Waukesha County, WI	\$9,123,295.28	3.41%	72.66%	
Fulton County, GA	\$6,774,983.07	2.53%	75.19%	
Rowan County, NC	\$4,786,553.31	1.79%	76.98%	
Wake County, NC	\$2,971,433.57	1.11%	78.09%	
Gaston County, NC	\$2,578,441.54	0.96%	79.05%	
Kalamazoo County, MI	\$2,537,789.56	0.95%	80.00%	
Suffolk County, MA	\$2,231,192.91	0.83%	80.83%	
Union County, NC	\$2,064,559.02	0.77%	81.60%	
Morris County, NJ	\$1,989,413.80	0.74%	82.35%	
Iredell County, NC	\$1,976,591.53	0.74%	83.09%	
Virginia Beach (city) County,				
VA	\$1,836,958.46	0.69%	83.77%	
Cook County, IL	\$1,814,943.15	0.68%	84.45%	
Wilson County, NC	\$1,766,164.29	0.66%	85.11%	
Durham County, NC	\$1,556,778.31	0.58%	85.69%	
Shelby County, TN	\$1,514,277.59	0.57%	86.26%	
York County, SC	\$1,439,569.60	0.54%	86.80%	
Essex County, MA	\$1,430,003.00	0.53%	87.33%	
Guilford County, NC	\$1,285,156.85	0.48%	87.81%	
Williamson County, TX	\$1,228,164.00	0.46%	88.27%	
Forsyth County, NC	\$1,170,088.71	0.44%	88.71%	
Monroe County, NY	\$1,109,171.50	0.41%	89.12%	
Dallas County, TX	\$1,108,471.35	0.41%	89.53%	
<b>Richland County, SC</b>	\$1,046,292.71	0.39%	89.93%	
Buncombe County, NC	\$1,006,949.70	0.38%	90.30%	
Christian County, KY	\$951,958.62	0.36%	90.66%	
Jefferson County, KY	\$889,445.70	0.33%	90.99%	
Fairfax County, VA	\$887,427.07	0.33%	91.32%	
Clay County, MO	\$845,471.64	0.32%	91.64%	
New Hanover County, NC	\$812,428.54	0.30%	91.94%	
Denver County, CO	\$810,830.67	0.30%	92.24%	
Chesterfield County, VA	\$761,146.00	0.28%	92.53%	
Travis County, TX	\$694,254.32	0.26%	92.79%	
Maricopa County, AZ	\$601,335.08	0.22%	93.01%	
Surry County, NC	\$584,154.01	0.22%	93.23%	
Oakland County, MI	\$575,667.00	0.22%	93.45%	
Baltimore (city) County, MD	\$548,203.21	0.20%	93.65%	
Washington County, OR	\$540,765.35	0.20%	93.85%	

#### Table D-4: Prime Other Services by Counties Mecklenburg Disparity Study (Using Payment Dollars, FY 2016-2019)

Stanly County, NC	\$520,421.23	0.19%	94.05%
Los Angeles County, CA	\$468,226.06	0.17%	94.22%
San Mateo County, CA	\$465,076.00	0.17%	94.40%
Whitfield County, GA	\$458,086.36	0.17%	94.57%
Gwinnett County, GA	\$432,666.45	0.16%	94.73%
Delaware County, PA	\$426,364.82	0.16%	94.89%
Carroll County, NH	\$418,400.00	0.16%	95.04%
Contra Costa County, CA	\$414,702.27	0.15%	95.20%
Kershaw County, SC	\$413,596.04	0.15%	95.35%
Utah County, UT	\$412,366.91	0.15%	95.51%
Hamilton County, OH	\$405,043.64	0.15%	95.66%
Sacramento County, CA	\$396,915.53	0.15%	95.81%
Lake County, IL	\$380,667.96	0.14%	95.95%
Leon County, FL	\$358,771.26	0.13%	96.08%
Seminole County, FL	\$354,536.19	0.13%	96.22%
Orange County, CA	\$336,890.61	0.13%	96.34%
Duval County, FL	\$282,007.88	0.11%	96.45%
Lenoir County, NC	\$270,264.17	0.10%	96.55%
Cuyahoga County, OH	\$268,560.52	0.10%	96.65%
El Paso County, CO	\$253,897.38	0.09%	96.74%
Pickens County, SC	\$249,777.51	0.09%	96.84%
Harris County, TX	\$227,573.60	0.09%	96.92%
Franklin County, NC	\$216,180.43	0.08%	97.00%
Watauga County, NC	\$206,900.01	0.08%	97.08%
Allegheny County, PA	\$201,635.74	0.08%	97.16%
Craven County, NC	\$200,098.05	0.07%	97.23%
Niagara County, NY	\$196,852.16	0.07%	97.30%
Greenville County, SC	\$196,490.00	0.07%	97.38%
Charleston County, SC	\$194,448.09	0.07%	97.45%
Hays County, TX	\$172,886.00	0.06%	97.51%
Howard County, MD	\$158,949.82	0.06%	97.57%
St. Joseph County, MI	\$155,141.46	0.06%	97.63%
Broward County, FL	\$155,016.53	0.06%	97.69%
City And County Of San		<i></i>	0.4
Francisco County, CA	\$152,806.57	0.06%	97.75%
Cobb County, GA	\$145,903.23	0.05%	97.80%
District Of Columbia County, DC	\$140,798.99	0.05%	07.85%
Windsor County, VT	\$140,798.99 \$140,635.19	0.05% 0.05%	97.85% 97.91%
Cumberland County, NC	\$138,708.59	0.05%	97.91% 97.96%
Hancock County, WV	\$138,558.18	0.05%	97.90% 98.01%
King County, WA			98.01% 98.06%
Chittenden County, VT	\$135,132.54 \$133,437.00	0.05% 0.05%	98.00% 98.11%
Stearns County, MN		0.05%	98.11% 98.16%
Spartanburg County, SC	\$130,955.56 \$128,008.05	0.05%	98.10% 98.21%
spartaining County, SC	φ120,000.05	0.05%	90.21%

San Bernardino County, CA	\$118,436.48	0.04%	98.25%
Will County, IL	\$117,415.00	0.04%	98.29%
St. Louis County, MO	\$105,045.49	0.04%	98.33%
Boulder County, CO	\$102,483.22	0.04%	98.37%
Tulsa County, OK	\$101,476.00	0.04%	98.41%
New York County, NY	\$96,204.06	0.04%	98.45%
Cherokee County, SC	\$95,467.00	0.04%	98.48%
Hennepin County, MN	\$93,373.66	0.03%	98.52%
Fairfield County, CT	\$90,768.94	0.03%	98.55%
Horry County, SC	\$90,692.50	0.03%	98.58%
Lincoln County, NC	\$88,547.11	0.03%	98.62%
Lancaster County, SC	\$87,720.49	0.03%	98.65%
Decatur County, TN	\$81,971.60	0.03%	98.68%
Lexington County, SC	\$81,135.00	0.03%	98.71%
Santa Clara County, CA	\$80,501.67	0.03%	98.74%
Luzerne County, PA	\$79,230.96	0.03%	98.77%
Charlevoix County, MI	\$79,191.17	0.03%	98.80%
Ramsey County, MN	\$75,607.60	0.03%	98.83%
Bay County, FL	\$71,780.00	0.03%	98.86%
Davidson County, NC	\$71,736.31	0.03%	98.88%
Johnson County, KS	\$69,645.46	0.03%	98.91%
Dane County, WI	\$69,328.73	0.03%	98.93%
Grant County, IN	\$68,882.53	0.03%	98.96%
Yadkin County, NC	\$68,335.00	0.03%	98.99%
Middlesex County, NJ	\$67,620.00	0.03%	99.01%
Cumberland County, ME	\$65,000.00	0.02%	99.04%
Sangamon County, IL	\$64,527.87	0.02%	99.06%
Alameda County, CA	\$61,588.28	0.02%	99.08%
Lake County, OH	\$61,321.26	0.02%	99.11%
Saginaw County, MI	\$59,676.05	0.02%	99.13%
Dekalb County, GA	\$59,636.51	0.02%	99.15%
Davidson County, TN	\$58,032.00	0.02%	99.17%
Dauphin County, PA	\$57,421.50	0.02%	99.19%
Salt Lake County, UT	\$57,230.22	0.02%	99.21%
Pitt County, NC	\$56,229.92	0.02%	99.24%
Collin County, TX	\$54,450.94	0.02%	99.26%
Brevard County, FL	\$51,280.20	0.02%	99.27%
Arapahoe County, CO	\$49,656.97	0.02%	99.29%
Loudoun County, VA	\$49,210.00	0.02%	99.31%
New Castle County, DE	\$49,000.00	0.02%	99.33%
Multnomah County, OR	\$48,298.50	0.02%	99.35%
Madison County, MS	\$47,714.08	0.02%	99.37%
San Diego County, CA	\$46,374.28	0.02%	99.38%
Orange County, NC	\$43,504.23	0.02%	99.40%
Montgomery County, TN	\$43,468.38	0.02%	99.42%

Sampson County, NC	\$43,047.65	0.02%	99.43%
Anne Arundel County, MD	\$42,248.51	0.02%	99.45%
Randolph County, NC	\$41,389.57	0.02%	99.46%
Knox County, TN	\$38,136.00	0.01%	99.48%
Hampshire County, MA	\$37,500.00	0.01%	99.49%
Berkeley County, SC	\$37,100.00	0.01%	99.51%
Montgomery County, MD	\$35,418.12	0.01%	99.52%
Caldwell County, NC	\$35,373.20	0.01%	99.53%
Jefferson County, AL	\$34,780.79	0.01%	99.54%
Tioga County, NY	\$29,688.12	0.01%	99.56%
Fairfax (city) County, VA	\$29,030.00	0.01%	99.57%
Milwaukee County, WI	\$29,023.45	0.01%	99.58%
Webb County, TX	\$28,250.00	0.01%	99.59%
Weld County, CO	\$27,240.00	0.01%	99.60%
Beaufort County, SC	\$27,184.05	0.01%	99.61%
Columbia County, AR	\$25,192.81	0.01%	99.62%
Medina County, OH	\$25,000.00	0.01%	99.63%
Wright County, MN	\$24,690.00	0.01%	99.64%
Transylvania County, NC	\$23,692.66	0.01%	99.65%
Mobile County, AL	\$23,359.60	0.01%	99.65%
Sullivan County, TN	\$23,304.13	0.01%	99.66%
Nash County, NC	\$23,089.02	0.01%	99.67%
Rockingham County, NH	\$23,034.72	0.01%	99.68%
Cleveland County, NC	\$22,616.86	0.01%	99.69%
Winnebago County, WI	\$22,143.91	0.01%	99.70%
Middlesex County, MA	\$21,592.64	0.01%	99.70%
Canyon County, ID	\$20,563.92	0.01%	99.71%
Albany County, NY	\$20,500.00	0.01%	99.72%
Pinellas County, FL	\$20,122.83	0.01%	99.73%
Androscoggin County, ME	\$19,415.99	0.01%	99.73%
Catawba County, NC	\$19,240.00	0.01%	99.74%
Washington County, PA	\$19,135.19	0.01%	99.75%
Charlottesville (city) County,			
VA	\$19,118.00	0.01%	99.76%
Hartford County, CT	\$19,100.00	0.01%	99.76%
Clackamas County, OR	\$18,605.00	0.01%	99.77%
Rutherford County, NC	\$17,957.00	0.01%	99.78%
Chesapeake (city) County, VA	\$17,457.34	0.01%	99.78%
Florence County, SC	\$17,275.00	0.01%	99.79%
Dupage County, IL	\$17,091.54	0.01%	99.80%
Alamance County, NC	\$16,793.38	0.01%	99.80%
Bergen County, NJ	\$16,280.00	0.01%	99.81%
Richmond County, GA	\$16,169.00	0.01%	99.81%
Chenango County, NY	\$15,942.78	0.01%	99.82%
Union County, NJ	\$15,920.00	0.01%	99.83%
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Hanover County, VA	\$15,718.07	0.01% 0.01%	99.83%
Harnett County, NC	\$15,715.40	0.01%	99.84%
Suffolk County, NY Summit County, UT	\$15,676.36		99.84% 99.85%
	\$15,151.50	0.01% 0.01%	
Franklin County, OH	\$15,011.12 \$14,800,00	0.01%	99.86%
Madison County, AL	\$14,800.00		99.86%
Essex County, NJ	\$12,896.00	0.00%	99.87%
Boone County, KY	\$12,860.19	0.00%	99.87%
La Crosse County, WI	\$12,175.34	0.00%	99.88%
Danville (city) County, VA	\$11,950.00	0.00%	99.88%
New London County, CT	\$11,899.52	0.00%	99.88%
Philadelphia County, PA	\$11,647.55	0.00%	99.89%
Chatham County, GA	\$11,113.56	0.00%	99.89%
Kenosha County, WI	\$11,014.13	0.00%	99.90%
Stark County, OH	\$10,723.00	0.00%	99.90%
Montgomery County, NC	\$10,439.00	0.00%	99.90%
Rockingham County, NC	\$10,406.00	0.00%	99.91%
Delaware County, NY	\$10,238.00	0.00%	99.91%
Christian County, MO	\$10,200.00	0.00%	99.92%
Dakota County, MN	\$10,111.25	0.00%	99.92%
Clayton County, GA	\$10,000.00	0.00%	99.92%
Josephine County, OR	\$9,833.75	0.00%	99.93%
Craighead County, AR	\$9,564.47	0.00%	99.93%
Lorain County, OH	\$9,484.24	0.00%	99.93%
Bexar County, TX	\$9,363.73	0.00%	99.94%
Calvert County, MD	\$8,937.51	0.00%	99.94%
Chester County, SC	\$8,812.50	0.00%	99.94%
Tarrant County, TX	\$8,619.28	0.00%	99.95%
Washtenaw County, MI	\$7,899.77	0.00%	99.95%
Westmoreland County, PA	\$7,425.00	0.00%	99.95%
Denton County, TX	\$5,555.26	0.00%	99.96%
Vance County, NC	\$5,167.00	0.00%	99.96%
Robeson County, NC	\$5,090.00	0.00%	99.96%
Marin County, CA	\$5,000.00	0.00%	99.96%
Campbell County, TN	\$5,000.00	0.00%	99.96%
Dorchester County, SC	\$5,000.00	0.00%	99.97%
Kings County, NY	\$5,000.00	0.00%	99.97%
Brunswick County, NC	\$4,887.00	0.00%	99.97%
Lee County, VA	\$4,875.00	0.00%	99.97%
Litchfield County, CT	\$4,740.00	0.00%	99.97%
Bradford County, PA	\$4,495.00	0.00%	99.97%
Tolland County, CT	\$4,394.12	0.00%	99.98%
Fauquier County, VA	\$4,374.25	0.00%	99.98%
Tompkins County, NY	\$4,125.00	0.00%	99.98%
Sarasota County, FL	\$4,075.00	0.00%	99.98%
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Total	\$267,642,919.95		
Bennington County, VT	\$15.00	0.00%	100.00%
Jackson County, MO	\$25.00	0.00%	100.00%
Mchenry County, IL	\$35.72	0.00%	100.00%
Jefferson County, CO	\$48.80	0.00%	100.00%
Lee County, AL	\$109.19	0.00%	100.00%
Shenandoah County, VA	\$126.87	0.00%	100.00%
Crawford County, PA	\$178.00	0.00%	100.00%
Clark County, WA	\$200.00	0.00%	100.00%
Martin County, NC	\$227.49	0.00%	100.00%
Johnson County, GA	\$250.00	0.00%	100.00%
Worcester County, MA	\$276.02	0.00%	100.00%
Montgomery County, AL	\$300.00	0.00%	100.00%
Orleans County, NY	\$334.63	0.00%	100.00%
Brookings County, SD	\$440.00	0.00%	100.00%
Lane County, OR	\$520.64	0.00%	100.00%
Marion County, IN	\$682.36	0.00%	100.00%
Erie County, NY	\$754.60	0.00%	100.00%
Butler County, PA	\$760.00	0.00%	100.00%
Weber County, UT	\$760.00	0.00%	100.00%
Ware County, GA	\$825.00	0.00%	100.00%
Union County, PA	\$1,620.00	0.00%	100.00%
Sheboygan County, WI	\$1,900.00	0.00%	100.00%
Cherokee County, IA	\$2,016.00	0.00%	100.00%
Moore County, NC	\$3,000.00	0.00%	100.00%
Camden County, MO	\$3,000.00	0.00%	99.99%
Douglas County, NE	\$3,000.00	0.00%	99.99%
City Of Alexandria County, VA	\$3,400.00	0.00%	99.99%
Clark County, NV	\$3,500.00	0.00%	99.99%
Shasta County, CA	\$3,854.00	0.00%	99.99%
Monterey County, CA	\$3,899.39	0.00%	99.99%
Guadalupe County, TX	\$3,900.00	0.00%	99.99%
Montgomery County, PA	\$4,000.00	0.00%	99.99%
Pasco County, FL	\$4,000.00	0.00%	99.98%
Whatcom County, WA	\$4,007.00	0.00%	99.98%

