



# City of San Antonio

## 2009 Regional Business Disparity Causation Analysis Study

- **The City of San Antonio's Disparity Study is an analysis of the utilization of small, minority, and women-owned businesses available to engage in local government contracting opportunities**
- **The Disparity Study evaluates the City of San Antonio's current policy and identifies opportunities to improve the City's small business program**
- **The City of San Antonio will proactively inform the community on the Disparity Study and various policy options regarding small, minority, and women-owned businesses**
- **Consultant**
  - MGT of America Inc. is a national management and research consulting firm with nearly 34 years of consulting experience
  - MGT has completed over 3,600 client engagements in 50 states
  - Since 1989, MGT has conducted disparity studies and disparity-related studies for more than 120 jurisdictions
- **Disparity Study Purpose & Benefits:**
  - The Study looks at the effectiveness of current programs used to reduce or eliminate any marketplace barriers that negatively affect contracting opportunities for disadvantaged, minority, and women-owned business enterprises
  - The Study provides recommendations for the development of new programs, policies, and practices to further ensure that public contracting dollars and purchasing funds are not spent in a manner that in any way contributes to or perpetuates the effects of marketplace discrimination
  - Combined evidence shows that absent affirmative measures, the City of San Antonio (COSA) would be a passive participant in a pattern of exclusion of minority and women-owned subcontracting firms in the private sector
- **Identification of Available Vendors:**
  - MGT looked at vendor data from COSA contracting and procurement history, the U.S. Census, and the private sector
- **Industries Evaluated:**
  - Construction
  - Architecture and Engineering Consultants
  - Professional Services Consultants
  - Other Services Firms
  - Goods and Supplies Firms
- **Findings**
  - **Public Sector Utilization**
    - Construction prime contractors: COSA underutilized African American, Hispanic American, Asian American, Native American, and women-owned business enterprises

- Architecture and engineering prime contractors: COSA underutilized African American, Hispanic American, and Asian American-owned business enterprises
    - Professional services prime contractors: COSA underutilized African American, Hispanic American, Asian American, Native American, and women-owned business enterprises
    - Other services prime contractors: COSA underutilized African American, Asian American, and Native American-owned business enterprises
    - Goods and services prime contractors: COSA underutilized Hispanic American, Native American, and women-owned business enterprises
    - Construction subcontractors: COSA underutilized African American, Asian American, and Native American-owned business enterprises
    - Construction subcontractors: COSA effectively utilized Hispanic American and women-owned business enterprises
  - **Private Sector Utilization**
    - Commercial construction: minority and women-owned business enterprise utilization was low in commercial construction
    - Significant positive relationship found between the probability of loan denial and African American ownership
- **Commendations**
  - City's outreach efforts to small, minority, and women-owned businesses
    - Conferences
    - Workshops
    - Seminars
    - Contracting newsletters
  - Longstanding Small Business Enterprise program
  - Minority and women-owned business enterprise subcontractor plan
    - Aspirational goals for utilization of minority and women-owned businesses
    - Requiring Good Faith Effort Plans and Narratives for small, minority, and women-owned business utilization in all bid proposals
  - Contract Compliance monitoring
    - City Contract Management Services tracking system is being implemented to ensure timely payments to sub-contractors
  - Small, minority, women-owned business enterprise utilization in non-traditional areas
    - Investment banking: RFP Evaluation criteria includes incentives to encourage the hiring of investment banking firms in the San Antonio area
- **Public Outreach**
  - The City of San Antonio met with stakeholders and received Public Comment on the Disparity Study findings and recommendations from April 7, 2009 through May 7, 2009
  - The Disparity Study is available online at:  
[http://www.sanantonio.gov/edd/small\\_business/Disparity\\_Study.asp](http://www.sanantonio.gov/edd/small_business/Disparity_Study.asp)
- **The City looks forward to working with all local businesses and other public entities to ensure a fair opportunity to compete**