



**AGENDA  
CUYAHOGA COUNTY COUNCIL REMOTE\* COMMITTEE OF THE WHOLE MEETING  
THURSDAY, APRIL 8, 2021  
2:00 PM**

**\*Due to the COVID-19 pandemic, the Cuyahoga County Administration Building is closed for public meetings at this time. As this meeting is being conducted remotely, in accordance with HB 197, interested persons may access the meeting via livestream by using the following link:  
<https://www.youtube.com/CuyahogaCounty>**

**\*\*Public comment for this meeting may be submitted in writing via email to the Clerk of Council at [arichardson01@cuyahogacounty.us](mailto:arichardson01@cuyahogacounty.us) no later than 1:00 p.m. on Thursday, April 8, 2021**

**1. CALL TO ORDER**

**2. ROLL CALL**

**3. PUBLIC COMMENT\*\***

**4. PRESENTATION**

- a) Cuyahoga County Disparity Study – Rodney K. Strong, Project Executive, Griffin & Strong, P.C.

**5. MISCELLANEOUS BUSINESS**

**6. ADJOURNMENT**

# CUYAHOGA COUNTY, OHIO

Disparity Study Report  
October, 2020



# Cuyahoga County, Ohio 2020 Disparity Study

## **Griffin & Strong, P.C. Project Team**

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## I. INTRODUCTION

Cuyahoga County, Ohio (“County”) under state law can “develop a policy to assist minority business enterprises.”<sup>1</sup> The County Code provides that the County has “the right to take measures to encourage fair and equitable participation by all segments of the County’s residents in County construction projects.”<sup>2</sup>

In 2014, the County conducted a disparity study to determine whether discrimination existed in awarding contracts to minority and women owned businesses. That disparity study showed long-standing discrimination did exist. As a result, the County adopted a remedial program that went as far as could be reasonably supported by the study recommendations to remediate the race and gender disparities found.

To that end, the county adopted a series of such initiatives in 2016 which were an outgrowth of its race- and gender-neutral small business program. Since then, the primary focus of the program’s business development has been extensive outreach.

This year, the county again conducted a disparity study. And this Study shows that, despite good efforts by the county, race and gender-neutral remediation efforts had not worked---discrimination still exists. As the Findings will show, the outcome of this most recent Study provides additional support to institute a more robust race and gender conscious program.

Finally, this Study offers eight (8) specific recommendations which when implemented, are legally defensible.

### A. Scope of Work

In January, 2019, the County contracted with Griffin & Strong, P.C. (“GSPC”) to conduct a disparity study (“Study”). The Study will evaluate the County’s contracting during the period of FY2014-FY2018 (“Study Period”). The County presented three (3) problems to be solved within the Study:

- Ascertain whether discrimination exists in the process of awarding contracts to Minority and Women Owned business;
- Handle all issues related with the collection and analysis of data; and
- Recommend legally defensible diversity initiatives such as a Minority and Women Business Enterprise Program.

GSPC determined that all three of the problems could be resolved following the Objectives set out below in accordance with City of Richmond v. J.A. Croson Company, 488 U.S. 469, 709 S.Ct. 706 (1989), Adarand Constructors, Inc. v. Peña, 515 U.S. 200 (1995), and their progeny, as well as the seminal case in the Sixth U.S. Circuit Court of Appeals, Associated Gen. Contractors v. Drabik, 214 F.3d 730 (6th Cir. 2000), affirming Case No. C2-98- 943, 998 WL 812241 (S.D. Ohio 1998),.

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<sup>1</sup> ORC § 307.921 Policy to assist minority business enterprises.

<sup>2</sup> Cuyahoga County Code § 504.10. Fair and Equitable Participation.

## B. Objectives

The principal objectives of this Study were to determine:

- Is there is a statistically significant disparity in the relevant geographic and product markets between the percentage of available, qualified Minority and Women Business Enterprises (“MWBE”) willing and able to provide goods or services to the County in each identifiable work category and the percentage of dollars awarded to such firms by the County or the County’s primes during the study period? (whether as prime contractors/consultants or subcontractors/consultants).
- If a statistically significant disparity exists, have all factors, other than race or gender status been ruled out as the cause of that disparity, such that there can be an inference of discrimination?
- Can the discrimination be adequately remedied with race and gender-neutral remedies?
- If race and gender-neutral remedies are not sufficient, does the evidence from the disparity study legally support a race and/or gender conscious remedial program?
- Are the proposed remedies narrowly tailored to the strong basis in evidence from the disparity study?

## C. Technical Approach

In conducting this Study and preparing its recommendations, GSPC followed a carefully designed work plan that allowed Study team members to fully analyze availability, utilization, and disparity with regard to MWBE participation. The final work plan consisted of, but was not limited to, the following major tasks:

- Establishing data parameters and finalizing a work plan;
- Legal analysis;
- Reviewing policy and procurement processes and MWBE program analysis;
- Collecting electronic data, inputting manual data, organizing, and cleaning data, as well as filling any data gaps;
- Conducting geographic and product market area analyses;
- Conducting utilization analyses;
- Determining the availability of qualified firms;
- Analyzing the utilization and availability data for disparity and statistical significance;
- Conducting private sector analysis including credit and self-employment analysis;
- Collecting and analyzing anecdotal evidence;
- Establishing findings of fact regarding the existence and nature of marketplace discrimination and/or other barriers to MWBE participation in County contracts; and
- Preparing a final report that identifies and assesses the efficacy of various race- and gender-neutral and narrowly tailored race- and gender-based remedies if indicated by the findings.

## D. Report Organization

This report is organized into the following sections, which provide the results of GSPC's analytical findings and recommendations for the County. In addition to this introductory chapter, this report includes:

- Chapter II, is the Executive Summary which presents a summary of GSPC's detailed findings and recommendations;
- Chapter III, which is an overview of the legal framework and basis for the Study;
- Chapter IV, which provides a review of the County's purchasing policies, practices, and programs;
- Chapter V, which presents the methodology used in the collection of statistical data from the County and the analyses of the data regarding relative MWBE availability and utilization analyses, and includes a discussion on levels of disparity for the County's prime contractors and subcontractors;
- Chapter VI, which analyzes whether present or ongoing effects of past discrimination are affecting the County's marketplace;
- Chapter VII, which outlines the qualitative analyses: the analysis of anecdotal data collected from the online survey, personal interviews, focus groups and public meetings; and

## II. EXECUTIVE SUMMARY

This chapter presents the findings and conclusions resulting from the disparity study conducted for Cuyahoga County’s purchasing in the major work categories of Construction, Architecture & Engineering (A&E), Professional Services, Other Services, and Goods & Supplies for the period from January 1, 2014 through December 31, 2018.

As outlined in the Legal Analysis in Chapter III, the courts have indicated that for a race-based or gender-based preference program to be maintained there must be a clear evidentiary foundation established for the establishment of programs or the continuation of existing programs.

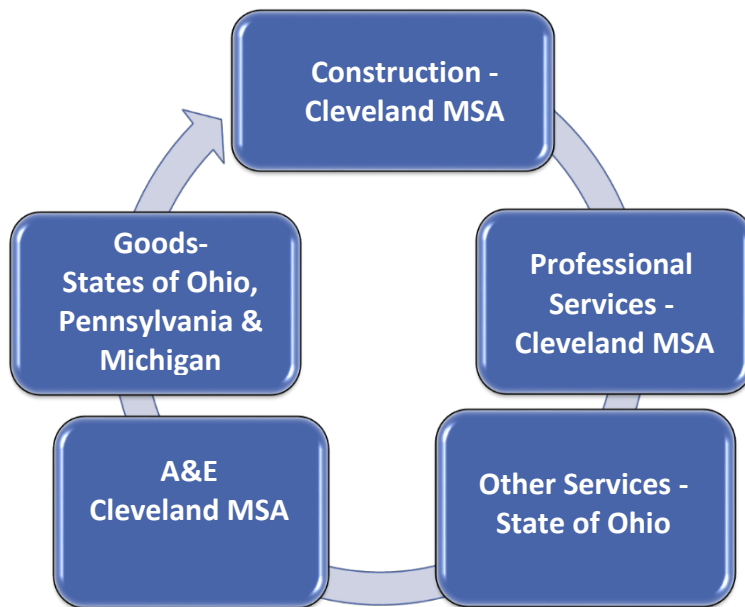
This is the summary of GSPC’s findings.

### A. FINDINGS

#### ***FINDING 1: GEOGRAPHICAL RELEVANT MARKET***

The figure below summarizes the geographical area where at least 75 percent of prime payees were located in each industry. In analyzing the Relevant Market data, GSPC tabulated the percentage of dollars spent, beginning with Cuyahoga County (by zip codes). GSPC continued counting in radii surrounding Cuyahoga County until the cumulative percentage was equal to or greater than 75 percent. The Availability and utilization analyses were conducted only on firms with offices within the geographical markets. The results were as follows:

**Figure 1: Summary of Relevant Geographic Market (using Awards)**



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**FINDING 2: AWARD THRESHOLDS**

GSPC reviewed the level of contracting undertaken by the County at various dollar thresholds in order to determine whether it was likely that all firms in its Master Vendor File could perform as prime contractors. GSPC has determined that only one Availability determination is needed, to be shared by prime contractors and subcontractors, because GSPC found that the median award in Construction was \$289,300. This means that there are a substantial number of small contracts that all size firms can bid on. The same is true of Professional Services awards where the median is \$20,413, and with Other Services where the median is \$4,961. Median awards in A&E were \$200,000, and in Goods & Supplies \$4,380. In every category the median suggests a substantial number of small awards where firms that have traditionally participated only as subcontractors would have the capacity to perform as prime contractors. When measured together, the County’s median award was \$4,899 while its average award was \$183,570.

**Table 1: Award Thresholds – All Work Categories**

(Using Award Dollars FY2014-FY2018)  
Cuyahoga Disparity Study

Award Threshold	Number of Awards	Percent of Awards	Dollars	Percent of Dollars
1,000 to 5,000	3787	50.89%	\$9,135,962.33	0.67%
5,000.01 to 10,000	1236	16.61%	\$8,967,508.97	0.66%
10,000.01 to 50,000	1694	22.76%	\$35,108,604.76	2.57%
50,000.01 to 100,000	216	2.90%	\$15,542,718.64	1.14%
100,000.01 to 250,000	188	2.53%	\$31,202,938.12	2.28%
250,000.01 to 500,000	142	1.91%	\$50,032,158.86	3.66%
500,000.01 to 750,000	34	0.46%	\$20,785,943.55	1.52%
750,000.01 to 1,000,000	23	0.31%	\$19,928,551.96	1.46%
1,000,000.01 to 1,500,000	28	0.38%	\$35,123,758.52	2.57%
1,500,000.01 to 2,000,000	19	0.26%	\$33,846,991.03	2.48%
2,000,000.01 to 2,500,000	12	0.16%	\$27,549,019.93	2.02%
2,500,000.01 to 5,000,000	30	0.40%	\$101,779,964.25	7.45%
Over 5,000,000	33	0.44%	\$977,126,048.03	71.53%
<b>Total</b>	<b>7442</b>	<b>100.00%</b>	<b>\$1,366,130,168.95</b>	<b>100.00%</b>

Average	Median
\$183,570.30	\$4,898.52

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**FINDING 3: AVAILABILITY**

The measures of Availability in this disparity study incorporate all of the criteria of Availability required by Croson:

- The firm does business within an industry group from which the Cuyahoga County makes certain purchases.
- The firm's owner has taken steps to demonstrate interest in doing business with government.
- The firm is located within a relevant geographical area such that it can do business with the Cuyahoga County.

The firms used to calculate Availability came from the Master Vendor File<sup>3</sup>. GSPC found that firms were available to provide goods and services to the County as reflected in the following percentages by each race, ethnicity, and gender group.

**Table 2: Summary of Availability Estimates by Work Category**

In the respective Relevant Markets  
(Based upon the Master Vendor File)  
Cuyahoga County Disparity Study

<b>Ethnicity</b>	<b>Construction</b>	<b>Professional Services</b>	<b>Other Services</b>	<b>A&amp;E</b>	<b>Goods &amp; Supplies</b>
African American	14.87%	8.43%	7.36%	7.52%	4.29%
Asian American	2.84%	1.83%	1.72%	7.52%	0.69%
Hispanic American	3.41%	0.95%	1.06%	1.31%	0.51%
Native American	0.11%	0.00%	0.00%	0.00%	0.06%
<b>Total MBE</b>	<b>21.23%</b>	<b>11.22%</b>	<b>10.14%</b>	<b>16.34%</b>	<b>5.54%</b>
White Female	17.14%	6.67%	5.96%	10.46%	4.94%
Unidentified MWBE	2.84%	1.17%	1.06%	1.31%	0.23%
<b>Total MWBE</b>	<b>41.20%</b>	<b>19.06%</b>	<b>17.16%</b>	<b>28.10%</b>	<b>10.71%</b>
Non-MWBE	58.80%	80.94%	82.84%	71.90%	89.29%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

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***FINDING 4: OVERALL PRIME MWBE UTILIZATION<sup>4</sup>***

As the table below shows, Cuyahoga County spent a total of \$1,114,965,288 in prime spending in the Relevant Market during the study period and \$51,519,807 of this amount, or 4.62% of this amount was spent with MWBE firms as prime contractors. White Female owned firms accounted for 4.03% of the total MWBE awards while MBEs were .59% of the awards.

<sup>3</sup> The Master Vendor File used the following sources: County's Awarded Prime Vendors (Current), County's Awarded Subcontractor Vendors (Current), County's Certified MWBE List (Current), BuySpeed Vendors (Current), City of Cleveland DBE List (Current), Ohio DOT Unified DBE List (Current)

<sup>4</sup> Construction and Professional Services awards that utilize federal funds are subject to the federal DBE Program and not the County's MBE/WBE/SBE requirements.

**Table 3: Summary of Prime Utilization for FY2014-FY2018**

By Dollars in the Relevant Markets

Cuyahoga County Disparity Study

	Construction		Professional Services		Other Services		A&E		Goods & Supplies	
	Dollar	Percent	Dollar	Percent	Dollar	Percent	Dollar	Percent	Dollar	Percent
African American	\$830,462	0.38%	\$145,372	0.02%	\$944,336	0.52%	\$600,000	2.91%	\$193,003	0.28%
Asian American	\$1,698,430	0.78%	\$165,000	0.03%	\$766,620	0.42%	\$646,997	3.14%	\$250,000	0.36%
Hispanic American	\$0	0.00%	\$0	0.00%	\$247,251	0.14%	\$0	0.00%	\$49,155	0.07%
Native American	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
<b>Total MBE</b>	<b>\$2,528,892</b>	<b>1.16%</b>	<b>\$310,372</b>	<b>0.05%</b>	<b>\$1,958,208</b>	<b>1.07%</b>	<b>\$1,246,997</b>	<b>6.05%</b>	<b>\$492,157</b>	<b>0.71%</b>
White Female	\$13,500,576	6.18%	\$720,146	0.12%	\$28,917,902	15.80%	\$0	0.00%	\$1,844,557	2.67%
Unidentified MWBI	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
<b>Total MWBE</b>	<b>\$16,029,468</b>	<b>7.34%</b>	<b>\$1,030,518</b>	<b>0.17%</b>	<b>\$30,876,109</b>	<b>16.87%</b>	<b>\$1,246,997</b>	<b>6.05%</b>	<b>\$2,336,715</b>	<b>3.38%</b>
Non-MWBE	\$202,388,293	92.66%	\$622,723,882	99.83%	\$152,173,436	83.13%	\$19,372,424	93.95%	\$66,787,446	96.62%
<b>Total</b>	<b>\$218,417,761</b>	<b>100.00%</b>	<b>\$623,754,400</b>	<b>100.00%</b>	<b>\$183,049,546</b>	<b>100.00%</b>	<b>\$20,619,421</b>	<b>100.00%</b>	<b>\$69,124,160</b>	<b>100.00%</b>

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**FINDING 5: SUMMARY OF DISPARITY ANALYSIS FOR FY2014-FY2018**

The tables below indicate those MWBE groups (with a check mark) where a statistically significant underutilization was found.

**Table 4: Summary of Disparity Analysis of MWBE Underutilization in Prime Contracting**

Cuyahoga County Disparity Study

	Construction	Professional Services	Other Services	A&E	Goods & Supplies
<b>African American</b>	✓	✓	✓	✓	✓
<b>Asian American</b>	✓	✓	✓	✓	*
<b>Hispanic American</b>	✓	✓	✓	✓	✓
<b>Native American</b>	✓	parity	parity	parity	✓
<b>Female</b>	✓	✓		✓	✓

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\*Occurrences in this group were too small to measure.

\*\*Firms in this group were underutilized, but it was not statistically significant.



**Table 5: Summary of Disparity Analysis of Total Utilization (Prime and Subcontractor Awards)**

	Construction	Professional Services	Other Services	A&E	Goods & Supplies
<b>African American</b>	✓	✓	✓	✓	✓
<b>Asian American</b>	✓	✓	✓	**	*
<b>Hispanic American</b>	✓	✓	✓	✓	✓
<b>Native American</b>	✓	parity	parity	parity	✓
<b>Female</b>	✓	✓		✓	✓

Griffin & Strong, P.C. 2020

\* Occurrences in this group were too small to measure.

\*\* Firms in this group were underutilized, but it was not statistically significant.

***FINDING 6: POLICY FINDINGS***

***1. PROMPT PAYMENT***

In 2016, the County Executive issued a swift pay executive order to ensure that the County made timely payments to prime contractors and to penalize prime contractors who did not pay their subcontractors on a time after being paid by the County for the subcontractor’s work.

GSPC’s Survey of Business owners found that 6.8% of MBE survey respondents and 7.9 % of WBEs reported being paid in less than 30 days. The most common response, however, was not knowing the length of time for payment.

***2. BONDING AND INSURANCE***

A general goal of the County has been to reduce the burden of bonding requirements. Along these lines the County Code allows for waiving performance and payment bonds for firms that are pre-qualified. However, County staff reported that bonds had only been waived on one or two projects. About 16.4% of MBE survey respondents and 12.3% of WBE survey respondents felt bonding was a barrier.

County staff reported not hearing many vendor complaints about County insurance requirements, except for cyber insurance on informational technology contracts. About 6.8% of MBE survey respondents and 12.3% of WBE survey respondents felt insurance was a barrier.

