

*WASHINGTON SUBURBAN
SANITARY COMMISSION*

*DISPARITY STUDY
BRIEFING*

February 2011

DISCUSSION POINTS

- Consultant Team
- Study Objectives
- Research Method
- Statistical Findings
- Recommendations

The logo for Mason Tillman Associates is located in the top right corner, featuring a large blue 'M' above a black 'T' with a white 'A' inside. The background of the slide includes a collage of images: a woman's face on the left, a man's face in the top left, a city skyline in the top center, and a globe in the top right. The text 'MASON TILLMAN' is written in a light blue, semi-transparent font across the top.

MASON TILLMAN ASSOCIATES

Established in 1978

Public Policy Research and Marketing
Professionals

Award Winning Company

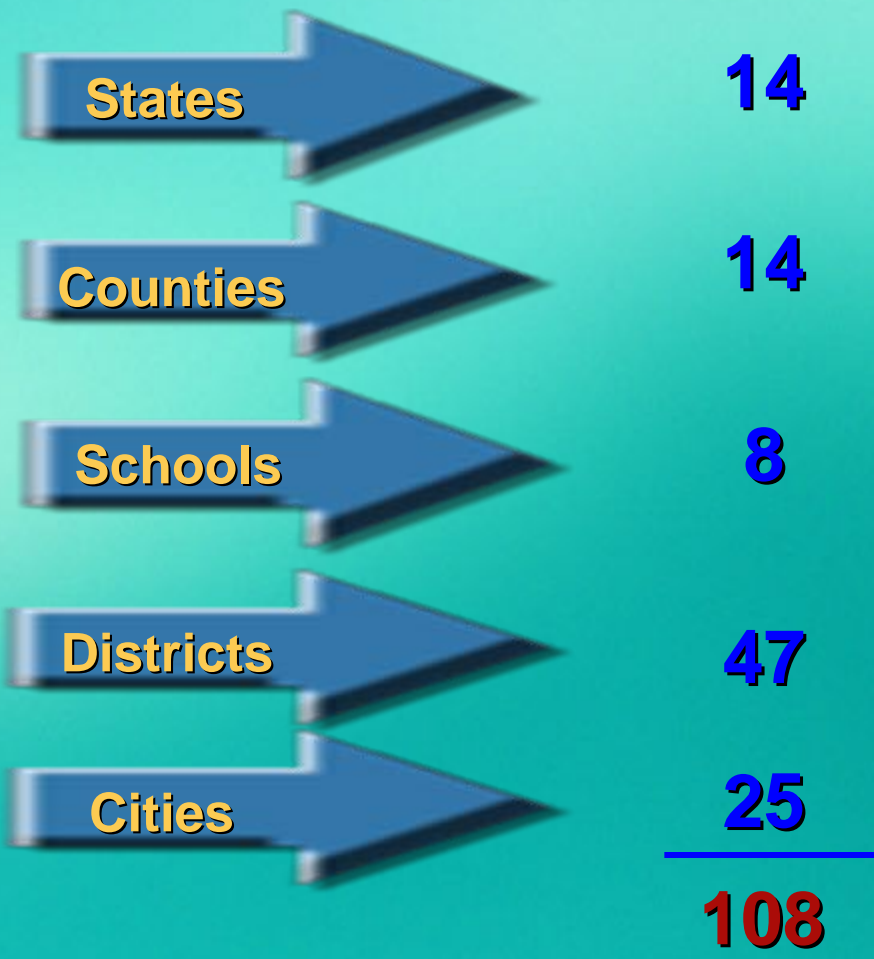
Service Divisions

- Business Affirmative Action
- Corporate Communications



DISPARITY STUDIES

One Hundred and Eight On Time & Unchallenged



CORE TEAM EXPERIENCE

Study Staff	Education	Number of Disparity Studies	M/WBE Program Design	Statistical Analysis	Legal Analysis	Post-graduate Degree
Eleanor Ramsey, Ph.D. Project Manager	Hunter College University of California, Berkeley	108	●	●		●
Edward Norton, LLB Chief Legal Advisor	Yale University Columbia University	108	●		●	●
Judge Henry Ramsey, Jr. (Ret) Legal Advisor	University of California, Riverside Boalt Hall School of Law	7			●	●
Lynn Reddrick, M.B.A. Assistant Project Manager/Outreach and Anecdotal Analysis Manager	University of California, Berkeley Columbia University	60	●	●		●
Allura J. Scott, Esq. Policy and Legal Analysis Manager	California State University Howard University	32	●		●	●
Hendry Joesuf, M.B.A. Data and Statistical Analysis Manager	San Francisco State University University of Southern California	35	●	●		●