## *Table D-5: Prime Good by Counties* Mecklenburg Disparity Study (Using Payment Dollars, FY 2016-2019)

County, State	Amount	Percent	<b>Cumulative Percent</b>
Mecklenburg County, NC	\$74,212,517.94	49.57%	49.57%
Fulton County, GA	\$9,015,375.59	6.02%	55.59%
<b>Richland County, SC</b>	\$5,146,214.93	3.44%	59.02%
Waukesha County, WI	\$4,458,778.32	2.98%	62.00%
Wake County, NC	\$3,980,396.80	2.66%	64.66%
Iredell County, NC	\$3,074,631.52	2.05%	66.71%
Cook County, IL	\$2,928,496.76	1.96%	68.67%
Forsyth County, NC	\$2,149,090.97	1.44%	70.11%
Buncombe County, NC	\$2,056,083.18	1.37%	71.48%
Talbot County, MD Virginia Beach (city) County,	\$1,956,242.00	1.31%	72.78%
VA	\$1,955,525.08	1.31%	74.09%
Guilford County, NC	\$1,880,613.36	1.26%	75.35%
Cuyahoga County, OH	\$1,830,245.81	1.22%	76.57%
Lucas County, OH	\$1,596,924.64	1.07%	77.64%
New Hanover County, NC	\$1,399,901.06	0.93%	78.57%
Cabarrus County, NC	\$1,395,816.45	0.93%	79.50%
Morris County, NJ	\$1,391,115.16	0.93%	80.43%
Lake County, IL	\$1,220,789.44	0.82%	81.25%
Moore County, NC	\$1,166,324.00	0.78%	82.03%
Ventura County, CA	\$1,123,625.81	0.75%	82.78%
Lubbock County, TX	\$974,947.00	0.65%	83.43%
Gwinnett County, GA	\$929,695.09	0.62%	84.05%
Pickens County, SC	\$912,282.57	0.61%	84.66%
Hall County, GA	\$891,166.90	0.60%	85.25%
Hunterdon County, NJ	\$669,375.26	0.45%	85.70%
Union County, NC	\$668,879.06	0.45%	86.15%
Fairfield County, CT	\$667,104.25	0.45%	86.59%
Wright County, MN	\$663,957.60	0.44%	87.04%
Denver County, CO	\$628,566.06	0.42%	87.46%
Baltimore County, MD	\$590,822.87	0.39%	87.85%
Sacramento County, CA	\$588,711.52	0.39%	88.24%
Gaston County, NC	\$588,186.36	0.39%	88.64%
Durham County, NC	\$564,242.97	0.38%	89.01%
Lake County, OH	\$546,648.24	0.37%	89.38%
San Bernardino County, CA	\$499,301.43	0.33%	89.71%
Los Angeles County, CA	\$490,231.23	0.33%	90.04%
Dallas County, TX	\$442,123.48	0.30%	90.34%
Fairfax County, VA	\$420,193.10	0.28%	90.62%
Orange County, CA	\$403,994.71	0.27%	90.89%
Windsor County, VT	\$395,034.71	0.26%	91.15%

Brookings County, SD	\$394,772.00	0.26%	91.41%
Cleveland County, NC	\$365,381.21	0.24%	91.66%
Sampson County, NC	\$363,038.70	0.24%	91.90%
New Haven County, CT	\$362,512.34	0.24%	92.14%
Utah County, UT	\$345,863.49	0.23%	92.37%
York County, SC	\$328,525.50	0.22%	92.59%
Lincoln County, NC	\$327,630.13	0.22%	92.81%
Frederick County, MD	\$319,765.00	0.21%	93.02%
Salt Lake County, UT	\$303,098.09	0.20%	93.23%
San Diego County, CA	\$283,916.71	0.19%	93.42%
Maricopa County, AZ	\$268,058.72	0.18%	93.60%
Randolph County, NC	\$244,591.94	0.16%	93.76%
Santa Cruz County, CA	\$243,195.00	0.16%	93.92%
St. Louis County, MO	\$229,865.07	0.15%	94.07%
Washington County, MN	\$229,362.62	0.15%	94.23%
Delaware County, PA	\$218,411.88	0.15%	94.37%
Onondaga County, NY	\$214,820.48	0.14%	94.52%
Spartanburg County, SC	\$205,980.95	0.14%	94.66%
Dupage County, IL	\$204,731.54	0.14%	94.79%
Franklin County, NC	\$191,215.40	0.13%	94.92%
Orange County, FL	\$188,291.62	0.13%	95.05%
Whitfield County, GA	\$175,783.32	0.12%	95.16%
Shelby County, TN	\$168,350.23	0.11%	95.28%
Monroe County, PA	\$159,763.90	0.11%	95.38%
Cumberland County, NC	\$156,150.39	0.10%	95.49%
Baltimore (city) County, MD	\$154,992.61	0.10%	95.59%
Monmouth County, NJ	\$154,080.27	0.10%	95.69%
Anne Arundel County, MD	\$141,815.59	0.09%	95.79%
Watauga County, NC	\$135,502.93	0.09%	95.88%
Stanly County, NC	\$134,873.98	0.09%	95.97%
Collin County, TX	\$129,532.00	0.09%	96.05%
Bexar County, TX	\$127,970.00	0.09%	96.14%
Davidson County, NC	\$124,711.95	0.08%	96.22%
Monroe County, IN	\$123,895.78	0.08%	96.31%
Tompkins County, NY	\$122,539.35	0.08%	96.39%
Hartford County, CT	\$121,497.03	0.08%	96.47%
Caldwell County, NC	\$118,046.58	0.08%	96.55%
Columbia County, AR	\$117,207.00	0.08%	96.63%
Harnett County, NC	\$114,761.00	0.08%	96.70%
Lancaster County, SC	\$114,426.70	0.08%	96.78%
Luzerne County, PA	\$113,789.68	0.08%	96.85%
Madison County, AL	\$113,602.00	0.08%	96.93%
Barry County, MO	\$106,944.50	0.07%	97.00%
Josephine County, OR	\$105,357.90	0.07%	97.07%
Middlesex County, NJ	\$101,400.00	0.07%	97.14%

Travis County, TX	\$97,118.31	0.06%	97.21%
San Mateo County, CA	\$95,660.00	0.06%	97.27%
Pinellas County, FL	\$93,336.36	0.06%	97.33%
Allegheny County, PA	\$91,942.42	0.06%	97.39%
Will County, IL	\$91,783.00	0.06%	97.45%
Philadelphia County, PA	\$89,948.70	0.06%	97.51%
Harris County, TX	\$85,579.15	0.06%	97.57%
Franklin County, OH	\$85,221.60	0.06%	97.63%
Denton County, TX	\$83,497.92	0.06%	97.68%
Alameda County, CA	\$82,250.00	0.05%	97.74%
Plymouth County, MA	\$80,799.00	0.05%	97.79%
Ogle County, IL	\$75,093.67	0.05%	97.84%
Jefferson County, AL	\$73,778.55	0.05%	97.89%
Ottawa County, MI	\$70,040.00	0.05%	97.94%
Hillsborough County, NH	\$69,134.56	0.05%	97.99%
Decatur County, TN	\$66,893.50	0.04%	98.03%
Richmond County, GA	\$63,150.00	0.04%	98.07%
Burlington County, NJ	\$60,144.73	0.04%	98.11%
Winnebago County, WI	\$58,201.34	0.04%	98.15%
Weld County, CO	\$55,000.00	0.04%	98.19%
Brevard County, FL	\$53,712.06	0.04%	98.22%
Kalamazoo County, MI	\$53,110.69	0.04%	98.26%
Prince Edward County, VA	\$51,184.30	0.03%	98.29%
Cole County, MO	\$50,566.95	0.03%	98.33%
New York County, NY	\$50,038.37	0.03%	98.36%
Berks County, PA	\$50,005.00	0.03%	98.39%
Sumter County, SC	\$48,730.85	0.03%	98.43%
Middlesex County, MA	\$48,210.00	0.03%	98.46%
Milwaukee County, WI	\$46,927.33	0.03%	98.49%
Broward County, FL	\$46,923.74	0.03%	98.52%
Catawba County, NC	\$46,352.76	0.03%	98.55%
Weber County, UT	\$44,863.00	0.03%	98.58%
Montgomery County, MD	\$44,557.00	0.03%	98.61%
Rowan County, NC	\$43,405.50	0.03%	98.64%
Douglas County, GA	\$42,713.66	0.03%	98.67%
Ramsey County, MN	\$42,090.14	0.03%	98.70%
Bristol County, RI	\$42,000.00	0.03%	98.73%
Kenosha County, WI	\$41,791.23	0.03%	98.75%
Medina County, OH	\$38,865.80	0.03%	98.78%
Hamilton County, OH	\$37,933.24	0.03%	98.81%
Bergen County, NJ	\$37,097.66	0.02%	98.83%
Lee County, NC	\$35,870.00	0.02%	98.85%
Berkeley County, SC	\$35,548.87	0.02%	98.88%
Northampton County, PA	\$35,137.50	0.02%	98.90%
Washtenaw County, MI	\$35,099.00	0.02%	98.92%

Hinds County, MS	\$34,850.00	0.02%	98.95%
Sheboygan County, WI	\$34,400.00	0.02%	98.97%
Marion County, IN	\$34,354.42	0.02%	98.99%
Cobb County, GA	\$33,731.25	0.02%	99.02%
Cape May County, NJ	\$33,590.00	0.02%	99.04%
Arapahoe County, CO	\$33,245.00	0.02%	99.06%
King County, WA	\$32,090.20	0.02%	99.08%
Charleston County, SC	\$29,723.33	0.02%	99.10%
Washington County, PA	\$29,705.31	0.02%	99.12%
Pender County, NC	\$29,285.03	0.02%	99.14%
Hennepin County, MN	\$28,950.49	0.02%	99.16%
Loudoun County, VA	\$28,160.00	0.02%	99.18%
Craighead County, AR	\$28,061.28	0.02%	99.20%
Lexington County, SC	\$28,002.35	0.02%	99.22%
Saginaw County, MI	\$26,900.00	0.02%	99.24%
Sarasota County, FL	\$26,776.86	0.02%	99.25%
Butler County, PA	\$26,704.11	0.02%	99.27%
Stark County, OH	\$26,488.00	0.02%	99.29%
Mchenry County, IL	\$26,350.66	0.02%	99.31%
Cherokee County, IA	\$26,263.60	0.02%	99.32%
Androscoggin County, ME	\$25,701.04	0.02%	99.34%
Lorain County, OH	\$25,664.23	0.02%	99.36%
Union County, PA	\$25,661.06	0.02%	99.38%
Cumberland County, ME	\$24,541.54	0.02%	99.39%
Hampden County, MA	\$24,290.00	0.02%	99.41%
Cass County, ND	\$23,327.52	0.02%	99.42%
Jefferson County, KY	\$22,692.11	0.02%	99.44%
Transylvania County, NC	\$20,862.00	0.01%	99.45%
Crisp County, GA	\$20,200.00	0.01%	99.47%
Baldwin County, AL	\$19,485.51	0.01%	99.48%
Suffolk County, NY	\$18,781.40	0.01%	99.49%
Sevier County, TN	\$18,614.23	0.01%	99.50%
Greenville County, SC	\$18,488.97	0.01%	99.52%
Erie County, NY	\$17,625.00	0.01%	99.53%
Johnson County, KS	\$17,257.45	0.01%	99.54%
Kings County, NY	\$16,942.30	0.01%	99.55%
Lee County, GA	\$15,810.75	0.01%	99.56%
Sullivan County, TN	\$15,376.24	0.01%	99.57%
Comal County, TX	\$15,375.00	0.01%	99.58%
Union County, NJ	\$15,337.00	0.01%	99.59%
Montgomery County, AL	\$15,267.80	0.01%	99.60%
Nash County, NC	\$14,892.00	0.01%	99.61%
Shenandoah County, VA	\$14,645.69	0.01%	99.62%
Wilson County, NC	\$14,150.02	0.01%	99.63%
Vance County, NC	\$14,080.00	0.01%	99.64%
Miami-dade County, FL	\$13,620.42	0.01%	99.65%
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Orleans County, NY	\$13,572.40	0.01%	99.66%
Clark County, WA	\$12,917.12	0.01%	99.67%
Bennington County, VT	\$12,522.52	0.01%	99.68%
Hillsborough County, FL	\$12,050.00	0.01%	99.68%
Alamance County, NC	\$11,601.57	0.01%	99.69%
Lane County, OR	\$11,500.00	0.01%	99.70%
Essex County, MA	\$11,160.52	0.01%	99.71%
Rockdale County, GA	\$11,129.04	0.01%	99.71%
Fayette County, KY	\$11,070.00	0.01%	99.72%
Washington County, OR	\$11,055.00	0.01%	99.73%
Ware County, GA	\$10,595.00	0.01%	99.73% 99.74%
New London County, CT	\$10,567.57	0.01%	99·74%
Seminole County, FL	\$10,528.17	0.01%	99.75%
Dakota County, MN	\$10,379.00	0.01%	99.76%
Lancaster County, PA	\$10,037.65	0.01%	99.76%
Pitt County, NC	\$9,995.64	0.01%	99.70% 99.77%
Norfolk (city) County, VA	\$9,888.00	0.01%	99.78%
Webb County, TX	\$9,750.00	0.01%	99.78%
Davie County, NC	\$9,670.00	0.01%	99.78%
Wilkes County, NC	\$9,436.00	0.01%	99.79% 99.80%
Howard County, MD	\$9,338.00	0.01%	99.80% 99.80%
Riverside County, CA	\$9,050.00	0.01%	99.80% 99.81%
City And County Of San	φ9,030.00	0.0170	99.01/0
Francisco County, CA	\$8,854.76	0.01%	99.81%
Monroe County, NY	\$8,600.00	0.01%	99.82%
Westchester County, NY	\$8,294.78	0.01%	99.83%
Johnson County, GA	\$8,278.00	0.01%	99.83%
Chatham County, NC	\$8,256.20	0.01%	99.84%
Jackson County, MO	\$7,990.00	0.01%	99.84%
Boulder County, CO	\$7,926.97	0.01%	99.85%
Lee County, AL	\$7,879.00	0.01%	99.85%
Crawford County, PA	\$7,836.49	0.01%	99.86%
Bossier County, LA	\$7,826.00	0.01%	99.86%
Monterey County, CA	\$7,798.78	0.01%	99.87%
Kittitas County, WA	\$7,399.27	0.00%	99.87%
Pima County, AZ	\$7,338.80	0.00%	99.88%
Chester County, PA	\$7,326.00	0.00%	99.88%
Brunswick County, NC	\$7,195.00	0.00%	99.89%
Grand Traverse County, MI	\$7,181.45	0.00%	99.89%
Lenoir County, NC	\$6,877.67	0.00%	99.90%
Worcester County, MA	\$6,720.00	0.00%	99.90%
Horry County, SC	\$6,319.15	0.00%	99.91%
Burke County, NC	\$6,171.00	0.00%	99.91%
Chatham County, GA	\$6,121.72	0.00%	99.91%
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Total	\$149,725,798.62		
Hancock County, WV	\$1,738.65	0.00%	100.00%
Boone County, KY	\$1,766.80	0.00%	100.00%
Douglas County, NE	\$3,000.00	0.00%	100.00%
Skagit County, WA	\$3,007.94	0.00%	100.00%
Polk County, IA	\$3,172.78	0.00%	99.99%
Henry County, MO	\$3,228.61	0.00%	99.99%
Oakland County, MI	\$3,235.00	0.00%	99.99%
Jefferson County, CO	\$3,315.00	0.00%	99.99%
Clarke County, GA	\$3,374.00	0.00%	99.98%
Williamson County, TX	\$3,390.10	0.00%	99.98%
Volusia County, FL	\$3,482.50	0.00%	99.98%
Surry County, NC	\$3,499.00	0.00%	99.98%
Shawnee County, KS	\$3,612.39	0.00%	99.98%
Knox County, TN	\$3,750.00	0.00%	99.97%
Niagara County, NY	\$4,000.00	0.00%	99.97%
Litchfield County, CT	\$4,223.00	0.00%	99.97%
Wayne County, PA	\$4,300.00	0.00%	99.97%
Cheyenne County, NE	\$4,559.94	0.00%	99.96%
Yamhill County, OR	\$4,575.00	0.00%	99.96%
Cache County, UT	\$4,592.23	0.00%	99.96%
Barnstable County, MA	\$4,696.00	0.00%	99.95%
Duval County, FL	\$4,909.12	0.00%	99.95%
Dane County, WI	\$4,914.00	0.00%	99.95%
Mobile County, AL	\$4,946.00	0.00%	99.94%
Yolo County, CA	\$5,000.00	0.00%	99.94%
Cherokee County, SC	\$5,104.15	0.00%	99.94%
Tarrant County, TX	\$5,330.23	0.00%	99.93%
Nassau County, NY	\$5,695.71	0.00%	99.93%
Blair County, PA	\$5,707.15	0.00%	99.93%
Washington County, VA	\$5,804.14	0.00%	99.92%
Troup County, GA	\$6,040.00	0.00%	99.92%

#### **APPENDIX E – Detailed Availability Analysis**

The tables in Appendix E (Tables E-1 through E-5) presents numbers on M/WBE availability corresponding to the availability percentages in Figures 1-5 in the Quantitative Analysis chapter. The availability methodology for creating the Master Vendor File that is the source of these availability tables is contained in the Quantitative Analysis chapter.