**3. MBE/WBE/SBE CERTIFICATION**

The County Certified Diversity Business directory had 468 firms (a growth of 44 since 2017) in 2019, including 189 MBEs and 201 WBEs. Only 33 of the MBE/WBESs did not also have an SBE certification. The largest minority group was African American with 128 firms. There were 236 firms with SBE certification (50.4 percent of the directory) that did not have an MBE/WBE certification.

**4. MBE, WBE, SBE GOALS**

The County adopted a Small Business Enterprise (SBE) Program in 2012 (amended in 2013). In April 2016, the County adopted an MBE/WBE subcontractor goals program.

**Table 6: Cuyahoga County MBE, WBE, SBE Goals**

**Cuyahoga County Disparity Study**

CATEGORY	ASPIRATIONAL GOALS
Professional Services	SBE: %
	MBE: 10.%
	WBE: 5%
Construction	SBE: %
	MBE: 17%
	WBE: 6%
Goods and Other Services	SBE: %
	MBE: 12%
	WBE: 6%
Suppliers	SBE: %
	MBE: 6%
	WBE: 3%

Source: Office of Procurement and Diversity

The County Code gives the County the power to consider compliance with MBE/WBE/SBE program when awarding contracts if the difference between the MBE/WBE/SBE-compliant bid and the lowest responsive bid is no more than a set price preference.

The County does not have an extensive Disadvantaged Business Enterprise (DBE) program. The County applies Ohio DOT DBE goals to projects with US Department of Transportation (DOT) and Federal Aviation Administration (FAA) funding and tracks DBE goal compliance in the B2GNow system.

### 5. GOOD FAITH EFFORTS

The County Code also provides that “[p]roposals/bids may be rejected and projects re-submitted for the sole purpose of attaining goals where inadequate “good faith effort” has been demonstrated.

The County requires vendors to demonstrate good faith efforts, by delivering in written or electronic form to SBE/MBE/WBEs the following information at least one week before proposal or bid due date.

- (1) Sufficient information about the plans, specifications, and relevant terms and conditions of the solicitation. This should include information about the work which will be subcontracted or the goods which will be obtained from subcontractors and suppliers;
- (2) A contact person knowledgeable of the project scope documents, within the Participant’s office, to answer questions about the conditions of the contract;
- (3) Information as to the Participant’s bonding requirements; and
- (4) The deadline for price quotations.

### 6. SMALL BUSINESS ENTERPRISE UTILIZATION

The County SBE set aside program, passed in 2016, allows for reserving some bids, RFPs and RFQs solely for SBEs. The County currently has seven small business set-asides projects for 2019 and five for 2020. Six of these projects involve A&E services. The projects range in value from \$200,000 to \$350,000.

The County Code authorized preferences for “inclusive businesses” in 2016. The inclusive firm that is within 2 percent of the lowest bid presented by a non-inclusive business can match the lowest bid. There were only two certified inclusive businesses in 2019

The program also allows a local business (Cuyahoga County Based Business, CCBB) whose bid is within two percent of the lowest bid submitted by a non-CCBB bidder the option to match the lowest bid. There were 55 certified CCBBs in 2019. The CCBB preference impacted five bids from 2013 to 2018.

### 7. OFFICE OF CIVIL RIGHTS BUDGET AND STAFFING

The Office of Procurement and Diversity (OPD) reports to the County Fiscal Officer. The Diversity Division of OPD does not have a separate budget. There are four staff working directly in the Diversity Division in the OPD, although other staff support the County’s diversity initiatives. At the time GSPC was gathering data for this report, there was no internal or external MBE/WBE Advisory Committee.

### 8. BUSINESS DEVELOPMENT

County has offered workshops on how to do business with the County. The County has sponsored joint classes in construction training with the City of Cleveland. OPD has conducted considerable outreach in the form of attending various networking and business development events in the Cleveland area, and nationally. There has been discussion about a mentor-protégé program, but the program has not been implemented. The {County?} does not currently have a loan program for small business linked to procurement opportunities as opposed to economic development more broadly.

*9. REPORTING MBE/WBE UTILIZATION*

In 2017, the OPD purchased B2GNow software to track MBE/WBE/DBE utilization. However, the County Equity reports from 2013-2017 report data on the SBE, CCBB and business inclusiveness programs, and diversity dollars awarded. The County Code requires a disparity study every five years.

***FINDING 7: PRIVATE SECTOR DISCRIMINATION***

1. Only firms owned by Native Americans are more likely to be new firms. Therefore to the extent that being a new firm is considered a factor in bidding or being awarded a contract, for all other race/ethnicity/gender groups, that is not a likely factor.
2. Firms certified as minority and small, and those owned by African Americans, are more likely to be denied a commercial business bank loans at higher frequency relative to non-SMWDBEs. This suggests that among SMWDBEs in the Cuyahoga County market area, firm owners who are African American, and those certified as minority and small, are most likely to have their capacity to compete in the market for public procurement constrained as a result of private sector credit market discrimination.
3. With the exception of SMWDBEs owned by Bi/Multi-racial Americans who are more likely to submit bids, SMWDBEs are not less likely to submit prime bid submissions relative to non-SMWDBEs. To the extent that public contracting success is proportional to the number of submissions, this suggests that, with the exception of SMWDBEs owned by Bi/Multi-racial Americans, any public contracting disparities in the Cuyahoga County market area between SMWDBEs and non-SMWDBEs cannot be explained by the rates of bids submitted to Cuyahoga County.
4. Relative to non-SMWDBEs, firms owned by African Americans, Asian Americans, Hispanic Americans, Native Americans, and Bi/Multi-racial Americans are more likely to have never received either Cuyahoga County prime contracts or subcontracts. This is suggestive of disparities in public contracts/subcontracts between non-SMWDBEs and those firms owned by African Americans, Asian Americans, Hispanic Americans, Native Americans, and Bi/Multi-racial Americans being driven by race/ethnicity.
5. Relative to non-SMWDBEs, certified minority business enterprises are more likely to perceive that contracting in the Cuyahoga County market area is monopolized/dominated by informal networks. To the extent this perception of networks determining public contracting success in Cuyahoga County drives actual behavior, it could potentially be a constraint on the number of bids submitted by SMWDBEs, and a possible driver of disparities between SMWDBEs and non-SMWDBEs in actual awards if contract success is proportional to bidding.

**FINDING 8: ANECDOTAL FINDINGS**

The conduct of prime contractors in their engagement of subcontractors and DBE firms in the Cuyahoga County marketplace was a concern for a number of participants.

1. About 49% of the survey respondents reported that an informal network impeded their ability to win work with the County. Nearly 73% of African American survey respondents expressed belief that this informal network exists, while the relative percentage of their Non-minority Male counterparts who shared such sentiment was less than 30%.
2. About 49.5% of MWBE respondents felt that they were only used due to goals requirements. About 28.2% of MWBE respondents reported being dropped after bids were submitted.
3. Over 30% of MWBE respondents agreed that prime contractors will contact a small, minority, non-minority female, or disadvantaged business to ask for quotes but never give their proposal sufficient review to consider giving the firm the award.

**FINDING 9: LEGAL FINDINGS**

Consistent with the “narrow tailoring” aspect of the strict scrutiny analysis, the County first considered (and implemented) race- and gender-neutral measures to try to increase utilization of MWBE firms, but the present Study shows that those measures have not been effective in ameliorating the identified disparities.<sup>5</sup> Accordingly, the County has a basis to introduce race- and gender-conscious remedies or policies toward that goal.<sup>6</sup>

Moreover, the use of a regression analysis and consideration of the contracting environment in the private sector as part of the requested Study allows the County to demonstrate that factors other than MWBE status cannot fully account for the statistical disparities found. Stated otherwise, the County can show that MWBE status continues to have an adverse impact on a firm’s ability to secure contracting opportunities with the County, further supporting more aggressive remedial efforts.

Lastly, having provided or obtained statistical and anecdotal evidence of disparities that are race/ethnicity/gender-specific, the County can ensure that the more robust remedies considered as a result of this Study can be limited to minority groups for which underutilization and an inference of discrimination has been identified.<sup>7</sup>

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<sup>5</sup> See Croson, 488 U.S. at 507-08.

<sup>6</sup> Id.

<sup>7</sup> Id.; see also Associated General Contractors v. Drabik, 214 F.3d at 739.

## B. RECOMMENDATIONS

### ***RECOMMENDATION 1: MWBE SUBCONTRACTOR GOALS WITH DEFINITIVE GOOD FAITH EFFORTS REQUIREMENTS.***

As permitted by the findings of the previous disparity study, the County currently operates an aspirational goals program. However, the findings of this Study indicate that this program has not been successful in ameliorating race and gender disparities. It has been GSPC's experience that MWBE programs that lack a strong and clear good-faith-efforts requirement often struggle to obtain overall programmatic objectives. Such requirements are necessary for giving prime contractors a clear understanding of the County's expectations with regard to MWBE participation.

GSPC recommends that the County institute an MWBE contract-by-contract goal setting that will more narrowly tailor goals to each project. This entails determining the percentage of available MWBEs for each scope of work within a project, and weighting that availability based on the percentage that scope represents within the project. Contract-by-contract goal-setting is the same methodology recommended for the federal DBE program. Separate goals should be set for MBEs and WBEs because racial discrimination is different from gender discrimination.

The findings of the Study only support inclusion of those firms in the race and gender categories indicated in Tables 5 as being statistically significantly underutilized. For other race and gender groups for which contract-by-contract goals are not indicated, the County should make sure that it is tracking annual utilization and if that utilization substantially falls below their availability they should be included in the goals-setting program on a year-to-year basis. Native American owned firms fall into this category because the percentage of certified firms was so low that it was not measurable or caused overutilization. The County should make every effort to conduct outreach to Native American owned firms.

The County should adopt standard Good Faith Effort criteria, such as those in the federal DBE regulations.

### ***RECOMMENDATION 2: ENHANCED CONTRACT COMPLIANCE.***

Any contract-by-contract goal setting program should also include the foundational components of contract compliance: Vendor Assessment, Outreach, Certification and Verification, Effective Procurement and Monitoring in order to ensure successful operation.

### ***RECOMMENDATION 3: INCREASED STAFFING AND RESOURCES***

We recommend that staffing be put in place to allow for effective contract administration of a new goals-based program to ensure effective monitoring of all contracts that are in progress. This means that the County must consider providing a reasonable operating budget for the program, as staff is critical to any successful program. These programs traditionally need at least three (3) staff to function at optimal effectiveness. The duties of a full contract compliance staff include: forecasting, certification verification, maintaining availability lists, coordinating supportive services, and coordinating with other agencies, goal setting, investigation and approval of Good Faith Efforts, monitoring, tracking and reporting participation,

coordinating pre-bid conferences, working with MWBEs to make sure they are bidding, investigation of Good Faith Efforts, tracking participation, and reporting participation.

***RECOMMENDATION 4: STAFF TRAINING***

In order to assist in responsible program administration, GSPC also would recommend ongoing staff training through platforms like the American Contract Compliance Association, to keep County personnel abreast of national innovations and best practices in promoting MWBE contracting in County government.

***RECOMMENDATION 5: INCREASED UTILIZATION OF SMALL BUSINESS SET ASIDE PROGRAM***

Although the County has a Small Business Set Asides Program, it has only been utilized on six (6) projects during the Study Period, predominately in A&E. This is an effective means for not only utilizing more MWBE firms that tend to be small, but to increase the utilization of all small businesses by providing a means for them to only bid against each other.

The Small Business Set Asides Program will also be an effective gateway for MWBE subcontractors to become prime contracts on small projects and potentially begin to grow their capacity.

***RECOMMENDATION 6: CONTRACT FORECASTING***

Planning is important for governments seeking to identify and solicit available MWBE businesses. Effective remedial programs begin with understanding what services and goods the County will be looking to procure in the upcoming fiscal cycle. Forecasting provides opportunity for both the County and business community. Currently, the County does not post upcoming bids on its website. Making bid information more available to firms as early as possible will allow compliance staff to engage in more strategic community outreach. This can manifest in best practices like networking events and mandatory pre-bid conferences where potential prime contractors can meet potential subcontractors.

For business owners, especially small and diverse businesses, being notified about bid opportunities ahead of time allows them to more strategically deploy resources and allocate time needed to prepare and respond to bid opportunities. Forecasting neutralizes the impact of informal networks (colloquially known as the “Good Ole Boys” network) by equalizing the flow of information---something that often places small and diverse firms at a competitive disadvantage in the bid process.

The County can also use this information to encourage Teaming and Joint Venturing for smaller firms allowing them time to strategize on how to pool resources to bid on larger contracts.

***RECOMMENDATION 7: COORDINATED VENDOR OUTREACH***

Outreach is a critical component of a successful contract compliance program. As previously noted, identifying and connecting with available firms is critical to building awareness of bid opportunities and increases the likelihood of bid submissions. Of course, vendor outreach is only meaningful when the County has an effective contract compliance program coupled with forecasting. With these components in place,

the County will be in a strong position to better engage with vendors, specifically targeting those firms who are qualified for upcoming bids.

***RECOMMENDATION 8: REFORM DATA INFRASTRUCTURE***

GSPC had numerous challenges as it relates to collecting the data for this Study. The details of the GSPC data infrastructure recommendations are contained in Appendix G. But it is of most importance that the County update the contact information of firms in its BuySpeed system. GSPC used this information to reach out to firms for the collection of anecdotal information and more than a third of the sample call list were disconnected or invalid. Similarly, GSPC got a large number of email bounce backs as well. Outdated contact information means that many firms are not getting notice of bid opportunities.



### III. LEGAL ANALYSIS

The analysis contained throughout this Disparity Study underscores the several purposes for which such a study may be done, the importance of methodological soundness, and the usefulness of the data and other information contained therein. Disparity studies can provide historical context regarding government procurement practices, a contemporary snapshot of current procurement practices, and a predictive preview of future challenges/needs.

There is also, however, an important historical legal basis for the advent of disparity studies in the first instance. The bedrock judicial decisions from the United States Supreme Court anticipating and inviting increased use of disparity studies are therefore discussed first in the following legal analysis, before digging deeper into the legal considerations and related evidentiary requirements for sustaining an MBE/WBE program in the face of a challenge on constitutional grounds.

We have also included in the historical analysis a significant decision of the United States Court of Appeals for the Sixth Circuit, as this decision demonstrates the continuing significance and vitality of the featured Supreme Court precedent, and also highlights the legal foundation under which any challenge to the Cuyahoga County MWBE program will be analyzed.

#### A. Development of the Relevant Law

The outgrowth of disparity studies was in large measure a response to constitutionally based legal challenges made against federal, state, and local minority business enterprise programs enacted to remedy past or present discrimination (whether real or perceived).

Such studies were effectively invited by the United States Supreme Court in rendering its seminal decision in City of Richmond v. J. A. Croson Company, 488 U.S. 469; 109 S. Ct. 706; 102 L. Ed. 2d 854 (1989), and subsequent judicial decisions have drawn a direct line between Croson and the utilization of disparity studies. See, for example, Adarand Constructors, Inc. v. Slater (Adarand III), 228 F.3d 1147, 1172-73 (10th Cir. 2000) (“Following the Supreme Court’s decision in Croson, numerous state and local governments have undertaken statistical studies to assess the disparity, if any, between availability and utilization of minority-owned businesses in government contracting.”).

Disparity studies have therefore become an important tool for governmental entities in deciding whether to enact minority business programs or legislation, and in justifying existing programs or legislation in the face of constitutional challenge. To better understand the proper parameters of such programs, one must understand their judicial origin.

#### 1. The Supreme Court’s Decision in City of Richmond v. Croson

To fully appreciate the usefulness of disparity studies for development and defense of minority business programs, an overview of the Croson decision is helpful.

Laws that, on their face, favor one class of citizens over another, may run afoul of the Equal Protection Clause of the Fourteen Amendment. MBE/WBE programs and legislation are among the types of laws invoking such concerns. Depending on the nature of the differentiation (e.g., based on race, ethnicity, gender), courts evaluating the constitutionality of a minority business program will apply a particular level of judicial scrutiny. As explained at greater length below, race-based programs are evaluated under a “strict scrutiny” standard, and gender-based programs may be subject to strict scrutiny or under a less-rigorous “intermediate scrutiny” standard, depending on the federal circuit within which the entity sits.

In its Croson decision, the Supreme Court ruled that the City of Richmond’s Minority Business Enterprise (hereinafter “MBE”) program failed to satisfy the requirements of “strict scrutiny.” “Strict scrutiny” review involves two co-equal considerations: First, the need to demonstrate a compelling governmental interest; Second, implementation of a program or method narrowly tailored to achieve/remedy the compelling interest. In Croson, the Supreme Court concluded that the City of Richmond failed to show that its minority set-aside program was “necessary” to remedy the effects of discrimination in the marketplace.

In fact, the Court found that the City of Richmond had not established the necessary factual predicate to infer that discrimination in contracting had occurred in the first place. The Court reasoned that a mere statistical disparity between the overall minority population in Richmond (50 percent African-American) and awards of prime contracts to minority-owned firms (0.67 percent to African-American firms) was an irrelevant statistical comparison and insufficient to raise an inference of discrimination.

Addressing the disparity evidence that Richmond proffered to justify its MBE program, the Court emphasized the need to distinguish between “societal discrimination,” which it found to be an inappropriate and inadequate basis for social classification, and the type of identified discrimination that can support and define the scope of race-based relief.

Specifically, the Court opined that a generalized assertion of past discrimination in an entire industry provided no guidance in determining the present scope of the injury a race-conscious program seeks to remedy, and emphasized that “there was no direct evidence of race discrimination on the part of the City in letting contracts or any evidence that the City’s prime contractors had discriminated against minority-owned subcontractors.”<sup>8</sup>

Accordingly, the Court concluded there was no prima facie case of a constitutional or statutory violation by anyone in the construction industry that might justify the MBE program. Justice O’Connor nonetheless provided some guidance on the type of evidence that might indicate a proper statistical comparison:

[W]here there is a significant statistical disparity between the number of qualified minority contractors willing and able to perform a particular service and the number of such contractors actually engaged by the locality or the locality’s prime contractors, an inference of discriminatory exclusion could arise. [Croson, 488 U.S. at 509]

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<sup>8</sup> Croson, 488 U.S. at 480.

Stated otherwise, the statistical comparison should be between the percentage of MBEs in the marketplace qualified to do contracting work (including prime contractors and subcontractors), and the percentage of total government contract awards (and/or contractual dollars paid) to minority firms. The relevant question among lower federal courts has been which tools or methods are best for such analysis; a matter addressed in the detailed discussion of statistical comparison provided below.