SUBCONSULTANTS

Subconsultants	Ownership	Location	Role
Maryland Washington Minority Contractors Association	African American	Baltimore, MD	Outreach and Data Collection
Douglas & Boykin	African American	Washington, DC	Legal Advisor
SRB Communications	African American Female	Washington, DC	Outreach, Marketing, and Anecdotal
V Paul & Associates	Asian American	Rockville, MD	Availability and Utilization Data Collection

OBJECTIVES

- Determine If Statistical Disparity Exists
- Ascertain Practices Affecting Any Documented Disparity
- Assess Effectiveness of Race and Gender-Neutral Programs
- Prepare a Legally Defensible Study

DISPARITY STUDY

CHALLENGES

- Outreach to an Ethnically Diverse Community
- Identify All Prime and Subcontract Awards and Payments
- Recommend Best Management Practices to Eliminate Barriers

CROSON STANDARD

State/Local

***Richmond vs.
Croson***

Federal

***Adarand vs.
Pena***

- Compelling Purpose
 - Evidence of Systemic Racial Discrimination
- Narrowly Tailored
 - Remedy Documented Discrimination
- Update Periodically
 - Assess Effectiveness of Remedy

SYSTEMIC DISCRIMINATION

- Availability Defined as Willing and Able Market Area Businesses
- Utilization is Less Than Availability
- Difference in Use is Not Due to Chance

NARROWLY TAILORED REMEDY

- Disparity Findings are Ethnic/Gender Specific
- Race/Gender Specific Goals are Limited to Disparity Findings
- Goals are Defined by Availability



DEFINITIONS OF INDUSTRIES STUDIED

- Construction
 - *New Construction, Remodeling, Renovation, Maintenance, Demolition and Repair of any Public Structure or Building, Pipeline Construction, and Other Public Improvements*
- Architectural and Engineering
 - *Construction Management, Landscape Architecture, Surveying, Mapping Services, and Architecture and Engineering Services*
- Professional Services
 - *Services Provided by Attorneys, Accountants, Medical Professionals, Technical Services, Research Planning, and Consultants*
- Goods and Other Services
 - *Materials, Supplies, Equipment, Maintenance, and Other Services (which could be performed without a professional license, special education, or training)*



Prime Contract Utilization Analysis

STUDY PERIOD

July 1, 2003 - June 30, 2009

Industry	Total Prime Contracts	Total Prime Payments
Construction	2,055	\$532,657,942
Architectural and Engineering Services	668	\$186,875,887
Professional Services	2,414	\$83,114,533
Goods and Other Services	50,790	\$499,450,013
Total	55,927	\$1,302,098,374



DATA SOURCES

- Prime Payment Records Provided
 - Purchase Orders
 - Direct Payments
- Subcontract Records Reconstructed
 - Electronic Records Provided
 - Project Files Reviewed
 - Prime Contractors Surveyed
 - Subcontractors Surveyed
 - Audit Conducted
- Available Businesses Identified
 - Utilized Bidders from MAPS, SymTrac™, and CBR
 - Local Government Certified Lists
 - Trade Association Membership Lists
 - Community Meeting Outreach

TOTAL PRIME PAYMENTS

July 1, 2003 - June 30, 2009

*Market Area: Maryland and Virginia Counties,
and District of Columbia*

Total Dollars

Within Market Area

\$1,083,614,759

83.22%

Outside Market Area

\$218,483,616

16.78%

PRIME CONTRACTS BY SIZE

Industry	Under \$25,000	Under \$100,000	Under \$500,000	\$500,000 and Over
Construction	53.28%	81.55%	93.28%	6.72%
Architectural and Engineering	31.14%	63.77%	91.02%	8.98%
Professional Services	79.12%	92.91%	99.49%	0.51%
Goods and Other Services	95.56%	98.55%	99.7%	0.3%



ALL PRIME CONTRACTS BY SIZE AND GROUP

Ethnicity and Gender	Under \$25,000	Under \$100,000	Under \$500,000	\$500,000 and Over	Under \$1 Million	\$1 Million and Over
Minority Females	92.99% (4,261)	98.31% (4,505)	99.71% (4,569)	0.29% (13)	99.84% (4,575)	0.16% (7)
Minority Males	93.42% (10,697)	97.23% (11,133)	99.41% (11,383)	0.59% (68)	99.71% (11,418)	0.29% (33)
Non-Minority Females	95.82% (5,297)	98.22% (5,430)	99.52% (5,502)	0.48% (26)	99.67% (5,510)	0.33% (18)
Non-Minority Males	91.65% (31,495)	97.00% (33,334)	99.27% (34,114)	0.73% (252)	99.63% (34,241)	0.37% (125)

