
Minority Business Enterprise (MBE)/Women Business Enterprise (WBE) Disparity Study

City Council
Economic Opportunity Committee
June 8, 2015

The City of Austin's History

- In 1987, City Council adopted first Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) Ordinance in order to redress the effects of historical disparities among businesses
- MBE/WBE Ordinances have been revised numerous times based on previously conducted disparity studies. It is recommended to conduct studies every 5-7 years.

- when was last time

Legal Perspective

Cities can redress race and gender discrimination in contracting activities **IF**:

1. The City can demonstrate through a “strong basis in evidence” that it has a compelling governmental interest, and
2. The remedies – such as an M/WBE program – are narrowly tailored to address the discrimination identified by statistical and anecdotal evidence.

Disparity Study Scopes

- Provide an overview of current constitutional standards and case law on race- and gender-conscious efforts in public contracting.

*NERA - National
Economic Research*

- Provide statistical evidence of disparities in contracting activity.
- Determine the City's utilization of available MBEs/WBEs.

Disparity Study Scopes

- Provide recommendations for addressing any identified disparities.
- MBE/WBE goals stated in the MBE/WBE Ordinances are a result of the disparity study.

Timeline

- Existing MBE/WBE Ordinance sunsets in December 2015. SMBR will bring forward a recommended one year extension for Council Consideration to allow for public input on Disparity Study recommendations.
- 2016— Consideration of proposed ordinance changes. Additionally, the Council has to reevaluate and extend the MBE/WBE Program.