Additionally, the Court in Croson stated that identified anecdotal accounts of past discrimination also could provide a basis for establishing a compelling interest for local governments to enact race-conscious remedies. However, conclusory claims of discrimination by City officials, alone, would not suffice, nor would an amorphous claim of societal discrimination, simple legislative assurances of good intention, or congressional findings of discrimination in the national economy. In order to uphold a race- or ethnicity-based program, the Court held, there must be a determination that a strong basis in evidence exists to support the conclusion that the remedial use of race is necessary.

Regarding the second prong of the strict scrutiny test, the Croson Court ruled that Richmond's MBE program was not narrowly tailored to redress the effects of discrimination. First, the Court held that Richmond's MBE program was not remedial in nature because it provided preferential treatment to minorities such as Eskimos and Aleuts, groups for which there was no evidence of discrimination in Richmond. Thus, the scope of the City's program was too broad.

Second, the Court ruled that the thirty percent (30%) goal for MBE participation in the Richmond program was a rigid quota not related to identified discrimination. Specifically, the Court criticized the City for its lack of inquiry into whether a particular minority business, seeking racial preferences, had suffered from the effects of past discrimination.

Third, the Court expressed disappointment that the City failed to consider race-neutral alternatives to remedy the under-representation of minorities in contract awards. Finally, the Court highlighted the fact that the City's MBE program contained no sunset provisions for a periodic review process intended to assess the continued need for the program.<sup>9</sup>

Subsequent to the decision in Croson, the Supreme Court and the federal Circuit Courts of Appeal have provided additional guidance regarding the considerations, measurements, information, and features surrounding an MBE/WBE program which will assist in protecting the program from constitutional challenge under a strict scrutiny analysis. These recommendations have in many respects provided a roadmap of sorts for useful disparity studies and are therefore discussed in greater detail below.

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<sup>9</sup> Croson, 488 U.S. at 500.

## 2. The Supreme Court's Decision in Adarand v. Peña and Subsequent Circuit Court Proceedings

Six years after its decision in Croson, the Supreme Court was again confronted with an equal protection challenge to a minority business program, in Adarand Constructors, Inc. v. Peña, 515 U.S. 200 (1995) (Adarand II). This time, however, the program under challenge was enacted by the federal government, thus implicating the Fifth Amendment rather than the Fourteenth Amendment analysis required for the local (state) program in Croson.

Reversing the decision of the Tenth Circuit, the Supreme Court ruled that federal programs are not reviewed for constitutionality under a more lenient standard (as had been indicated in some prior Supreme Court opinions); strict scrutiny is likewise to be applied to such programs.<sup>10</sup> Because the district court and the Tenth Circuit had not applied the proper standard of review, the Supreme Court remanded the case back to the district court to apply strict scrutiny to the program, consistent with Croson.<sup>11</sup>

On remand, the district court (D. Colo.) essentially ruled that no program can meet the strict scrutiny standard --- i.e., it is "fatal in fact." The Tenth Circuit disagreed, upholding the federal program even under a strict scrutiny standard, finding a compelling state interest, and the required narrow tailoring to achieve such compelling interest. Adarand Constructors, Inc. v. Slater, 228 F.3d 1147 (10th Cir. 2000) (Adarand III).

Consistent with Croson and subsequent opinions, the Tenth Circuit described its task regarding the compelling state interest as follows:

[O]ur inquiry necessarily consists of four parts: First, we must determine whether the government's articulated goal in enacting the race-based measures at issue in this case is appropriately considered a "compelling interest" under the governing case law; if so, we must then set forth the standards under which to evaluate the government's evidence of compelling interest; third, we must decide whether the evidence presented by the government is sufficiently strong to meet its initial burden of demonstrating the compelling interest it has articulated; and finally, we must examine whether the challenging party has met its ultimate burden of rebutting the government's evidence such that the granting of summary judgment to either party is proper. We begin, as we must, with an inquiry into the meaning of "compelling interest." [Adarand III, 228 F.3d at 1164]

If satisfied that the compelling state interest prong had been met, the court then needed to determine whether the federal DBE program was narrowly tailored, as required under Croson (and strict scrutiny jurisprudence generally).<sup>12</sup>

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<sup>10</sup> Id. at 222-26.

<sup>11</sup> Id.

<sup>12</sup> Id. at 1176-77.

The court first found that the government’s proffered interest – “remedying the effects of racial discrimination and opening up federal contracting opportunities to members of previously excluded minority groups” – met the standard.<sup>13</sup>

As for the “strong basis in evidence” that remedial action was necessary, the court in Adarand III found that the government established that minority contractors faced significant discriminatory barriers to entry into the disbursement programs, such as a classic “old boy” network of contractors, denial of access to capital, and denial of or difficulty in obtaining union membership to assist in access.<sup>14</sup> The government also demonstrated, the court found, that existing minority contractors faced barriers to competition, owing to various methods of “discrimination by prime contractors, private sector customers, business networks, suppliers, and bonding companies[.]”<sup>15</sup>

In support of its position, the government produced statistical and anecdotal evidence, both direct and circumstantial, taken from local disparity studies which demonstrated under-utilization of minority subcontractors (described in more detail below), and the effect on utilization rates when affirmative action programs or efforts were discontinued for one reason or another.<sup>16</sup>

The Court went on to discuss at length its reasoning that the government also adequately demonstrated that its program was narrowly tailored to achieve the compelling interest discussed previously.<sup>17</sup> In sum, the Court found that the government satisfactorily met the following important factors: “the necessity for the relief and the efficacy of alternative remedies; the flexibility and duration of the relief, including the availability of waiver provisions; the relationship of the numerical goals to the relevant labor market; and the impact of the relief on the rights of third parties.”<sup>18</sup>

The case was therefore returned to the district court for further proceedings “consistent with this opinion.”<sup>19</sup>

### 3. The Sixth Circuit’s Decision in Associated General Contractors v. Drabik

Having the benefit of the Supreme Court’s thinking in Croson and Adarand, the Sixth Circuit addressed the constitutionality of the State of Ohio’s minority business enterprise statute (“MBEA”) in Associated Gen. Contrs. of Ohio, Inc. v. Drabik, 214 F.3d 730, 735 (6th Cir. 2000), an opinion which remains among the most significant M/WBE appellate decisions in the Circuit covering Cuyahoga County.

In Drabik, the Court of Appeals affirmed the district court’s finding that Ohio’s MBEA was not narrowly tailored to remedy past discrimination. The court found the statute lacked narrow tailoring because (1) the

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<sup>13</sup> Id. at 1164-65 (“[W]e readily conclude that the federal government has a compelling interest in not perpetuating the effects of racial discrimination in its own distribution of federal funds and in remedying the effects of past discrimination in the government contracting markets created by its disbursements.”).

<sup>14</sup> 228 F.3d at 1168-69.

<sup>15</sup> Id. at 1170-72.

<sup>16</sup> Id. at 1174-75.

<sup>17</sup> 228 F.3d at 1176-1187.

<sup>18</sup> Id. at 1177. These remedial concepts are covered in greater detail below.

<sup>19</sup> Id.

MBEA suffered from under inclusiveness and over inclusiveness, (lumping together racial and ethnic groups without identified discrimination); (2) the MBEA lacked a sunset date; and (3) the state failed to provide specific evidence that Ohio had considered race-neutral alternatives before adopting the plan to increase minority participation.<sup>20</sup>

Specifically, the court ruled that the State of Ohio failed to satisfy the strict scrutiny standard to justify the state's minority business enterprise act by relying on statistical evidence that did not account for which firms were qualified, willing and able to perform on construction contracts.<sup>21</sup> The court stated that "although Ohio's most compelling statistical evidence compares the percentage of contracts awarded to minorities to the percentage of minority-owned businesses...the problem is that the percentage of minority-owned businesses in Ohio (7% of 1978) did not take into account which were construction firms and those who were qualified, willing and able to perform on state construction contracts."<sup>22</sup> Although this was more data than was submitted in Croson, it was still insufficient under strict scrutiny, according to the court.<sup>23</sup>

Drabik thus underscores that M/WBE Programs must be designed so that the benefits of the programs are targeted specifically toward those firms that faced discrimination in the local marketplace. To withstand a challenge, relief must extend only to those minority groups for which there is evidence of discrimination.<sup>24</sup> Finally, expressly relying on Croson, the Drabik Court cited the requirement that there not only be a strong basis in evidence for a conclusion that there has been discrimination, but also for a conclusion that the particular remedy is made necessary by the discrimination. In other words, there must be a "fit" between past/present harm and the remedy.<sup>25</sup>

## B. Conclusion

The Croson decision, handed down more than 25 years ago, continues to cast a long shadow over MBE/WBE programs and legislation. Croson certainly changed the face of remedial programs, but it merely set the standards to be applied, leaving open questions regarding the acceptable or proper methodologies for achieving such standards. There is guidance in Croson itself, to be sure, and significant refinement by the Supreme Court and the federal Circuit Courts of Appeal in its aftermath, but there nonetheless remains significant uncertainty and fluidity in the law governing such programs to this day.

The Expanded Legal Analysis is contained in Appendix A.

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<sup>20</sup> Drabik, 214 F.3d 739.

<sup>21</sup> Id. at 736.

<sup>22</sup> Id.

<sup>23</sup> Id.

<sup>24</sup> See Drabik, 214 F.3d at 735.

<sup>25</sup> Id. at 730 ("outdated evidence does not reflect prior unremedied or current discrimination").

## IV. PURCHASING POLICIES, PRACTICES, AND PROCEDURES REVIEW

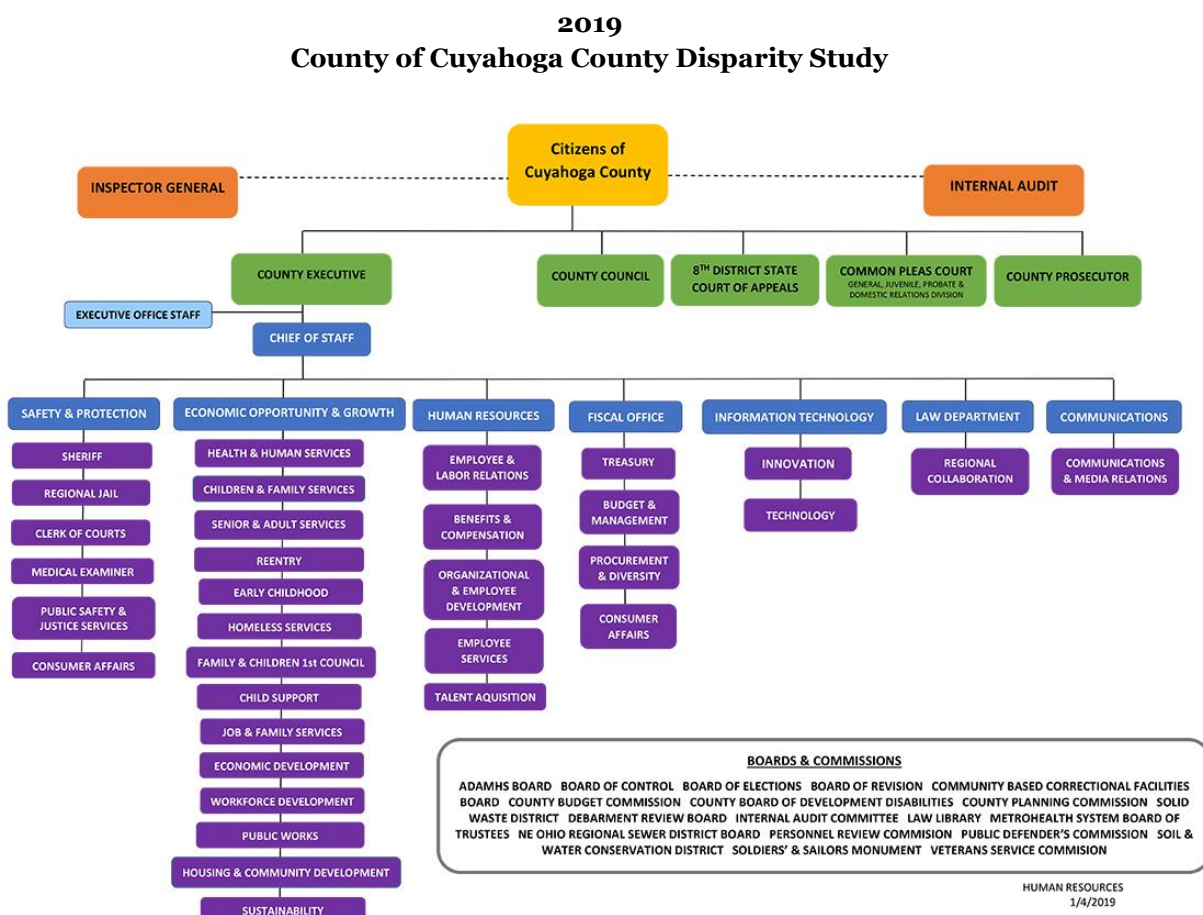
The objective of the “Purchasing Practices, Policies, and Procedures” chapter of this study is to review the stated policies and practices of the County of Cuyahoga County (“County”) in relation to purchasing and programs to enhance inclusion of Minority, Women, and Disadvantaged businesses.

It is well understood that where there is policy, there is often room for interpretation and discretionary practice. These areas will be examined closely, as well, for any effect they may have on the overall ability of Minority and Woman Business Enterprises (“MBE/WBE”), as well as Small Business Enterprises (“SBE”) to obtain work with the County.

### A. Document Review and Personnel Interviews

The organization chart below shows the relationship between County departments:

**Figure 2: Organizational Chart: County of Cuyahoga County**



GSPC reviewed State of Ohio (“State”) statutes, County ordinances, previous County disparity studies, past and present County MBE/WBE and SBE plans and recommendations, County purchasing manuals, County bid and proposal solicitations, past and present County budgets, legal memoranda, and related documents. GSPC conducted policy interviews in the spring of 2019 with officials that engage regularly in purchasing from the following County departments:

- Department of Public Works
- Law Department
- Office of Procurement and Diversity
- Office of Procurement and Diversity, Buyer
- Office of Procurement and Diversity, Contract Compliance
- Business Services, Department of Health and Human Services
- DBE, Davis-Bacon Compliance Officer

## B. Overview of Purchasing

Purchases made by the County are governed by competitive bidding procedures provided for in Sections 307.86 through 307.921 of the Ohio Revised Code, County Code, Title 5 et seq and County internal policies. Except with the exceptions discussed below the Code provides that all contracts, purchases, or leases are done in accordance with the competitive bidding procedures in the Ohio Revised Code.<sup>26</sup>

Competitive bidding is not required in the following cases:

- estimated cost is less than \$25,000.00;
- purchase of professional services;
- emergency purchases;
- real property transactions;
- personal property, material, or supply purchases;
- proprietary information technology limited to a single source;
- transactions with government entities;
- family services or workforce development purchases;
- public children services agency purchases;
- criminal justice services, social services programs, family services, or workforce development activities from nonprofit corporations’ purchases;
- insurance policy, health care plan, or childcare services for provision to county employees purchase;

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<sup>26</sup> Cuyahoga County Code § 501.12.A. Competitive Bidding Requirements and Exceptions.



- purchases for goods and services provided by persons with severe disabilities;
- purchases for which the Board of Control determines that the use of competitive sealed proposals would be advantageous to the county or an alternative procurement process would be advantageous to the County;
- programs, contracts, or agreements funded through a federal, state, or other grant or program;
- purchase is for any other purpose that may be done without competitive bidding according to the Ohio Revised Code;
- purchase is made through a joint purchasing program authorized by the Ohio Revised Code; and,
- purchase is made through a state contract authorized by the Ohio Revised Code.<sup>27</sup>

In April 2019, the County raised the threshold for formal bids to \$50,000, from \$25,000. Under Ohio state law County formal bids must meet specific advertisement requirements.<sup>28</sup> The County satisfies these requirements as show in the table below.

**Table 7: Procurement Public Notice**

**Cuyahoga Disparity Study**

<b>Public Notice</b>	<b>Procurement Size</b>
Legal notices published on the County website and in the Plain Dealer, at the County’s discretion	All purchases of supplies, equipment, services, and construction over \$50,000
Legal notices posted on website	All purchases of supplies, equipment, services, and construction over \$50,000
Posting board outside the entry to the Office of Procurement & Diversity and BuySpeed webpage	All purchases of supplies, equipment, services, and construction over \$1,000
F.W. Dodge Report Builders Exchange Ohio Construction News	All construction projects over \$50,000

Source: Cuyahoga County Office of Procurement and Diversity

<sup>27</sup> Cuyahoga County Code § 501.12.B. Competitive Bidding Requirements and Exceptions.

<sup>28</sup> ORC § 307.87.

The County Code provides that “[a]ll purchases of goods and services shall be done by the Office of Procurement and Diversity, under the direction of the County Executive. The various departments may use office vouchers and procurement cards for purchases not to exceed \$1,000.”<sup>29</sup> The County Board of Control approves contracts and purchases from \$1,000 to \$500,000.<sup>30</sup> The County Council approves purchases greater than \$500,000.<sup>31</sup> The Board of Control is made up of the County Executive, Fiscal Officer, Director of Public Works, Director the Office of Procurement and Diversity, and three members of County Council. The Board of Control meets weekly in meetings open to the public.

The County adopted a Small Business Enterprise (SBE) Program in 2012 (amended in 2013). In April 2016, the County adopted an MBE/WBE subcontractor goals program. These programs and related remedial efforts are described in detail in the later sections of this chapter.

### C. Allowable Procurement Methods for Construction

#### 1. General Contracting

For each contract for any building project, the Director of Public Works can use the general contracting method.<sup>32</sup> Under this method the County publicly solicits the bid in general circulation newspapers and on the County website. Firms then submit a price proposal and statement of qualifications. The statement of qualifications should include “submission of information on and evidence of the firm's compliance record with respect to small business enterprise inclusion goals and workforce inclusion goals, if applicable.”<sup>33</sup>

#### 2. Construction Management at Risk (CMAR)

The County Code allows for a two-phase and one-phase CMAR procurement method and design build for construction services.<sup>34</sup> In the Two-Phase CMAR Process the of Director Public Works establishes a prequalification committee and then the County solicits responses through public advertisement. The statement of qualifications includes: “submission of information on and evidence of the firm's compliance record with respect to small business enterprise inclusion goals and workforce inclusion goals, if applicable.” The prequalification committee selects firms to receive the request for proposals. The Director of Public Works then establishes a selection committee to evaluate the RFP submissions. The RFP submission should include “the small business enterprise inclusion goals and workforce inclusion goals for the building project, if applicable. “The selection committee then negotiates with the highest ranked firm.