PRIME UTILIZATION BY ETHNICITY

Ethnicity	Total Dollars	Percent of Dollars	Total Contracts
Non-Minority Males	\$959,643,943	73.7%	34,366
African Americans	\$113,310,731	8.70%	12,502
Hispanic Americans	\$106,031,149	8.14%	1,453
Caucasian Females	\$98,004,201	7.53%	5,528
Asian Americans	\$24,096,564	1.85%	2,039
Native Americans	\$1,011,787	0.08%	39
	\$1,302,098,374	100.00%	55,927

DISTRIBUTION OF PRIME CONTRACT DOLLARS

Total Contracts	55,927
Number of Utilized Vendors	2,291
Total Expenditures	\$1,302,098,374

	Dollars	Percent of Dollars	Number of Contracts	Percent of Contracts
6 Vendors Received	\$331,691,435	25%	125	0.22%
32 Vendors Received	\$656,455,218	50%	2,748	4.91%
49 Vendors Received	\$783,695,984	60%	4,829	8.63%
2,242 Vendors Received	\$518,402,390	40%	51,098	91.37%
2,291 Vendors Received	\$1,302,098,374	100%	55,927	100.00%

DISTRIBUTION OF CONSTRUCTION PRIME CONTRACT DOLLARS

Total Contracts	2,055
Number of Utilized Vendors	113
Total Expenditures	\$532,657,942

	Dollars	Percent of Dollars	Number of Contracts	Percent of Contracts
1 Vendor Received	\$112,552,414	21%	1	0.22%
5 Vendors Received	\$281,434,858	53%	104	5.06%
8 Vendors Received	\$327,035,140	61%	369	17.96%
105 Vendors Received	\$205,622,802	39%	1,686	82.04%
113 Vendors Received	\$532,657,942	100%	2,055	100.00%

DISTRIBUTION OF A&E PRIME CONTRACT DOLLARS

Total Contracts	668
Number of Utilized Vendors	63
Total Expenditures	\$186,875,887

	Dollars	Percent of Dollars	Number of Contracts	Percent of Contracts
4 Vendors Received	\$49,278,425	26%	58	8.68%
10 Vendors Received	\$96,067,397	51%	102	15.27%
13 Vendors Received	\$113,574,034	61%	192	28.74%
50 Vendors Received	\$73,301,853	39%	476	71.26%
63 Vendors Received	\$186,875,887	100%	668	100.00%



DISTRIBUTION OF PROFESSIONAL SERVICES PRIME CONTRACT DOLLARS

Total Contracts	2,414
Number of Utilized Vendors	444
Total Expenditures	\$83,114,533

	Dollars	Percent of Dollars	Number of Contracts	Percent of Contracts
2 Vendors Received	\$28,137,301	34%	75	3.11%
4 Vendors Received	\$40,747,507	49%	81	3.36%
8 Vendors Received	\$50,483,666	61%	323	13.38%
436 Vendors Received	\$32,630,867	39%	2,091	86.62%
444 Vendors Received	\$83,114,533	100%	2,414	100.00%

DISTRIBUTION OF GOODS AND OTHER SERVICES PRIME CONTRACT DOLLARS

Total Contracts	50,790
Number of Utilized Vendors	1,828
Total Expenditures	\$499,450,013

	Dollars	Percent of Dollars	Number of Contracts	Percent of Contracts
7 Vendors Received	\$128,308,356	26%	1,892	3.73%
32 Vendors Received	\$250,280,853	50%	4,916	9.68%
51 Vendors Received	\$299,483,281	60%	9,789	19.27%
1,777 Vendors Received	\$199,966,732	40%	41,001	80.73%
1,828 Vendors Received	\$499,450,013	100%	50,790	100.00%