## Table E-1: Availability of Firms by Business Ownership in Market AreaConstructionMecklenburg Disparity Study

<b>Business Ownership</b>	Number	Percent
American Indian	15	0.75%
Asian American	19	0.95%
Black	192	9.64%
Hispanic American	71	3.56%
<b>Total MBE</b>	<b>29</b> 7	14.91%
Female	148	7.43%
Unidentified MWBE	0	0.00%
<b>Total MWBE</b>	445	22.34%
Non-Minority	1547	77.66%
Total	1992	100.00%

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## Table E-2: Availability of Firms by Business Ownership in Market AreaArchitecture & EngineeringMecklenburg Disparity Study

<b>Business Ownership</b>	Number	Percent
American Indian	5	0.54%
Asian American	20	2.18%
Black	88	9.58%
Hispanic American	24	2.61%
Total MBE	137	14.91%
Female	63	6.86%
Unidentified MWBE	0	0.00%
<b>Total MWBE</b>	200	21.76%
Non-Minority	719	78.24%
Total	919	100.00%

Table E-3: Availability of Firms by Business Ownership in Market Area
Professional Services
Mecklenburg Disparity Study

Number	Percent
28	0.59%
79	1.66%
706	14.82%
59	1.24%
872	18.30%
341	7.16%
3	0.06%
1216	25.52%
3549	74.48%
4765	100.00%
	28 79 706 59 <b>872</b> 341 3 <b>1216</b> 3549

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#### Table E-4: Availability of Firms by Business Ownership in Market Area Prime Data, Other Services Mecklenburg Disparity Study

<b>Business Ownership</b>	Number	Percent
American Indian	74	0.65%
Asian American	149	1.30%
Black	1582	13.85%
Hispanic American	219	1.92%
<b>Total MBE</b>	2024	17.72%
Female	764	6.69%
Unidentified MWBE	19	0.17%
<b>Total MWBE</b>	2807	24.58%
Non-Minority	8613	75.42%
Total	11420	100.00%

#### Table E-5: Availability of Firms by Business Ownership in Market Area Prime Data, Goods Mecklenburg Disparity Study

<b>Business Ownership</b>	Number	Percent
American Indian	15	0.29%
Asian American	55	1.05%
Black	337	6.41%
Hispanic American	57	1.08%
<b>Total MBE</b>	464	8.83%
Female	323	6.15%
Unidentified MWBE	1	0.02%
<b>Total MWBE</b>	788	15.00%
Non-Minority	4466	85.00%
Total	<b>5254</b>	100.00%

#### **APPENDIX F – Detailed Disparity Tables**

The tables in Appendix F (Tables F-1 through F-8) presents disparity ratios on Mecklenburg projects by year over the Study Period. There are no Total Utilization (prime plus subcontractor) tables for Goods because there was little to no subcontracting in those areas.

## Table F-1: Business Ownership Classification by Fiscal Year, Prime ConstructionDisparity Results, Relevant Market AreaUsing Payment Dollars, FY 2016-2019Mecklenburg Disparity Study

Year	Race/Ethnicity	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Statistical Significance
	Black	0.42%	9.64%	0.04	Underutilization	p<.05
	Asian American	0.14%	0.95%	0.14	Underutilization	p<.05
	Hispanic American	0.35%	3.56%	0.1	Underutilization	p<.05
2016	American Indian	0.12%	0.75%	0.16	Underutilization	p<.05
2010	Total MBE	1.02%	14.91%	0.07	Underutilization	p<.05
	Female	7.64%	7.43%	1.03	Overutilization	
	Total MWBE	8.66%	22.34%	0.39	Underutilization	p<.05
	Non-Minority	91.34%	77.66%	1.18	Overutilization	
	Black	0.28%	9.64%	0.03	Underutilization	p<.05
	Asian American	0.02%	0.95%	0.03	Underutilization	p<.05
	Hispanic American	0.32%	3.56%	0.09	Underutilization	p<.05
2017	American Indian	0.45%	0.75%	0.59	Underutilization	Small Number
2017	Total MBE	1.07%	14.91%	0.07	Underutilization	p<.05
	Female	15.50%	7.43%	2.09	Overutilization	
	Total MWBE	16.57%	22.34%	0.74	Underutilization	p<.05
	Non-Minority	83.43%	77.66%	1.07	Overutilization	
	Black	0.21%	9.64%	0.02	Underutilization	p<.05
	Asian American	0.06%	0.95%	0.06	Underutilization	p<.05
	Hispanic American	0.17%	3.56%	0.05	Underutilization	p<.05
2018	American Indian	0.05%	0.75%	0.07	Underutilization	p<.05
2018	Total MBE	0.49%	14.91%	0.03	Underutilization	p<.05
	Female	28.43%	7.43%	3.83	Overutilization	
	Total MWBE	28.92%	22.34%	1.29	Overutilization	
	Non-Minority	71.08%	77.66%	0.92	Underutilization	p<.05
	Black	0.22%	9.64%	0.02	Underutilization	p<.05
	Asian American	0.00%	0.95%	0	Underutilization	p<.05
	Hispanic American	0.04%	3.56%	0.01	Underutilization	p<.05
0010	American Indian	0.51%	0.75%	0.68	Underutilization	Small Number
2019	Total MBE	0.78%	14.91%	0.05	Underutilization	p<.05
	Female	10.62%	7.43%	1.43	Overutilization	
	Total MWBE	11.40%	22.34%	0.51	Underutilization	p<.05
	Non-Minority	88.60%	77.66%	1.14	Overutilization	-
	Black	0.28%	9.64%	0.03	Underutilization	p<.05
	Asian American	0.06%	0.95%	0.06	Underutilization	p<.05
	Hispanic American	0.22%	3.56%	0.06	Underutilization	p<.05
Study Dania 1	American Indian	0.27%	0.75%	0.36	Underutilization	p<.05
Study Period	Total MBE	0.83%	14.91%	0.06	Underutilization	p<.05
	Female	16.37%	7.43%	2.2	Overutilization	-
	Total MWBE	17.20%	22.34%	0.77	Underutilization	p<.05
	Non-Minority	82.80%	77.66%	1.07	Overutilization	

#### Table F-2: Business Ownership Classification by Fiscal Year, Prime Architecture & Engineering Disparity Results, Relevant Market Area Using Payment Dollars, FY 2016-2019 Mecklenburg Disparity Study

Year	Race/Ethnicity	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Statistical Significance
	Black	0.00%	9.58%	0	Underutilization	p<.05
	Asian American	0.00%	2.18%	0	Underutilization	p<.05
	Hispanic American	60.00%	2.61%	22.98	Overutilization	
2016	American Indian	0.00%	0.54%	0	Underutilization	p<.05
2010	<b>Total MBE</b>	60.00%	14.91%	4.03	Overutilization	
	Female	0.00%	6.86%	0	Underutilization	p<.05
	<b>Total MWBE</b>	60.00%	21.76%	2.76	Overutilization	
	Non-Minority	40.00%	78.24%	0.51	Underutilization	p<.05
	Black	11.20%	9.58%	1.17	Overutilization	
	Asian American	2.77%	2.18%	1.27	Overutilization	
	Hispanic American	8.85%	2.61%	3.39	Overutilization	
0015	American Indian	0.97%	0.54%	1.78	Overutilization	
2017	Total MBE	23.80%	14.91%	1.6	Overutilization	
	Female	0.17%	6.86%	0.02	Underutilization	p<.05
	<b>Total MWBE</b>	23.97%	21.76%	1.1	Overutilization	
	Non-Minority	76.03%	78.24%	0.97	Underutilization	p<.05
	Black	27.66%	9.58%	2.89	Overutilization	
	Asian American	0.35%	2.18%	0.16	Underutilization	p<.05
	Hispanic American	3.93%	2.61%	1.51	Overutilization	
2018	American Indian	0.94%	0.54%	1.72	Overutilization	
2018	Total MBE	32.88%	14.91%	2.21	Overutilization	
	Female	3.17%	6.86%	0.46	Underutilization	p<.05
	<b>Total MWBE</b>	36.05%	21.76%	1.66	Overutilization	
	Non-Minority	63.95%	78.24%	0.82	Underutilization	p<.05
	Black	6.81%	9.58%	0.71	Underutilization	p<.05
	Asian American	0.02%	2.18%	0.01	Underutilization	p<.05
	Hispanic American	0.81%	2.61%	0.31	Underutilization	p<.05
2019	American Indian	0.00%	0.54%	0.01	Underutilization	p<.05
2019	Total MBE	7.64%	14.91%	0.51	Underutilization	p<.05
	Female	0.49%	6.86%	0.07	Underutilization	p<.05
	Total MWBE	8.13%	21.76%	0.37	Underutilization	p<.05
	Non-Minority	91.87%	78.24%	1.17	Overutilization	
	Black	10.27%	9.58%	1.07	Overutilization	
	Asian American	0.26%	2.18%	0.12	Underutilization	p<.05
	Hispanic American	2.60%	2.61%	1	Parity	
Study	American Indian	0.22%	0.54%	0.4	Underutilization	Small Number
Period	<b>Total MBE</b>	13.35%	14.91%	0.9	Underutilization	
	Female	0.88%	6.86%	0.13	Underutilization	p<.05
	Total MWBE	14.23%	21.76%	0.65	Underutilization	p<.05
	Non-Minority	85.77%	78.24%	1.1	Overutilization	

# Table F-3: Business Ownership Classification by Fiscal Year, Prime Professional ServicesDisparity Results, Relevant Market AreaUsing Payment Dollars, FY 2016-2019Mecklenburg Disparity Study

Year	Race/Ethnicity	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Statistical Significance
	Black	0.00%	14.82%	0	Underutilization	p<.05
	Asian American	0.00%	1.66%	0	Underutilization	p<.05
	Hispanic American	0.02%	1.24%	0.02	Underutilization	p<.05
	American Indian	0.00%	0.59%	0	Underutilization	p<.05
2016	<b>Total MBE</b>	0.02%	18.30%	0	Underutilization	p<.05
	Female	0.06%	7.16%	0.01	Underutilization	p<.05
	<b>Unidentified MWBE</b>	0.00%	0.06%	0	Underutilization	Small Number
	Total MWBE	0.08%	25.52%	0	Underutilization	p<.05
	Non-Minority	99.92%	74.48%	1.34	Overutilization	1 0
	Black	0.66%	14.82%	0.04	Underutilization	p<.05
	Asian American	0.00%	1.66%	0	Underutilization	p<.05
	Hispanic American	0.00%	1.24%	0	Underutilization	p<.05
	American Indian	0.00%	0.59%	0	Underutilization	p<.05
2017	Total MBE	0.66%	18.30%	0.04	Underutilization	p<.05
,	Female	0.17%	7.16%	0.02	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.06%	0	Underutilization	Small Number
	<b>Total MWBE</b>	0.83%	25.52%	0.03	Underutilization	p<.05
	Non-Minority	99.17%	74.48%	1.33	Overutilization	1 0
	Black	0.54%	14.82%	0.04	Underutilization	p<.05
	Asian American	0.00%	1.66%	0	Underutilization	p<.05
	Hispanic American	0.00%	1.24%	0	Underutilization	p<.05
	American Indian	0.30%	0.59%	0.51	Underutilization	Small Number
2018	Total MBE	0.84%	18.30%	0.05	Underutilization	p<.05
	Female	0.41%	7.16%	0.06	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.06%	0	Underutilization	Small Number
	Total MWBE	1.25%	25.52%	0.05	Underutilization	p<.05
	Non-Minority	98.75%	74.48%	1.33	Overutilization	r
	Black	0.76%	14.82%	0.05	Underutilization	p<.05
	Asian American	0.09%	1.66%	0.05	Underutilization	p<.05
	Hispanic American	0.08%	1.24%	0.06	Underutilization	p<.05
	American Indian	0.02%	0.59%	0.03	Underutilization	p<.05
2019	<b>Total MBE</b>	0.94%	18.30%	0.05	Underutilization	p<.05
-	Female	0.09%	7.16%	0.01	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.06%	0	Underutilization	Small Number
	<b>Total MWBE</b>	1.03%	25.52%	0.04	Underutilization	p<.05
	Non-Minority	98.97%	74.48%	1.33	Overutilization	
	Black	0.57%	14.82%	0.04	Underutilization	p<.05
	Asian American	0.03%	1.66%	0.02	Underutilization	p<.05
	Hispanic American	0.03%	1.24%	0.02	Underutilization	p<.05
01 1	American Indian	0.09%	0.59%	0.15	Underutilization	p<.05
Study	Total MBE	0.71%	18.30%	0.04	Underutilization	p<.05
Period	Female	0.20%	7.16%	0.03	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.06%	0	Underutilization	Small Number
	<b>Total MWBE</b>	0.91%	25.52%	0.04	Underutilization	p<.05
	Non-Minority	99.09%	74.48%	1.33	Overutilization	

#### Table F-4: Business Ownership Classification by Fiscal Year, Prime Other Services Disparity Results, Relevant Market Area Using Payment Dollars, FY 2016-2019 Mecklenburg Disparity Study

Year	Race/Ethnicity	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Statistical Significance
	Black	1.35%	13.85%	0.1	Underutilization	p<.05
	Asian American	0.13%	1.30%	0.1	Underutilization	p<.05
	Hispanic American	0.09%	1.92%	0.05	Underutilization	p<.05
	American Indian	0.23%	0.65%	0.36	Underutilization	p<.05
2016	<b>Total MBE</b>	1.79%	17.72%	0.1	Underutilization	p<.05
	Female	0.76%	6.69%	0.11	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.17%	0	Underutilization	Small Number
	<b>Total MWBE</b>	2.56%	24.58%	0.1	Underutilization	p<.05
	Non-Minority	97.44%	75.42%	1.29	Overutilization	
	Black	0.92%	13.85%	0.07	Underutilization	p<.05
	Asian American	0.20%	1.30%	0.16	Underutilization	p<.05
	Hispanic American	0.16%	1.92%	0.08	Underutilization	p<.05
	American Indian	0.32%	0.65%	0.49	Underutilization	Small Number
2017	<b>Total MBE</b>	1.60%	17.72%	0.09	Underutilization	p<.05
	Female	0.71%	6.69%	0.11	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.17%	0	Underutilization	Small Number
	<b>Total MWBE</b>	2.31%	24.58%	0.09	Underutilization	p<.05
	Non-Minority	97.69%	75.42%	1.3	Overutilization	-
	Black	4.30%	13.85%	0.31	Underutilization	p<.05
	Asian American	0.51%	1.30%	0.39	Underutilization	p<.05
	Hispanic American	0.01%	1.92%	0	Underutilization	p<.05
	American Indian	0.88%	0.65%	1.36	Overutilization	
2018	<b>Total MBE</b>	5.70%	17.72%	0.32	Underutilization	p<.05
	Female	2.60%	6.69%	0.39	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.17%	0	Underutilization	Small Number
	Total MWBE	8.30%	24.58%	0.34	Underutilization	p<.05
	Non-Minority	91.70%	75.42%	1.22	Overutilization	
	Black	1.21%	13.85%	0.09	Underutilization	p<.05
	Asian American	0.66%	1.30%	0.51	Underutilization	p<.05
	Hispanic American	0.08%	1.92%	0.04	Underutilization	p<.05
	American Indian	2.29%	0.65%	3.54	Overutilization	
2019	Total MBE	4.25%	17.72%	0.24	Underutilization	p<.05
	Female	3.33%	6.69%	0.5	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.17%	0	Underutilization	Small Number
	Total MWBE	7.58%	24.58%	0.31	Underutilization	p<.05
	Non-Minority	92.42%	75.42%	1.23	Overutilization	
	Black	1.91%	13.85%	0.14	Underutilization	p<.05
	Asian American	0.36%	1.30%	0.28	Underutilization	p<.05
	Hispanic American	0.09%	1.92%	0.04	Underutilization	p<.05
Study	American Indian	0.88%	0.65%	1.36	Overutilization	
Period	Total MBE	3.25%	17.72%	0.18	Underutilization	p<.05
	Female	1.78%	6.69%	0.27	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.17%	0	Underutilization	Small Number
	<b>Total MWBE</b>	5.03%	24.58%	0.2	Underutilization	p<.05
	Non-Minority	94.97%	75.42%	1.26	Overutilization	

#### Table F-5: Business Ownership Classification by Fiscal Year, Prime Goods Disparity Results, Relevant Market Area Using Payment Dollars, FY 2016-2019 Mecklenburg Disparity Study

Year	Race/Ethnicity	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Statistical Significance
	Black	0.14%	6.41%	0.02	Underutilization	p<.05
	Asian American	0.12%	1.05%	0.11	Underutilization	p<.05
	Hispanic American	0.03%	1.08%	0.03	Underutilization	p<.05
	American Indian	0.22%	0.29%	0.75	Underutilization	Small Number
2016	Total MBE	0.51%	8.83%	0.06	Underutilization	p<.05
	Female	0.85%	6.15%	0.14	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.02%	0	Underutilization	Small Number
	<b>Total MWBE</b>	1.35%	15.00%	0.09	Underutilization	p<.05
	Non-Minority	98.65%	85.00%	1.16	Overutilization	· ·
	Black	0.11%	6.41%	0.02	Underutilization	p<.05
	Asian American	0.13%	1.05%	0.12	Underutilization	p<.05
	Hispanic American	0.00%	1.08%	0	Underutilization	p<.05
	American Indian	0.01%	0.29%	0.04	Underutilization	p<.05
2017	Total MBE	0.26%	8.83%	0.03	Underutilization	p<.05
	Female	0.67%	6.15%	0.11	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.02%	0	Underutilization	Small Number
	<b>Total MWBE</b>	0.93%	15.00%	0.06	Underutilization	p<.05
	Non-Minority	99.07%	85.00%	1.17	Overutilization	
	Black	0.02%	6.41%	0	Underutilization	p<.05
	Asian American	0.03%	1.05%	0.02	Underutilization	p<.05
	Hispanic American	0.00%	1.08%	0	Underutilization	p<.05
	American Indian	0.01%	0.29%	0.05	Underutilization	p<.05
2018	Total MBE	0.06%	8.83%	0.01	Underutilization	p<.05
	Female	0.79%	6.15%	0.13	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.02%	0	Underutilization	Small Number
	Total MWBE	0.85%	15.00%	0.06	Underutilization	p<.05
	Non-Minority	99.15%	85.00%	1.17	Overutilization	
	Black	0.10%	6.41%	0.02	Underutilization	p<.05
	Asian American	0.05%	1.05%	0.05	Underutilization	p<.05
	Hispanic American	0.00%	1.08%	0	Underutilization	p<.05
	American Indian	0.00%	0.29%	0	Underutilization	p<.05
2019	<b>Total MBE</b>	0.15%	8.83%	0.02	Underutilization	p<.05
	Female	1.85%	6.15%	0.3	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.02%	0	Underutilization	Small Number
	Total MWBE	2.00%	15.00%	0.13	Underutilization	p<.05
	Non-Minority	98.00%	85.00%	1.15	Overutilization	
	Black	0.08%	6.41%	0.01	Underutilization	p<.05
	Asian American	0.07%	1.05%	0.07	Underutilization	p<.05
	Hispanic American	0.01%	1.08%	0.01	Underutilization	p<.05
Study	American Indian	0.05%	0.29%	0.18	Underutilization	Small Number
Period	Total MBE	0.21%	8.83%	0.02	Underutilization	p<.05
	Female	1.06%	6.15%	0.17	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.02%	0	Underutilization	Small Number
	Total MWBE	1.27%	15.00%	0.08	Underutilization	p<.05
	Non-Minority	98.73%	85.00%	1.16	Overutilization	