#### 3. Design Build

In this method a criteria architect or engineer helps the County develop a scope of work statement provides firms with information regarding the County's requirements.<sup>35</sup> Again, in the two-phase process the Director of Public Works establish a prequalification committee to evaluate RFQ responses submitted by a design-

<sup>29</sup> Cuyahoga County Code § 501.10. Purchases to be Executed by Office of Procurement and Diversity. The County procurement card vendor is KeyBank.

<sup>30</sup> This limit was also changed after the study period, in April 2019, to \$5,000

<sup>31</sup> Cuyahoga County Code § 501.04. Prior to April 28, 2015 contacts between \$1,000 and \$100,000 were approved by the Contracting and Purchasing Board..

<sup>32</sup> Cuyahoga County Code § 504.07. General Contracting Delivery Method.

<sup>33</sup> Id.

<sup>34</sup> Cuyahoga County Code § 504.03. Management-at-Risk Delivery Method.

<sup>35</sup> Cuyahoga County Code § 504.04. Design-Build Delivery Method.

build firm. Next, the County publicly solicits responses to the RFQ. The RFQ also asks for “submission of information on and evidence of the firm's compliance record with respect to small business enterprise inclusion goals and workforce inclusion goals, if applicable.”

The Director of Public Works also establish a selection committee to evaluate responses submitted to the RFQ. The RFQ also includes “the small business enterprise inclusion goals and workforce inclusion goals for the building project, if applicable.” For non-complex building projects, the Director of Public Works can choose to utilize a one-step design build process.<sup>36</sup>

#### **4. Professional Services**

The County Code provides that “[a]ny purchase of professional design services provided by architects, engineers, or surveyors shall be done as provided for in Sections 153.65 through 153.71 of the Ohio Revised Code.”<sup>37</sup> Ohio state law provides for an RFQ selection process.<sup>38</sup> The County Code allows that the County may deviate from these requirements “if the County Executive, with the approval of the Board of Control, determines that doing so would be advantageous to the County.”<sup>39</sup> The County has typically used an RFQ process for the selection of architect and engineering (A&E) firms. County diversity staff do not regularly sit in on the selection committees for professional services.

### **D. Bonding, Insurance, and Prompt Payment**

#### **1. Bonding Requirements**

A general goal of the County has been to reduce the burden of bonding requirements. Along these lines the County Code allows for waiving performance and payment bonds on construction projects less than \$250,000, if no federal funds are involved, and construction projects under \$150,000 if federal funds are involved.<sup>40</sup> This program is available to vendors who prequalify. Risk Management established a waiver program where a vendor can obtain a waiver upon completing a training course. For non-construction projects bonds may be waived at the discretion of the Law Department, through its risk management staff. The County is supposed to budget for these bond waivers. However, County staff reported that bonds had only been waived on one or two projects. The County Code also calls for looking into small business bond guarantees.<sup>41</sup> To date such bond guarantees have not been undertaken.

#### **2. Insurance**

County standard mandatory insurance requirements are as follows:

- a. Worker’s Compensation Insurance as required by the State of Ohio. For Contractors with employees working outside of Ohio, Worker’s Compensation Insurance as required by the various state and Federal laws as applicable including Employers’ Liability coverage.
- b. Commercial General Liability Insurance with limits of liability not less than: \$1,000,000

<sup>36</sup> Cuyahoga County Code § 504.05. One-Step Design Build Delivery Method.

<sup>37</sup> Cuyahoga County Code § 501.12.

<sup>38</sup> ORC §§ 153.66, 153.69, 153.691.

<sup>39</sup> Id.

<sup>40</sup> Cuyahoga County Code § 508.02. When Performance Bonds Are Not Required.

<sup>41</sup> Cuyahoga County Code § 504.14. Small Business Bonding Guarantees.

each occurrence bodily injury & property damage; \$1,000,000 personal & advertising injury; \$1,000,000 general aggregate; \$1,000,000 products/completed operations aggregate. If the Contract involves direct interaction with children or youth, this policy must include coverage for Sexual Abuse and Molestation in the same amount.

- c. Business Automobile Liability Insurance covering all owned, non-owned, hired, and leased vehicles. Such insurance shall provide a limit of not less than \$1,000,000 combined single limit (bodily injury & property damage) each accident.<sup>42</sup>

Additional insurance requirements are as follows:

- d. Professional Liability Insurance/Errors & Omissions Liability Insurance providing coverage for claims arising out of the provision of design, architectural, engineering, consultants, counselors, medical professionals, legal and/or other professional services with a limit of liability not less than: \$1,000,000 per claim; \$2,000,000 aggregate.
- e. Cyber Risk Insurance for all vendors who provide software development and installation, or the storage of, hosting of, use of or access to County data. This coverage shall respond to privacy and network security liability claims with limits of liability not less than: \$3 million per claim; \$3 million per aggregate.
- f. Technology Professional/Errors & Omissions for all vendors who provide IT professional technology services and products (including, but not limited to, IT consultants, software developers, web developers and designers, data processing, and internet media/publishers). This coverage shall respond with limits of liability not less than: \$1 million per claim; \$2 million per aggregate. Note: The coverage amount may be higher depending on the type of project and professional services. This coverage shall extend protection for economic loss of a third party arising from: (1) failure or the vendor's product to perform as intended or expected, and (2) acts, errors, or omissions committed by the vendor in the performance of its services.
- g. Umbrella/Excess Liability Insurance to provide additional insurance limits for commercial general liability and/or automobile liability, with limits of liability not less than: \$5,000,000 each occurrence \$5,000,000 general aggregate \$5,000,000 products/completed operations aggregate Such insurance shall be written on an occurrence basis and shall sit in excess of the limits and terms set forth in the preceding items 1.(b)-(c).
- h. All Risk Equipment Insurance covering all risk of physical damage to equipment provided for use by Contractor.
- i. Pollution Legal Liability Insurance (including Contractors Pollution Liability Insurance, if applicable) with a limit of liability not less than: \$1,000,000 per claim; These insurance requirements may be amended as the contract procurement process develops. \$1,000,000 aggregate.

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<sup>42</sup> Cuyahoga County, Standard Insurance Language, February 2016. [https://opd.cuyahogacounty.us/pdf\\_opd/en-US/StandardInsuranceRequirements.pdf](https://opd.cuyahogacounty.us/pdf_opd/en-US/StandardInsuranceRequirements.pdf).

- j. Liquor Liability Insurance with a limit of liability not less than: \$1,000,000 per occurrence; \$1,000,000 aggregate.
- k. Aviation Liability Insurance covering the use and maintenance of all owned and non-owned aircraft of any type with a limit of liability not less than: \$10,000,000 per occurrence; \$10,000,000 aggregate.
- l. Marine Liability Insurance covering the use and maintenance of all owned and non-owned watercraft with a limit of liability not less than: \$5,000,000 per occurrence; \$5,000,000 aggregate.
- m. Builders Risk Insurance on an All Risks Property Coverage Form covering damage to buildings or other structures while under construction or renovation including materials and fixtures whether or not yet incorporated into the buildings or other structures.

County staff reported not hearing many vendor complaints about County insurance requirements, except for cyber insurance on informational technology contracts.

### **3. Prompt Payment**

Under State law, prime contractors must pay interest of 18 percent interest beginning on the eleventh day after the prime has been paid.<sup>43</sup> Ohio prompt payment rules apply to all public and private commercial construction and cannot be waived by contract. Similar rules apply for second tier subcontractors.

In May 2016, the County Executive issued a swift pay executive order to ensure that the County made timely payments to prime contractors and to penalize prime contractors who did not pay their subcontractors on a time after being paid by the County for the subcontractor's work. The County executive order basically restates the State policy of payment within ten days of primes to subcontractors.<sup>44</sup> State and County policy do not directly address retainage.

County staff report that there are still some complaints about prompt payment of subcontractors. Vendor concerns regarding prompt payment are reported in the survey results in the anecdotal chapter.

## **E. Supplier Registration, Prequalification, and Licensing**

The County has used BuySpeed Online for its supplier registration system since 2008. Vendors register in BuySpeed by NIGP commodity code and certification status and can browse relevant solicitations. The County does not generally prequalify firms and does not maintain a prequalification list.

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<sup>43</sup> ORC § 4113.61. Time limitations for payments to subcontractors and materialmen.

<sup>44</sup> Cuyahoga County, Executive Order No. EO2016-0002. May 2, 2016.

The Ohio Construction Industry Licensing Board issues state licenses for the following trades: Electrical, HVAC, Hydronics, Plumbing, and Refrigeration. To receive a state license, an applicant must meet the following requirements:

- Be at least 18 years of age.
- Be a United States citizen or a legal alien-must provide proof of being a legal alien.
- Either have been a tradesperson in the type of licensed trade for which the application is filed for not less than five years immediately prior to the date the application is filed, currently be a registered engineer in this state with three years of business experience in the construction industry in the trade for which the engineer is applying to take the examination, or have other experience acceptable to the appropriate section of the board.
- Never have been convicted of a disqualifying offense.
- Pass the examination in the trade.
- Carry minimum \$500,000 contractor liability coverage.
- Pay the applicable fees.<sup>45</sup>

## **F. SBE and MBE/WBE Certification**

### **1. SBE Certification**

The County uses the Small Business Administration (SBA) size standard for limits for revenue and workforce size to define small firms.<sup>46</sup> An SBE can graduate from one NAICS code but not another based on the relevant size standards. County staff report that some SBEs have graduated from the program. SBEs must have an office located in Cuyahoga County but the website provides that “mailbox facilities or other similar arrangements do not constitute a physical presence.”<sup>47</sup>

### **2. MBE/WBE Certification**

The County Code defines MBEs and WBEs as follows:

“Minority Business Enterprise” means an individual, domestic corporation, sole proprietorship, partnership, joint venture, entity or company that is at least 51% owned by one or more individuals who are African American, Hispanic American, Native American, Asian-Pacific American or Asian-Indian American; and whose management and daily business operations are controlled by one or more of these owners as determined by the Cuyahoga County Office of Procurement and Diversity.

“Women Business Enterprise” means an individual, domestic corporation, sole proprietorship, partnership, joint venture, entity or company that is at least 51% owned by one or more women and whose management and daily business operations are controlled by one or more of these owners as determined by the Cuyahoga County Office of Procurement and Diversity.<sup>48</sup>

<sup>45</sup> ORC § 4740.06. License application.

<sup>46</sup> <https://opd.cuyahogacounty.us/vendors/Login.aspx>.

<sup>47</sup> Id.

<sup>48</sup> Cuyahoga County Code § 510.02.

Note that these definitions do not clarify some nuances in ethnic definitions, such as, are Africans born in Africa part of the program, are people of Portuguese descent Hispanic, and similar issues. However, these nuances did not arise as a source of controversy in policy interviews.

The County Code does not set geographic definitions on MBE and WBEs but the website states that MBEs and WBEs must be “located and doing business” in the **Cleveland Contracting Market defined as “Cuyahoga County, Geauga County, Lake County, Lorain County, Medina County and Summit County.”**<sup>49</sup> There is also no size limitation on MBE and WBE certification in the County Code.

The County definition of MBE and WBE is also not limited by any procurement category. However, the last disparity study did find disparities across all procurement categories. (The absence of disparities in a particular procurement category can be the basis for excluding that category from an MBE/WBE program.) The County conducts its own certification and has conducted site visits in conjunction with its certification process. The County has a reciprocity agreement with the State of Ohio for quick certification of MBEs.

### 3. County Certified Diversity Business Directory

The County Certified Diversity Business Directory is posted on the County website. The table below shows the results of a download of certified firms in March 2019. The County Certified Diversity Business directory had 468 firms (a growth of 44 since 2017), including 189 MBEs and 201 WBEs. Only 33 of the MBE/WBESs did not also have an SBE certification. The largest minority group was African American with 128 firms. There were 236 firms with SBE certification (50.4 percent of the directory) that did not have an MBE/WBE certification. The diversity certification application asks about capacity information, such as largest public sector contract awarded, but this capacity information is not in the online directory.

**Table 8: Cuyahoga County MBE, WBE, SBE Certification, 2019, 2017**

Cuyahoga County Disparity Study				
Certification Categories	2019 Certified Diversity Business directory	2017 Equity Report		
		New	Recertified	Total
MBE	13	7	4	11
SBE	150	13	161	174
SBE MBE	103	22	84	106
SBE MBE WBE	68	15	61	76
SBE WBE	113	9	108	117
WBE	15	2	6	8
MBE WBE	5		NA	

Source: 2019 B2G Database, 2017 Equity Report

<sup>49</sup> <https://opd.cuyahogacounty.us/en-US/SBE-certification.aspx>. This geographic definition is consistent with the definition in the Cuyahoga County Disparity Study (2015), page 146.

**G. Race Conscious MBE/WBE Program Elements**

Ohio state law provides that Counties can “develop a policy to assist minority business enterprises.”<sup>50</sup> The County Code provides that the County has “the right to take measures to encourage fair and equitable participation by all segments of the County's residents in county construction projects.”<sup>51</sup> The primary policy the County has in this area is MBE/WBE project goal setting.

**1. MBE/WBE/SBE Goal Setting**

The County Code does not set or provide for setting annual aspirational MBE and WBE percentage goals. In practice the County sets a 30 percent SBE goal and does set MBE/WBE/SBE project goals... The County does not have a formal goal setting committee per se. In practice the County sets the following goals presented in the table below.

**Table 9: Cuyahoga County MBE, WBE, SBE Goals**

<b>Cuyahoga County Disparity Study</b>	
<b>CATEGORY</b>	<b>ASPIRATIONAL GOALS</b>
Professional Services	SBE: %
	MBE: 10.0%
	WBE: 5%
Construction	SBE: %
	MBE: 17%
	WBE: 6%
Goods and Other Services	SBE: %
	MBE: 12%
	WBE: 6%
Suppliers	SBE: %
	MBE: 6%
	WBE: 3%

Source: Office of Procurement and Diversity

Each bidder, including a certified MBE or WBE submitting as a prime, has to submit a certified Subcontractor Participation Plan. The County Code does not exempt MBE, WBE and SBE primes from having satisfy project goals or submit good faith efforts. Staff reports that in practice MBE and WBE primes receive a 20 percent credit towards meeting the project goals.

Prime vendors cannot use an MBE/WBE/SBE “with whom the prime vendor has a familial relationship, joint or co-ownership, common partners, officers, or a shareholder relationship to meet the

<sup>50</sup> ORC § 307.921 Policy to assist minority business enterprises.

<sup>51</sup> Cuyahoga County Code § 504.10. Fair and Equitable Participation.



SBE/MBE/WBE Participation Goal”<sup>52</sup> MBE/WBE/SBE subcontractors cannot subcontract more than 25 percent of the dollar value of their subcontract work without prior approval by OPD. Primes must also report information for second tier vendors, including race/gender, business size, specialization, dollar value, description of goods/services or products.

County staff also report that firms have had a harder time meeting the MBE component of the 30 percent project goal. However, some staff stated that in practice the County has cared more about the overall project goal than the distribution within the goal between MBEs, WBEs, and SBEs.

The table below show internal County data on SBE/MBE/WBE utilization on projects from 2014 through 2018. SBEs as a whole won \$44.5 million (5.4 percent) in this data and WBEs \$10.9 million (1.3 percent). MBEs won about \$10.4 million (1.3 percent) as SBEs and \$3.9 million as MBEs (0.5 percent), for a total of about 1.8 percent. These numbers are evidence that County goals process is not a rigid quota.

**Table 10: Prime Diversity Utilization**

**FY2014-FY2018  
Cuyahoga County Disparity Study**

<b>Category</b>	<b>Dollars Awarded by Primes</b>	<b>Percent</b>
MBEs	\$3,944,116.47	0.5%
Minority SBEs	\$10,448,040.40	1.3%
Nonminority Female SBEs	\$10,914,413.92	1.3%
White Male SBEs	\$23,181,992.75	2.8%
Total SBEs	\$44,544,447.07	5.4%
Total Dollars	\$832,329,492.04	

Source: Office of Procurement and Diversity

The table below shows reasons for not establishing a diversity goal on projects from 2014 through 2018 based on internal County data. These 340 projects with no diversity goal show that diversity goals were not set as a quota on every project. The primary reason for not setting diversity goals was zero/limited number of SBEs available (70.6 percent). This data is also evidence that the County was considering availability in the goal setting process. Further analysis of County diversity utilization is in the statistical chapter below.

<sup>52</sup> Cuyahoga County Code § 503.03.

**Table 11: Contracts Awarded with No Diversity Goals Established**

**FY2014-FY2018  
Cuyahoga County Disparity Study**

<b>Reason for No Diversity Project Goals</b>	<b>Number</b>	<b>Percent</b>
Federally Funded	37	10.9%
N/A - grant requirements	6	1.8%
Special Project/Circumstances	56	16.5%
Zero/limited Number of SBEs available	240	70.6%
<b>Total</b>	<b>340</b>	<b>100.0%</b>

Source: Office of Procurement and Diversity

Bidders must also submit a Covenant of Non-Discrimination with their bids.<sup>53</sup> The County defines Covenant of Non-Discrimination to mean the bidder promises (1) to adopt the policies of Cuyahoga County relating to the participation of SBE/MBE/WBEs in the procurement process; (2) to undertake certain good faith efforts to solicit SBEs participation; and (3) not to otherwise engage in discriminatory conduct against SBE/MBE/WBEs. The Covenant of Non-Discrimination is DIV-1 in the Bidder’s Manual. Cuyahoga County may declare a bid or proposal non-responsive if the bidder has not filed a duly executed Covenant of Non-Discrimination.

The County Code gives the County the power to consider MBE/WBE/SBE compliance in contract award if the difference between the MBE/WBE/SBE-compliant bid and the lowest responsive bid is no more than the price preference in the table below.

**Table 12: MBE/WBE Preference Limits**

**Cuyahoga County Disparity Study**

<b>Lowest Bid Received Range (\$)</b>	<b>Price Preference (%) &amp; Limit</b>	<b>Price Preference (\$)</b>
0 – 500,000	10%	0 – 50,000
500,001 – 1,000,000	10% up to max \$80,000 (10-8)	50,000 – 80,000
1,000,001 – 3,000,000	8% up to max \$210,000 (8-7)	80,000 – 210,000
3,000,001 – 5,000,000	7% up to max \$250,000 (7-5)	210,000 – 250,000
>5,000,000	\$250,000 maximum (≤5)	250,000 maximum

Source: Cuyahoga County Code Section § 503.03.D. Award of Contract.