Prime Contract Availability Analysis

LOCAL BUSINESS PROFILE

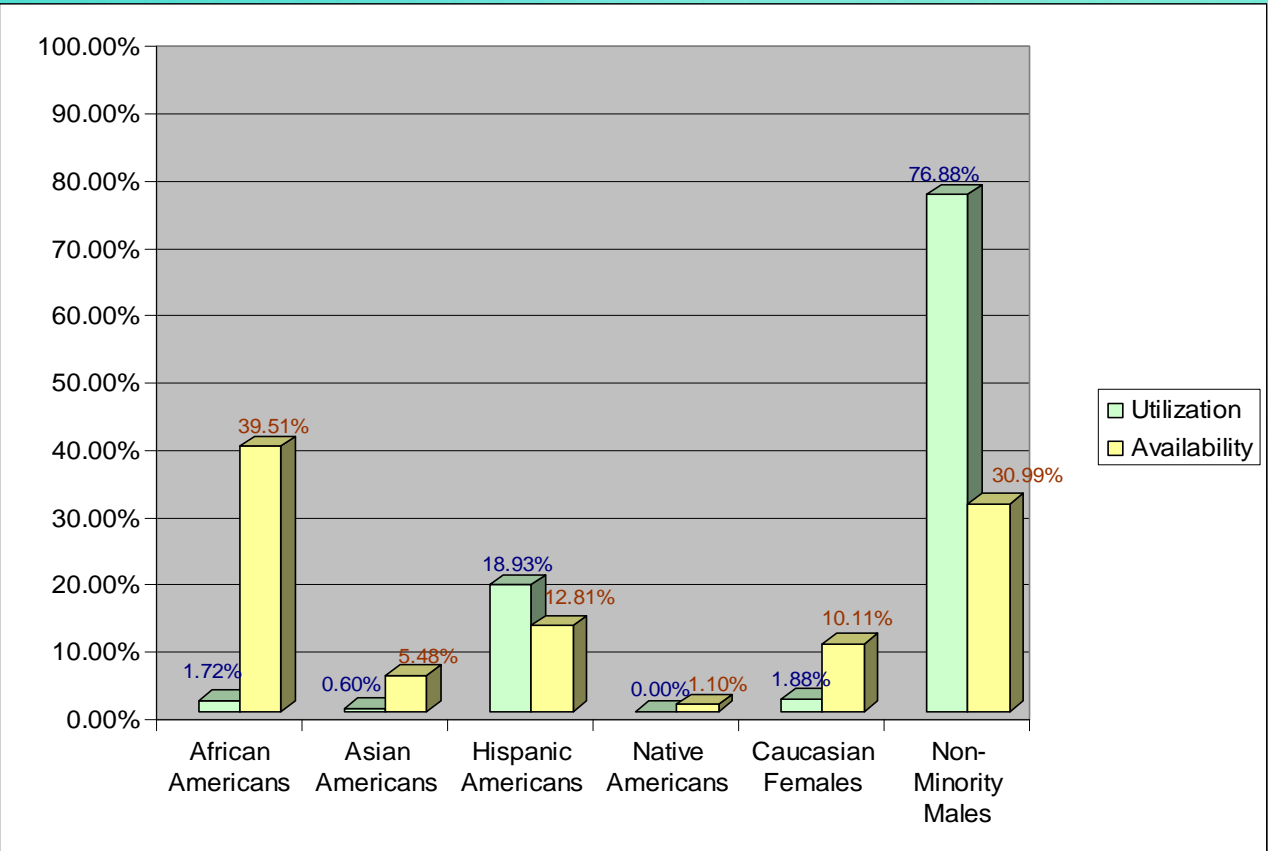
Businesses	Montgomery County	Prince George's County	State of Maryland	United States
Fewer Than 5 Employees	56.35%	49.33%	53.25%	54.45%
Fewer Than 10 Employees	73.83%	68.59%	72.24%	73.37%
Fewer Than 20 Employees	85.85%	82.79%	85.23%	86.09%
More Than 100 Employees	2.57%	3%	2.47%	2.34%
Minority-owned Businesses	31.3%	61.15%	25.84%	17.87%
Woman-owned Businesses	32.45%	34.15%	30.98%	28.25%

