

A G E N D A



Recommendation for Council Action

Austin City Council		Item ID	54581	Agenda Number	16.
Meeting Date:	3/3/2016			Department:	Small and Minority Business Resources
Subject					
Approve a resolution accepting the 2015 disparity study completed by National Economic Research Associates, Inc. regarding the City's Minority-Owned and Women-Owned Business Enterprise Procurement Program (Program), and directing the City Manager to take necessary steps to continue the Program and to develop recommendations for a procurement program for veteran-owned businesses and service-disabled veteran-owned businesses to participate in City contracts.					
Amount and Source of Funding					
Fiscal Note					
Purchasing Language:					
Prior Council Action:	June 20, 2013 - Council approved a contract with National Economic Research Associates, Inc. to conduct an availability and disparity study of minority owned and women owned business enterprises, disadvantaged business enterprises, and veteran and service disabled veteran owned businesses.				
For More Information:	Veronica Briseño Lara, Director, Small and Minority Business Resources Department, 512-974-2156				
Council Committee, Boards and Commission Action:	January 11, 2016 – Briefing presented to the Economic Opportunity Committee. March 1, 2016 – to be presented to the MBE /WBE & Small Business Enterprise Procurement Program Advisory Committee				
MBE / WBE:					
Related Items:					

Additional Backup Information

The City's Minority-Owned Business Enterprise (MBE) and Women-Owned Business Enterprise (WBE) Program (Program) is based on a series of disparity studies that were conducted in response to the 1989 U. S. Supreme Court decision, *City of Richmond v. J. A. Croson Co.* The *Croson* decision held that a local government may redress race discrimination in its contracting activities if it can demonstrate through relevant evidence a compelling governmental interest sought to be remedied, and if the remedies adopted are narrowly tailored to remedy the discrimination identified by way of the collected evidence.

In 2013, the City Council authorized an agreement with National Economic Research Associates, Inc. (NERA) to conduct a disparity study to determine whether a disparity exists between the number of available MBEs, WBEs, Disadvantaged Business Enterprises, and veteran-owned businesses in the City's geographic and product markets and the number being utilized on City contracts, and to document any evidence of continued discrimination in the marketplace and the necessity of the Program. NERA completed its study and provided a presentation to the

Economic Development Council Committee on January 11, 2016. The draft disparity study has been available to the public since January 8, 2016 on the City's website.

Anecdotal and statistical evidence gathered by NERA demonstrates that MBEs and WBEs were underutilized in contracting opportunities on City contracts as a result of private sector discrimination. The attached resolution is to allow the Council to adopt the disparity study including its findings and recommendations. NERA has found there is sufficient evidence of discrimination to continue the City's MBE /WBE Program under the legal standards set forth in the *Cronson* decision. Further, there is sufficient evidence of discrimination against veterans and service disabled veteran owned businesses to justify a program.

After approval of the resolution accepting the disparity study, staff will work with its consultants, outside counsel, and stakeholders to consider revisions to the MBE /WBE Ordinance and program rules, and develop recommendations for policy options to enhance participation opportunities for veteran-owned businesses in City contracts, to reflect the conclusions and recommendations of the consultant.