County staff reports that these limits have seldom come into effect and few bids have been rejected for failure to comply with MBE/WBE goals or good faith efforts requirements (described below). However, no data was available on rejected bids for failure to satisfy MBE/WBE goals.

<sup>53</sup> Id.

## 2. Good Faith Efforts Requirements

The County Code also provides that “[p]roposals/bids may be rejected and projects re-submitted for the sole purpose of attaining goals where inadequate “good faith effort” has been demonstrated. Cuyahoga County reserves the right to determine the action to be taken on the contract if a goal is not met, including rejecting any or all bids or proposals.”<sup>54</sup>

The County requires vendors to demonstrate good faith efforts, by delivering in written or electronic form to SBE/MBE/WBEs the following information at least one week before proposal or bid due date.

- a. Sufficient information about the plans, specifications, and relevant terms and conditions of the solicitation. This should include information about the work which will be subcontracted or the goods which will be obtained from subcontractors and suppliers;
- b. A contact person knowledgeable of the project scope documents, within the Participant’s office, to answer questions about the conditions of the contract;
- c. (3) Information as to the Participant’s bonding requirements; and
- d. (4) The deadline for price quotations.<sup>55</sup>

The County code also provides that as part of the evaluation of good faith efforts prime contractors are also required to “report statistical data for its employees and proposed subcontractors that include race, gender, business size, area of specialization, dollar value, description of services or products purchased and contact information.”<sup>56</sup> Bidders must also keep detailed records of all correspondences and responses.

Bidders must submit completed Good Faith efforts only if the Diversity Goals are not met and a partial and full waiver of the goals submitted.<sup>57</sup> A goal waiver can also be issued in instance where the goals would cause “a detriment to public health, safety or the financial welfare of the County.”<sup>58</sup> The MBE/WBE/SBE goals may also be waived if MBE/WBE/SBEs provide price quotes which are “unreasonably high in that they exceed competitive levels beyond amounts which can be attributed to cost, overhead and profit.”<sup>59</sup>

There are two important observations about the County GFE requirements. First, there is no dollar threshold for application of these requirements. Second, most organizations use a list like the one below and some assign points to such a list with a minimum threshold.

- Contacts
- Making Plans Available
- Breaking Down Work
- Working with SBE and MBE/WBE Organizations
- Attendance at Pre-Bid
- Bonding or Insurance Assistance on Construction Contracts
- Negotiating in Good Faith with MBE/WBEs
- Financial Assistance
- Entering into A Joint Venture

<sup>54</sup> Cuyahoga County Code § 503.03. Award of A Contract.

<sup>55</sup> Id. Written Notice to MBE/WBEs.

<sup>56</sup> Id. Evaluation of Good faith Efforts.

<sup>57</sup> Id. Good Faith Efforts Certification.

<sup>58</sup> Cuyahoga County Code § 503.05. Waiver for Detriment to Public Health, Safety or Financial Welfare.

<sup>59</sup> Id.

➤ Quick Pay Agreements on the Construction Contract Up for Award

The County MBE/WBE/SBE goals and good faith efforts policy does not apply to the following:

- sole source procurements.
- purchases from political subdivisions/government entities;
- purchases off state contracts, off federal contracts, and from joint purchasing programs.
- acquisition of any interest in real property.
- direct and indirect employee payments;
- any other categories and subcategories of goods and services Cuyahoga County may from time to time establish as excluded contracts upon recommendation of the Director of the Office of Procurement & Diversity and approval by the Cuyahoga County Executive and Cuyahoga County Council.<sup>60</sup>

### 3. Business Economic Inclusion Program

The County Code authorizes preferences for "inclusive businesses" in 2016. A Cuyahoga County "inclusive business" (CCBEIP) is:

An individual, domestic corporation, sole proprietorship, partnership, joint venture, entity or company that demonstrated a commitment to utilizing Minority Business Enterprises and/or Women Business Enterprises as subcontractors on three projects within the past two years as determined by the Cuyahoga County Office of Procurement and Diversity; or

An individual, domestic corporation, sole proprietorship, partnership, joint venture, entity or company that demonstrated that it hired and employed a diverse workforce based on payroll records within the past two years as determined by the Cuyahoga County Office of Procurement and Diversity.<sup>61</sup>

The inclusive firm that is within 2 percent of the lowest bid presented by a non-inclusive business can match the lowest bid. If there is more than one bid from an inclusive business within 2 percent of the lowest bid, the option to match is granted to the lowest priced inclusive business.

There were only two certified CCBEIPs in 2019.<sup>62</sup> The table below shows that the CCBEIP program had no impact on awards in 2016-2018.

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<sup>60</sup> Cuyahoga County Code § 503.05.

<sup>61</sup> Cuyahoga County Code § 510.02.

<sup>62</sup> Report on the Impact of the Cuyahoga County's Diversity Programs/Initiatives, 2019

: 1.

**Table 13: Cuyahoga County Economic Inclusive Business Program Impact**

**FY2016-FY2018  
Cuyahoga County Disparity Study**

<b>Year</b>	<b>N/A (RFP or RFQ)</b>	<b>No</b>	<b>No – No Bids Received</b>	<b>Yes – But No Impact</b>	<b>Yes</b>
2016	52	0	0	47	0
2017	65	0	0	34	0
2018	51	0	0	49	0
<b>TOTAL</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>81</b>	<b>0</b>

Source: Report on the Impact of the Cuyahoga County’s Diversity Programs/Initiatives, 2019

- Key:
- N/A - The procurement method was RFP or RFQ
  - No – The low bidder is located in Cuyahoga County
  - No – No Bids Received – There were zero (0) bids received
  - Yes – But No Impact – The low bidder is not located in Cuyahoga County and there is not a bidder within 2% of the low bidder that is Cuyahoga County Business Economic Inclusion Program (CCBEIP)
  - Yes – The low bidder is not located in Cuyahoga County and there is a bidder within 2% of the low bidder that is CCBB.

**4. County DBE Program**

The County does not have an extensive DBE program. The County applies Ohio DOT DBE goals to project with US Department of Transportation (DOT) funding, Federal Aviation Administration (FAA) at the County Airport and tracks DBE goal compliance in the B2GNow system.

**H. Race Neutral Programs**

**1. SBE Set Asides**

The County SBE set aside program, passed in 2016, allows for reserving some bids, RFPs and RFQ solely for SBEs.<sup>63</sup> The OPD is required to report the status of the SBE set-aside program to council and its impact on correcting disparities identified in the 2015 County disparity study.

The table below shows pending/approved set asides. Of these six projects, four were A&E. The six projects ranged in value from \$200,000 to \$490,000, with an average estimated contract value of about \$332,055. The report did not indicate the race/ethnicity/gender of the firms receiving the set-aside awards.

The County currently has seven small business set-asides projects for 2019 and five for 2020.<sup>64</sup> Six of these projects involve A&E services. The projects range in value from \$200,000 to \$350,000.

<sup>63</sup> Cuyahoga County Code § 503.08. Small Business Set Asides.

<sup>64</sup> OPD, 2018 Equity Report.

**Table 14: Cuyahoga County Pending/ Approved SBE Set Aside Projects**

**Cuyahoga County Disparity Study**

<b>Advertisement/ Approved Date</b>	<b>Description</b>	<b>Estimated/Actual Contract Value</b>
Approved 9/26/2016	Southern Pump-Entrance Repair (RQ37442)	\$252,747
Approved 11/21/2016	Interior Painting at various county buildings (RQ38152)	\$349,588
Approved 2/21/2017	General Engineering Services (RQ38158)	\$490,000
Approved 10/2/17	General Architectural Engineering Services (RQ40115)	\$200,000
Advertisement Closed 8/11/17	General Engineering Services (RQ39869)	\$300,000
Advertisement Closed 7/13/2018	General Architectural Engineering Services (RQ 42565)	\$400,000

Source: OPD, 2018 Equity Report

**2. Cuyahoga County Based Business Preference Program**

The County enacted a County based business (CCBB) program in 2012.<sup>65</sup> The County code defines a Cuyahoga County Based Business as:

an individual, domestic corporation, sole proprietorship, partnership, or joint venture whose principal place of business has been located in Cuyahoga County for at least three (3) years as registered in official documents filed with the Secretary of State of Ohio or the Cuyahoga County Fiscal Office. If one party to a joint venture has its principal place of business in Cuyahoga County, the joint venture shall be considered as having its principal place of business in Cuyahoga County; or a business organization with a “significant economic presence” in Cuyahoga County. “Significant economic presence” means the firm has for at least three years <sup>66</sup>

- Has a sales office, division, sales outlet, or manufacturing facility in Cuyahoga County; and
- Pays required taxes to Cuyahoga County; and
- Has an annual gross payroll in Cuyahoga County of at least \$100,000.<sup>67</sup>

<sup>65</sup> Cuyahoga County Code § 502.01. Program.

<sup>66</sup> A certified county SBE, may qualify as a CCBB after at least one year of continuous operation in Cuyahoga County, rather than the three years. Cuyahoga County Code § 502.04 SBE Certification and CCBB Qualification.

<sup>67</sup> Cuyahoga County Code § 502.02. Definitions.

The program allows a CCBB whose bid is within two percent of the lowest bid submitted by a non-CCBB bidder the option to match the lowest bid. If there are more than one bid from a CCBB within the percent, the opportunity to match goes to the lower priced bid by the CCBB.<sup>68</sup> If a firm is an SBE and CCBB, only the larger preference applies.<sup>69</sup>

There were 55 certified CCBBs in 2019. The table below shows that the CCBB preference impacted five bids from 2013 to 2018.

**Table 15: Cuyahoga County Based Business Program Impact**

**2013-2018  
Cuyahoga County Disparity Study**

Year	CCBB ECONOMIC IMPACT				
	N/A (RFP or RFQ)	No	No – No Bids Received	Yes – But No Impact	Yes
2013	74	48	1	9	0
2014	83	28	0	22	3
2015	36	20	0	8	1
2016	52	28	0	18	1
2017	65	12	0	22	0
2018	51	28	0	19	2
TOTAL	310	136	1	79	5

Source: Report on the Impact of the Cuyahoga County’s Diversity Programs/Initiatives, 2019

- Key:
- N/A - The procurement method was RFP or RF Q
  - No – The low bidder is located in Cuyahoga County
  - No – No Bids Received – There were zero (0) bids received
  - Yes – But No Impact – The low bidder is not located in Cuyahoga County and there is not a bidder within 2% of the low bidder that is Cuyahoga County Based Business (CCBB)
  - Yes – The low bidder is not located in Cuyahoga County and there is a bidder within 2% of the low bidder that is CCBB.

**3. Business Development Assistance**

County has offered workshops on how to do business with the County. The County has sponsored joint classes in construction training with the City of Cleveland. OPD has conducted considerable outreach in the form of attending various networking and business development events in the Cleveland area, and nationally. There has been discussion about a mentor-protégé program, but the program has not been implemented. The OPD does not currently have a loan program for small business linked to procurement opportunities as opposed to economic development more broadly.

<sup>68</sup> Cuyahoga County Code § 502.03. Match-Price Preference Option for Cuyahoga County Based Business.

<sup>69</sup> Cuyahoga County Code § 502.05. One Preference to Apply.

## I. OPD Diversity Division

### 1. Mission and Objectives

**The OPD has stated one of its three Priorities/Outcome is:** “Encourage opportunities for Diversity Businesses (SBE/MBE/WBE) in county procurements.” **For this priority/outcome the OPD states its methods as:**

- Using best management practices, continue to be creative and innovative in structuring procurement opportunities for (SBE/MBE/WBE) vendors for projects/contracts with county participation.
- Participate in community outreach events to increase awareness and effectiveness of the Diversity Division.
- Increase and strengthen contract compliance monitoring for (SBE/MBE/WBE) Division.<sup>70</sup>

The Diversity Division goal within OPD is to:

support and encourage SBEs, MBEs, and WBEs by creating, providing, and supporting opportunities for them to grow and thereby compete effectively in the general environment for contracting opportunities.

To achieve these goals the diversity report state that the Division will:

- Create and implement programs to encourage participation –
- “How to Do Business with Cuyahoga County” – Seminar/Training
- Continue to track SBE, MBE, and WBE utilization on county contracts and purchases.
- Continue providing staff development training
- Create and implement programs to encourage participation
- SBE, MBE, and WBE vendor trainings
- SBE, MBE, and WBE outreach
- Increase the number of certified SBEs, MBEs, and WBEs
- Increase the number of SBEs, MBEs, and WBEs awarded contracts
- Target business fields with a low number of certified businesses
- Implement recommendations and programs resulting from the Disparity Study.<sup>71</sup>

### 2. Organization and Staffing

The OPD reports to the County Fiscal Officer, who also is over general accounting, appraisal, recording, the Title Office, the Office of Budget and Management, the Office of Consumer Affairs, and the Treasurer’s Office. The OPD has a staff of sixteen. The Diversity Division of OPD does not have a separate budget. There

<sup>70</sup> Office of Procurement and Diversity, Initiatives & Accomplishments. [https://opd.cuyahogacounty.us/en-US/Initiatives\\_Accomplishments.aspx](https://opd.cuyahogacounty.us/en-US/Initiatives_Accomplishments.aspx).

<sup>71</sup> Cuyahoga County Equity Reports, 2013 and 2017.



are four staff working directly on County Diversity Division in the OPD, although other staff support the County diversity initiatives. The diversity staff listed in the 2017 County Equity Report are: Director, Sr. Contract Compliance Officer, Program Officer 1, and Contract Compliance Officer. Currently there is no internal or external MBE/WBE Advisory Committee.

**3. Reporting MBE/WBE Utilization**

The County Code provides that “[o]n or before April 1 of each year starting in 2017, the Cuyahoga County Office of Procurement and Diversity shall issue a report to Council outlining the status of the Small Business Enterprises Program, including the overall impact the program has had on correcting the disparities identified in the 2015 Cuyahoga County Disparity Study.”<sup>72</sup> In 2017, the OPD purchased B2GNow software to track MBE/WBE utilization. However, the County Equity reports from 2013-2017 report data on the SBE, CCBB and business inclusiveness programs, and diversity dollars awarded.

The table below shows diversity dollars awarded on Cuyahoga County projects from 2017 through 2018. Based on this data there was \$31.8 million diversity dollars awarded, 3.1 percent of the total. The data was not decomposed by procurement type, prime and subcontractor, or MBE/WBE/SBE.

**Table 16: Cuyahoga County Diversity Dollars Awarded**

**2017-2018  
Cuyahoga County Disparity Study**

<b>Purchase Type</b>	<b>Total Award Amount</b>	<b>Total Diversity \$ Awarded</b>	<b>Total Diversity Percent</b>
<b>RFP</b>	\$382,102,166	\$3,392,135	0.9%
<b>RFQ</b>	\$15,924,915	\$2,292,588	14.4%
<b>Bid-Non-Construction</b>	\$73,462,942	\$7,396,031	10.1%
<b>Bids-Construction</b>	\$522,852,850	\$18,078,977	3.5%
<b>Total</b>	\$994,342,873	\$31,159,730	3.1%

Source: Office of Procurement and Diversity

The County Code requires a disparity study every five years.<sup>73</sup> The County commissioned one previous disparity studies in 2015. The 2015 County Disparity Study reported disparities in combined prime and subcontractor utilization for all groups and all categories except women in goods and services.<sup>74</sup>

<sup>72</sup> Cuyahoga County Code § 503.08.E. Small Business Set Asides.

<sup>73</sup> Cuyahoga County Code § 509.01 Disparity Study.

<sup>74</sup> Griffin & Strong, Cuyahoga County Disparity Study Final Report, 2015: 149.

## J. Conclusions

The 2016 County MBE/WBE program is new and is an outgrowth of the County 2012 SBE program. The County MBE/WBE plan has race conscious and race neutral elements, although not all the program components have been implemented. The primary focus of business development efforts thus far has been extensive outreach.

The goal setting process appears to use similar mix of MBE/WBE and SBE goals. In practice MBE/WBE/SBE project goals on construction have been about 30 percent. Staff reports few bids were rejected for failure to meet MBE/WBE/SBE project goals or to submit good faith efforts. The County issues annual diversity reports but the coverage of MBE/WBE utilization has been limited. This is the County's second disparity study.

Some innovative policies, such as the inclusive business program, have attracted few firms and not impacted contract awards. The locally based business program has had a modest impact on contract awards. While there are a significant number of SBEs, there have only been six SBE set asides in 2016 and 2017.

The impact of these policies is evaluated further in the qualitative and anecdotal material in subsequent chapters in this report. Detailed recommendations about County procurement and MBE/WBE policy are found in the Recommendations chapter below. Those recommendations are based on the combination of the findings in this chapter with the findings in the statistical and anecdotal chapters in this report.

## V. QUANTITATIVE ANALYSIS

The quantitative analysis measures and compares the availability of firms in each race/ethnicity/gender group within the County's geographical and product market areas to the utilization of each race/ethnicity/gender group, measured by the payments to these groups by the County.

The outcome of the comparison shows us whether there is a disparity between availability and utilization and whether that disparity is an overutilization, an underutilization, or in parity (the amount to be expected). Further, the disparity is tested to see if it is statistically significant. Finally, the regression analysis contained in the Chapter VI Private Sector Analysis will test other explanations for the disparity to determine if it is likely that the disparity is caused by race/ethnicity/gender status, or other factors. If there is statistically significant underutilization of MWBEs that is likely caused by race/ethnicity/gender, then GSPC will determine that there is a legal basis for an inference of discrimination.

Sections A through D address the methodologies employed for data collection, data assessment, database setup, and data clean-up. Section E focuses on establishment of the relevant market in which the County already does business. Section F estimates the pool of available firms which are deemed to be ready, willing and able to do business with the County. Section G lays out the County's contracting, or utilization history for the five (5) year Study Period, and examines utilization for MWBEs in Construction, A&E, Professional Services, Other Services, and Goods. Section H analyzes the availability of MWBEs as compared to the City's utilization of such firms, to determine if there is a disparity. Section I determines whether the foregoing disparity suggests the presence of discrimination, and Section J provides a conclusion to the chapter.

### A. Data Assessment

The data assessment was initiated by a meeting with representatives from the Office of Procurement and Diversity. The purpose of this meeting was to determine what data Cuyahoga County maintains, in what format, and how GSPC could obtain the data. Further, the objective was for GSPC to get a better understanding of the County's purchasing process in order to best execute the methodology that has been approved by the County. It was also important for GSPC's team to understand how to operate the Study in a manner least intrusive to County personnel.