#### Table F-6: Business Ownership Classification by Fiscal Year, Total Utilization Construction Disparity Results, Relevant Market Area Using Payment Dollars, FY 2016-2019 Mecklenburg Disparity Study

Year	Race/Ethnicity	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Statistical Significance
	Black	0.55%	9.64%	0.06	Underutilization	p<.05
	Asian American	0.14%	0.95%	0.15	Underutilization	p<.05
	Hispanic American	0.57%	3.56%	0.16	Underutilization	p<.05
2016	American Indian	0.12%	0.75%	0.16	Underutilization	p<.05
2010	Total MBE	1.37%	14.91%	0.09	Underutilization	p<.05
	Female	7.20%	7.43%	0.97	Underutilization	
	Total MWBE	8.57%	22.34%	0.38	Underutilization	p<.05
	Non-Minority	91.43%	77.66%	1.18	Overutilization	
	Black	0.29%	9.64%	0.03	Underutilization	p<.05
	Asian American	0.38%	0.95%	0.4	Underutilization	p<.05
	Hispanic American	0.32%	3.56%	0.09	Underutilization	p<.05
001	American Indian	0.45%	0.75%	0.59	Underutilization	Small Number
2017	Total MBE	1.44%	14.91%	0.1	Underutilization	p<.05
	Female	15.85%	7.43%	2.13	Overutilization	
	<b>Total MWBE</b>	17.29%	22.34%	0.77	Underutilization	p<.05
	Non-Minority	82.71%	77.66%	1.06	Overutilization	
	Black	0.63%	9.64%	0.07	Underutilization	p<.05
	Asian American	0.06%	0.95%	0.06	Underutilization	p<.05
	<b>Hispanic American</b>	0.32%	3.56%	0.09	Underutilization	p<.05
	American Indian	0.05%	0.75%	0.07	Underutilization	p<.05
2018	<b>Total MBE</b>	1.06%	14.91%	0.07	Underutilization	p<.05
	Female	28.91%	7.43%	3.89	Overutilization	1 0
	<b>Total MWBE</b>	29.97%	22.34%	1.34	Overutilization	
	Non-Minority	70.03%	77.66%	0.9	Underutilization	p<.05
	Black	0.24%	9.64%	0.02	Underutilization	p<.05
	Asian American	0.00%	0.95%	0	Underutilization	p<.05
	<b>Hispanic American</b>	0.04%	3.56%	0.01	Underutilization	p<.05
	American Indian	0.51%	0.75%	0.68	Underutilization	Small Number
2019	Total MBE	0.79%	14.91%	0.05	Underutilization	p<.05
	Female	11.31%	7.43%	1.52	Overutilization	1 0
	Total MWBE	12.10%	22.34%	0.54	Underutilization	p<.05
	Non-Minority	87.90%	77.66%	1.13	Overutilization	1 0
	Black	0.43%	9.64%	0.04	Underutilization	p<.05
	Asian American	0.16%	0.95%	0.17	Underutilization	p<.05
	Hispanic American	0.32%	3.56%	0.09	Underutilization	p<.05
Study	American Indian	0.27%	0.75%	0.36	Underutilization	p<.05
Period	<b>Total MBE</b>	1.18%	14.91%	0.08	Underutilization	p<.05
	Female	16.65%	7.43%	2.24	Overutilization	
	<b>Total MWBE</b>	17.83%	22.34%	0.8	Underutilization	p<.05
	Non-Minority	82.17%	77.66%	1.06	Overutilization	

#### Table F-7: Business Ownership Classification by Fiscal Year, Total Utilization Architecture & Engineering Disparity Results, Relevant Market Area Using Payment Dollars, FY 2016-2019 Mecklenburg Disparity Study

Year	Race/Ethnicity	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Statistical Significance
	Black	0.00%	9.58%	0	Underutilization	p<.05
	Asian American	0.00%	2.18%	0	Underutilization	p<.05
	Hispanic American	60.00%	2.61%	22.98	Overutilization	
0016	American Indian	0.00%	0.54%	0	Underutilization	p<.05
2016	<b>Total MBE</b>	60.00%	14.91%	4.03	Overutilization	
	Female	0.00%	6.86%	0	Underutilization	p<.05
	<b>Total MWBE</b>	60.00%	21.76%	2.76	Overutilization	
	Non-Minority	40.00%	78.24%	0.51	Underutilization	p<.05
	Black	11.20%	9.58%	1.17	Overutilization	
	Asian American	2.77%	2.18%	1.27	Overutilization	
	Hispanic American	8.85%	2.61%	3.39	Overutilization	
	American Indian	0.97%	0.54%	1.78	Overutilization	
2017	<b>Total MBE</b>	23.80%	14.91%	1.6	Overutilization	
	Female	0.17%	6.86%	0.02	Underutilization	p<.05
	<b>Total MWBE</b>	23.97%	21.76%	1.1	Overutilization	
	Non-Minority	76.03%	78.24%	0.97	Underutilization	p<.05
	Black	27.66%	9.58%	2.89	Overutilization	
	Asian American	0.35%	2.18%	0.16	Underutilization	p<.05
	Hispanic American	3.93%	2.61%	1.51	Overutilization	
2240	American Indian	0.94%	0.54%	1.72	Overutilization	
2018	<b>Total MBE</b>	32.88%	14.91%	2.21	Overutilization	
	Female	3.17%	6.86%	0.46	Underutilization	p<.05
	<b>Total MWBE</b>	36.05%	21.76%	1.66	Overutilization	
	Non-Minority	63.95%	78.24%	0.82	Underutilization	p<.05
	Black	6.81%	9.58%	0.71	Underutilization	p<.05
	Asian American	0.02%	2.18%	0.01	Underutilization	p<.05
	Hispanic American	0.81%	2.61%	0.31	Underutilization	p<.05
2019	American Indian	0.00%	0.54%	0.01	Underutilization	p<.05
2019	Total MBE	7.64%	14.91%	0.51	Underutilization	p<.05
	Female	0.49%	6.86%	0.07	Underutilization	p<.05
	Total MWBE	8.13%	21.76%	0.37	Underutilization	p<.05
	Non-Minority	91.87%	78.24%	1.17	Overutilization	
	Black	10.27%	9.58%	1.07	Overutilization	
	Asian American	0.26%	2.18%	0.12	Underutilization	p<.05
	Hispanic American	2.60%	2.61%	1	Parity	
Study	American Indian	0.22%	0.54%	0.4	Underutilization	Small Number
Period	Total MBE	13.35%	14.91%	0.9	Underutilization	
	Female	0.88%	6.86%	0.13	Underutilization	p<.05
	Total MWBE	14.23%	21.76%	0.65	Underutilization	p<.05
	Non-Minority	85.77%	78.24%	1.1	Overutilization	

#### Table F-8: Business Ownership Classification by Fiscal Year, Total Utilization, Professional Services Disparity Results, Relevant Market Area Using Payment Dollars, FY 2016-2019 Mecklenburg Disparity Study

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Year	Race/Ethnicity	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Statistical Significance
	Black	0.00%	14.82%	0	Underutilization	DC 05
						p<.05
	Asian American	0.00%	1.66%	0	Underutilization	p<.05
	Hispanic American	0.02%	1.24%	0.02	Underutilization	p<.05
	American Indian	0.00%	0.59%	0	Underutilization	p<.05
2016	Total MBE	0.02%	18.30%	0	Underutilization	p<.05
	Female	0.06%	7.16%	0.01	Underutilization	p<.05
	<b>Unidentified MWBE</b>	0.00%	0.06%	0	Underutilization	Small Number
	<b>Total MWBE</b>	0.08%	25.52%	0	Underutilization	p<.05
	Non-Minority	99.92%	74.48%	1.34	Overutilization	• -
	Black	0.66%	14.82%	0.04	Underutilization	p<.05
	Asian American	0.00%	1.66%	0	Underutilization	p<.05
	Hispanic American	0.00%	1.24%	0	Underutilization	p<.05 p<.05
	American Indian	0.00%	0.59%	0	Underutilization	—
0.01=	Total MBE	0.00% 0.66%			Underutilization	p<.05
2017			18.30%	0.04		p<.05
	Female	0.17%	7.16%	0.02	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.06%	0	Underutilization	Small Number
	<b>Total MWBE</b>	0.83%	25.52%	0.03	Underutilization	p<.05
	Non-Minority	99.17%	74.48%	1.33	Overutilization	
	Black	0.54%	14.82%	0.04	Underutilization	p<.05
	Asian American	0.00%	1.66%	0	Underutilization	p<.05
	Hispanic American	0.00%	1.24%	0	Underutilization	p<.05
	American Indian	0.30%	0.59%	0.51	Underutilization	Small Number
2018	<b>Total MBE</b>	0.84%	18.30%	0.05	Underutilization	p<.05
	Female	0.41%	7.16%	0.06	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.06%	0	Underutilization	Small Number
	Total MWBE	1.25%	25.52%	0.05	Underutilization	p<.05
	Non-Minority	98.75%	23.32 <i>%</i> 74.48%		Overutilization	p<.05
	Black			1.33	Underutilization	n < 0 <b>5</b>
		0.76%	14.82%	0.05		p<.05
	Asian American	0.09%	1.66%	0.05	Underutilization	p<.05
	Hispanic American	0.08%	1.24%	0.06	Underutilization	p<.05
	American Indian	0.02%	0.59%	0.03	Underutilization	p<.05
2019	<b>Total MBE</b>	0.94%	18.30%	0.05	Underutilization	p<.05
	Female	0.09%	7.16%	0.01	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.06%	0	Underutilization	Small Number
	<b>Total MWBE</b>	1.03%	25.52%	0.04	Underutilization	p<.05
	Non-Minority	98.97%	74.48%	1.33	Overutilization	
	Black	0.57%	14.82%	0.04	Underutilization	p<.05
	Asian American	0.03%	1.66%	0.02	Underutilization	p<.05
	Hispanic American	0.03%	1.24%	0.02	Underutilization	p<.05
	American Indian	0.09%	0.59%	0.15	Underutilization	p<.05
Study	Total MBE	0.71%	18.30%	0.04	Underutilization	p<.05 p<.05
Period	Female	0.20%	7.16%	0.04	Underutilization	p<.05 p<.05
	Unidentified MWBE	0.20%	0.06%	0.03	Underutilization	Small Number
	Total MWBE					
		0.91%	25.52%	0.04	Underutilization	p<.05
	Non-Minority	99.09%	74.48%	1.33	Overutilization	

#### Table F-9: Business Ownership Classification by Fiscal Year, Total Utilization, Other Services Disparity Results, Relevant Market Area Using Payment Dollars, FY 2016-2019 Mecklenburg Disparity Study

Year	Race/Ethnicity	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Statistical Significance
	Black	1.35%	13.85%	0.1	Underutilization	p<.05
	Asian American	0.13%	1.30%	0.1	Underutilization	p<.05
	Hispanic American	0.09%	1.92%	0.05	Underutilization	p<.05
	American Indian	0.23%	0.65%	0.36	Underutilization	p<.05
2016	Total MBE	1.79%	17.72%	0.1	Underutilization	p<.05 p<.05
-010	Female	0.76%	6.69%	0.11	Underutilization	p<.05 p<.05
	Unidentified MWBE	0.00%	0.17%	0	Underutilization	Small Number
	Total MWBE	2.56%	24.58%	0.1	Underutilization	p<.05
	Non-Minority	97.44%	75.42%	1.29	Overutilization	P
	Black	0.92%	13.85%	0.07	Underutilization	p<.05
	Asian American	0.20%	1.30%	0.16	Underutilization	p<.05 p<.05
	Hispanic American	0.16%	1.92%	0.08	Underutilization	p<.05 p<.05
	American Indian	0.32%	0.65%	0.49	Underutilization	Small Number
2017	Total MBE	1.60%	17.72%	0.09	Underutilization	p<.05
=01/	Female	0.71%	6.69%	0.11	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.17%	0	Underutilization	Small Number
	Total MWBE	2.31%	24.58%	0.09	Underutilization	p<.05
	Non-Minority	97.69%	75.42%	1.3	Overutilization	P
	Black	4.30%	13.85%	0.31	Underutilization	p<.05
	Asian American	4.50% 0.51%	1.30%	0.39	Underutilization	p<.05 p<.05
	Hispanic American	0.01%	1.92%	0	Underutilization	p<.05
	American Indian	0.88%	0.65%	1.36	Overutilization	b (102)
2018	Total MBE	5.70%	17.72%	0.32	Underutilization	p<.05
-010	Female	2.60%	6.69%	0.39	Underutilization	p<.05 p<.05
	Unidentified MWBE	0.00%	0.17%	0	Underutilization	Small Number
	Total MWBE	8.30%	24.58%	0.34	Underutilization	p<.05
	Non-Minority	91.70%	24.30% 75.42%	1.22	Overutilization	b (102)
	Black	1.21%	13.85%	0.09	Underutilization	p<.05
	Asian American	0.66%	1.30%	0.51	Underutilization	p<.05 p<.05
	Hispanic American	0.08%	1.92%	0.04	Underutilization	p<.05 p<.05
	American Indian	2.29%	0.65%	3.54	Overutilization	P 100
2019	Total MBE	4.25%	17.72%	0.24	Underutilization	p<.05
=019	Female	3.33%	6.69%	0.5	Underutilization	p<.05 p<.05
	Unidentified MWBE	0.00%	0.17%	0	Underutilization	Small Number
	Total MWBE	7.58%	24.58%	0.31	Underutilization	p<.05
	Non-Minority	92.42%	75.42%	1.23	Overutilization	P 100
	Black	1.91%	13.85%	0.14	Underutilization	p<.05
	Asian American	0.36%	1.30%	0.28	Underutilization	p<.05 p<.05
	Hispanic American	0.09%	1.92%	0.04	Underutilization	p<.05 p<.05
	American Indian	0.88%	0.65%	1.36	Overutilization	r
Study	Total MBE	3.25%	17.72%	0.18	Underutilization	p<.05
Period	Female	1.78%	6.69%	0.27	Underutilization	p<.05
	Unidentified MWBE	0.00%	0.17%	0	Underutilization	Small Number
	Total MWBE	5.03%	24.58%	0.2	Underutilization	p<.05
	Non-Minority	94.97%	75.42%	1.26	Overutilization	r
	non minority	プサ・フ/ <sup>/0</sup>	/0.44/0	1,20	Overutinzation	

### Mecklenburg County Disparity Study

### A brief note on how tables are calculated

Duplicate responses have been removed. Duplicate responses were removed based on businesses having either the same email address or same business name.

The total count of responses for each question includes only those participants who responded to that question. Participants who skipped or were not given a question are not included.

Table	1: Is your comp	any a not	for profit	organiza	tion or a go	overnment entity?						
	Owners' Minority Status											
	Non-Minority Woman Black Asian Hispanic American Indian Bi-Racial or Publicly Traded Other Multi-Racial Company											
Yes	0	0	0	0	0	0	0	0	0	0		
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %		
No	109	87	97	9	19	3	3	2	1	330		
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %		
Total	109	87	97	9	19	3	3	2	1	330		
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %		

Owners' Minority Status											
	Non-Minority Woman Black Asian Hispanic American Indian Bi-Racial or Publicly Traded Other Multi-Racial Company										
Yes	89	71	89	8	17	3	3	2	1	283	
	81.7 %	81.6 %	91.8 %	88.9 %	89.5 %	100 %	100 %	100 %	100 %	85.8 %	
No	20	16	8	1	2	0	0	0	0	47	
	18.3 %	18.4 %	8.2 %	11.1 %	10.5 %	0 %	0 %	0 %	0 %	14.2 %	
Total	109	87	97	9	19	3	3	2	1	330	
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	

Table	3: Is your firm r	eady, willi	ng and a	ble to do	business as	s a subcontractor w	ith Mecklenbu	irg County?				
	Owners' Minority											
	Status											
	Non-Minority Woman Black Asian Hispanic American Indian Bi-Racial or Publicly Traded Other											
	Multi-Racial Company											
Yes	91	77	96	8	18	3	3	2	1	299		
	83.5 %	88.5 %	99 %	88.9 %	94.7 %	100 %	100 %	100 %	100 %	90.6 %		
No	18	10	1	1	1	0	0	0	0	31		
	16.5 %	11.5 %	1 %	11.1 %	5.3 %	0 %	0 %	0 %	0 %	9.4 %		
Total	otal 109 87 97 9 19 3 3 2 1 3											
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %		