U.S Census: County Business Patterns 2007

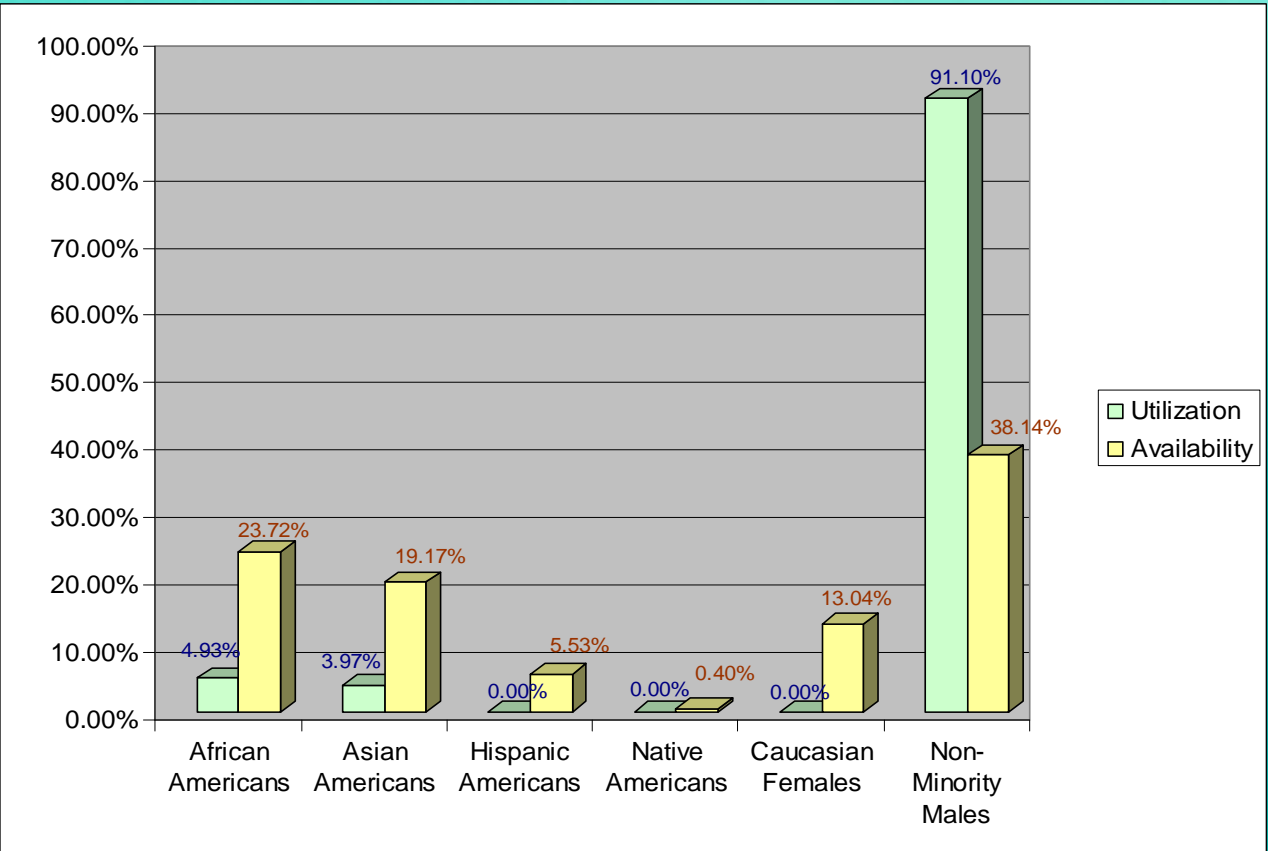
U.S Census: Survey of Business Owners 2002