Following this assessment GSPC sent a data request which was prefixed with a review of GSPC's understanding of the data systems the County utilizes.

GSPC's Data Assessment Report is attached hereto as Appendix B and the Data Collection Plan is attached as Appendix C.

### B. Data Setup

#### 1. Electronic Data

Electronic data (queried data tables and spreadsheets) supplied by the County and other data collected by GSPC were catalogued and stored in GSPC's computer systems subsequent to the data collection effort. The data entered were used to develop databases containing contracting history for each business type on all contracting done on behalf of the County.

## 2. Manual Data Entry

Manual data entry was needed for filling in data gaps, for the assignment of work categories for awards without commodity codes, for filling in vendor names in the Agenda system (Novus), as well as marking duplicates among all award systems. Additionally, as part of GSPC's scope of work, NAICS codes were entered for all included awards in the study. These NAICS codes were used as the basis for classifying awards into work categories. A list of the NAICS codes utilized by the County are attached as Appendix D.

### C. Data Assignment, Cleanup, and Verification

After the completion of data collection, the data was electronically and manually cleaned to find duplicates (both electronically and manually) and fill in unpopulated fields. The clean-up phase also included the following five (5) tasks:

Assigning and verifying ethnicity, race & gender of each firm;

Assigning each firm to one or more of the five (5) business categories based upon the kind of work that the firm performs;

Utilizing zip codes to determine certain areas to assign each firm's location

Matching files electronically to pick up addresses, ethnicity/race/gender, and/or work category; and

Filling in any additional missing data on firms.

File clean-up was first done electronically by linking information provided by the County to certain indicators, like commodity codes or cross-referencing information with other files to fill in missing fields. Additionally, rows with conflicting information regarding firm name, ethnicity, and zip code were electronically isolated and manually resolved.

#### 1. Assignment of Race/Gender/Ethnicity

In order to identify all other minority groups, GSPC utilized the assignments given to firms in the governmental lists from the County, the City of Cleveland certified list, and the Ohio DOT Unified DBE list. Self-identified certifications were not considered. For vendors deriving from certified lists without explicitly defined minority groups, they are included and placed in the "Unidentified MWBE" category. In assignment of race/gender/ethnicity, priority is given to race/ethnicity, so that all minority owned firms were categorized according to their race/ethnicity and not by gender. Women are categorized by race and gender. Firms with no race/ethnicity/gender indicated and Caucasian male owned firms are categorized as Non-Minority firms.

#### 2. Assignment of Business Categories

As part of GSPC's scope of work, the categorization of awards was done manually by manually assigning a NAICS code for both excluded and included awards within the study period. These codes were used to then converted into work categories.

To assign work categories to vendors, GSPC considered all commodity codes associated with a vendor from all vendor systems. This means a vendor can appear in multiple work categories depending on the codes related to vendor from certified lists, internal records, as well as the manually assigned codes relating to Cuyahoga's spending.

Generally, (a) the Construction category includes those firms that perform construction services; (b) the A&E category includes only architecture and engineering firms; (c) the Professional Services category includes lawyers, doctors, accountants, banks, and other highly skilled and licensed services; (d) the Other Services category includes services such as janitorial, landscape, and cleaning services; and (e) the Goods category includes firms who provide a tangible product.

### 3. Contract Classifications

Firms were identified and classified into the following five (5) work categories:

Construction - "The process of building, altering, repairing, improving, or demolishing any public structure or building, or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair or routine maintenance of existing structures, buildings or real property."

Architecture & Engineering (A&E) - "includes design services, architectural and engineering services."

Professional Services - "(i.e., legal services, fiscal agent, financial advisor or advisory services, educational consultant services, and similar services by professional persons or groups of high ethical standards)"

Other Services - "the furnishing of labor, time, or effort by a contractor, not involving the delivery of a specific end product other than reports that are merely incidental to the required performance. This term does not include employment agreements or collective bargaining agreements." (not including Construction, Professional Services or other Professional Services)

Goods & Supplies - "all property, excluding real property or an interest in real property, including but not limited to supplies, equipment, and materials."

### D. Data Source Description

The following describes the databases created by GSPC and used for the analyses contained in this Study:

#### 1. Master Award File

The Master Award file is all prime awards of \$1,000 or more made during the Study period. It contains a combination of Novus, Buyspeed, MyPro, and OnBase data, as well as an Excel spreadsheet which tracked sole source procurements. Additionally, this file references a "Contract Quality" database which is intended to track the changing award amounts of contracts.

Deduplicating data involved joining all systems together after some initial pre-processing of the data. Requisition number was the primary key used throughout the analysis for grouping together awards from these various systems. A single requisition number can have multiple contracts under it, or even no contract number at all depending on the case. There is a tremendous overlap between all of these systems as they all contain similar data over similar periods of time, and often track the award at different points of the procurement process. In order to accurately deduplicate these awards, it required manually going through every award and marking the duplicates for exclusion from the analysis. The Contract Quality database was often used to find the most reliable amount for an award in the cases where there were discrepancies between systems.

The completed Master Award File contains unique awards to unique vendors for included and excluded awards in the analysis.

An award would be excluded due to it being a non-competitive award to a not-for-profit, a utility expense, a lease agreement, an award within/between governmental entities, or an award made to a vendor outside of the country with no location in the United States.

The grand total of awards for CY 2014-2015 was \$2,259,352,182.41. Of that amount, \$1,366,130,168.95 were included in the study and \$893,222,013.46 was excluded.

## **2. Master Subcontractor Award File**

The Master Subcontractor Award file is all subcontractor awards made during the Study period. It contains all subcontractor data being tracked in B2GNow as well as Microsoft Access. Only data that had a direct match to a prime award is included in the analysis.

## **3. Cuyahoga County Data Files**

Prime Contracts (Within Study Period)

Subcontracts (Within Study Period)

Buyspeed Vendors (Current)

Cuyahoga County Certified MWBE Vendor List (Current)

## **4. Outside Files**

City of Cleveland Certified List (Current)

Ohio DOT Unified DBE List (Current)

## **E. Relevant Market Analysis**

The now commonly held benchmark that the relevant market area should encompass at least 75 percent to 85 percent of the "qualified" vendors that serve a particular sector has its origins in antitrust lawsuits. In line with antitrust precepts, United States Supreme Court Justice Sandra Day O'Connor in Croson, specifically criticized Richmond, Virginia, for making Minority Business Enterprises (MBEs) all over the country eligible to participate in its set-aside programs. The Court reasoned that a mere statistical disparity between the overall minority population in Richmond, Virginia, which was 50 percent African American, and the award of prime contracts to minority owned firms, 0.67 percent of which were African American owned firms, was an insufficient statistical comparison to raise an inference of discrimination. Justice O'Connor also wrote that the relevant statistical comparison is one between the percentage of Minority Business Enterprises in the marketplace [or Relevant Market] who were qualified to perform contracting work (including prime contractors and subcontractors) and the percentage of total City contracting dollars awarded to minority firms. It should be noted that it is preferable, from an economic standpoint, to evaluate the largest and most exhaustive group of firms, even to 100 percent of all firms, but for this Study, GSPC utilized a benchmark of at least 75 percent.

The relevant market has been determined for each of the major procurement categories:

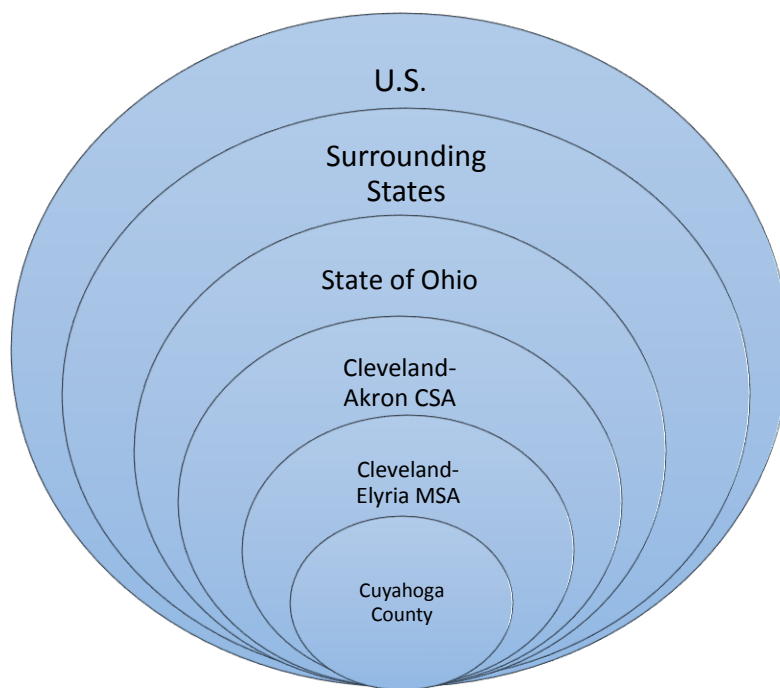
- Construction
- Architecture & Engineering (A&E)
- Professional Services
- Other Services
- Goods & Supplies

For each procurement category, GSPC measured the "relevant market" by the area where at least 75 percent of the type's dollars were spent during the Study Period.

The figure below, summarizes the geographic area where at least 75 percent of prime payees are located in each industry. In analyzing the relevant market data, GSPC tabulated the percentage of dollars spent, beginning with Cuyahoga County (by zip codes). GSPC continued counting in radius surrounding Cuyahoga County until the cumulative percentage was equal to or greater than 75 percent.

**Figure 3: Relevant Market Radius**

Cuyahoga County Disparity Study



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If, after counting where dollars were spent during the Study Period, the percentage of dollars paid to firms within Cuyahoga County, OH was not at least 75 percent of all dollars spent, then GSPC calculated the percentages in the Cleveland–Elyria, OH MSA (but not including the zip codes in Cuyahoga County that had already been counted). If the 75 percent benchmark was still not met, then GSPC counted the dollars spent in the counties in the Cleveland–Akron–Canton, OH CSA.

If dollars received by firms doing business with the County that are located within the CSA did not reach the 75 percent benchmark, then GSPC began counting dollars going to firms located in the State of Ohio. If dollars received by firms still did not reach the 75 percent benchmark, GSPC went to all states adjacent to Ohio.

Excluding Goods, the 75 percent benchmark was reached for all procurement categories in the State of Ohio.

The tables below detail the dollars awarded in each level of the Geographic Relevant Market calculations by Total Award Amount. Only regions that have awards appear in the tables.

**Table 17: Geographical Relevant Market – Construction**

(Using Award Dollars CY2014-CY2018)  
Cuyahoga Disparity Study

Relevant Market Region	Award Amount	Percent	Cumulative Percent
Cuyahoga County	\$193,539,468.84	72.53%	72.53%
MSA	\$24,878,291.78	9.32%	81.86%
CSA	\$44,568,459.22	16.70%	98.56%
OH	\$3,635,088.80	1.36%	99.92%
MI	\$202,632.00	0.08%	100.00%
USA	\$1,490.00	0.00%	100.00%

Griffin & Strong, P.C. 2020

**Table 18: Geographical Relevant Market – Professional Services**

(Using Award Dollars CY2014-CY2018)  
Cuyahoga Disparity Study

Relevant Market Region	Award Amount	Percent	Cumulative Percent
Cuyahoga County	\$623,178,465.21	82.95%	82.95%
MSA	\$575,935.00	0.08%	83.03%
CSA	\$329,312.50	0.04%	83.07%
OH	\$3,284,186.61	0.44%	83.51%
MI	\$415,197.00	0.06%	83.56%
KY	\$1,472.56	0.00%	83.57%
USA	\$123,468,245.44	16.43%	100.00%

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**Table 19: Geographical Relevant Market – Other Services**

(Using Award Dollars CY2014-CY2018)  
Cuyahoga Disparity Study

Relevant Market Region	Award Amount	Percent	Cumulative Percent
Cuyahoga County	\$127,021,250.44	53.42%	53.42%
MSA	\$1,848,070.92	0.78%	54.20%
CSA	\$12,469,601.57	5.24%	59.45%
OH	\$41,710,622.97	17.54%	76.99%
PA	\$7,081,260.63	2.98%	79.97%
MI	\$1,381,533.97	0.58%	80.55%
IN	\$530,738.69	0.22%	80.77%
WV	\$29,532.00	0.01%	80.79%
USA	\$45,684,541.63	19.21%	100.00%

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**Table 20: Geographical Relevant Market – Architecture & Engineering**

(Using Award Dollars CY2014-CY2018)  
Cuyahoga Disparity Study

Relevant Market Region	Award Amount	Percent	Cumulative Percent
Cuyahoga County	\$20,016,391.15	90.08%	90.08%
MSA	\$603,030.00	2.71%	92.80%
CSA	\$684,015.02	3.08%	95.88%
OH	\$610,006.50	2.75%	98.62%
USA	\$306,064.60	1.38%	100.00%

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**Table 21: Geographical Relevant Market – Goods & Supplies**

(Using Award Dollars CY2014-CY2018)  
Cuyahoga Disparity Study

Relevant Market Region	Award Amount	Percent	Cumulative Percent
Cuyahoga County	\$39,610,602.67	44.97%	44.97%
MSA	\$6,354,770.66	7.22%	52.19%
CSA	\$3,330,488.58	3.78%	55.97%
OH	\$8,079,605.05	9.17%	65.14%
PA	\$6,187,029.01	7.02%	72.17%
MI	\$5,561,664.38	6.31%	78.48%
KY	\$67,073.13	0.08%	78.56%
IN	\$42,929.26	0.05%	78.61%
USA	\$18,841,101.16	21.39%	100.00%

Griffin & Strong, P.C. 2020

**F. Availability Analysis**

**1. Methodology**

The methodology utilized to determine the availability of businesses for public contracting is crucial to understanding whether a disparity exists within the relevant market. Availability is a benchmark to examine whether there are any disparities between the utilization of MWBEs and their availability in the marketplace.

Croson and subsequent decisions give only general guidance as to how to measure availability. One common theme from the court decisions is that being qualified to perform work for a local jurisdiction is one of the key indices of an available firm. In addition, the firm must have demonstrated that it is both willing and able to perform the work.

The measures of availability utilized in this Study incorporate all the criteria of availability required by Croson:

- The firm does business within an industry group from which Cuyahoga County makes certain purchases.
- The firm's owner has taken steps to do business with the Cuyahoga County and qualified itself to do such business by registering or certifying itself.
- The firm is located within a relevant geographical area such that it can do business with Cuyahoga County.

The following definitions are necessary for the estimation of availability:

Definitions: Let: Firm (Business Name, Ethnicity, Work Category, County, State) A = Availability Estimates  
 A (Asian) = Availability Estimates for Asian American Business Enterprises  
 N (Asian) = Number of Asian American Business Enterprises in the relevant market  
 N (MWBE) = Number of Minority owned Business

Enterprises  $N(t)$  = Total number of businesses in the pool of bidders in the procurement category (for example, Construction)

Availability, (A), is a percentage and is computed by dividing the number of firms in each MWBE group by the total number of businesses in the pool of bidders for that procurement category,  $N(t)$ . For instance, availability for Asian American Business Enterprises is given by  $A(\text{Asian}) = N(\text{Asian})/N(t)$  and total availability for all MWBE groups is given by  $A(\text{MWBE}) = N(\text{MWBE})/N(t)$ .

Once these availability estimates were calculated, GSPC compared them to the percentage of firms utilized in the respective business categories in order to generate the disparity indices which will be discussed later in this analysis.

## 2. Measurement Basis for Availability

There are numerous approaches to measuring available, qualified firms. GSPC has established a methodology of measuring availability based upon demonstrated interest in doing business with governments. In determining whether a firm is ready, willing, and able, it cannot be presumed that simply because a firm is doing business in a relevant market, it desires, or is capable of, working for the County, particularly as a prime contractor, which may require a particular capacity. However, a determination of availability for subcontractors, where all levels of work are available, (to be made strictly based upon the existing vendor base of the County assumes that there are no discriminatory barriers associated with registration or certification. GSPC measured Prime Contractor Availability by utilizing the Master Vendor File (the contents of which is set forth below) but including only those firms that have bid, been pre-qualified, or performed as prime contractors (sources for prime contractors indicated by an (\*). In determining those firms to be included in the subcontractor availability pool, GSPC included the entire "Master Vendor File."

- County's Awarded Prime Vendors (Current)
- County's Awarded Subcontractor Vendors (Current)
- County's Certified MWBE List (Current)
- Buyspeed Vendors (Current)
- City of Cleveland DBE List (Current)
- Ohio DOT Unified DBE List (Current)

## 3. Capacity

The ability or capacity to perform the work is tested below in the Threshold Analysis. It is also tested in the Regression Analysis conducted in Chapter VI below.

First, capacity is important to determine whether a separate availability estimate for prime contractors and subcontractors is needed. GSPC performs a threshold analysis of the level of contracting done by prime contractors to determine if it is reasonable to believe that the firms in the marketplace that have at least registered to do business with governments and that are included in our availability lists, have the capacity to perform as prime contractors, or only as subcontractors. The threshold analysis shows the tier of awards at each level and across all race/ethnicity/gender groups.

Secondly, from the Survey of Business Owners, GSPC determined whether the level of contracting awarded to MWBEs outside of contracting with Cuyahoga County indicates similar levels of contracting to those

attained in County awards. If not, that could indicate a level of unutilized capacity of MWBEs within the County's contracting.

Finally, the regression analysis shows whether race/ethnicity/gender factors are impediments overall to the success of MWBEs in obtaining awards in the Cuyahoga County marketplace and whether, but for those factors, firms would have the capacity to provide goods and services on a level higher than what is presently being utilized.

To understand the County's spending thresholds, a Threshold Analysis was conducted and is found in Appendix E. Since 93.16% of the County's prime awards were under \$100,000 and 97.60% were under \$500,000, GSPC determined that all firms, including those that have provided services only as subcontractors, have the capacity to perform as prime contractors on the majority of the County's awards. There is no need to separate the availability estimates between prime contractors and subcontractors, as all can perform as both prime contractors and subcontractors. Other issues of capacity are controlled for in the regression analysis in Chapter VI.

