

# AUGUSTA, GEORGIA

## 2022 Disparity Study



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# THE LEGAL BASIS FOR DISPARITY STUDIES

Disparity Studies Form the Factual Basis for Remedial Contracting Programs

City of Richmond v. J.A. Croson Co.,

488 U.S. 469 (1989)

Adarand Constructors, Inc. v. Peña.

515 U.S. 200 (1995)



Strict Scrutiny for race-conscious programs (Intermediate for gender-conscious programs).

- Must have a factual basis in evidence
- Methodology dictated by Case Law

Narrowly-tailored remedy (to avoid over- or under-inclusion)

- Race/Gender Neutral – A race or gender-neutral program is one that inherently, or on its face, does not provide any preference, benefit, or determination based upon race or gender even though the program may, in fact be beneficial to race and gender groups.
- Race/Gender Conscious - A race or gender conscious program is one that provides a preference, benefit, or determination based upon race or gender.

# STUDY PARAMETERS

**Study Period:**

FY2015-FY2019 (5 years)

**Industry Categories:**

Construction  
Architecture & Engineering (A&E)  
Professional Services  
Other Services  
Goods

**Relevant Geographic Market Area:**  
(location of firms where at least  
75% of Augusta's dollars were spent  
during the Study Period)

Augusta MSA and Atlanta MSA

# MWBE Disparity by Industry Category

## (in the Relevant Geographic Market)

### PRIME+SUBCONTRACTOR DISPARITY - CONSTRUCTION

#### Augusta Disparity Study

Disparity Results, Relevant Market Area using Master Vendor File

Distribution of Dollars by Business Ownership and Fiscal Year, Prime + Subcontract Construction

(Using Payment Dollars, FY 2015-2019)

	Business Ownership	Dollars	Percent of Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Less than 80%
Study Period Total	Black American	\$ 24,416,557	7.70%	26.64%	28.92	Underutilization	*
	Asian American	\$ 1,179,557	0.37%	0.92%	40.58	Underutilization	*
	Hispanic American	\$ 0	0.00%	3.41%	0.00	Underutilization	*
	Native American	\$ 0	0.00%	0.39%	0.00	Underutilization	*
	<b>TOTAL MBE</b>	<b>\$ 25,596,114</b>	<b>8.07%</b>	<b>31.35%</b>	<b>25.75</b>	<b>Underutilization</b>	<b>*</b>
	Nonminority Female	\$ 15,893,156	5.01%	5.55%	90.41	Underutilization	
	<b>TOTAL M/WBE</b>	<b>\$ 41,489,270</b>	<b>13.09%</b>	<b>36.90%</b>	<b>35.47</b>	<b>Underutilization</b>	<b>*</b>
	Non-M/WBE	\$ 275,496,253	86.91%	63.10%	137.73	Overutilization	

\* indicates statistically significant underutilization

# MWBE Disparity by Industry Category

## (in the Relevant Geographic Market)

### PRIME+SUBCONTRACTOR DISPARITY A&E

#### Augusta Disparity Study

#### Disparity Results, Relevant Market Area using Master Vendor File

#### Distribution of Dollars by Business Ownership and Fiscal Year, Prime + Subcontract Professional Services

(Using Payment Dollars, FY 2015-2019)

	Business Ownership	Dollars	Percent of Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Less than 80%
Study Period Total	Black American	\$ 1,502,080	3.70%	15.63%	23.64	Underutilization	*
	Asian American	\$ 144,548	0.36%	7.59%	4.69	Underutilization	*
	Hispanic American	\$ 103,362	0.25%	2.76%	9.22	Underutilization	*
	Native American	\$ 0	0.00%	0.23%	0.00	Underutilization	*
	<b>TOTAL MBE</b>	<b>\$ 1,749,990</b>	<b>4.31%</b>	<b>26.21%</b>	<b>16.43</b>	<b>Underutilization</b>	<b>*</b>
	Nonminority Female	\$ 8,629,141	21.23%	9.66%	219.87	Overutilization	
	<b>TOTAL M/WBE</b>	<b>\$ 10,379,131</b>	<b>25.53%</b>	<b>35.86%</b>	<b>71.20</b>	<b>Underutilization</b>	<b>*</b>
	Non-M/WBE	\$ 30,268,597	74.47%	64.14%	116.10	Overutilization	