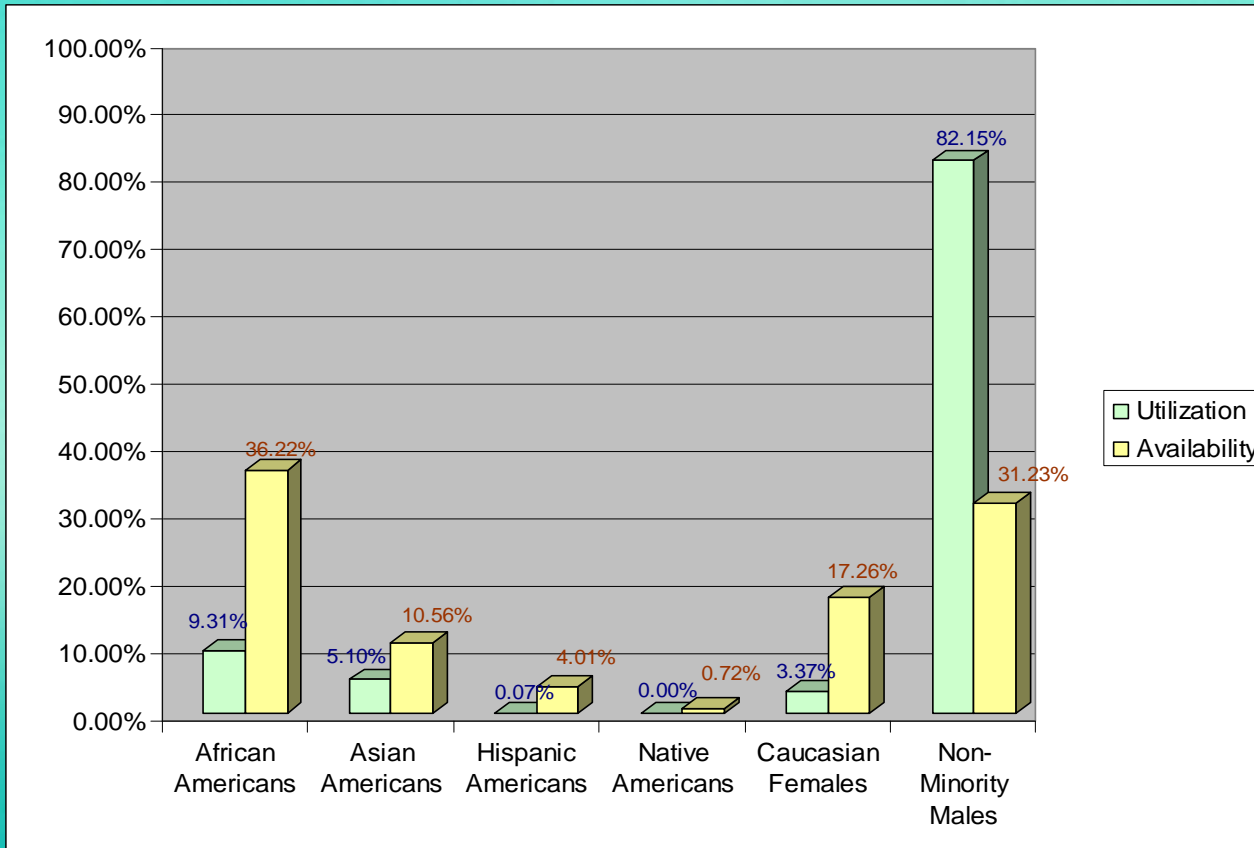
PRIME CONSTRUCTION



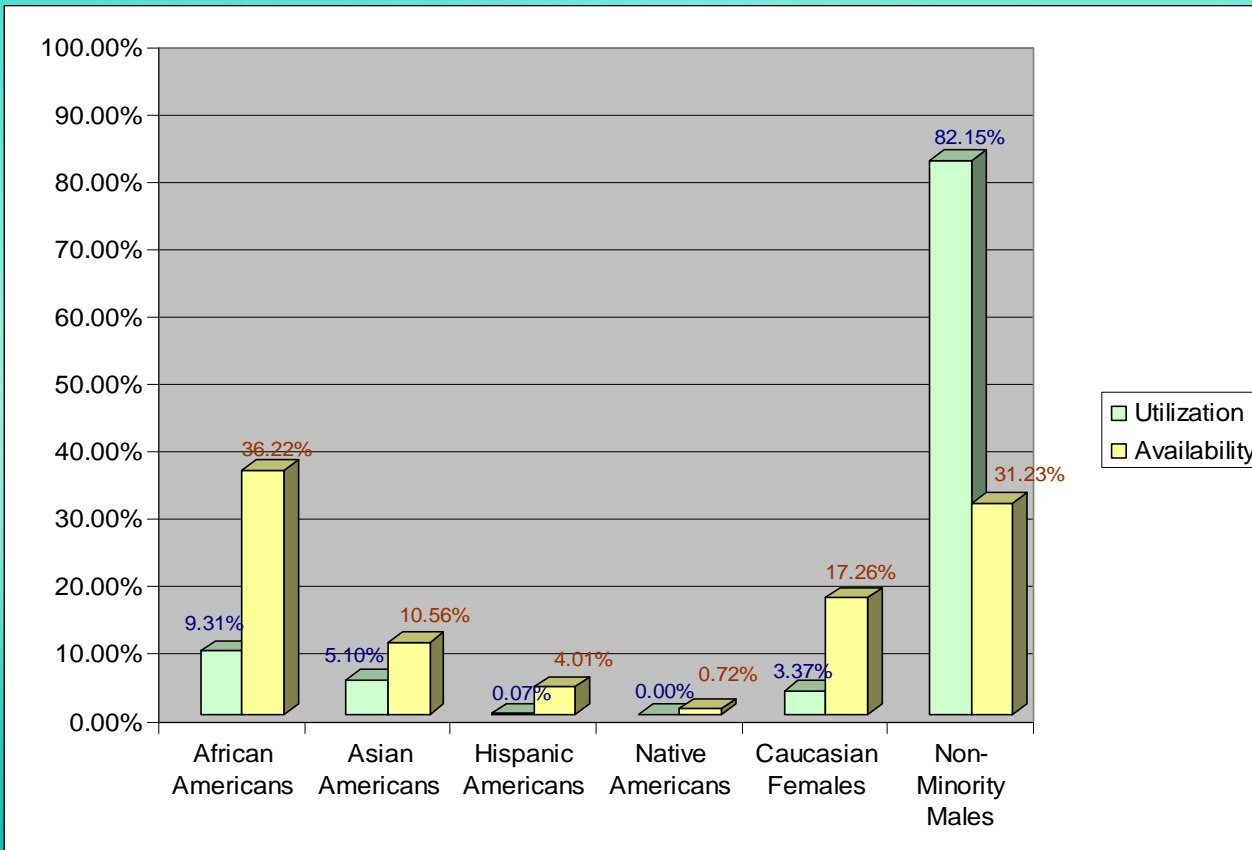
PRIME ARCHITECTURAL & ENGINEERING



PRIME PROFESSIONAL SERVICES



PRIME GOODS & OTHER SERVICES





Prime Contract Disparity Analysis



PRIME CONTRACT DISPARITY FINDINGS

Under \$1,000,000

Ethnic/Gender Groups	Construction		Architectural and Engineering		Goods and Other Services	
	Availability Percentage	Utilization Percentage	Availability Percentage	Utilization Percentage	Availability Percentage	Utilization Percentage
African Americans	39.51%	7.00%	23.72%	8.79%	34.49%	24.05%
Asian Americans	5.48%	1.65%	19.17%	10.66%	8.00%	2.14%
Hispanic Americans	12.81%	17.56%	5.53%	0.00%	4.34%	0.95%
Native Americans	1.10%	0.00%	0.40%	0.00%	0.77%	0.30%
MBEs	58.89%	26.21%	48.81%	19.45%	47.59%	27.44%
WBEs	10.11%	5.02%	13.04%	0.00%	17.32%	7.90%
Non-Minority Males	30.99%	68.76%	38.14%	80.55%	35.09%	64.66%

Red = Statistically Significant Underutilization

PRIME CONTRACT DISPARITY FINDINGS

Under \$500,000

Ethnic/Gender Groups	Construction		Architectural and Engineering		Professional Services		Goods and Other Services	
	Availability Percentage	Utilization Percentage	Availability Percentage	Utilization Percentage	Availability Percentage	Utilization Percentage	Availability Percentage	Utilization Percentage