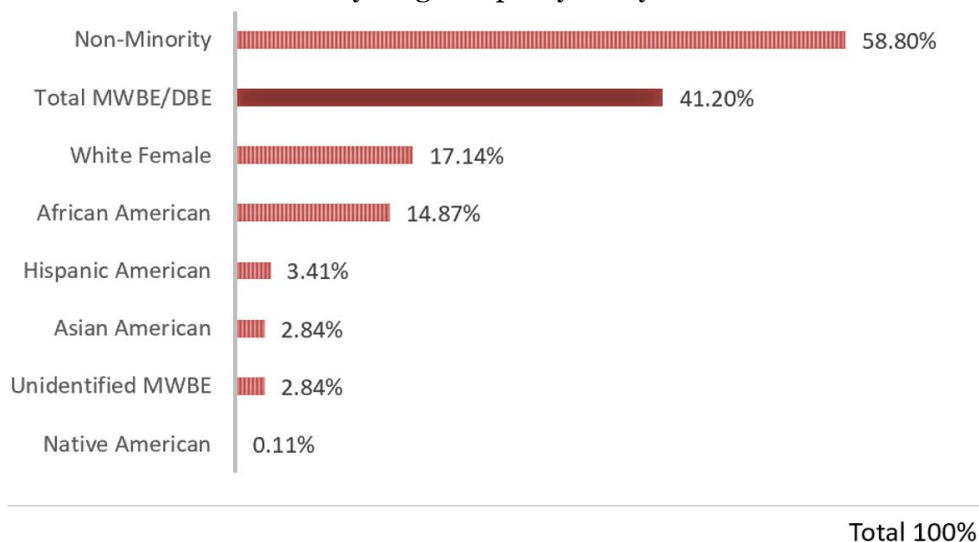
#### **4. Availability Estimates**

Below are the Availability Estimates for the Study. The data are separated into the five (5) major business categories: Construction, A&E, Professional Services, Other Services, and Goods. The figures below show the number of firms by race/gender/ethnicity as compared with the total number of firms. It is important to note that a firm can appear in multiple work categories based on the commodity codes in the original vendor data sources, as well as categorization done at the award level. If there were no commodity codes for a vendor that is within the relevant market, GSPC manually assigned a single work category to them.

The relevant market for Construction is Cuyahoga County and the surrounding MSA. Within the MSA, 41.2% of available firms are MWBE and have the ability to perform work in the Construction Work Category. About 3% of that total includes firms who are certified as Minority firms within the Cleveland Certified list but did not have data in other sources to explicitly indicate their minority group. This work category has the largest amount of available MWBE firms.

**Table 22: Availability Estimates - Construction**

In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study

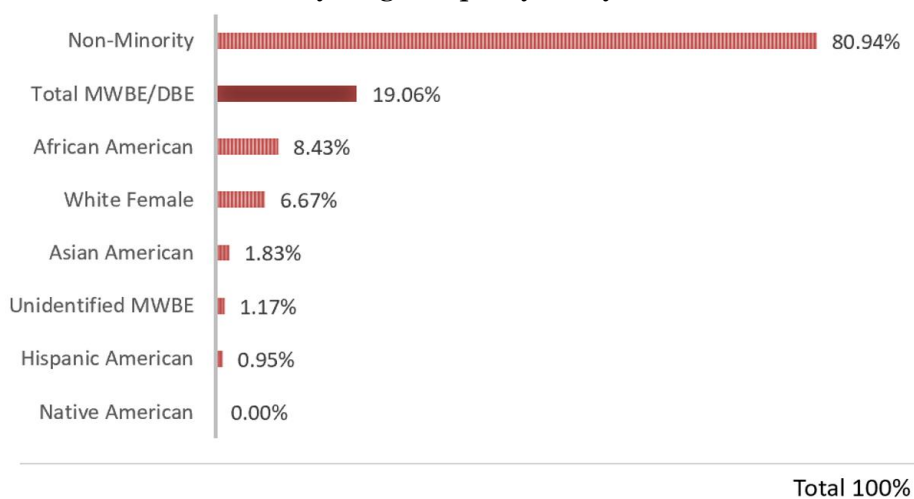


Griffin & Strong, P.C. 2020

The relevant market for Professional Services is Cuyahoga County and the surrounding MSA. Within the MSA, 19.06% of firms are MWBE.

**Table 23: Availability Estimates – Professional Services**

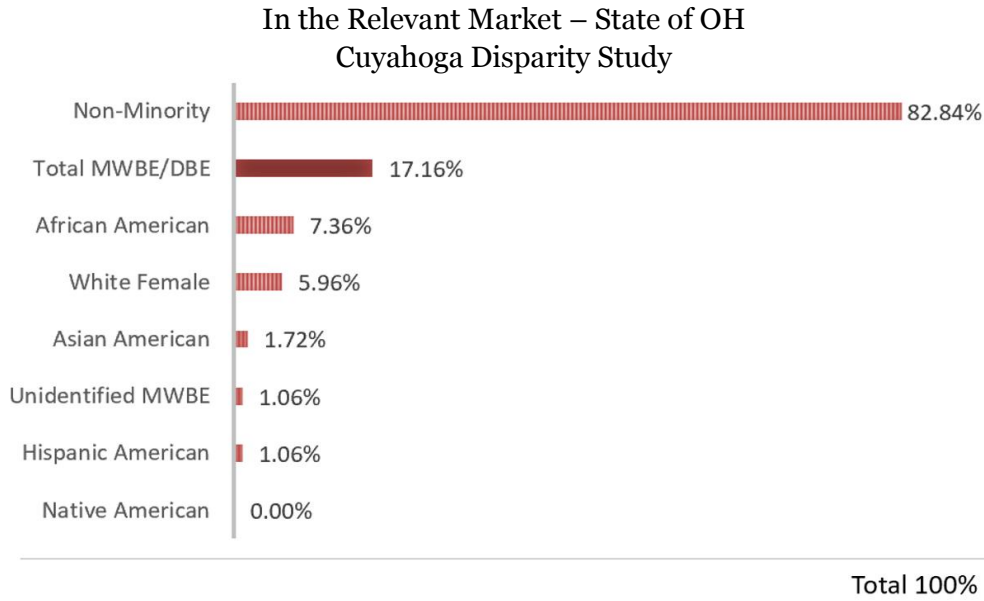
In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study



Griffin & Strong, P.C. 2020

The relevant market for Other Services is the state of Ohio. Within the state, 17.16% of firms are MWBE.

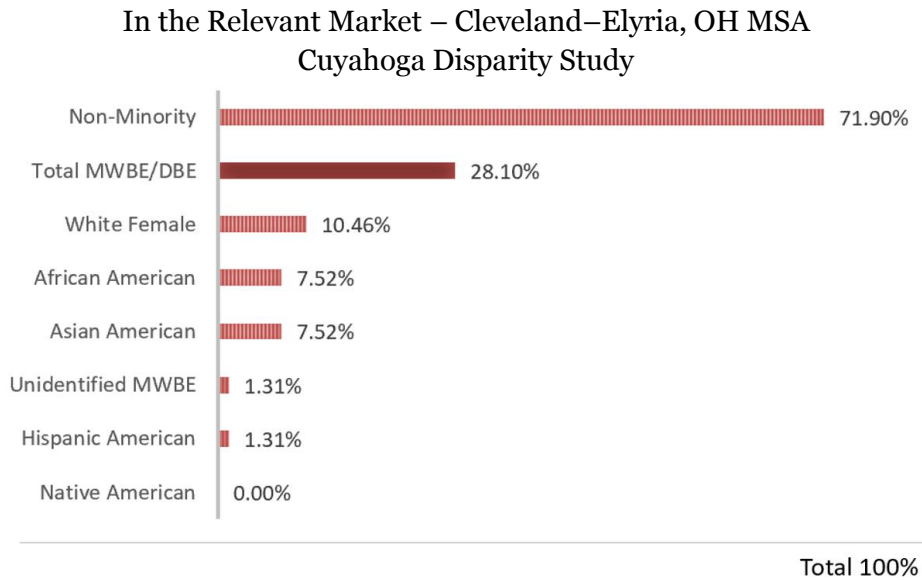
**Table 24: Availability Estimates – Other Services**



Griffin & Strong, P.C. 2020

The relevant market for Architecture & Engineering is Cuyahoga County and the surrounding MSA. Within the MSA, 28.10% of available firms are MWBE.

**Table 25: Availability Estimates – Architecture & Engineering**

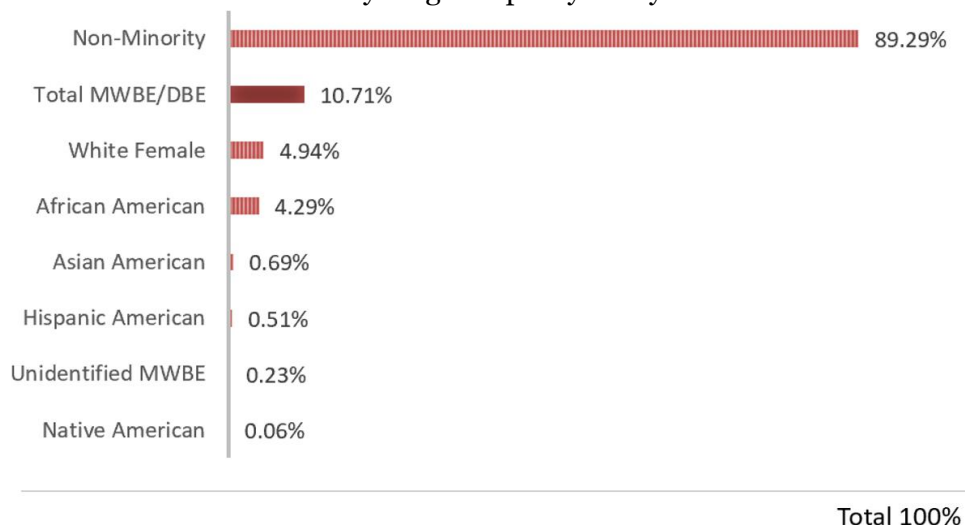


Griffin & Strong, P.C. 2020

The relevant market for Goods & Supplies is the state of Ohio, Pennsylvania, and Michigan. This is the largest relevant market out of all work categories. States adjacent to Ohio are considered before expanding to a market area of the United States. Within these states, 10.71% of firms are MWBE.

**Table 26: Availability Estimates – Goods & Supplies**

In the Relevant Market – State of Ohio, Pennsylvania, and Michigan  
Cuyahoga Disparity Study



Griffin & Strong, P.C. 2020

## G. Utilization Analysis

### 1. Prime Utilization

The relevant award history for the County has been recorded based upon the award databases provided by the County. In the Prime Utilization tables below, the dollars and percentage of dollars awarded in each of the five (5) major procurement categories have been broken out by race/ethnicity/gender for each year of the Study Period. Additionally, the tables include the number of awards and percent of awards. The total of each race/ethnicity/gender group represented in the MWBE category will, when added to the Non-MWBE Category, equal the Total Column.

Only firms certified firms within the relevant market are considered for the utilization analysis. In Construction, the overall Prime MWBE utilization for the study period was 7.34% of dollars. In Professional Services, the overall Prime MWBE utilization for the study period was 0.17% or \$1,030,518.18. This low percentage is in part impacted by the magnitude of the large insurance awards which fall in this work category. In Other Services, the overall Prime MWBE utilization for the study period was 16.87% of dollars. This is the largest Prime MWBE utilization category for the study period with 15.80% awarded to White Females. In Architecture & Engineering, the overall Prime MWBE utilization for the study period was 6.05% of dollars. In Goods & Supplies, the overall Prime MWBE utilization for the study period was 3.38% of dollars.

**Table 27: Prime Utilization - Construction**

In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study

Race/Ethnicity	Year	Total Dollars	Percent of Total Dollars	Total Awards	Percent of Total Awards
African American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$830,461.50	1.13%	2	6.25%
	Study Period	\$830,461.50	0.38%	2	1.47%
Asian American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$1,698,430.00	4.39%	1	4.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$1,698,430.00	0.78%	1	0.74%
Hispanic American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Native American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Total MBE	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$1,698,430.00	4.39%	1	4.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$830,461.50	1.13%	2	6.25%
	Study Period	\$2,528,891.50	1.16%	3	2.21%
White Female	2014	\$77,167.58	0.48%	2	5.71%
	2015	\$100,000.00	0.21%	1	3.70%
	2016	\$3,184,870.00	8.23%	1	4.00%
	2017	\$10,138,538.66	23.76%	2	11.76%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$13,500,576.24	6.18%	6	4.41%
Unidentified MWBE	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Total MWBE/DBE	2014	\$77,167.58	0.48%	2	5.71%
	2015	\$100,000.00	0.21%	1	3.70%
	2016	\$4,883,300.00	12.62%	2	8.00%
	2017	\$10,138,538.66	23.76%	2	11.76%
	2018	\$830,461.50	1.13%	2	6.25%
	Study Period	\$16,029,467.74	7.34%	9	6.62%
Non-Minority	2014	\$15,945,288.94	99.52%	33	94.29%
	2015	\$47,342,389.51	99.79%	26	96.30%
	2016	\$33,815,547.14	87.38%	23	92.00%
	2017	\$32,526,856.83	76.24%	15	88.24%
	2018	\$72,758,210.46	98.87%	30	93.75%
	Study Period	\$202,388,292.88	92.66%	127	93.38%
Total	2014	\$16,022,456.52	100.00%	35	100.00%
	2015	\$47,442,389.51	100.00%	27	100.00%
	2016	\$38,698,847.14	100.00%	25	100.00%
	2017	\$42,665,395.49	100.00%	17	100.00%
	2018	\$73,588,671.96	100.00%	32	100.00%
	Study Period	\$218,417,760.62	100.00%	136	100.00%



**Table 28: Prime Utilization – Professional Services**

In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study

Race/Ethnicity	Year	Total Dollars	Percent of Total Dollars	Total Awards	Percent of Total Awards
African American	2014	\$35,372.00	0.01%	3	7.50%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$10,000.00	0.00%	1	4.00%
	2018	\$100,000.00	0.23%	1	2.08%
	Study Period	\$145,372.00	0.02%	5	3.25%
Asian American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$165,000.00	0.38%	1	2.08%
	Study Period	\$165,000.00	0.03%	1	0.65%
Hispanic American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Native American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Total MBE	2014	\$35,372.00	0.01%	3	7.50%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$10,000.00	0.00%	1	4.00%
	2018	\$265,000.00	0.60%	2	4.17%
	Study Period	\$310,372.00	0.05%	6	3.90%
White Female	2014	\$78,880.00	0.03%	3	7.50%
	2015	\$68,081.18	0.33%	4	17.39%
	2016	\$315,810.00	2.47%	2	11.11%
	2017	\$257,375.00	0.08%	2	8.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$720,146.18	0.12%	11	7.14%
Unidentified MWBE	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Total MWBE/DBE	2014	\$114,252.00	0.05%	6	15.00%
	2015	\$68,081.18	0.33%	4	17.39%
	2016	\$315,810.00	2.47%	2	11.11%
	2017	\$267,375.00	0.09%	3	12.00%
	2018	\$265,000.00	0.60%	2	4.17%
	Study Period	\$1,030,518.18	0.17%	17	11.04%
Non-Minority	2014	\$236,148,320.90	99.95%	34	85.00%
	2015	\$20,281,429.96	99.67%	19	82.61%
	2016	\$12,469,311.52	97.53%	16	88.89%
	2017	\$310,149,284.74	99.91%	22	88.00%
	2018	\$43,675,534.91	99.40%	46	95.83%
	Study Period	\$622,723,882.03	99.83%	137	88.96%
Total	2014	\$236,262,572.90	100.00%	40	100.00%
	2015	\$20,349,511.14	100.00%	23	100.00%
	2016	\$12,785,121.52	100.00%	18	100.00%
	2017	\$310,416,659.74	100.00%	25	100.00%
	2018	\$43,940,534.91	100.00%	48	100.00%
	Study Period	\$623,754,400.21	100.00%	154	100.00%

**Table 29: Prime Utilization – Other Services**

In the Relevant Market – State of OH  
Cuyahoga Disparity Study

Race/Ethnicity	Year	Total Dollars	Percent of Total Dollars	Total Awards	Percent of Total Awards
African American	2014	\$330,000.00	0.80%	1	0.32%
	2015	\$15,907.20	0.06%	1	0.32%
	2016	\$109,700.00	0.17%	3	0.88%
	2017	\$488,729.24	3.74%	3	0.95%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$944,336.44	0.52%	8	0.49%
Asian American	2014	\$260,000.00	0.63%	1	0.32%
	2015	\$8,280.00	0.03%	2	0.64%
	2016	\$282,252.00	0.43%	3	0.88%
	2017	\$18,123.00	0.14%	1	0.32%
	2018	\$197,965.00	0.56%	1	0.29%
	Study Period	\$766,620.00	0.42%	8	0.49%
Hispanic American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$247,251.06	1.89%	1	0.32%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$247,251.06	0.14%	1	0.06%
Native American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Total MBE	2014	\$590,000.00	1.44%	2	0.63%
	2015	\$24,187.20	0.09%	3	0.96%
	2016	\$391,952.00	0.59%	6	1.77%
	2017	\$754,103.30	5.77%	5	1.59%
	2018	\$197,965.00	0.56%	1	0.29%
	Study Period	\$1,958,207.50	1.07%	17	1.04%
White Female	2014	\$10,592,522.89	25.78%	14	4.44%
	2015	\$266,300.86	0.97%	9	2.87%
	2016	\$9,051,114.29	13.73%	11	3.24%
	2017	\$482,775.87	3.69%	10	3.17%
	2018	\$8,525,188.04	24.09%	8	2.29%
	Study Period	\$28,917,901.95	15.80%	52	3.19%
Unidentified MWBE	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Total MWBE/DBE	2014	\$11,182,522.89	27.22%	16	5.08%
	2015	\$290,488.06	1.05%	12	3.82%
	2016	\$9,443,066.29	14.32%	17	5.01%
	2017	\$1,236,879.17	9.46%	15	4.76%
	2018	\$8,723,153.04	24.65%	9	2.58%
	Study Period	\$30,876,109.45	16.87%	69	4.23%
Non-Minority	2014	\$29,903,199.22	72.78%	299	94.92%
	2015	\$27,285,038.49	98.95%	302	96.18%
	2016	\$56,477,313.42	85.68%	322	94.99%
	2017	\$11,837,125.50	90.54%	300	95.24%
	2018	\$26,670,759.82	75.35%	340	97.42%
	Study Period	\$152,173,436.45	83.13%	1563	95.77%
Total	2014	\$41,085,722.11	100.00%	315	100.00%
	2015	\$27,575,526.55	100.00%	314	100.00%
	2016	\$65,920,379.71	100.00%	339	100.00%
	2017	\$13,074,004.67	100.00%	315	100.00%
	2018	\$35,393,912.86	100.00%	349	100.00%
	Study Period	\$183,049,545.90	100.00%	1632	100.00%