\*indicates statistically significant underutilization

# MWBE Disparity by Industry Category

## (in the Relevant Geographic Market)

### PRIME+SUBCONTRACTOR DISPARITY PROFESSIONAL SERVICES

**Augusta Disparity Study**  
**Disparity Results, Relevant Market Area using Master Vendor File**  
**Distribution of Dollars by Business Ownership and Fiscal Year, Prime + Subcontract Professional Services**  
**(Using Payment Dollars, FY 2015-2019)**

	Business Ownership	Dollars	Percent of Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Less than 80%
<b>Study Period Total</b>	Black American	\$ 603,181	0.70%	12.17%	5.79	Underutilization	*
	Asian American	\$ 0	0.00%	0.92%	0.00	Underutilization	*
	Hispanic American	\$ 0	0.00%	0.50%	0.00	Underutilization	*
	Native American	\$ 0	0.00%	0.05%	0.00	Underutilization	*
	<b>TOTAL MBE</b>	<b>\$ 603,181</b>	<b>0.70%</b>	<b>13.64%</b>	<b>5.17</b>	<b>Underutilization</b>	<b>*</b>
	Nonminority Female	\$ 383,636	0.45%	2.38%	18.83	Underutilization	*
	<b>TOTAL M/WBE</b>	<b>\$ 986,817</b>	<b>1.15%</b>	<b>16.02%</b>	<b>7.20</b>	<b>Underutilization</b>	<b>*</b>
	Non-M/WBE	\$ 84,627,090	98.85%	83.98%	117.70	Overutilization	

\*indicates statistically significant underutilization

# MWBE Disparity by Industry Category

## (in the Relevant Geographic Market)

### PRIME OTHER SERVICES

**Augusta Disparity Study**  
**Disparity Results, Relevant Market Area using Master Vendor File**  
**Distribution of Dollars by Business Ownership and Fiscal Year, Prime Other Services**  
**(Using Payment Dollars, FY 2015-2019)**

	Business Ownership	Dollars	Percent of Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Less than 80%
<b>Study Period Total</b>	Black American	\$ 497,424	0.36%	13.29%	2.70	Underutilization	*
	Asian American	\$ 49,205	0.04%	1.38%	2.57	Underutilization	*
	Hispanic American	\$ -	0.00%	0.80%	0.00	Underutilization	*
	Native American	\$ -	0.00%	0.10%	0.00	Underutilization	*
	<b>TOTAL MBE</b>	<b>\$ 546,629</b>	<b>0.39%</b>	<b>15.57%</b>	<b>2.53</b>	<b>Underutilization</b>	<b>*</b>
	Nonminority Female	\$ 1,136,655	0.82%	2.00%	41.00	Underutilization	*
	<b>TOTAL M/WBE</b>	<b>\$ 1,683,284</b>	<b>1.22%</b>	<b>17.57%</b>	<b>6.91</b>	<b>Underutilization</b>	<b>*</b>
	Non-M/WBE	\$ 136,849,308	98.78%	82.43%	119.84	Overutilization	

\*indicates statistically significant underutilization

# MWBE Disparity by Industry Category

## (in the Relevant Geographic Market)

### PRIME GOODS

Augusta Disparity Study  
 Disparity Results, Relevant Market using Master Vendor File  
 Distribution of Dollars by Business Ownership and Fiscal Year, Prime Goods  
 (Using Payment Dollars, FY 2015-2019)

	Business Ownership	Dollars	Percent of Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization	Less than 80%
Study Period Total	Black American	\$ 101,503	0.10%	6.91%	1.42	Underutilization	*
	Asian American	\$ -	0.00%	1.06%	0.00	Underutilization	*
	Hispanic American	\$ 2,206,645	2.13%	0.84%	254.97	Overutilization	
	Native American	\$ 147,774	0.14%	0.08%	187.82	Overutilization	
	TOTAL MBE	\$ 2,455,922	2.37%	8.89%	26.68	Underutilization	*
	Nonminority Female	\$ 1,454,015	1.40%	2.85%	49.28	Underutilization	*
	TOTAL M/WBE	\$ 3,909,937	3.78%	11.74%	32.17	Underutilization	*
	Non-M/WBE	\$ 99,629,217	96.22%	88.26%	109.02	Overutilization	

