

CITY OF MILWAUKEE, WI

DISPARITY STUDY



City
of
Milwaukee

OFFICE OF
**EQUITY AND
INCLUSION**

**FINDINGS &
RECOMMENDATIONS**

PRESENTATION



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STUDY PARAMETERS

Study Period:

CY2015-CY2019

Relevant Geographic Market Area:

Milwaukee Metropolitan Statistical Area (MSA):

Counties of Milwaukee, Ozaukee, Washington, and Waukesha
Counties

By Industry Categories:

Construction:	97.13%
Architectural & Engineering:	79.11%
Professional Services:	81.19%
Other Services:	80.94%
Goods:	69.92%
Total	84.58%

Availability by Industry Category (in the Relevant Geographic Market)

Business Ownership Classification	Construction	A&E	Professional Services	Other Services	Goods
Black American	24.95%	13.39%	16.79%	18.98%	5.44%
Asian American	1.13%	14.29%	2.86%	1.49%	0.91%
Hispanic American	19.14%	2.68%	1.79%	3.80%	1.36%
Native American	1.88%	3.57%	0.71%	0.50%	0.68%
TOTAL MBE	47.09%	33.93%	22.14%	24.75%	8.39%
Nonminority Female	8.63%	18.75%	9.64%	8.25%	3.63%
TOTAL M/WBE	55.72%	52.68%	31.79%	33.00%	12.02%
NON-M/WDBE	44.28%	47.32%	68.21%	67.00%	87.98%
TOTAL FIRMS	100.00%	100.00%	100.00%	100.00%	100.00%

Prime Utilization (Payments) by Industry Category (in the Relevant Geographic Market)

Business Ownership Classification	Construction	A&E	Professional Services	Other Services	Goods	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Black American	\$15,089,502	\$3,173,453	\$3,146,218	\$2,671,381	\$15,605,588	\$39,686,142
Asian American	\$1,766,595	\$294,987	\$38,714	\$1,179,458	\$ -	\$3,279,754
Hispanic American	\$10,726,962	\$22,457	\$8,969	\$486,388	\$123,832	\$11,368,608
Native American	\$15,171,166	\$ -	\$ -	\$ -	\$ -	\$15,171,166
TOTAL MINORITY	\$42,754,224	\$3,490,896	\$3,193,901	\$4,337,227	\$15,729,420	\$69,505,668
Nonminority Female	\$2,152,663	\$710,615	\$ -	\$7,981,815	\$2,056,004	\$12,901,097
TOTAL M/WBE	\$44,906,888	\$4,201,511	\$3,193,901	\$12,319,043	\$17,785,424	\$82,406,767
NON-M/WBE	\$455,416,207	\$39,805,182	\$44,526,240	\$290,134,227	\$201,475,530	\$1,031,357,386
TOTAL FIRMS	\$500,323,095	\$44,006,694	\$47,720,141	\$302,453,270	\$219,260,954	\$1,113,764,154
Business Ownership Classification	Construction	A&E	Professional Services	Other Services	Goods	Total
	(%)	(%)	(%)	(%)	(%)	(\$)
Black American	3.02%	7.21%	6.59%	0.88%	7.12%	3.56%
Asian American	0.35%	0.67%	0.08%	0.39%	0.00%	0.29%
Hispanic American	2.14%	0.05%	0.02%	0.16%	0.06%	1.02%
Native American	3.03%	0.00%	0.00%	0.00%	0.00%	1.36%
TOTAL MINORITY	8.55%	7.93%	6.69%	1.43%	7.17%	6.24%
Nonminority Female	0.43%	1.61%	0.00%	2.64%	0.94%	1.16%
TOTAL M/WBE	8.98%	9.55%	6.69%	4.07%	8.11%	7.40%
NON-M/WBE	91.02%	90.45%	93.31%	95.93%	91.89%	92.60%
TOTAL FIRMS	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%



Total Utilization (Prime + Sub) by Industry Category (in the Relevant Geographic Market)