African Americans	39.51%	7.98%	23.72%	5.00%	36.22%	9.87%	34.49%	24.93%
Asian Americans	5.48%	2.35%	19.17%	14.73%	10.56%	7.47%	8.00%	2.12%
Hispanic Americans	12.81%	17.62%	5.53%	0.00%	4.01%	0.11%	4.34%	1.15%
Native Americans	1.10%	0.00%	0.40%	0.00%	0.72%	0.00%	0.77%	0.36%
MBEs	58.89%	27.95%	48.81%	19.73%	51.51%	17.45%	47.59%	28.57%
WBEs	10.11%	6.46%	13.04%	0.00%	17.26%	4.94%	17.32%	7.94%
Non-Minority Males	30.99%	65.59%	38.14%	80.27%	31.23%	77.61%	35.09%	63.50%

Red = Statistically Significant Underutilization

PRIME CONTRACT DISPARITY FINDINGS

Under \$25,000

Ethnic/Gender Groups	Construction		Architectural and Engineering		Professional Services		Goods and Other Services	
	Availability Percentage	Utilization Percentage	Availability Percentage	Utilization Percentage	Availability Percentage	Utilization Percentage	Availability Percentage	Utilization Percentage
African Americans	39.51%	10.10%	23.72%	3.50%	36.22%	18.26%	34.49%	24.00%
Asian Americans	5.48%	0.51%	19.17%	13.25%	10.56%	1.77%	8.00%	2.98%
Hispanic Americans	12.81%	24.55%	5.53%	0.00%	4.01%	0.20%	4.34%	2.04%
Native Americans	1.10%	0.00%	0.40%	0.00%	0.72%	0.00%	0.77%	0.49%
MBEs	58.89%	35.16%	48.81%	16.75%	51.51%	20.23%	47.59%	29.52%
WBEs	10.11%	8.37%	13.04%	0.00%	17.26%	6.73%	17.32%	7.42%
Non-Minority Males	30.99%	56.47%	38.14%	83.25%	31.23%	73.04%	35.09%	63.06%