Table 4: Which one c	of the following	g is your co	mpany's	primary li	ne of busine	ss?				
						Minority tus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Construction	23 21.3 %	11 12.6 %	11 11.7 %	0 0 %	<b>3</b> 15.8 %	1 33.3 %	0 0 %	<b>2</b> 100 %	0 0 %	51 15.7 %
Architecture and	18	6	3	1	2	1	0	0	0	31
Engineering ("A/E")	16.7 %	6.9 %	3.2 %	12.5 %	10.5 %	33.3 %	0 %	0 %	0 %	9.5 %
Professional	26	38	35	4	4	0	1	0	0	108
Services	24.1 %	43.7 %	37.2 %	50 %	21.1 %	0 %	33.3 %	0 %	0 %	33.2 %
Other Services	24	21	42	0	8	1	2	0	1	99
	22.2 %	24.1 %	44.7 %	0 %	42.1 %	33.3 %	66.7 %	0 %	100 %	30.5 %
Goods	17	11	3	3	2	0	0	0	0	36
	15.7 %	12.6 %	3.2 %	37.5 %	10.5 %	0 %	0 %	0 %	0 %	11.1 %
Total	108	87	94	8	19	3	3	2	1	325
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Under 1 year	1	1	4	1	1	1	0	Ó	0	9
	0.9 %	1.1 %	4.1 %	11.1 %	5.3 %	33.3 %	0 %	0 %	0 %	2.7 %
1-5 years	15	13	38	2	7	0	1	0	0	76
	13.8 %	14.9 %	39.2 %	22.2 %	36.8 %	0 %	33.3 %	0 %	0 %	23 %
6-10 years	10	12	24	2	1	0	1	0	1	51
-	9.2 %	13.8 %	24.7 %	22.2 %	5.3 %	0 %	33.3 %	0 %	100 %	15.5 %
11-15 year	7	8	13	3	5	0	1	0	0	37
	6.4 %	9.2 %	13.4 %	33.3 %	26.3 %	0 %	33.3 %	0 %	0 %	11.2 %
15-20 years	13	14	11	0	1	1	0	0	0	40
	11.9 %	16.1 %	11.3 %	0 %	5.3 %	33.3 %	0 %	0 %	0 %	12.1 %
Over 20 years	63	39	7	1	4	1	0	2	0	117
	57.8 %	44.8 %	7.2 %	11.1 %	21.1 %	33.3 %	0 %	100 %	0 %	35.5 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						rs' Minority Status				Total			
	Non-Minority Woman Black Asian Hispanic American Indian Bi-Racial or Publicly Traded Other Multi-Racial Company												
Yes	0	87	55	5	11	1	1	Ó	0	160			
	0 %	100 %	56.7 %	55.6 %	57.9 %	33.3 %	33.3 %	0 %	0 %	48.5 %			
No	109	0	42	4	8	2	2	2	1	170			
	100 %	0 %	43.3 %	44.4 %	42.1 %	66.7 %	66.7 %	100 %	100 %	51.5 %			
Total	109	87	97	9	19	3	3	2	1	330			
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %			

Table 7: Which of the following categories would you consider to be the race or ethnic origin that the person or persons that own at least 51% of the company identify as? Would you say:

					Owners' M Statu					Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Caucasian	107	85	0	0	0	0	0	0	0	192
	98.2 %	97.7 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	58.2 %
Black	0	0	97	0	0	0	0	0	0	97
	0 %	0 %	100 %	0 %	0 %	0 %	0 %	0 %	0 %	29.4 %
Asian	0	0	0	8	0	0	0	0	0	8
	0 %	0 %	0 %	88.9 %	0 %	0 %	0 %	0 %	0 %	2.4 %
Hispanic	0	0	0	0	19	0	<b>0</b>	0	0	19
	0 %	0 %	0 %	0 %	100 %	0 %	0 %	0 %	0 %	5.8 %
American	0	0	0	0	0	3	0	0	0	3
Indian	0 %	0 %	0 %	0 %	0 %	100 %	0 %	0 %	0 %	0.9 %
Bi-Racial or	0	0	0	0	0	0	<b>3</b>	0	0	3
Multi-Racial	0 %	0 %	0 %	0 %	0%	0 %	100 %	0 %	0 %	0.9 %
Publicly Traded Company	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	2 100 %	0 0 %	2 0.6 %
Other	2	2	0	1	0	0	<b>0</b>	0	1	6
	1.8 %	2.3 %	0 %	11.1 %	0 %	0 %	0 %	0 %	100 %	1.8 %
Total	109	<b>87</b>	97	9	<b>19</b>	<b>3</b>	<b>3</b>	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 8: What is you	r current sing	le project b	onding lin	nit?						
						' Minority atus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
\$100,000 or less	3	3	16	0	3	0	2	0	0	27
	2.8 %	3.4 %	16.5 %	0 %	15.8 %	0 %	66.7 %	0 %	0 %	8.2 %
\$100,001 -	3	0	2	1	1	0	0	0	0	7
\$250,000	2.8 %	0 %	2.1 %	12.5 %	5.3 %	0 %	0 %	0 %	0 %	2.1 %
\$250,001 -	1	5	4	0	1	0	0	0	0	11
\$500,000	0.9 %	5.7 %	4.1 %	0 %	5.3 %	0 %	0 %	0 %	0 %	3.3 %
\$500,001 -	3	1	1	0	0	0	1	0	0	6
\$750,000	2.8 %	1.1 %	1 %	0 %	0 %	0 %	33.3 %	0 %	0 %	1.8 %
\$750,001 -	8	3	14	0	2	0	0	0	0	27
\$1,000,000	7.3 %	3.4 %	14.4 %	0 %	10.5 %	0 %	0 %	0 %	0 %	8.2 %
\$1,000,001 -	8	1	7	1	2	0	0	0	0	19
\$2,500,000	7.3 %	1.1 %	7.2 %	12.5 %	10.5 %	0 %	0 %	0 %	0 %	5.8 %
\$2,500,001 -	5	1	3	0	0	0	0	0	0	9
\$5,000,000	4.6 %	1.1 %	3.1 %	0 %	0 %	0 %	0 %	0 %	0 %	2.7 %
\$5,000,001 -	2	1	1	0	0	1	0	0	0	5
\$10,000,000	1.8 %	1.1 %	1 %	0 %	0%	33.3 %	0 %	0 %	0 %	1.5 %
Over \$10 million	5	2	0	0	2	0	0	2	0	11
	4.6 %	2.3 %	0 %	0 %	10.5 %	0 %	0 %	100 %	0 %	3.3 %
Don't Know	14	17	11	4	5	0	0	0	0	51
	12.8 %	19.5 %	11.3 %	50 %	26.3 %	0 %	0 %	0 %	0 %	15.5 %
Not Applicable	57	53	38	2	3	2	0	0	1	156
<b>T</b> + 1	52.3 %	60.9 %	39.2 %	25 %	15.8 %	66.7 %	0 %	0 %	100 %	47.4 %
Total	109 100 %	<b>87</b> 100 %	97 100 %	8 100 %	19 100 %	3 100 %	3 100 %	2 100 %	1 100 %	329 100 %
	100 /0	100 /0	100 /0	100 /0	100 /0	100 /0	100 /0	100 /0	100 %	100 /0

Table 9: What is the	largest single	contract ye	our firm h	as been a	warded sind	e July 1, 2015?				
						' Minority				Total
	Non- Minority	Woman	Black	Asian	Hispanic	atus American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
\$100,000 or less	<b>20</b>	30	42	2	6	1	1	0	0	102
	18.3 %	34.5 %	43.3 %	22.2 %	31.6 %	33.3 %	33.3 %	0 %	0 %	30.9 %
\$100,001 -	13	3	9	<b>2</b>	4	0%	1	0	0	32
\$250,000	11.9 %	3.4 %	9.3 %	22.2 %	21.1 %		33.3 %	0 %	0 %	9.7 %
\$250,001 -	4	14	<b>4</b>	0	0	1	1	0	00%	24
\$500,000	3.7 %	16.1 %	4.1 %	0 %	0 %	33.3 %	33.3 %	0 %		7.3 %
\$500,001 -	7	3	<b>4</b>	0	1	0	0	0	0	15
\$750,000	6.4 %	3.4 %	4.1 %	0 %	5.3 %	0 %	0 %	0 %	0 %	4.5 %
\$750,001 -	8	<b>3</b>	1	0	1	0	0	0	0	13
\$1,000,000	7.3 %	3.4 %	1 %	0 %	5.3 %	0 %	0 %	0 %	0 %	3.9 %
\$1,000,001 -	<b>15</b>	<b>3</b>	3	1	<b>2</b>	0	<b>0</b>	0	0	24
\$2,500,000	13.8 %	3.4 %	3.1 %	11.1 %	10.5 %	0 %	0 %	0 %	0 %	7.3 %
\$2,500,001 -	5	0	0	<b>1</b>	0	1	<b>0</b>	0	0	7
\$5,000,000	4.6 %	0 %	0 %	11.1 %	0 %	33.3 %	0 %	0%	0 %	2.1 %
\$5,000,001 -	5	3	1	0	1	0	0	0	0	10
\$10,000,000	4.6 %	3.4 %	1 %	0%	5.3 %	0 %	0 %	0 %	0 %	3 %
Over \$10 million	9	1	0	0	0	0	0	<b>2</b>	0	12
	8.3 %	1.1 %	0 %	0 %	0 %	0 %	0 %	100 %	0 %	3.6 %
Don't Know	3	3	2	0	1	0	0	0	0	9
	2.8 %	3.4 %	2.1 %	0 %	5.3 %	0 %	0 %	0 %	0 %	2.7 %
Not applicable	<b>20</b>	24	31	3	3	0	0	0	1	82
	18.3 %	27.6 %	32 %	33.3 %	15.8 %	0 %	0 %	0%	100 %	24.8 %
Total	109	<b>87</b>	<b>97</b>	9	<b>19</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>1</b>	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

					Owners' Sta	•				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Prime Contractor	43	29	20	6	8	1	2	2	0	111
and	39.4 %	33.3 %	20.6 %	66.7 %	42.1 %	33.3 %	66.7 %	100 %	0 %	33.6 %
Subcontractor										
Prime Contractor	15	11	20	0	4	1	0	0	0	51
only	13.8 %	12.6 %	20.6 %	0 %	21.1 %	33.3 %	0 %	0 %	0 %	15.5 %
Subcontractor only	23	21	23	0	4	1	0	0	0	72
-	21.1 %	24.1 %	23.7 %	0 %	21.1 %	33.3 %	0 %	0 %	0 %	21.8 %
Neither	28	26	34	3	3	0	1	0	1	96
	25.7 %	29.9 %	35.1 %	33.3 %	15.8 %	0 %	33.3 %	0 %	100 %	29.1 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 11: On average, how many employees and regular independent contractors does your company keepon the payroll, including fulltime and part-time staff? (Number of Employees)

			Employeed	0)	Ouroro' A	linovitu				Total
					Owners' N Statu					Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
None	2	12	11	1	2	0	0	0	0	28
	1.8 %	13.8 %	11.3 %	11.1 %	10.5 %	0 %	0 %	0 %	0 %	8.5 %
1-10	<b>47</b>	48	<b>71</b>	5	12	1	2	0	1	187
	43.1 %	55.2 %	73.2 %	55.6 %	63.2 %	33.3 %	66.7 %	0 %	100 %	56.7 %
11-30	<b>25</b>	12	11	0	2	0	1	0	0	51
	22.9 %	13.8 %	11.3 %	0 %	10.5 %	0 %	33.3 %	0 %	0 %	15.5 %
31-50	17	11	3	<b>2</b>	1	0	0	0	0	<b>34</b>
	15.6 %	12.6 %	3.1 %	22.2 %	5.3 %	0 %	0 %	0 %	0 %	10.3 %
51-75	8	1	0	0	0	0	0	0	0	9
	7.3 %	1.1 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	2.7 %
76-100	<b>2</b>	0	1	1	0	1	0	0	0	5
	1.8 %	0 %	1 %	11.1 %	0 %	33.3 %	0 %	0 %	0 %	1.5 %
101-300	5	1	0	0	1	0	0	0	0	7
	4.6 %	1.1 %	0 %	0 %	5.3 %	0 %	0 %	0 %	0 %	2.1 %
Over	3	<b>2</b>	0	0	1	1	0	<b>2</b>	0	9
300	2.8 %	2.3 %	0 %	0 %	5.3 %	33.3 %	0 %	100 %	0 %	2.7 %
Total	<b>109</b>	<b>87</b>	97	9	<b>19</b>	<b>3</b>	<b>3</b>	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 12: What is the	highest level	of educatio	n comple	ted by the	e owner of ye	our company?V	Vould you say:			
						Minority itus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Some High School	0	0	1	0	1	0	0	0	0	2
	0 %	0 %	1 %	0 %	5.3 %	0 %	0 %	0 %	0 %	0.6 %
High School	4	6	1	0	0	1	1	0	0	13
graduate	3.7 %	6.9 %	1 %	0 %	0 %	33.3 %	33.3 %	0 %	0 %	4 %
Some College	12	17	15	1	5	0	1	0	1	52
	11 %	19.5 %	15.6 %	11.1 %	26.3 %	0 %	33.3 %	0 %	100 %	15.8 %
College Graduate	67	40	37	3	7	1	0	0	0	155
•	61.5 %	46 %	38.5 %	33.3 %	36.8 %	33.3 %	0 %	0 %	0 %	47.1 %
Post Graduate	23	22	34	4	5	1	1	0	0	90
Degree	21.1 %	25.3 %	35.4 %	44.4 %	26.3 %	33.3 %	33.3 %	0 %	0 %	27.4 %
Trade or Technical	0	1	8	1	1	0	0	0	0	11
Certificate	0 %	1.1 %	8.3 %	11.1 %	5.3 %	0 %	0 %	0 %	0 %	3.3 %
Don't Know	3	1	0	0	0	0	0	2	0	6
	2.8 %	1.1 %	0 %	0 %	0 %	0 %	0 %	100 %	0 %	1.8 %
Total	109	87	96	9	19	3	3	2	1	329
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 13: How	many years of	experience	e in your d	company's	s line of bu	siness does the pri	mary owner of	your company ha	ve?	
						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
None	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
1-5	6	5	14	2	1	1	0	0	0	29
	5.5 %	5.7 %	14.4 %	22.2 %	5.3 %	33.3 %	0 %	0 %	0 %	8.8 %
6-10	6	5	12	0	3	0	2	0	1	29
	5.5 %	5.7 %	12.4 %	0 %	15.8 %	0 %	66.7 %	0 %	100 %	8.8 %
11-15	8	11	22	1	2	0	0	0	0	44
	7.3 %	12.6 %	22.7 %	11.1 %	10.5 %	0 %	0 %	0 %	0 %	13.3 %
16-20	10	8	16	1	3	0	1	0	0	39
	9.2 %	9.2 %	16.5 %	11.1 %	15.8 %	0 %	33.3 %	0 %	0 %	11.8 %
More than 20	79	58	33	5	10	2	0	2	0	189
	72.5 %	66.7 %	34 %	55.6 %	52.6 %	66.7 %	0 %	100 %	0 %	57.3 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

will suffice. Owners' Minority Total Status **Bi-Racial** Publiclv Other Non-Woman Black Asian Hispanic American Traded Minority Indian or Multi-Company Racial 2 \$100,000 or less 12 19 49 2 6 1 0 0 91 50.5 % 22.2 % 31.6 % 33.3 % 66.7 % 11 % 0 % 22.1 % 0% 27.7 % \$100,001 -5 2 0 37 11 18 1 0 0 0 \$250,000 0 % 4.6 % 12.8 % 18.6 % 11.1 % 10.5 % 0 % 0% 0% 11.2 % \$250,001 -11 10 12 2 0 0 0 0 1 36 \$500.000 10.1 % 11.6 % 12.4 % 22.2 % 0 % 0 % 0 % 0 % 100 % 10.9 % 7 3 0 1 0 \$500.001 -5 1 0 0 17 33.3 % 5.2 % \$750.000 4.6 % 8.1 % 1% 0% 15.8 % 0 % 0% 0% \$750.000 -6 7 5 1 1 0 0 0 0 20 \$1,000,000 5.5 % 8.1 % 5.2 % 11.1 % 5.3 % 0 % 0% 0 % 0% 6.1 % 20 \$1,000,001 -3 9 5 0 3 0 0 0 0 \$1,500,000 2.8 % 10.5 % 5.2 % 0% 15.8 % 0 % 0 % 0% 0% 6.1 % \$1,500,001 -31 9 4 0 0 0 0 45 0 1 \$5,000,000 28.4 % 10.5 % 4.1 % 0 % 5.3 % 0 % 0 % 0 % 0% 13.7 % \$5,000,001 -0 0 0 20 14 5 0 0 0 1 \$10.000.000 12.8 % 5.8 % 0% 0% 0 % 33.3 % 0 % 0 % 0% 6.1 % \$10,000,001 -0 0 0 0 7 1 0 0 0 8 1.2 % \$15.000.000 6.4 % 0% 0 % 0 % 0 % 0 % 0 % 0% 2.4 % \$15,000,001 -3 2 0 1 1 0 0 0 0 7 2.3 % 0 % \$20,000,000 2.8 % 0% 11.1 % 5.3 % 0 % 0 % 0% 2.1 % 0 \$20,000,001 -4 1 1 1 0 0 0 0 7 1.2 % \$39,500,000 3.7 % 1% 11.1 % 0 % 0 % 0 % 0 % 0% 2.1 % Over \$39,500,000 3 2 0 1 1 0 0 2 0 9 2.8 % 2.3 % 0% 11.1 % 5.3 % 0 % 0% 100 % 0% 2.7 % Don't Know 5 3 2 0 1 1 0 0 0 12 2.1 % 3.5 % 33.3 % 4.6 % 0 % 5.3 % 0 % 0 % 0% 3.6 % Total 109 86 97 9 19 3 3 2 1 329 100 % 100 % 100 % 100 % 100 % 100 % 100 % 100 % 100 % 100 %

Table 14: Which of the following categories best approximates your company's gross revenues for calendar year 2018. Your best estimate

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Yes	95	71	91	7	17	3	3	2	1	290
	87.2 %	81.6 %	93.8 %	77.8 %	89.5 %	100 %	100 %	100 %	100 %	87.9 %
No	4	2	1	0	0	0	0	0	0	7
	3.7 %	2.3 %	1 %	0 %	0 %	0 %	0 %	0 %	0 %	2.1 %
Not sure	10	14	5	2	2	0	0	0	0	33
	9.2 %	16.1 %	5.2 %	22.2 %	10.5 %	0 %	0 %	0 %	0 %	10 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table	16: Is your com	pany regi	stered to	do busine	ss with Me	cklenburg County?				
					Owne	rs' Minority				Total
					3	Status				
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Yes	91	64	91	8	16	3	3	2	1	279
	83.5 %	73.6 %	93.8 %	88.9 %	84.2 %	100 %	100 %	100 %	100 %	84.5 %
No	18	23	6	1	3	0	0	0	0	51
	16.5 %	26.4 %	6.2 %	11.1 %	15.8 %	0 %	0 %	0 %	0 %	15.5 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 17: Is your company registered to do business with any other government entity, including but not limited to: the City of Charlotte, State of North Carolina, North Carolina Department of Transportation?

