



TO: City Council
FROM: Ricardo Noguera, Director, Community & Economic Development
Keith Armstrong, Supervisor, Community & Economic Development
COPY: Board of Contracts and Awards, City Manager, City Clerk, SBE Coordinator, LEAP
Coordinator, Daniel Murillo, Community & Economic Development Housing Division
Manager and Kimberly Ward, Senior Buyer, Procurement & Payables Department
SUBJECT: Disparity Causation Analysis Study
Intent to Award Request for Proposal, Specification No. ED17-0042F to Griffin &
Strong, P.C. on June 20, 2017
DATE: June 5, 2017

SUMMARY:

The Community & Economic Development Department recommends a contract be awarded to Griffin & Strong, P.C. from Atlanta, GA, in the amount of \$313,005, sales tax not applicable, for the completion of a Disparity Study which will review the City’s contracts, goods and services over the past five (5) years. This contract represents a period of nine (9) months unless extended by mutual agreement of both parties. This study will encompass all projects for Tacoma Public Utilities (TPU) and general government contracts for the City of Tacoma. It will review the City’s current programs, Small Business Enterprise and Local Employment & Apprenticeship Training programs, as well as all of the City’s contracting policies and projects to determine their effectiveness and if a disparate impact exists within the marketplace.

STRATEGIC POLICY PRIORITY:

This disparity study will examine how the contracting policies and implementation strategies of the City of Tacoma have impacted the market for construction, goods and services procured by both entities. This contract will enable the City to evaluate its critical policies under our strategic plan, Tacoma 2025:

- Ensure all Tacoma residents are valued and have access to resources to meet their needs.
- Foster a vibrant and diverse economy with good paying jobs for all Tacoma residents.
- Encourage residents to pursue an abundance of opportunities for life-long learning.
- Cultivate a vibrant cultural sector that fosters a creative, cohesive community.
- Encourage and promote an efficient and effective government, which is fiscally sustainable and guided by engaged residents.

BACKGROUND:

The City of Tacoma has a policy of inviting qualified firms and individuals to participate on city contracts and projects. The City has two programs designed to increase the participation of local citizens on City projects, the Small Business Enterprise (SBE) and Local Employment & Apprenticeship Programs (LEAP). Both programs have not made significant progress toward the participation of small, minority, women, veterans or their companies to perform work on City contracts. Due to many of the prime contractor’s pre-existing network of subcontractors, small businesses, minority, women and veteran-owned businesses in the marketplace are unable to secure participation on most public projects. For example, the City awards over 800 competitive solicitations each year, but since 2016 only twenty-eight (28) contracts were awarded to SBE vendors. Of those 28 SBE awards, only four (4) were minority contractors and two (2) were women owned contractors were awarded construction contracts. The mission of the disparity study is to evaluate the available contractor pool and identify possible disparities existing in the marketplace due to City policies, implementation or enforcement of contracts. Once the



disparity study has concluded, the City’s subject matter experts. They will convene to propose reasonable and related rules, goals and initiatives to address any disparate impact revealed in the marketplace.

ISSUE: Compile and analyze contracting data for construction, supplies and goods procured by the City of Tacoma and TPU to examine the marketplace to identify if disparate impact exists, affecting the participation of small, women, minority, and veteran companies.

ALTERNATIVES: Due to federal regulations, 49 CFR 26 and case law, *Western States Paving v. WSDOT*, 407 F.3d 983 (9th Cir. 2005), there are no alternatives to implementing a race or gender based remedy to address disparities in the marketplace. A disparity study by a qualified consultant on the relevant market is the only method available to pursue possible opportunities to increase the participation of minorities, women, veterans and small businesses. The City Council has authorized \$350,000 to conduct the study. If the disparity study is not implemented, the City may be in jeopardy of violating the Civil Rights Act of 1964, Title VI (Title VI). Title VI mandates that all government entities must make sure that no citizens are excluded from participation from any program or activity receiving federal funding. With the lack of participation from various ethnic groups representing our society, the City could be subject to Title VI complaints.

COMPETITIVE SOLICITATION: Request for Proposal, Specification No. ED17-0042F was opened March 28, 2017. Along with publicizing to the contracting community, six (6) companies (that specialize in disparity studies) were invited to bid on this project. Two (2) submittals were received, one from Colette Holt & Associates (Oakland, CA) and the other from Griffin & Strong, P.S. (Atlanta, GA). Both are among the most respected and qualified companies in the field of disparity studies. The solicitation was competitively bid and the highest ranked firm was Griffin & Strong. There has been no protest from the contracting community. The winning bidder did select a minority small business enterprise firm (The Planning Studio) as a subcontractor for this project.

<u>Respondent</u>	<u>Location (city and state)</u>	<u>Rank or Score</u>
Griffin & Strong, P.S.	Atlanta, GA	1st
<u>Respondent</u>	<u>Location (city and state)</u>	<u>Submittal Amount</u>
Colette Holt & Associates	Oakland, CA	2nd

Pre-bid Estimate: \$350,000.00

The recommended award is 10.5% less than the above pre-bid estimate.

CONTRACT HISTORY: New Contract

SUSTAINABILITY: This contract intends to abide by our City sustainability efforts by electronically processing progress reports, invoicing etc.

SBE/LEAP COMPLIANCE: The recommended contractor is in compliance with the Small Business Enterprise (SBE) Regulation requirements per their submittal response to the request for proposal. The SBE participation level The Planning Studio is six (6) percent of the total budget. The Local Employment and Apprenticeship Training Programs do not apply to this type of bid.



DISADVANTAGED BUSINESS ENTERPRISE (DBE): The recommended contract is in compliance with 49 Code of Federal Regulations Part 26 and Title VI regulation. The winning consultant is a certified DBE and has chosen a certified DBE subcontractor to participate on this project.

RECOMMENDATION:

The Community & Economic Development Department recommends that the City Council award a contract for \$313,005 to Griffin & Strong, P.C. of Atlanta, GA. The contract will review the City’s current programs, Small Business Enterprise and Local Employment & Apprenticeship Training programs, as well as all of the City’s contracting policies and projects to determine their effectiveness and if a disparate impact exists within the marketplace. Griffin & Strong, P.C. has a national reputation of quality and compliance that is among the best in the industry. Griffin & Strong presented a strong project team that had more nationally recognized principals, experts and project managers than are available with any of the other firms. Griffin & Strong has successfully defended all challenges to the findings of their past studies. Griffin & Strong possesses the ability and flexibility to produce a Tacoma centric study that meets our local considerations, demographics and business concerns. The City had expert assistance from an industry professional with a wealth of experience in disparity studies who was very familiar with the major firms available in the marketplace. An industry professional, Dr. Samuel Myers, Jr. concurred with the City’s selection of one of the best firms in the country to conduct a specialized study of our marketplace. The advantages of reputation, quality of work, flexibility, available resources and cost of Griffin & Strong, P.C. to conduct our study outweigh the advantage of having Colette Holt & Associates conduct the study even though her firm is currently conducting two local studies within the State of Washington.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Fund 1236 – CED Small Business Enterprise	491100	5310100	\$313,005.00
TOTAL			\$313,005.00

* General Fund: Include Department

REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
Fund 1236 – CED Small Business Enterprise	491100		\$313,005.00
TOTAL			\$313,005.00



POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
N/A			
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: \$313,005.00

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.

n/a