Red = Statistically Significant Underutilization



Subcontract Analysis and Findings

SUBCONTRACTOR UTILIZATION ALL CONTRACTS, BY ETHNICITY FOUR INDUSTRIES*

Ethnicity	Total Dollars	Percent of Dollars	Total Subcontracts
Non-Minority Males	\$101,408,331	44.13%	1,312
Caucasian Females	\$53,249,892	23.17%	349
African Americans	\$41,811,139	18.2%	390
Asian Americans	\$18,315,650	7.97%	130
Hispanic Americans	\$14,415,379	6.27%	90
Native Americans	\$592,406	0.26%	6

\$229,792,797 100% 2,277

Asterisk = Construction, Architectural and Engineering, Professional Services, and Goods and Other Services

SUBCONTRACT DISPARITY FINDINGS

July 1, 2003 - June 30, 2009

Ethnic/Gender Groups	Construction		Architectural and Engineering		Professional Services		Goods and Other Services	
	Availability Percentage	Utilization Percentage	Availability Percentage	Utilization Percentage	Availability Percentage	Utilization Percentage	Availability Percentage	Utilization Percentage
African Americans	37.13%	12.74%	23.22%	28.84%	---	---	35.05%	13.68%
Asian Americans	5.25%	0.94%	18.37%	24.33%	---	---	8.20%	2.70%
Hispanic Americans	11.92%	12.51%	5.37%	3.06%	---	---	4.32%	2.38%
Native Americans	1.23%	0.11%	0.35%	0.00%	---	---	0.91%	0.11%
MBEs	55.53%	26.31%	47.31%	56.23%	---	---	48.47%	18.88%
WBEs	10.60%	13.52%	13.52%	11.39%	---	---	16.68%	46.35%
Non-Minority Males	33.87%	60.17%	39.17%	32.38%	---	---	34.84%	34.77%

Red = Statistically Significant Underutilization --- = Insufficient Records To Determine Disparity



Program Recommendations



RACE AND GENDER CONSCIOUS REMEDIES

Prime Contracts Under \$1,000,000:

- Establish Contract Incentives
 - Architectural and Engineering
 - Professional Services Contracts
- Provide Bid Discounts for Low Bid Contracts
 - Construction
 - Goods and Other Services
- Establish Small Contracts Rotation Program

RACE AND GENDER CONSCIOUS REMEDIES

Subcontracting – All Contracts:

- Establish Overall M/WBE Goals, Except Professional Services
- Set Contract-Specific M/WBE Goals
- Quantify Good Faith Effort Criteria
- Analyze Professional Services Disparity Within Six Months With Complete Data

The top of the slide features a collage of images: a woman's face on the left, a man's face in the center, and a woman's face on the right. In the background, there is a city skyline and a globe. The name 'MASON TILLMAN' is written in large, white, outlined letters across the top. On the far right, there is a logo consisting of a large 'M' above a 'T' with an 'A' inside a square to its right.

RACE AND GENDER NEUTRAL REMEDIES ALL CONTRACTS

- Expand Unbundling Policy
- Limit the Use of Direct Payments
- Implement Construction Direct Purchasing
- Remove Brand Name Requirements
- Form Partnerships with Lending Institutions

RACE AND GENDER NEUTRAL REMEDIES ALL CONTRACTS

- Review Non-Competitive Procurement Policy
- Review Bonding Requirements
- Revamp Insurance Requirements
- Establish Virtual Plan Room
- Publish Informal Contracts



RACE AND GENDER NEUTRAL REMEDIES ALL CONTRACTS

- Publish Bid Award Protest Procedures
- Implement Subcontractor Substitution Standards
- Report Subcontract Waivers Issued
- Develop Expedited Payment Program
- Conduct Routine Post-Award Contract Compliance Monitoring
- Publish SLMBE Utilization Reports

RACE AND GENDER NEUTRAL REMEDIES ALL CONTRACTS

- Enhance Outreach Program
- Establish SLMBE Task Force
- Appoint SLMBE Ombudsperson
- Expand Trade Association Partnerships



RACE AND GENDER NEUTRAL REMEDIES ALL CONTRACTS

- Restructure Website to Assist Business Users
- Update Links on the Website
- Reorganize Links and Reduce Text-Heavy Content
- Optimize Website for Mobile Devices
- Set Up a Twitter Feed



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