					Owners' M Statu	•				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Yes	93	70	87	6	15	2	2	2	1	278
	85.3 %	80.5 %	89.7 %	66.7 %	78.9 %	66.7 %	66.7 %	100 %	100 %	84.2 %
No	16	17	10	3	4	1	1	0	0	52
	14.7 %	19.5 %	10.3 %	33.3 %	21.1 %	33.3 %	33.3 %	0 %	0 %	15.8 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 18: Why is your company not registered to do business with Mecklenburg County? Indicate all that apply. [Do not know how to register?]

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	15	13	5	0	1	0	0	0	0	34
	83.3 %	56.5 %	83.3 %	0 %	33.3 %	0 %	0 %	0 %	0 %	66.7 %
Selected	3	10	1	1	2	0	0	0	0	17
	16.7 %	43.5 %	16.7 %	100 %	66.7 %	0 %	0 %	0 %	0 %	33.3 %
Total	18	23	6	1	3	0	0	0	0	51
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	9 50 %	12 52.2 %	5 83.3 %	0 0 %	2 66.7 %	0 0 %	0 0 %	0 %	0 0 %	28 54.9 %
Selected	9 50 %	11 47.8 %	1 16.7 %	1 100 %	1 33.3 %	0 0 %	0 0 %	0 0 %	0 0 %	23 45.1 %
Total	18 100 %	23 100 %	6 100 %	1 100 %	3 100 %	0 100 %	0 100 %	0 100 %	0 100 %	51 100 %

Table 20: Do n	ot see any ben	efit in regis	stering?							
						ers' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	15	21	6	1	3	0	0	0	0	46
	83.3 %	91.3 %	100 %	100 %	100 %	0 %	0 %	0 %	0 %	90.2 %
Selected	3	2	0	0	0	0	0	0	0	5
	16.7 %	8.7 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	9.8 %
Total	18	23	6	1	3	0	0	0	0	51
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Owners' Minority Status																	
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	d Other								
Not Selected	18 100 %	22 95.7 %	6 100 %	1 100 %	3 100 %	0 0 %	0 0 %	0 %	0 0 %	50 98 %							
Selected	0 0 %	1 4.3 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 2 %							
Total	18 100 %	23 100 %	6 100 %	1 100 %	3 100 %	0 100 %	0 100 %	0 100 %	0 100 %	51 100 %							

						ers' Minority				Total
						Status				
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	18	22	6	1	3	0	0	0	0	50
	100 %	95.7 %	100 %	100 %	100 %	0 %	0 %	0 %	0 %	98 %
Selected	0	1	0	0	0	0	0	0	0	1
	0 %	4.3 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	2 %
Total	18	23	6	1	3	0	0	0	0	51
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Owners' Minority Status												
	Non-Minority Woman Black Asian Hispanic American Indian Bi-Racial or Publicly Traded Other Multi-Racial Company											
Not Selected	14 77.8 %	16 69.6 %	5 83.3 %	0 0 %	3 100 %	0 0 %	0 0 %	0 %	0 0 %	38 74.5 %		
Selected	4 22.2 %	7 30.4 %	1 16.7 %	1 100 %	0%	0 0 %	0 0%	0 0 %	0 0 %	13 25.5 %		
Total	18 100 %	23 100 %	6 100 %	1 100 %	3 100 %	0 100 %	0 100 %	0 100 %	0 100 %	51 100 %		

	Owners' Minority Status											
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other			
Not Selected	16	19	4	0	3	0	0	Ó	0	42		
	88.9 %	82.6 %	66.7 %	0 %	100 %	0 %	0 %	0 %	0 %	82.4 %		
Selected	2	4	2	1	0	0	0	0	0	9		
	11.1 %	17.4 %	33.3 %	100 %	0 %	0 %	0 %	0 %	0 %	17.6 %		
Total	18	23	6	1	3	0	0	0	0	51		
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %		

Table 25: Othe	r, please specif	y								Total		
	Owners' Minority Status											
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other			
Not Selected	16	20	4	1	2	0	0	Ó	0	43		
	88.9 %	87 %	66.7 %	100 %	66.7 %	0 %	0 %	0 %	0 %	84.3 %		
Selected	2	3	2	0	1	0	0	0	0	8		
	11.1 %	13 %	33.3 %	0 %	33.3 %	0 %	0 %	0 %	0 %	15.7 %		
Total	18	23	6	1	3	0	0	0	0	51		
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %		

Table 26: From July 1, 2015 through June 30, 2019, how many times has your company submitted bids or proposals for projects as prime contractor on:: [Mecklenburg County Public Projects]

	Incontoniou	, i			Owners' N Statu					Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
None	50	52	52	6	8	1	<b>3</b>	0	0	172
	45.9 %	59.8 %	53.6 %	66.7 %	42.1 %	33.3 %	100 %	0 %	0 %	52.1 %
1-10	28	16	34	1	6	1	0	0	1	<b>87</b>
	25.7 %	18.4 %	35.1 %	11.1 %	31.6 %	33.3 %	0 %	0 %	100 %	26.4 %
11-25	7	2	<b>3</b>	0	0	0	0	0	0	12
	6.4 %	2.3 %	3.1 %	0 %	0 %	0 %	0 %	0 %	0 %	3.6 %
26-50	0	0	<b>3</b>	0	1	0	0	1	0	5
	0 %	0 %	3.1 %	0 %	5.3 %	0 %	0 %	50 %	0 %	1.5 %
51-100	1	0	0	0	0	0	0	0	0	1
	0.9 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0.3 %
Over 100	0	0	0	0	0	0	0	1	0	1
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	50 %	0 %	0.3 %
Don't	23	17	5	<b>2</b>	4	1	0	0	0	52
Know/NA	21.1 %	19.5 %	5.2 %	22.2 %	21.1 %	33.3 %	0 %	0 %	0 %	15.8 %
Total	109	87	97	9	19	<b>3</b>	<b>3</b>	<b>2</b>	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 27: Private	Sector Projec	ts								
						s' Minority tatus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
None	35	35	49	3	8	1	2	0	0	133
	32.1 %	40.2 %	50.5 %	33.3 %	42.1 %	33.3 %	66.7 %	0 %	0 %	40.3 %
1-10	15	16	26	3	2	0	0	0	1	63
	13.8 %	18.4 %	26.8 %	33.3 %	10.5 %	0 %	0 %	0 %	100 %	19.1 %
11-25	12	8	6	0	1	0	1	0	0	28
	11 %	9.2 %	6.2 %	0 %	5.3 %	0 %	33.3 %	0 %	0 %	8.5 %
26-50	6	3	4	1	0	0	0	0	0	14
	5.5 %	3.4 %	4.1 %	11.1 %	0 %	0 %	0 %	0 %	0 %	4.2 %
51-100	5	2	2	0	3	0	0	1	0	13
	4.6 %	2.3 %	2.1 %	0 %	15.8 %	0 %	0 %	50 %	0 %	3.9 %
Over 100	16	7	2	0	2	1	0	1	0	29
	14.7 %	8 %	2.1 %	0 %	10.5 %	33.3 %	0 %	50 %	0 %	8.8 %
Don't	20	16	8	2	3	1	0	0	0	50
Know/NA	18.3 %	18.4 %	8.2 %	22.2 %	15.8 %	33.3 %	0 %	0 %	0 %	15.2 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 28: Other F	Public Sector (	non-Meckle	enburg Co	unty Proj	ects)					
	,					s' Minority tatus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
None	35	46	52	5	9	2	2	0	0	151
	32.1 %	52.9 %	53.6 %	55.6 %	47.4 %	66.7 %	66.7 %	0 %	0 %	45.8 %
1-10	27	12	23	2	6	0	1	0	0	71
	24.8 %	13.8 %	23.7 %	22.2 %	31.6 %	0 %	33.3 %	0 %	0 %	21.5 %
11-25	9	2	8	0	1	0	0	0	1	21
	8.3 %	2.3 %	8.2 %	0 %	5.3 %	0 %	0 %	0 %	100 %	6.4 %
26-50	4	2	2	1	0	0	0	0	0	9
	3.7 %	2.3 %	2.1 %	11.1 %	0 %	0 %	0 %	0 %	0 %	2.7 %
51-100	6	3	3	0	1	0	0	1	0	14
	5.5 %	3.4 %	3.1 %	0 %	5.3 %	0 %	0 %	50 %	0 %	4.2 %
Over 100	7	3	0	0	0	0	0	1	0	11
	6.4 %	3.4 %	0 %	0 %	0 %	0 %	0 %	50 %	0 %	3.3 %
Don't	21	19	9	1	2	1	0	0	0	53
Know/NA	19.3 %	21.8 %	9.3 %	11.1 %	10.5 %	33.3 %	0 %	0 %	0 %	16.1 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Table 29: From July 1, 2013 through June 30, 2018, how many times has your company been awarded contracts to perform as a prime contractor: [Mecklenburg County Public Projects]

·					Owners' N Statu					Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
None	65	51	82	7	11	1	3	0	0	220
	59.6 %	58.6 %	84.5 %	77.8 %	57.9 %	33.3 %	100 %	0 %	0 %	66.7 %
1-10	19	12	8	1	5	1	0	0	1	47
	17.4 %	13.8 %	8.2 %	11.1 %	26.3 %	33.3 %	0 %	0 %	100 %	14.2 %
11-25	4	2	0	0	0	0	0	0	0	6
	3.7 %	2.3 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	1.8 %
26-50	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
51-100	1	0	0	0	0	0	0	1	0	2
	0.9 %	0 %	0 %	0 %	0 %	0 %	0 %	50 %	0 %	0.6 %
Over 100	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Don't	20	22	7	1	3	1	0	1	0	55
Know/NA	18.3 %	25.3 %	7.2 %	11.1 %	15.8 %	33.3 %	0 %	50 %	0 %	16.7 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 30: Private	Sector Projec	ts								
						s' Minority tatus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
None	38	32	60	4	8	1	2	0	0	145
	34.9 %	36.8 %	61.9 %	44.4 %	42.1 %	33.3 %	66.7 %	0 %	0 %	43.9 %
1-10	18	20	21	2	4	0	1	0	1	67
	16.5 %	23 %	21.6 %	22.2 %	21.1 %	0 %	33.3 %	0 %	100 %	20.3 %
11-25	7	5	3	1	0	0	0	0	0	16
	6.4 %	5.7 %	3.1 %	11.1 %	0 %	0 %	0 %	0 %	0 %	4.8 %
26-50	5	2	2	0	1	0	0	0	0	10
	4.6 %	2.3 %	2.1 %	0 %	5.3 %	0 %	0 %	0 %	0 %	3 %
51-100	3	2	1	0	2	1	0	1	0	10
	2.8 %	2.3 %	1 %	0 %	10.5 %	33.3 %	0 %	50 %	0 %	3 %
Over 100	16	5	1	0	1	0	0	0	0	23
	14.7 %	5.7 %	1 %	0 %	5.3 %	0 %	0 %	0 %	0 %	7 %
Don't	22	21	9	2	3	1	0	1	0	59
Know/NA	20.2 %	24.1 %	9.3 %	22.2 %	15.8 %	33.3 %	0 %	50 %	0 %	17.9 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 31: Other P	ublic Sector (	non-Meckle	enburg Co	unty Proj	ects)					
	,					s' Minority atus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
None	44	42	63	5	12	2	2	0	0	170
	40.4 %	48.3 %	64.9 %	55.6 %	63.2 %	66.7 %	66.7 %	0 %	0 %	51.5 %
1-10	20	13	22	2	4	0	0	0	0	61
	18.3 %	14.9 %	22.7 %	22.2 %	21.1 %	0 %	0 %	0 %	0 %	18.5 %
11-25	11	3	1	0	1	0	1	0	1	18
	10.1 %	3.4 %	1 %	0 %	5.3 %	0 %	33.3 %	0 %	100 %	5.5 %
26-50	7	2	0	0	0	0	0	0	0	9
	6.4 %	2.3 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	2.7 %
51-100	2	1	0	0	0	0	0	1	0	4
	1.8 %	1.1 %	0 %	0 %	0 %	0 %	0 %	50 %	0 %	1.2 %
Over 100	5	2	1	0	0	0	0	0	0	8
	4.6 %	2.3 %	1 %	0 %	0 %	0 %	0 %	0 %	0 %	2.4 %
Don't	20	24	10	2	2	1	0	1	0	60
Know/NA	18.3 %	27.6 %	10.3 %	22.2 %	10.5 %	33.3 %	0 %	50 %	0 %	18.2 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

June 30, 201	9:									
					Owners' Sta	Minority tus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
None	66	62	84	8	13	0	2	0	1	236
	60.6 %	71.3 %	86.6 %	88.9 %	68.4 %	0 %	66.7 %	0 %	100 %	71.5 %
1-10	<b>27</b>	12	7	1	6	1	1	0	0	55
	24.8 %	13.8 %	7.2 %	11.1 %	31.6 %	33.3 %	33.3 %	0 %	0 %	16.7 %
11-25	6	2	<b>2</b>	0	0	1	0	0	0	11
	5.5 %	2.3 %	2.1 %	0 %	0 %	33.3 %	0 %	0 %	0 %	3.3 %
26-50	0	2	0	0	0	1	0	0	0	3
	0 %	2.3 %	0%	0 %	0 %	33.3 %	0 %	0 %	0 %	0.9 %
51-100	0	0	0	0	0	0	0	1	0	1
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	50 %	0 %	0.3 %
Over 100	2	0	1	0	0	0	0	0	0	3
	1.8 %	0 %	1 %	0 %	0 %	0 %	0 %	0 %	0 %	0.9 %
Don't	8	9	3	0	0	0	0	1	0	21
Know	7.3 %	10.3 %	3.1 %	0 %	0 %	0 %	0 %	50 %	0 %	6.4 %
Total	109	87	<b>97</b>	9	<b>19</b>	<b>3</b>	3	<b>2</b>	<b>1</b>	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 32: Approximately how many times did you serve as a subcontractor on a Mecklenburg County project from July 1, 2015 through June 30, 2019?

Table 33: The following is a list of things that may prevent companies from bidding or obtaining work on a project. In your experience, have any of the following been a barrier to your firm obtaining work on projects for Mecklenburg County? (check all that apply) [Excessive experience requirements]

					Owners' Mi Status					Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Not	103	82	75	7	14	2	2	2	1	288
Selected	94.5 %	94.3 %	77.3 %	77.8 %	73.7 %	66.7 %	66.7 %	100 %	100 %	87.3 %
Selected	6	5	22	2	5	1	1	0	0	42
	5.5 %	5.7 %	22.7 %	22.2 %	26.3 %	33.3 %	33.3 %	0 %	0 %	12.7 %
Total	109 100 %	<b>87</b> 100 %	97 100 %	9 100 %	19 100 %	<b>3</b> 100 %	<b>3</b> 100 %	2 100 %	1 100 %	330 100 %

Table 34: Perfo	ormance bond i	requiremer	nts							
						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	102	82	85	9	18	2	3	2	1	304
	93.6 %	94.3 %	87.6 %	100 %	94.7 %	66.7 %	100 %	100 %	100 %	92.1 %
Selected	7	5	12	0	1	1	0	0	0	26
	6.4 %	5.7 %	12.4 %	0 %	5.3 %	33.3 %	0 %	0 %	0 %	7.9 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	91	64	79	8	16	2	3	2	1	266
	83.5 %	73.6 %	81.4 %	88.9 %	84.2 %	66.7 %	100 %	100 %	100 %	80.6 %
Selected	18	23	18	1	3	1	0	0	0	64
	16.5 %	26.4 %	18.6 %	11.1 %	15.8 %	33.3 %	0 %	0 %	0 %	19.4 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	104	83	85	8	18	<b>3</b>	3	2	1	307
	95.4 %	95.4 %	87.6 %	88.9 %	94.7 %	100 %	100 %	100 %	100 %	93 %
Selected	5	4	12	1	1	0	0	0	0	23
	4.6 %	4.6 %	12.4 %	11.1 %	5.3 %	0 %	0 %	0 %	0 %	7 %
Total	109	87	97	9	19	<b>3</b>	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 37: Final	ncing											
	Owners' Minority Status											
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other			
Not Selected	107	86	75	8	16	3	2	2	1	300		
	98.2 %	98.9 %	77.3 %	88.9 %	84.2 %	100 %	66.7 %	100 %	100 %	90.9 %		
Selected	2	1	22	1	3	0	1	0	0	30		
	1.8 %	1.1 %	22.7 %	11.1 %	15.8 %	0 %	33.3 %	0 %	0 %	9.1 %		
Total	109	87	97	9	19	3	3	2	1	330		
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %		

Table 38: Insu	rance requirem	ents								
						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	109 100 %	85 97.7 %	90 92.8 %	7 77.8 %	15 78.9 %	3 100 %	1 33.3 %	2 100 %	1 100 %	313 94.8 %
Selected	0 0%	2 2.3 %	<b>7</b> 7.2 %	2 22.2 %	<b>4</b> 21.1 %	0 0%	2 66.7 %	0 0%	0 %	17 5.2 %
Total	109 100 %	<b>87</b> 100 %	97 100 %	9 100 %	19 100 %	<b>3</b> 100 %	<b>3</b> 100 %	2 100 %	1 100 %	330 100 %

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	105	79	84	9	18	3	3	2	1	304
	96.3 %	90.8 %	86.6 %	100 %	94.7 %	100 %	100 %	100 %	100 %	92.1 %
Selected	4	8	13	0	1	0	0	0	0	26
	3.7 %	9.2 %	13.4 %	0 %	5.3 %	0 %	0 %	0 %	0 %	7.9 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	108	78	81	<b>8</b>	15	3	2	2	1	298
	99.1 %	89.7 %	83.5 %	88.9 %	78.9 %	100 %	66.7 %	100 %	100 %	90.3 %
Selected	1	9	16	1	4	0	1	0	0	32
	0.9 %	10.3 %	16.5 %	11.1 %	21.1 %	0 %	33.3 %	0 %	0 %	9.7 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

