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29 **WHEREAS**, Disparity Study results reveal the City’s MBE/WBE Program
30 has proven successful, with a weighted availability of MBE firms – 8.0% and
31 WBE firms – 6.5%. The disparity ratio showed the following utilization: 118.0% -
32 Blacks, 122.1% - Hispanics, 142.5% - Asian, 119.5% - MBE firms, and 104.4% -
33 White Women, with a significant disparity for Native Americans of 20.0%.
34 Despite the City’s success, disparities still exist in the marketplace, with qualitative
35 evidence identifying key issues such as systemic racial exclusion, discriminatory
36 attitudes, negative perceptions of competence, gender bias, hostile work
37 environments, exclusion from industry networks, access to contract opportunities,
38 financial barriers to contract opportunities, and barriers to equal contract terms;
39 and

40 **WHEREAS**, the Disparity Study recommends the City to further pursue
41 race-neutral measures as opposed to race-conscious measures, develop an annual
42 procurement forecast, centralize the Program’s data collection and reporting of the
43 B2Gnow system, enhance strategies on professional services contracting processes,
44 use the Disparity Study availability data to assist in setting MBE/WBE contract
45 goals, implement a comprehensive supportive services program, and adopt a
46 mentor-protégé program; and

47 **WHEREAS**, the Disparity Study was provided to Council and the public,
48 and briefings of the study and its findings provided to the MBE/WBE and Small
49 Business Enterprise Procurement Program Advisory Committee, Hispanic/Latino
50 Quality of Life Resource Advisory Commission, African American Resource
51 Advisory Commission, the LGBTQ Quality of Life Advisory Commission,
52 Construction Advisory Committee, Asian American Quality of Life Advisory
53 Commission, the Inclusive Procurement Working Group, Minority Trade
54 Associations, and Council, for review and consideration, and providing multiple

opportunities for public input regarding soundness of methodology, accuracy of data, and reasonableness of factual findings and recommendations: and

WHEREAS, in accordance with Resolution No. 20200326-053, the City Manager worked with the Inclusive Procurement Working Group for its review and assessment of programmatic and administrative issues related to the existing MBE/WBE Program ordinances, so that it may recommend ways that the City could improve the function of the program to better meet the needs of the community while remaining within the bounds of the City's legal authority; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

After full consideration of the Disparity Study's detailed findings and recommendations, the City Council hereby accepts the 2022 Disparity Study's findings as providing a strong basis in evidence that establishes a compelling interest for action by the City to remedy the ongoing effects of marketplace discrimination adversely affecting the participation of ready, willing, and able MBE/WBE firms, and that establishes a rational basis for action by the City to enhance contracting opportunities for ready, willing, and able MBE/WBE firms in City contracts;

BE IT FURTHER RESOLVED:

The City Manager is directed to review and assess the final recommendations from the Inclusive Procurement Working Group to assess fiscal and procedural impact of implementing its recommendations, seek additional input from the City staff, and the City's outside counsel regarding appropriate legally-defensible policy options that are narrowly tailored to address the effects of identified marketplace discrimination, including, but not limited to, the proposed policy and administrative recommendations outlined in the Disparity Study, and

81 based upon such feedback, to draft ordinances for City Council's consideration that
82 appropriately amends the MBE/WBE Program to incorporate such policy options
83 and to enhance opportunities for small MBE/WBE firms in City contracts in a
84 manner that is legally defensible, effective, and feasible.

85 **BE IT FURTHER RESOLVED:**

86 The City Manager is directed to seek additional input from the Inclusive
87 Procurement regarding the proposed recommendations outlined in the Disparity
88 Study, and based upon such feedback, develop recommendations for policy options
89 to enhance participation opportunities for veteran-owned businesses and service-
90 disabled veteran-owned businesses in City contracts in a manner that is legally
91 defensible, effective, and feasible.

92
93 **ADOPTED:** _____, 20__ **ATTEST:** _____
94 Myrna Rios
95 City Clerk
96