\*indicates statistically significant underutilization



# MWBE PRIME DISPARITIES

*Summary of Statistically Significant Underutilization of MWBEs in Prime Contracting  
Augusta Disparity Study*

Business Owner Classification	Construction	A&E Services	Professional Services	Other Services	Goods
Black or African American	X	X	X	X	X
Asian American	X	X	X	X	X
Hispanic American	X	X	X	X	
Native American	X	X	X	X	
Women	X		X	X	X

# MWBE SUBCONTRACTOR DISPARITIES

*Summary of Statistically Significant Underutilization of MWBEs in Subcontracting  
Augusta Disparity Study*

Business Owner Classification	Construction	A&E Services	Professional Services
Black or African American	X	X	X
Asian American	X	X	X
Hispanic American	X	X	X
Native American	X	X	X
Women	X*		X

\*not statistically significant

# 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.
- Anecdotal findings support the statistical analysis and regression analysis.
- GSPC found that Augusta should continue its race and gender-neutral programs and that there is a factual predicate for some race and gender conscious efforts.

# RECOMMENDATIONS

***RECOMMENDATION #1: ENHANCE RACE NEUTRAL LOCAL SMALL BUSINESS OPPORTUNITY PROGRAM***

***RECOMMENDATION #2: MWBE CONTRACT-BY-CONTRACT SUBCONTRACTOR GOALS WITH ROBUST GOOD FAITH EFFORTS***

***RECOMMENDATION #3: ANNUAL ASPIRATIONAL GOALS***

# RECOMMENDATIONS

***RECOMMENDATION #4: STRENGTHEN CONTRACT COMPLIANCE***

***RECOMMENDATION #5: OUTREACH IMPROVEMENT***

***RECOMMENDATION #6: FORECASTING***

# RECOMMENDATIONS

***RECOMMENDATION #7: ALLOCATION OF RESOURCES  
INCLUDING STAFFING***

***RECOMMENDATION #8: DATA REFORM***

# NEXT STEPS TO IMPLEMENTATION

1. Accept Disparity Study Report and its Recommendations
2. Gap Analysis (What needs new authorization and what is an enhancement to existing program elements)
3. Determine Aspirational Goals (which are internal benchmarks of what the percentage of participation is expected to be on an annual basis).
4. Draft New Program Plan – There is no one process for developing a remedial program. GSPC will work with the Augusta to create narrowly tailored remedies and processes. Elements of the program, like bid preferences will be included in the implementation phase.
4. Plan for Implementation (Steps, Phases, and Tasks)
5. Determine Budget and Staffing Needs for New Program Elements
6. Develop a Training Protocol and Train Staff which includes contract-by-contract goal-setting training. Contract-by-contract goals are goals for a project based upon the weighted availability of individual scopes of work on that project rather than a one size fits all goal.

# NEXT STEPS TO IMPLEMENTATION

## Execute the Five (5) Steps of Contract Compliance

Assessment – An initial assessment of individual MWBE availability and capacity for specific scopes of work.

Outreach – Augusta’s should focus on outreach to small, local, minority and women owned businesses to participate at prime and subcontractors and alert them to the new developments in the City’s programs.

Certification/Verification –Augusta should continue to encourage and assist firms in getting certified through various state and local agencies and should accept certifications from all bona fide certification agencies e.g. GDOT and the City of Atlanta.

Procurement – All applicable solicitation packages and awarded contracts should include the new MWBE commitments as contract terms.

Monitoring and Compliance – It is essential that there is close monitoring of vendor performance and the efficient closeout of projects to verify that MWBE firms are actually performing the work that they contracted to perform and that they are compensated in a timely manner and in the amounts committed. This means that it is essential for Augusta to track all subcontractors as a matter of process.



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

# Q&A