Business Ownership Classification	Construction	A&E	Other Services	Goods
	(\$)	(\$)	(\$)	(\$)
Black American	\$30,212,769	\$3,748,407	\$7,909,116	\$15,608,418
Asian American	\$1,791,601	\$347,967	\$1,179,458	\$ -
Hispanic American	\$17,603,496	\$584,680	\$1,205,358	\$140,727
Native American	\$16,420,569	\$20,670	\$379,124	\$ -
TOTAL MINORITY	\$66,028,435	\$4,701,722	\$10,673,056	\$15,749,145
Nonminority Female	\$14,445,083	\$1,111,657	\$10,520,169	\$2,056,004
TOTAL M/WBE	\$80,473,518	\$5,813,379	\$21,193,225	\$17,805,149
NON-M/WBE	\$419,849,577	\$38,193,315	\$281,260,044	\$201,455,805
TOTAL FIRMS	\$500,323,095	\$44,006,694	\$302,453,270	\$219,260,954
Business Ownership Classification	Construction	A&E	Other Services	Goods
	(%)	(%)	(%)	(%)
Black American	6.04%	8.52%	2.61%	7.12%
Asian American	0.36%	0.79%	0.39%	0.00%
Hispanic American	3.52%	1.33%	0.40%	0.06%
Native American	3.28%	0.05%	0.13%	0.00%
TOTAL MINORITY	13.20%	10.68%	3.53%	7.18%
Nonminority Female	2.89%	2.53%	3.48%	0.94%
TOTAL M/WBE	16.08%	13.21%	7.01%	8.12%
NON-M/WBE	83.92%	86.79%	92.99%	91.88%
TOTAL FIRMS	100.00%	100.00%	100.00%	100.00%

MWBE PRIME DISPARITIES

*Summary of Statistically Significant Prime
Underutilization of MWBEs
City of Milwaukee Disparity Study*

Firm Ownership	Construction	A&E	Professional Services	Other Services	Goods
African American	X	X	X	X	
Asian American	X	X	X	X	X
Hispanic American	X	X	X	X	X
Native American		X	X	X	X
Non-Minority Woman	X	X	X	X	X

MWBE TOTAL UTILIZATION DISPARITIES

*Summary of Statistically Significant Total Utilization
Underutilization of MWBEs
City of Milwaukee Disparity Study*

Firm Ownership	Construction	A&E	Professional Services	Other Services	Goods
African American	X	X	X	X	
Asian American	X	X	X	X	X
Hispanic American	X	X	X	X	X
Native American		X	X	X	X
Non-Minority Woman	X	X	X	X	X

PRIME DISPARITIES CONTROLLING FOR CONTRACT SIZE

For contracts <\$1 million, MWBEs were underutilized for all categories with the exception of firms owned by:

- Native American in Construction
- Asian American in Construction were underutilized by not statistically significant

For contracts <\$500,000, MWBEs were underutilized for all categories with the exception of firms owned by:

- Native American and Asian American in Construction
- Black American in A&E

OVERALL FINDINGS

A regression analysis found that disparities by race, ethnicity, or gender status of the firm owners remained after controlling for capacity and other race and gender-neutral factors.

GSPC found that City of Milwaukee should continue its race and gender-neutral programs and that there is a factual predicate for race and gender conscious efforts.

COMMENDATIONS

Commendation 1: Revolving Loan Program for SBEs

Commendation 2: Bid preference is given to contractors who satisfy the requirements for the Socially-Responsible Contractors (SRC) Program

Commendation 3: Good and useable payment and subcontractor data

Commendation 4: The City provides recognition of contractors that have “implemented a program to eliminate, or significantly reduce, barriers to employment for current and prospective employees of the contractor,” through its Socially-Responsible Contractor Program.

Commendation 5: Forecasting - the City publishes a five-year Buying Plan (“Forecast of Contracting Opportunities”), designed to notify vendors and potential vendors of upcoming opportunities to do business with the City.

RECOMMENDATIONS

Recommendation 1: Allocating Resources and Staffing

Recommendation 2: Set Annual Internal MBE and WBE Goals Based Upon Availability

Recommendation 3: Set MBE and WBE contract-by-contract subcontracting goals

RECOMMENDATIONS

Recommendation 4: Establish a Procurement Non-Discrimination Policy

Recommendation 5: Race and Gender-Neutral Small Business Reserve Program

Recommendation 6: Raise the Threshold for the Apprenticeship Program

RECOMMENDATIONS

Recommendation 7: Streamline the Registration and Certification Process & Initiate a Campaign for MWBE Firms to Certify

Recommendation 8: Strengthen Outreach and Facilitate Communications with Prospective Bidders

Recommendation 9: Supportive Services

RECOMMENDATIONS

Recommendation 10: Prompt Pay Ordinance

Recommendation 11: Bonding and Insurance Waivers

Recommendation 12: Data Maintenance Reform

Cohesive Tracking of Awards
Intentional Use of Commodity Codes
Bidders Register as Vendors

NEXT STEPS

1. **Accepting the Study and its Recommendations;**
2. **Conducting a Gap Analysis (What needs new legislation and what can be implemented under current authority?);**
3. **Plan for Implementation (Steps, Phases, and Tasks);**
4. **Draft New Program Plan;**
5. **Determine Budget and Staffing Needs for New Program Elements; and**
6. **Develop a Training Protocol and Train Staff.**

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[Www.gspclaw.com](http://www.gspclaw.com)

Q&A