	Owners' Minority Status										
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other		
Not Selected	104	78	75	9	18	<b>3</b>	3	2	1	293	
	95.4 %	89.7 %	77.3 %	100 %	94.7 %	100 %	100 %	100 %	100 %	88.8 %	
Selected	5	9	22	0	1	0	0	0	0	<b>37</b>	
	4.6 %	10.3 %	22.7 %	0 %	5.3 %	0 %	0 %	0 %	0 %	11.2 %	
Total	109	87	97	9	19	3	3	2	1	330	
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	

Table 42: Limit	ted knowledge o	of purchas	ing /contra	acting pol	icies and p	rocedures				
						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	96	70	81	8	15	<b>3</b>	2	2	1	278
	88.1 %	80.5 %	83.5 %	88.9 %	78.9 %	100 %	66.7 %	100 %	100 %	84.2 %
Selected	13	17	16	1	4	0	1	0	0	52
	11.9 %	19.5 %	16.5 %	11.1 %	21.1 %	0 %	33.3 %	0 %	0 %	15.8 %
Total	109	87	97	9	19	<b>3</b>	<b>3</b>	<b>2</b>	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 43: Lang	juage Barriers									
						ers' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	109	86	94	9	19	3	3	2	1	326
	100 %	98.9 %	96.9 %	100 %	100 %	100 %	100 %	100 %	100 %	98.8 %
Selected	0	1	3	0	0	0	0	0	0	4
	0 %	1.1 %	3.1 %	0 %	0 %	0 %	0 %	0 %	0 %	1.2 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 44: Lack	of experience									
						ers' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	108	85	86	9	15	3	3	2	1	312
	99.1 %	97.7 %	88.7 %	100 %	78.9 %	100 %	100 %	100 %	100 %	94.5 %
Selected	1	2	11	0	4	0	0	0	0	18
	0.9 %	2.3 %	11.3 %	0 %	21.1 %	0 %	0 %	0 %	0 %	5.5 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	105	81	93	9	18	3	3	2	1	315
	96.3 %	93.1 %	95.9 %	100 %	94.7 %	100 %	100 %	100 %	100 %	95.5 %
Selected	4	6	4	0	1	0	0	0	0	15
	3.7 %	6.9 %	4.1 %	0 %	5.3 %	0 %	0 %	0 %	0 %	4.5 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 46: Cont	ract too large									Total			
		Owners' Minority Status											
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other				
Not Selected	104	76	85	9	17	3	3	2	1	300			
	95.4 %	87.4 %	87.6 %	100 %	89.5 %	100 %	100 %	100 %	100 %	90.9 %			
Selected	5	11	12	0	2	0	0	0	0	30			
	4.6 %	12.6 %	12.4 %	0 %	10.5 %	0 %	0 %	0 %	0 %	9.1 %			
Total	109	87	97	9	19	3	3	2	1	330			
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %			

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	106	81	89	9	19	3	2	2	1	312
	97.2 %	93.1 %	91.8 %	100 %	100 %	100 %	66.7 %	100 %	100 %	94.5 %
Selected	3	6	8	0	0	0	1	0	0	18
	2.8 %	6.9 %	8.2 %	0 %	0 %	0 %	33.3 %	0 %	0 %	5.5 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

	Owners' Minority Status											
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other			
Not Selected	105	82	84	8	19	3	3	2	1	307		
	96.3 %	94.3 %	86.6 %	88.9 %	100 %	100 %	100 %	100 %	100 %	93 %		
Selected	4	5	13	1	0	0	0	0	0	23		
	3.7 %	5.7 %	13.4 %	11.1 %	0 %	0 %	0 %	0 %	0 %	7 %		
Total	109	87	97	9	19	3	3	2	1	330		
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %		

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	103	79	83	6	17	<b>3</b>	3	2	1	297
	94.5 %	90.8 %	85.6 %	66.7 %	89.5 %	100 %	100 %	100 %	100 %	90 %
Selected	6	8	14	<b>3</b>	<b>2</b>	0	0	0	0	33
	5.5 %	9.2 %	14.4 %	33.3 %	10.5 %	0 %	0 %	0 %	0 %	10 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 50: Not o	centified				0					Total		
		Owners' Minority Status										
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other			
Not Selected	106	87	89	9	17	3	3	2	1	317		
	97.2 %	100 %	91.8 %	100 %	89.5 %	100 %	100 %	100 %	100 %	96.1 %		
Selected	3	0	8	0	2	0	0	0	0	13		
	2.8 %	0 %	8.2 %	0 %	10.5 %	0 %	0 %	0 %	0 %	3.9 %		
Total	109	87	97	9	19	3	3	2	1	330		
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %		

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	93	71	67	6	13	3	2	2	1	258
	85.3 %	81.6 %	69.1 %	66.7 %	68.4 %	100 %	66.7 %	100 %	100 %	78.2 %
Selected	16	16	30	<b>3</b>	6	0	1	0	0	72
	14.7 %	18.4 %	30.9 %	33.3 %	31.6 %	0 %	33.3 %	0 %	0 %	21.8 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	44 40.4 %	41 47.1 %	70 72.2 %	4 44.4 %	12 63.2 %	1 33.3 %	3 100 %	0 %	0 0 %	175 53 %
Selected	65 59.6 %	46 52.9 %	27 27.8 %	5 55.6 %	7 36.8 %	2 66.7 %	0 0 %	2 100 %	1 100 %	155 47 %
Total	109 100 %	87 100 %	97 100 %	9 100 %	19 100 %	<b>3</b> 100 %	3 100 %	2 100 %	1 100 %	330 100 %

Table 53: What is the amount of time that it typically takes to receive payment from Mecklenburg County for your services on Mecklenburg County projects?

					Owners' Stat	•				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Less than 30	7	14	7	1	3	0	1	0	0	33
days	6.4 %	16.1 %	7.2 %	11.1 %	15.8 %	0 %	33.3 %	0 %	0 %	10 %
30-60 days	43	18	17	1	4	0	0	2	1	86
-	39.4 %	20.7 %	17.5 %	11.1 %	21.1 %	0 %	0 %	100 %	100 %	26.1 %
60-90 days	5	4	2	0	2	1	0	0	0	14
	4.6 %	4.6 %	2.1 %	0 %	10.5 %	33.3 %	0 %	0 %	0 %	4.2 %
90-120 days	0	0	0	0	0	1	0	0	0	1
•	0 %	0 %	0 %	0 %	0 %	33.3 %	0 %	0 %	0 %	0.3 %
Over 120 days	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Don't Know/NA	54	51	71	7	10	1	2	0	0	196
	49.5 %	58.6 %	73.2 %	77.8 %	52.6 %	33.3 %	66.7 %	0 %	0 %	59.4 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 54: Is your company certified as a Small, Minority, Woman, or Disadvantaged Business Enterprise (collectively, "SMWDBE"), or North Carolina Historically Underutilized Business (HUB)?

					Owners' M Statu					Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Yes	26	52	81	5	14	3	3	0	0	184
	23.9 %	59.8 %	83.5 %	55.6 %	73.7 %	100 %	100 %	0 %	0 %	55.8 %
No	83	35	16	4	5	0	0	2	1	146
	76.1 %	40.2 %	16.5 %	44.4 %	26.3 %	0 %	0 %	100 %	100 %	44.2 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table	55: What is you	ur certificat	tion? (Indi	icate all t	hat apply) [	HUB]				
						rs' Minority				Total
						Status				
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Yes	0	32	58	4	12	2	2	0	0	110
	0 %	61.5 %	71.6 %	80 %	85.7 %	66.7 %	66.7 %	0 %	0 %	59.8 %
No	23	15	16	0	0	1	1	0	0	56
	88.5 %	28.8 %	19.8 %	0 %	0 %	33.3 %	33.3 %	0 %	0 %	30.4 %
N/A	3	5	7	1	2	0	0	0	0	18
	11.5 %	9.6 %	8.6 %	20 %	14.3 %	0 %	0 %	0 %	0 %	9.8 %
Total	26	52	81	5	14	3	3	0	0	184
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

					Owne	ers' Minority				Total
						Status				
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Yes	0	8	71	4	11	2	1	0	0	97
	0 %	15.4 %	87.7 %	80 %	78.6 %	66.7 %	33.3 %	0 %	0 %	52.7 %
No	23	34	9	1	2	1	2	0	0	72
	88.5 %	65.4 %	11.1 %	20 %	14.3 %	33.3 %	66.7 %	0 %	0 %	39.1 %
N/A	3	10	1	0	1	0	0	0	0	15
	11.5 %	19.2 %	1.2 %	0 %	7.1 %	0 %	0 %	0 %	0 %	8.2 %
Total	26	52	81	5	14	3	3	0	0	184
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						ers' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Yes	0	47	26	2	4	1	1	0	0	81
	0 %	90.4 %	32.1 %	40 %	28.6 %	33.3 %	33.3 %	0 %	0 %	44 %
No	23 88.5 %	3 5.8 %	39 48.1 %	2 40 %	8 57.1 %	2 66.7 %	2 66.7 %	0 0 %	0 0 %	79 42.9 %
N/A	<b>3</b> 11.5 %	2 3.8 %	16 19.8 %	1 20 %	<b>2</b> 14.3 %	0 0%	0 %	0 0 %	0 %	24 13 %
Total	26	52	81	5	14	3	3	0	0	184
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

					Owne	ers' Minority				Total
						Status				
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Yes	0	9	30	2	3	0	0	0	0	44
	0 %	17.3 %	37 %	40 %	21.4 %	0 %	0 %	0 %	0 %	23.9 %
No	23	34	43	2	8	3	3	0	0	116
	88.5 %	65.4 %	53.1 %	40 %	57.1 %	100 %	100 %	0 %	0 %	63 %
N/A	3	9	8	1	3	0	0	0	0	24
	11.5 %	17.3 %	9.9 %	20 %	21.4 %	0 %	0 %	0 %	0 %	13 %
Total	26	52	81	5	14	3	3	0	0	184
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						ers' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Yes	26	36	61	4	7	1	3	Ó	0	138
	100 %	69.2 %	75.3 %	80 %	50 %	33.3 %	100 %	0 %	0 %	75 %
No	0	13	17	1	5	2	0	0	0	38
	0 %	25 %	21 %	20 %	35.7 %	66.7 %	0 %	0 %	0 %	20.7 %
N/A	0	3	3	0	2	0	0	0	0	8
	0 %	5.8 %	3.7 %	0 %	14.3 %	0 %	0 %	0 %	0 %	4.3 %
Total	26	52	81	5	14	3	3	0	0	184
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

					Owne	ers' Minority				Total
						Status				
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	65	23	6	3	1	0	0	2	1	101
	82.3 %	65.7 %	40 %	75 %	20 %	0 %	0 %	100 %	100 %	71.6 %
Selected	14	12	9	1	4	0	0	0	0	40
	17.7 %	34.3 %	60 %	25 %	80 %	0 %	0 %	0 %	0 %	28.4 %
Total	79	35	15	4	5	0	0	2	1	141
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						rs' Minority				Total
			<u> </u>			Status				
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	33	33	14	4	5	0	0	0	1	90
	41.8 %	94.3 %	93.3 %	100 %	100 %	0 %	0 %	0 %	100 %	63.8 %
Selected	46	2	1	0	0	0	0	2	0	51
	58.2 %	5.7 %	6.7 %	0 %	0 %	0 %	0 %	100 %	0 %	36.2 %
Total	79	35	15	4	5	0	0	2	1	141
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 62: Certi	fication is too e	xpensive				rs' Minority				Total
	Non-Minority	Woman	Black	Asian	Hispanic	Status American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	78	31	14	3	5	0	0	2	1	134
	98.7 %	88.6 %	93.3 %	75 %	100 %	0 %	0 %	100 %	100 %	95 %
Selected	1	4	1	1	0	0	0	0	0	7
	1.3 %	11.4 %	6.7 %	25 %	0 %	0 %	0 %	0 %	0 %	5 %
Total	<b>79</b>	35	15	4	5	0	0	2	1	141
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 63: I do	not want Meckle	enburg Co	unty to h	ave infor	mation abo	ut my company				
						ers' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	79	35	15	4	5	0	0	2	1	141
	100 %	100 %	100 %	100 %	100 %	0 %	0 %	100 %	100 %	100 %
Selected	<b>0</b>	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Total	<b>79</b>	35	15	4	5	0	0	<b>2</b>	1	141
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						rs' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	71	20	11	2	4	0	0	2	0	110
	89.9 %	57.1 %	73.3 %	50 %	80 %	0 %	0 %	100 %	0 %	78 %
Selected	8	15	4	2	1	0	0	0	1	31
	10.1 %	42.9 %	26.7 %	50 %	20 %	0 %	0 %	0 %	100 %	22 %
Total	<b>79</b>	35	15	4	5	0	0	2	1	141
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						ers' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	74	32	15	3	5	0	0	2	1	132
	93.7 %	91.4 %	100 %	75 %	100 %	0 %	0 %	100 %	100 %	93.6 %
Selected	5	3	0	1	0	0	0	0	0	9
	6.3 %	8.6 %	0 %	25 %	0 %	0 %	0 %	0 %	0 %	6.4 %
Total	79	35	15	4	5	<b>0</b>	0	2	1	141
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 66: Do n	ot understand h	now certific	cation can	benefit	my firm					
						ers' Minority Status				Total
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Not Selected	64	28	11	2	5	0	0	2	1	113
	81 %	80 %	73.3 %	50 %	100 %	0 %	0 %	100 %	100 %	80.1 %
Selected	15	7	4	2	0	0	0	0	0	28
	19 %	20 %	26.7 %	50 %	0 %	0 %	0 %	0 %	0 %	19.9 %
Total	79	35	15	4	5	0	0	2	1	141
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 67: Betwee	n July 1, 201	5 through J	une 30, 2	019, did y	our compan	y apply and rece	eive any of the fol	lowing? [Busin	ess start-u	p loan?]
						s' Minority tatus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Never Applied	103	84	90	8	17	<b>3</b>	<b>3</b>	2	1	311
	94.5 %	96.6 %	92.8 %	88.9 %	89.5 %	100 %	100 %	100 %	100 %	94.2 %
Applied, Never Approved	2 1.8 %	<b>0</b> 0 %	<b>7</b> 7.2 %	0 0%	1 5.3 %	0 0 %	0 0 %	0 0 %	<b>0</b> 0 %	10 3 %
Applied, Some	1	0	0	0	0	0	0	0	0	1
Approved	0.9 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0.3 %
Applied, All	3	3	0	1	1	0	0	0	0	8
Approved	2.8 %	3.4 %	0 %	11.1 %	5.3 %	0 %	0 %	0 %	0 %	2.4 %
Total	109	87	97	9	19	3	<b>3</b>	<b>2</b>	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						' Minority atus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Never Applied	<b>79</b>	73	86	6	15	2	<b>3</b>	2	1	267
	72.5 %	83.9 %	88.7 %	66.7 %	78.9 %	66.7 %	100 %	100 %	100 %	80.9 %
Applied, Never Approved	1 0.9 %	<b>0</b> 0 %	5 5.2 %	0 0 %	1 5.3 %	<b>0</b> 0 %	0 0 %	<b>0</b> 0 %	0 0 %	7 2.1 %
Applied, Some	3	1	5	1	1	0	0	0	0	11
Approved	2.8 %	1.1 %	5.2 %	11.1 %	5.3 %	0 %	0 %	0 %	0 %	3.3 %
Applied, All	<b>26</b>	13	1	<b>2</b>	2	1	0	0	0	45
Approved	23.9 %	14.9 %	1 %	22.2 %	10.5 %	33.3 %	0 %	0 %	0 %	13.6 %
Total	109	87	97	9	19	3	<b>3</b>	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 69: Equipm	ent loan?									
						s' Minority atus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Never Applied	74	68	84	6	16	2	2	1	1	254
	67.9 %	78.2 %	86.6 %	66.7 %	84.2 %	66.7 %	66.7 %	50 %	100 %	77 %
Applied,	1	0	4	0	1	0	0	0	0	6
Never	0.9 %	0 %	4.1 %	0 %	5.3 %	0 %	0 %	0 %	0 %	1.8 %
Approved										
Applied, Some	3	0	3	1	0	0	1	0	0	8
Approved	2.8 %	0 %	3.1 %	11.1 %	0 %	0 %	33.3 %	0 %	0 %	2.4 %
Applied, All	31	19	6	2	2	1	0	1	0	62
Approved	28.4 %	21.8 %	6.2 %	22.2 %	10.5 %	33.3 %	0 %	50 %	0 %	18.8 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 70: Commo	ercial/Professi	ional liability	/ insuranc	e?						
						s' Minority atus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Never Applied	28	28	49	3	9	2	2	0	0	121
	25.7 %	32.2 %	50.5 %	33.3 %	47.4 %	66.7 %	66.7 %	0 %	0 %	36.7 %
Applied, Never Approved	<b>0</b> 0 %	<b>0</b> 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	<b>0</b> 0 %	<b>0</b> 0 %	0 0 %
Applied, Some	2	1	3	0	0	0	1	0	0	7
Approved	1.8 %	1.1 %	3.1 %	0 %	0 %	0 %	33.3 %	0 %	0 %	2.1 %
Applied, All	<b>79</b>	58	45	6	10	1	0	2	1	202
Approved	72.5 %	66.7 %	46.4 %	66.7 %	52.6 %	33.3 %	0 %	100 %	100 %	61.2 %
Total	109	87	97	9	19	<b>3</b>	<b>3</b>	<b>2</b>	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 71: What was	the largest co	mmercial lo	ban you re	eceived fr	om July 1, 2	2015 through Jur	ne 30, 2019?			
						' Minority				Total
	Non- Minority	Woman	Black	Asian	Hispanic	<i>atus</i> American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
\$50,000 or less	17 15.6 %	10 11.5 %	<b>21</b> 21.6 %	<b>3</b> 33.3 %	2 10.5 %	0 0 %	0 0 %	0 0 %	1 100 %	54 16.4 %
\$50,001 -	12	6	6	1	2	0	0	0	0	27
\$100,000	11 %	6.9 %	6.2 %	11.1 %	10.5 %	0 %	0 %	0 %	0 %	8.2 %
\$100,001 -	9	7	2	0	0	0	0	0	0	18
\$300,000	8.3 %	8 %	2.1 %	0 %	0 %	0 %	0 %	0 %	0 %	5.5 %
\$300,001 -	4	5	1	0	2	0	0	0	0	12
\$500,000	3.7 %	5.7 %	1 %	0 %	10.5 %	0 %	0 %	0 %	0 %	3.6 %
\$500,001 -	7	2	1	0	2	1	0	0	0	13
\$1,000,000	6.4 %	2.3 %	1 %	0 %	10.5 %	33.3 %	0 %	0 %	0 %	3.9 %
\$1,000,001 -	6	2	0	1	1	0	0	0	0	10
\$3,000,000	5.5 %	2.3 %	0 %	11.1 %	5.3 %	0 %	0 %	0 %	0 %	3 %
\$3,000,001 -	1	0	0	0	0	0	0	0	0	1
\$5,000,000	0.9 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0.3 %
\$5,000,001 to	1	0	0	1	0	0	0	0	0	2
\$10,000,000	0.9 %	0 %	0 %	11.1 %	0 %	0 %	0 %	0 %	0 %	0.6 %
Over \$10,000,000	2	0	0	0	0	0	0	0	0	2
	1.8 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0.6 %
Don't Know/NA	50	55	66	3	10	2	3	2	0	191
<b>T</b> ( )	45.9 %	63.2 %	68 %	33.3 %	52.6 %	66.7 %	100 %	100 %	0 %	57.9 %
Total	109 100 %	87 100 %	97 100 %	9 100 %	19 100 %	3 100 %	3 100 %	2 100 %	1 100 %	330 100 %

