

Disparity Study 2009-2010 Update Report December 9, 2009

The City of Milwaukee with the assistance of the Milwaukee Metropolitan Sewerage District (MMSD) has initiated a disparity study to determine if there is statistically significant disparity in the City of Milwaukee's contracting policies and procedures as a result of the findings from a 2007 Emerging Business Enterprise (EBE) Evaluation Report that found an underutilization of EBE's in certain types of contracts, particularly an underutilization of African American EBE's on the City's construction and goods and other service contracts compared to the availability of the businesses in the City's market area.

As you may know, Phase I of the Disparity Study was kicked off in July 2009 and is currently underway. To date, the City has performed the following tasks:

- Held Informational Meetings (2)
- Provided all Contractual Data in the areas of Construction, Professional Services, and Goods & Services
- Verified the accuracy of data sample

Informational Meetings

During the months of July and August 2009, the City, along with MMSD, held two Informational Meetings in which members of the Consultant Team were present to provide an overview of the Disparity Study efforts, as well as a detailed timeline of events. In addition, City Personnel were present to provide a status update on the 2007 EBE Evaluation Report. Both of these meetings were held in collaboration with the various Chambers of Commerce, with special assistance from the African American Chamber of Commerce in ensuring that all Chambers were contacted and in attendance. A copy of the presentation is attached.

Contractual Data

Throughout the summer months, the EBE Office worked closely with the Consultant Team to identify all of the appropriate contractual data in the areas of Construction, Professional Services, and Goods & Services. This process was quite time consuming because of the Disparity Study framework. The study requires that all subcontractor data be identified, including payments. While most of the data was accessible, it wasn't in a database. As a result, the EBE Office Staff and Interns had to manually go through hundreds of files to identify Subcontractor data, payment information, and other required information. This task took more staff time than initially planned, and has altered the timeline in regards to presenting the Phase 1 report. By September 2009, all contractual data and business directories were forwarded to the Consultant, so that a data sample could be identified. The adjusted timeline will be discussed further in this report.

Data Sample Verification

During October through December 2009, all of the appropriate data samples were verified and forwarded back to the Consultant to begin to scrub the data in efforts to produce the Phase 1 report. The EBE Office and the Consultant remain in constant contact, responding to questions, researching specific contracts, and assisting in identifying additional project type information.

Adjusted Timeline

The Disparity Study was initially predicted to take approximately 12 months. While we are still on course to complete the study within a 12 month period, the initially scheduled time to present the Phase 1 Report has been delayed by approximately 2-3 months. As a result, it is expected that the Phase 1 Report will be presented to the Mayor, Common Council and the City of Milwaukee by no later than April 2010.

If, in fact, a disparity in the City of Milwaukee's contracting efforts is identified, the Consultant will move forward with a Phase II component of the Disparity Study. Phase II will provide an opportunity for Business Owners to potentially meet directly with the Consultant Team to discuss their efforts in attempting to secure contractual opportunities with the City of Milwaukee. It is estimated that the Phase II Report will be presented to the Mayor, Common Council and the City of Milwaukee by no later than July 2010.

If you should have any additional questions, please contact Ossie Kendrix at (414) 286-5552.

**City of Milwaukee
Department of Administration
Business Operations Division
Emerging Business Enterprise Program**