Table 72: How ma	any times have	e you been	denied a	commer	cial (busines	s) bank loan fror	n July 1, 2015 th	rough June 30,	2019?	
						s' Minority tatus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
None	85	57	41	9	7	1	<b>3</b>	2	1	206
	78 %	65.5 %	42.3 %	100 %	36.8 %	33.3 %	100 %	100 %	100 %	62.4 %
1-10	5	3	20	0	6	1	0	0	0	35
	4.6 %	3.4 %	20.6 %	0 %	31.6 %	33.3 %	0 %	0 %	0 %	10.6 %
11-25	0	0	1	0	0	0	0	0	0	1
	0 %	0 %	1 %	0 %	0 %	0 %	0 %	0 %	0 %	0.3 %
26-50	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
51-100	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Over 100	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Don't	19	27	35	0	6	1	0	0	0	88
Know/NA	17.4 %	31 %	36.1 %	0 %	31.6 %	33.3 %	0 %	0 %	0 %	26.7 %
Total	109	<b>87</b>	97	9	<b>19</b>	3	<b>3</b>	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						' Minority atus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Insufficient	0	0	0	0	0	0	0	0	0	0
Documentation	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Insufficient	1	0	5	0	1	0	0	0	0	7
Business History	33.3 %	0 %	71.4 %	0 %	100 %	0 %	0 %	0 %	0 %	63.6 %
Confusion about	0	0	0	0	0	0	0	0	0	0
Process	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Credit History	1	0	2	0	0	0	0	0	0	3
	33.3 %	0 %	28.6 %	0 %	0 %	0 %	0 %	0 %	0 %	27.3 %
Don't Know	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
N/A	1	0	0	0	0	0	0	0	0	1
	33.3 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	9.1 %
Total	3	0	7	0	1	0	0	0	0	11
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						s' Minority atus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Insufficient	0	0	0	0	0	0	0	0	0	0
Documentation	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Insufficient	0	0	1	0	1	0	0	0	0	2
Business History	0 %	0 %	10 %	0 %	50 %	0 %	0 %	0 %	0 %	11.1 %
Confusion about	0	0	1	0	0	0	0	0	0	1
Process	0 %	0 %	10 %	0 %	0 %	0 %	0 %	0 %	0 %	5.6 %
Credit History	1 25 %	0 0 %	6 60 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	7 38.9 %
Don't Know	2	1	2	0	1	0	0	0	0	6
	50 %	100 %	20 %	0 %	50 %	0 %	0 %	0 %	0 %	33.3 %
N/A	1	0	0	1	0	0	0	0	0	2
	25 %	0 %	0 %	100 %	0 %	0 %	0 %	0 %	0 %	11.1 %
Total	4	1	10	1	2	0	0	0	0	18
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						' Minority atus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Insufficient	0	0	0	0	0	0	0	0	0	0
Documentation	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Insufficient	0	0	1	0	1	0	0	0	0	2
Business History	0 %	0 %	14.3 %	0 %	100 %	0 %	0 %	0 %	0 %	14.3 %
Confusion about	0	0	1	0	0	0	0	0	0	1
Process	0 %	0 %	14.3 %	0 %	0 %	0 %	0 %	0 %	0 %	7.1 %
Credit History	1	0	2	0	0	0	0	0	0	3
	25 %	0 %	28.6 %	0 %	0 %	0 %	0 %	0 %	0 %	21.4 %
Don't Know	2	0	2	0	0	0	0	0	0	4
	50 %	0 %	28.6 %	0 %	0 %	0 %	0 %	0 %	0 %	28.6 %
N/A	1	0	1	1	0	0	1	0	0	4
	25 %	0 %	14.3 %	100 %	0 %	0 %	100 %	0 %	0 %	28.6 %
Total	4	0	7	1	1	0	1	0	0	14
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						s' Minority atus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Insufficient	0	0	0	0	0	0	0	0	0	0
Documentation	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Insufficient	0	0	0	0	0	0	0	0	0	0
Business History	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Confusion about	0	0	0	0	0	0	0	0	0	0
Process	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
Credit History	1	0	0	0	0	0	0	0	0	1
	50 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	14.3 %
Don't Know	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
N/A	1	1	3	0	0	0	1	0	0	6
	50 %	100 %	100 %	0 %	0 %	0 %	100 %	0 %	0 %	85.7 %
Total	2	1	3	0	0	0	1	0	0	7
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 77: Do you feel as though you experienced discriminatory behavior from the private sector (i.e., non-governmental entities) from July 1, 2015 through June 30, 2019?

	Owners' Minority Status											
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other			
Yes	4	4	24	1	5	1	0	0	0	39		
	3.7 %	4.6 %	24.7 %	11.1 %	26.3 %	33.3 %	0 %	0 %	0 %	11.8 %		
No	94	71	34	6	12	2	3	2	0	224		
	86.2 %	81.6 %	35.1 %	66.7 %	63.2 %	66.7 %	100 %	100 %	0 %	67.9 %		
Don't	11	12	39	2	2	0	0	0	1	67		
Know	10.1 %	13.8 %	40.2 %	22.2 %	10.5 %	0 %	0 %	0 %	100 %	20.3 %		
Total	109	87	97	9	19	3	3	2	1	330		
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %		

Table 78: From July 1, 2015 through June 30, 2019, how often has your company experienced any racial, gender, or ethnicity discriminatory behavior from Mecklenburg County?

	y bonavior noi			-	Owners' N	linority				Total
					Statu					
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Never	84	68	41	8	14	3	2	2	1	223
	77.1 %	78.2 %	42.3 %	88.9 %	73.7 %	100 %	66.7 %	100 %	100 %	67.6 %
Seldom	4	4	3	0	3	0	0	0	0	14
	3.7 %	4.6 %	3.1 %	0 %	15.8 %	0 %	0 %	0 %	0 %	4.2 %
Often	0	0	9	0	1	0	0	0	0	10
	0 %	0 %	9.3 %	0 %	5.3 %	0 %	0 %	0 %	0 %	3 %
Very Often	0	0	3	0	0	0	0	0	0	3
	0 %	0 %	3.1 %	0 %	0 %	0 %	0 %	0 %	0 %	0.9 %
Don't	21	15	41	1	1	0	1	0	0	80
Know	19.3 %	17.2 %	42.3 %	11.1 %	5.3 %	0 %	33.3 %	0 %	0 %	24.2 %
Total	109	87	97	9	19	3	3	2	1	330
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 79: Do you believe there is an informal network of prime and subcontractors doing business with Mecklenburg County that monopolize the public contracting process?

	Owners' Minority Status										
	Non-Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other		
Yes	24	31	74	4	8	1	1	0	0	143	
	22 %	35.6 %	76.3 %	44.4 %	42.1 %	33.3 %	33.3 %	0 %	0 %	43.3 %	
No	85	56	23	5	11	2	2	2	1	187	
	78 %	64.4 %	23.7 %	55.6 %	57.9 %	66.7 %	66.7 %	100 %	100 %	56.7 %	
Total	109	87	97	9	19	3	3	2	1	330	
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	

Table 80: Please tell us if you strongly agree, agree, neither agree or disagree, disagree or strongly disagree with each of the following statements: [My company's exclusion from this informal network has prevented us from winning contracts with the Mecklenburg County.]

					Owners' M Status					Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Strongly	5	6	20	1	3	0	0	0	0	35
agree	21.7 %	19.4 %	27.4 %	25 %	37.5 %	0 %	0 %	0 %	0 %	24.8 %
Agree	5	7	16	1	2	0	0	0	0	31
0	21.7 %	22.6 %	21.9 %	25 %	25 %	0 %	0 %	0 %	0 %	22 %
Neither agree	12	14	30	2	2	1	1	0	0	62
nor	52.2 %	45.2 %	41.1 %	50 %	25 %	100 %	100 %	0 %	0 %	44 %
disagree										
Disagree	1	2	4	0	0	0	0	0	0	7
_	4.3 %	6.5 %	5.5 %	0 %	0 %	0 %	0 %	0 %	0 %	5 %
Strongly	0	2	3	0	1	0	0	0	0	6
disagree	0 %	6.5 %	4.1 %	0 %	12.5 %	0 %	0 %	0 %	0 %	4.3 %
Total	23	31	73	4	8	1	1	0	0	141
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 81: Double standards in qualifications and work performance make it more difficult for minority and women-owned businesses to win bids or contracts.

					Owners' Stat					Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Strongly agree	1	5	25	0	3	0	0	0	0	34
	0.9 %	6 %	26.3 %	0 %	15.8 %	0 %	0 %	0 %	0 %	10.6 %
Agree	6	15	27	2	7	0	0	0	0	57
	5.7 %	17.9 %	28.4 %	22.2 %	36.8 %	0 %	0 %	0 %	0 %	17.7 %
Neither agree	68	50	38	7	8	1	2	0	1	175
nor	64.2 %	59.5 %	40 %	77.8 %	42.1 %	33.3 %	66.7 %	0 %	100 %	54.3 %
disagree										
Disagree	16	11	4	0	0	1	1	1	0	34
	15.1 %	13.1 %	4.2 %	0 %	0 %	33.3 %	33.3 %	50 %	0 %	10.6 %
Strongly	15	3	1	0	1	1	0	1	0	22
disagree	14.2 %	3.6 %	1.1 %	0 %	5.3 %	33.3 %	0 %	50 %	0 %	6.8 %
Total	106	84	95	9	19	3	3	2	1	322
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

						' Minority atus				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Strongly agree	6	3	6	0	4	0	0	1	0	20
	5.7 %	3.5 %	6.3 %	0 %	21.1 %	0 %	0 %	50 %	0 %	6.2 %
Agree	28	19	25	1	5	1	2	0	1	82
-	26.4 %	22.4 %	26.3 %	11.1 %	26.3 %	33.3 %	66.7 %	0 %	100 %	25.4 %
Neither agree	69	62	58	8	9	2	1	1	0	210
nor	65.1 %	72.9 %	61.1 %	88.9 %	47.4 %	66.7 %	33.3 %	50 %	0 %	65 %
disagree										
Disagree	3	1	5	0	0	0	0	0	0	9
	2.8 %	1.2 %	5.3 %	0 %	0 %	0 %	0 %	0 %	0 %	2.8 %
Strongly	0	0	1	0	1	0	0	0	0	2
disagree	0 %	0 %	1.1 %	0 %	5.3 %	0 %	0 %	0 %	0 %	0.6 %
Total	106	85	95	9	19	3	3	2	1	323
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 83: Sometimes, a prime contractor will contact a HUB, small, minority, woman or disadvantaged business to ask for quotes but never give the proposal sufficient review to consider giving that firm the award.

<u> </u>			<u></u>		Owners' M Statu	· · · · · · · · · · · · · · · · · · ·				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Strongly	4	4	15	1	2	0	0	0	0	26
agree	3.8 %	4.8 %	15.8 %	11.1 %	10.5 %	0 %	0 %	0 %	0 %	8.1 %
Agree	9	19	26	2	4	1	1	0	0	62
0	8.6 %	22.6 %	27.4 %	22.2 %	21.1 %	33.3 %	33.3 %	0 %	0 %	19.3 %
Neither agree	83	59	53	6	12	0	2	1	1	217
nor	79 %	70.2 %	55.8 %	66.7 %	63.2 %	0 %	66.7 %	50 %	100 %	67.6 %
disagree										
Disagree	5	1	0	0	0	2	0	1	0	9
U U	4.8 %	1.2 %	0 %	0 %	0 %	66.7 %	0 %	50 %	0 %	2.8 %
Strongly	4	1	1	0	1	0	0	0	0	7
disagree	3.8 %	1.2 %	1.1 %	0 %	5.3 %	0 %	0 %	0 %	0 %	2.2 %
Total	105	84	95	9	19	3	3	2	1	321
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 84: Sometimes, a prime contractor will include a HUB, small, minority, woman, or disadvantaged subcontractor on a bid to meet participation goals, then drop the company as a subcontractor after winning the award.

			·		Owners' M	•				Total
	Non- Minority	Woman	Black	Asian	Statu: Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Strongly	4	2	16	0	1	0	0	0	0	23
agree	3.8 %	2.4 %	16.8 %	0 %	5.3 %	0 %	0 %	0 %	0 %	7.1 %
Agree	8	13	26	0	5	0	1	0	0	53
-	7.6 %	15.3 %	27.4 %	0 %	26.3 %	0 %	33.3 %	0 %	0 %	16.5 %
Neither agree	84	67	51	7	12	3	2	0	1	227
nor	80 %	78.8 %	53.7 %	77.8 %	63.2 %	100 %	66.7 %	0 %	100 %	70.5 %
disagree										
Disagree	6	2	1	2	0	0	0	1	0	12
-	5.7 %	2.4 %	1.1 %	22.2 %	0 %	0 %	0 %	50 %	0 %	3.7 %
Strongly	3	1	1	0	1	0	0	1	0	7
disagree	2.9 %	1.2 %	1.1 %	0 %	5.3 %	0 %	0 %	50 %	0 %	2.2 %
Total	105	85	95	9	19	3	3	2	1	322
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

non-minority male-owned businesses. Owners' Minority Total Status Non-Woman Black Asian Hispanic American **Bi-Racial** Publicly Other Traded Minority Indian or Company Multi-Racial 3 0 Strongly agree 3 22 0 2 0 0 0 30 2.9 % 3.5 % 23.2 % 0 % 10.5 % 0 % 0 % 0 % 0 % 9.3 % Agree 31 0 2 15 13 3 0 0 72 8 14.3 % 32.6 % 33.3 % 42.1 % 0 % 66.7 % 0 % 22.4 % 15.3 % 0% **Neither agree** 73 65 2 0 196 40 6 8 1 1 69.5 % 76.5 % 42.1 % 66.7 % 42.1 % 66.7 % 33.3 % 0 % 100 % nor 60.9 % disagree 11 2 2 0 2 18 Disagree 0 1 0 0 2.1 % 0 % 0 % 33.3 % 0 % 100 % 0 % 10.5 % 2.4 % 5.6 % Strongly 3 2 0 0 1 0 0 0 0 6 2.9 % 2.4 % 0 % 0 % 5.3 % 0 % 0 % 0 % 0 % 1.9 % disagree Total 105 85 95 19 3 2 1 322 9 3 100 % 100 % 100 % 100 % 100 % 100 % 100 % 100 % 100 % 100 %

Table 85: In general, SMWDBE and HUB businesses tend to be viewed by Non-SMWDBE and HUB businesses as less competent than

Mecklenburg Cour	nty.									
					Owners' Sta	· · · · · · · · · · · · · · · · · · ·				Total
	Non- Minority	Woman	Black	Asian	Hispanic	American Indian	Bi-Racial or Multi- Racial	Publicly Traded Company	Other	
Strongly agree	10	8	39	3	5	0	1	0	0	66
	9.4 %	9.5 %	41.5 %	33.3 %	26.3 %	0 %	33.3 %	0 %	0 %	20.6 %
Agree	23	24	27	1	5	1	1	0	0	82
	21.7 %	28.6 %	28.7 %	11.1 %	26.3 %	33.3 %	33.3 %	0 %	0 %	25.5 %
Neither agree	69	51	27	5	8	2	0	1	1	164
nor	65.1 %	60.7 %	28.7 %	55.6 %	42.1 %	66.7 %	0 %	50 %	100 %	51.1 %
disagree										
Disagree	1	0	1	0	0	0	1	1	0	4
	0.9 %	0 %	1.1 %	0 %	0 %	0 %	33.3 %	50 %	0 %	1.2 %
Strongly	3	1	0	0	1	0	0	0	0	5
disagree	2.8 %	1.2 %	0 %	0 %	5.3 %	0 %	0 %	0 %	0 %	1.6 %
Total	106	84	94	9	19	3	3	2	1	321
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 86: I believe that some non-minority prime contractors only utilize MWSDBE and HUB companies when required to do so by Mecklenburg County.