**Table 30: Prime Utilization – Architecture & Engineering**

In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study

Race/Ethnicity	Year	Total Dollars	Percent of Total Dollars	Total Awards	Percent of Total Awards
African American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$250,000.00	8.92%	1	8.33%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$350,000.00	11.63%	1	9.09%
	Study Period	\$600,000.00	2.91%	2	3.28%
Asian American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$496,997.00	6.09%	1	6.25%
	2018	\$150,000.00	4.99%	1	9.09%
	Study Period	\$646,997.00	3.14%	2	3.28%
Hispanic American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Native American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Total MBE	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$250,000.00	8.92%	1	8.33%
	2017	\$496,997.00	6.09%	1	6.25%
	2018	\$500,000.00	16.62%	2	18.18%
	Study Period	\$1,246,997.00	6.05%	4	6.56%
White Female	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Unidentified MWBE	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Total MWBE/DBE	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$250,000.00	8.92%	1	8.33%
	2017	\$496,997.00	6.09%	1	6.25%
	2018	\$500,000.00	16.62%	2	18.18%
	Study Period	\$1,246,997.00	6.05%	4	6.56%
Non-Minority	2014	\$5,069,384.52	100.00%	13	100.00%
	2015	\$1,584,608.58	100.00%	9	100.00%
	2016	\$2,551,996.05	91.08%	11	91.67%
	2017	\$7,657,980.00	93.91%	15	93.75%
	2018	\$2,508,455.00	83.38%	9	81.82%
	Study Period	\$19,372,424.15	93.95%	57	93.44%
Total	2014	\$5,069,384.52	100.00%	13	100.00%
	2015	\$1,584,608.58	100.00%	9	100.00%
	2016	\$2,801,996.05	100.00%	12	100.00%
	2017	\$8,154,977.00	100.00%	16	100.00%
	2018	\$3,008,455.00	100.00%	11	100.00%
	Study Period	\$20,619,421.15	100.00%	61	100.00%

**Table 31: Prime Utilization– Goods & Supplies**

In the Relevant Market – State of Ohio, Pennsylvania, and Michigan  
Cuyahoga Disparity Study

Race/Ethnicity	Year	Total Dollars	Percent of Total Dollars	Total Awards	Percent of Total Awards
African American	2014	\$46,788.40	0.32%	3	0.35%
	2015	\$3,839.60	0.03%	3	0.36%
	2016	\$1,694.88	0.02%	1	0.14%
	2017	\$52,699.00	0.37%	3	0.46%
	2018	\$87,981.00	0.49%	5	0.73%
	Study Period	\$193,002.88	0.28%	15	0.40%
Asian American	2014	\$0.00	0.00%	0	0.00%
	2015	\$250,000.00	1.85%	1	0.12%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$250,000.00	0.36%	1	0.03%
Hispanic American	2014	\$1,672.00	0.01%	1	0.12%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$47,482.50	0.53%	1	0.14%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$49,154.50	0.07%	2	0.05%
Native American	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Total MBE	2014	\$48,460.40	0.33%	4	0.47%
	2015	\$253,839.60	1.88%	4	0.48%
	2016	\$49,177.38	0.55%	2	0.28%
	2017	\$52,699.00	0.37%	3	0.46%
	2018	\$87,981.00	0.49%	5	0.73%
	Study Period	\$492,157.38	0.71%	18	0.48%
White Female	2014	\$154,586.51	1.06%	18	2.13%
	2015	\$139,818.69	1.04%	15	1.81%
	2016	\$210,076.63	2.36%	22	3.09%
	2017	\$374,628.18	2.62%	30	4.60%
	2018	\$965,447.43	5.40%	41	6.00%
	Study Period	\$1,844,557.44	2.67%	126	3.39%
Unidentified MWBE	2014	\$0.00	0.00%	0	0.00%
	2015	\$0.00	0.00%	0	0.00%
	2016	\$0.00	0.00%	0	0.00%
	2017	\$0.00	0.00%	0	0.00%
	2018	\$0.00	0.00%	0	0.00%
	Study Period	\$0.00	0.00%	0	0.00%
Total MWBE/DBE	2014	\$203,046.91	1.39%	22	2.60%
	2015	\$393,658.29	2.92%	19	2.30%
	2016	\$259,254.01	2.91%	24	3.37%
	2017	\$427,327.18	2.99%	33	5.06%
	2018	\$1,053,428.43	5.89%	46	6.73%
	Study Period	\$2,336,714.82	3.38%	144	3.87%
Non-Minority	2014	\$14,357,061.81	98.61%	825	97.40%
	2015	\$13,090,070.05	97.08%	808	97.70%
	2016	\$8,659,183.70	97.09%	688	96.63%
	2017	\$13,858,932.82	97.01%	619	94.94%
	2018	\$16,822,197.15	94.11%	637	93.27%
	Study Period	\$66,787,445.53	96.62%	3577	96.13%
Total	2014	\$14,560,108.72	100.00%	847	100.00%
	2015	\$13,483,728.34	100.00%	827	100.00%
	2016	\$8,918,437.71	100.00%	712	100.00%
	2017	\$14,286,260.00	100.00%	652	100.00%
	2018	\$17,875,625.58	100.00%	683	100.00%
	Study Period	\$69,124,160.35	100.00%	3721	100.00%

## **2. Total Utilization (Prime and Subcontractor Awards)**

The County only tracks subcontracting dollars allocated to on awards with goals set on them. This data is stored in the contract compliance system B2GNow which is currently in use. Prior to this the data was stored in a Microsoft Access database. Because this data does not represent a comprehensive view of all subcontracting dollars, GSPC conducted a total utilization analysis by combining prime contract dollars with subcontract dollars, after subtracting subcontract dollars from prime contract dollars on a contract by contract basis.

In Construction, the Total MWBE utilization for the study period was 13.49% of dollars with White Female firms composing 9.77%.

**Table 32: Total Utilization - Construction**

In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study

Race/Ethnicity	Year	Total Utilization Dollars	Percent of Total Utilization
African American	2014	\$31,046.20	0.19%
	2015	\$1,641,548.20	3.46%
	2016	\$922,643.38	2.38%
	2017	\$2,058,231.77	4.82%
	2018	\$1,824,113.33	2.48%
	Study Period	\$6,477,582.86	2.97%
Asian American	2014	\$0.00	0.00%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$34,444.60	0.08%
	2018	\$0.00	0.00%
	Study Period	\$34,444.60	0.02%
Hispanic American	2014	\$0.00	0.00%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$107,324.49	0.25%
	2018	\$7,056.00	0.01%
	Study Period	\$114,380.49	0.05%
Native American	2014	\$3,122.99	0.02%
	2015	\$41,572.88	0.09%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$44,695.87	0.02%
Total MBE	2014	\$34,169.19	0.21%
	2015	\$1,683,121.08	3.55%
	2016	\$2,343,040.38	6.05%
	2017	\$2,221,427.41	5.21%
	2018	\$1,831,169.33	2.49%
	Study Period	\$8,112,927.38	3.71%
White Female	2014	\$1,366,953.74	8.53%
	2015	\$5,646,993.00	11.90%
	2016	\$4,400,323.82	11.37%
	2017	\$8,399,474.83	19.69%
	2018	\$1,531,696.79	2.08%
	Study Period	\$21,345,442.17	9.77%
Unidentified MWBE	2014	\$0.00	0.00%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$0.00	0.00%
Total MWBE/DBE	2014	\$1,401,122.93	8.74%
	2015	\$7,330,114.07	15.45%
	2016	\$6,743,364.20	17.43%
	2017	\$10,620,902.23	24.89%
	2018	\$3,362,866.11	4.57%
	Study Period	\$29,458,369.55	13.49%
Non-Minority	2014	\$14,621,333.59	91.26%
	2015	\$40,112,275.44	84.55%
	2016	\$31,955,482.94	82.57%
	2017	\$32,044,493.26	75.11%
	2018	\$70,225,805.85	95.43%
	Study Period	\$188,959,391.07	86.51%
Total	2014	\$16,022,456.52	100.00%
	2015	\$47,442,389.51	100.00%
	2016	\$38,698,847.14	100.00%
	2017	\$42,665,395.49	100.00%
	2018	\$73,588,671.96	100.00%
	Study Period	\$218,417,760.62	100.00%

In Professional Services, the Total MWBE utilization for the study period was 0.25%.

**Table 33: Total Utilization - Professional Services**

In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study

Race/Ethnicity	Year	Total Utilization Dollars	Percent of Total Utilization
African American	2014	\$125,312.47	0.05%
	2015	\$0.00	0.00%
	2016	\$216,750.00	1.70%
	2017	\$23,693.84	0.01%
	2018	\$105,000.00	0.24%
	Study Period	\$470,756.30	0.08%
Asian American	2014	\$0.00	0.00%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$160,000.00	0.36%
	Study Period	\$160,000.00	0.03%
Hispanic American	2014	\$210,580.42	0.09%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$210,580.42	0.03%
Native American	2014	\$0.00	0.00%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$0.00	0.00%
Total MBE	2014	\$335,892.89	0.14%
	2015	\$0.00	0.00%
	2016	\$216,750.00	1.70%
	2017	\$31,790.19	0.01%
	2018	\$265,000.00	0.60%
	Study Period	\$849,433.08	0.14%
White Female	2014	\$78,880.00	0.03%
	2015	\$68,081.18	0.33%
	2016	\$315,810.00	2.47%
	2017	\$257,375.00	0.08%
	2018	\$0.00	0.00%
	Study Period	\$720,146.18	0.12%
Unidentified MWBE	2014	\$0.00	0.00%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$0.00	0.00%
Total MWBE/DBE	2014	\$414,772.89	0.18%
	2015	\$68,081.18	0.33%
	2016	\$532,560.00	4.17%
	2017	\$289,165.19	0.09%
	2018	\$265,000.00	0.60%
	Study Period	\$1,569,579.26	0.25%
Non-Minority	2014	\$235,847,800.01	99.82%
	2015	\$20,281,429.96	99.67%
	2016	\$12,252,561.52	95.83%
	2017	\$310,127,494.55	99.91%
	2018	\$43,675,534.91	99.40%
	Study Period	\$622,184,820.95	99.75%
Total	2014	\$236,262,572.90	100.00%
	2015	\$20,349,511.14	100.00%
	2016	\$12,785,121.52	100.00%
	2017	\$310,416,659.74	100.00%
	2018	\$43,940,534.91	100.00%
	Study Period	\$623,754,400.21	100.00%

In Other Services, the Total MWBE utilization for the study period was 17.34% of dollars with White Female firms composing 14.82%.

**Table 34: Total Utilization - Other Services**

In the Relevant Market – State of Ohio  
Cuyahoga Disparity Study

Race/Ethnicity	Year	Total Utilization Dollars	Percent of Total Utilization
African American	2014	\$716,699.60	1.74%
	2015	\$49,507.20	0.18%
	2016	\$913,664.70	1.39%
	2017	\$466,229.24	3.57%
	2018	\$1,214,546.00	3.43%
	Study Period	\$3,360,646.74	1.84%
Asian American	2014	\$260,000.00	0.63%
	2015	\$0.00	0.00%
	2016	\$291,787.00	0.44%
	2017	\$0.00	0.00%
	2018	\$197,965.00	0.56%
	Study Period	\$749,752.00	0.41%
Hispanic American	2014	\$15,000.00	0.04%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$247,251.06	1.89%
	2018	\$13,655.40	0.04%
	Study Period	\$275,906.46	0.15%
Native American	2014	\$0.00	0.00%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$0.00	0.00%
Total MBE	2014	\$1,066,699.60	2.60%
	2015	\$57,787.20	0.21%
	2016	\$1,216,916.70	1.85%
	2017	\$839,003.30	6.42%
	2018	\$1,426,166.40	4.03%
	Study Period	\$4,606,573.20	2.52%
White Female	2014	\$10,139,976.89	24.68%
	2015	\$266,300.86	0.97%
	2016	\$8,765,642.39	13.30%
	2017	\$614,125.87	4.70%
	2018	\$7,344,439.10	20.75%
	Study Period	\$27,130,485.11	14.82%
Unidentified MWBE	2014	\$0.00	0.00%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$0.00	0.00%
Total MWBE/DBE	2014	\$11,206,676.49	27.28%
	2015	\$324,088.06	1.18%
	2016	\$9,982,559.09	15.14%
	2017	\$1,453,129.17	11.11%
	2018	\$8,770,605.50	24.78%
	Study Period	\$31,737,058.31	17.34%
Non-Minority	2014	\$29,879,045.62	72.72%
	2015	\$27,251,438.49	98.82%
	2016	\$55,937,820.62	84.86%
	2017	\$11,620,875.50	88.89%
	2018	\$26,623,307.36	75.22%
	Study Period	\$151,312,487.59	82.66%
Total	2014	\$41,085,722.11	100.00%
	2015	\$27,575,526.55	100.00%
	2016	\$65,920,379.71	100.00%
	2017	\$13,074,004.67	100.00%
	2018	\$35,393,912.86	100.00%
	Study Period	\$183,049,545.90	100.00%



In Architecture & Engineering, the Total MWBE utilization for the study period was 15.81%.

**Table 35: Total Utilization – Architecture & Engineering**

In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study

Race/Ethnicity	Year	Total Utilization Dollars	Percent of Total Utilization
African American	2014	\$20,000.00	0.39%
	2015	\$77,431.68	4.89%
	2016	\$250,000.00	8.92%
	2017	\$36,270.00	0.44%
	2018	\$347,500.00	11.55%
	Study Period	\$731,201.68	3.55%
Asian American	2014	\$30,000.00	0.59%
	2015	\$15,000.00	0.95%
	2016	\$148,033.80	5.28%
	2017	\$185,452.89	2.27%
	2018	\$78,000.00	2.59%
	Study Period	\$456,486.69	2.21%
Hispanic American	2014	\$40,000.00	0.79%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$40,000.00	0.19%
Native American	2014	\$0.00	0.00%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$0.00	0.00%
Total MBE	2014	\$406,392.59	8.02%
	2015	\$116,431.68	7.35%
	2016	\$430,033.80	15.35%
	2017	\$737,621.83	9.05%
	2018	\$598,000.00	19.88%
	Study Period	\$2,288,479.90	11.10%
White Female	2014	\$241,278.19	4.76%
	2015	\$188,372.94	11.89%
	2016	\$113,811.83	4.06%
	2017	\$310,079.21	3.80%
	2018	\$117,750.00	3.91%
	Study Period	\$971,292.16	4.71%
Unidentified MWBE	2014	\$0.00	0.00%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$0.00	0.00%
Total MWBE/DBE	2014	\$647,670.78	12.78%
	2015	\$304,804.61	19.24%
	2016	\$543,845.63	19.41%
	2017	\$1,047,701.04	12.85%
	2018	\$715,750.00	23.79%
	Study Period	\$3,259,772.06	15.81%
Non-Minority	2014	\$4,421,713.75	87.22%
	2015	\$1,279,803.97	80.76%
	2016	\$2,258,150.42	80.59%
	2017	\$7,107,275.96	87.15%
	2018	\$2,292,705.00	76.21%
	Study Period	\$17,359,649.09	84.19%
Total	2014	\$5,069,384.52	100.00%
	2015	\$1,584,608.58	100.00%
	2016	\$2,801,996.05	100.00%
	2017	\$8,154,977.00	100.00%
	2018	\$3,008,455.00	100.00%
	Study Period	\$20,619,421.15	100.00%

In Goods & Supplies, the Total MWBE utilization for the study period was 3.65% of dollars.

**Table 36: Total Utilization– Goods & Supplies**

In the Relevant Market – State of Ohio, Pennsylvania, and Michigan  
Cuyahoga Disparity Study

Race/Ethnicity	Year	Total Utilization Dollars	Percent of Total Utilization
African American	2014	\$46,788.40	0.32%
	2015	\$3,839.60	0.03%
	2016	\$1,694.88	0.02%
	2017	\$52,699.00	0.37%
	2018	\$87,981.00	0.49%
	Study Period	\$193,002.88	0.28%
Asian American	2014	\$0.00	0.00%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$0.00	0.00%
Hispanic American	2014	\$1,672.00	0.01%
	2015	\$0.00	0.00%
	2016	\$47,482.50	0.53%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$49,154.50	0.07%
Native American	2014	\$0.00	0.00%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$0.00	0.00%
Total MBE	2014	\$48,460.40	0.33%
	2015	\$253,839.60	1.88%
	2016	\$49,177.38	0.55%
	2017	\$52,699.00	0.37%
	2018	\$87,981.00	0.49%
	Study Period	\$492,157.38	0.71%
White Female	2014	\$154,586.51	1.06%
	2015	\$139,818.69	1.04%
	2016	\$210,076.63	2.36%
	2017	\$374,628.18	2.62%
	2018	\$1,151,477.43	6.44%
	Study Period	\$2,030,587.44	2.94%
Unidentified MWBE	2014	\$0.00	0.00%
	2015	\$0.00	0.00%
	2016	\$0.00	0.00%
	2017	\$0.00	0.00%
	2018	\$0.00	0.00%
	Study Period	\$0.00	0.00%
Total MWBE/DBE	2014	\$203,046.91	1.39%
	2015	\$393,658.29	2.92%
	2016	\$259,254.01	2.91%
	2017	\$427,327.18	2.99%
	2018	\$1,239,458.43	6.93%
	Study Period	\$2,522,744.82	3.65%
Non-Minority	2014	\$14,357,061.81	98.61%
	2015	\$13,090,070.05	97.08%
	2016	\$8,659,183.70	97.09%
	2017	\$13,858,932.82	97.01%
	2018	\$16,636,167.15	93.07%
	Study Period	\$66,601,415.53	96.35%
Total	2014	\$14,560,108.72	100.00%
	2015	\$13,483,728.34	100.00%
	2016	\$8,918,437.71	100.00%
	2017	\$14,286,260.00	100.00%
	2018	\$17,875,625.58	100.00%
	Study Period	\$69,124,160.35	100.00%

## H. Determination of Disparity

This section of the report addresses the crucial question of whether, and to what extent, there is disparity between the utilization of MBEs/WBEs as measured against their availability in the Cuyahoga County marketplace.

### 1. Methodology

The statistical approach to answer this question is to assess the existence and extent of disparity by comparing the MWBE utilization percentages (by dollars) to the percentage of the total pool of MWBE firms in the relevant geographic and product areas. The actual disparity derived as a result of employing this approach is measured by use of a Disparity Index (DI).

The Disparity Index is defined as the ratio of the percentage of MWBE firms utilized (U) divided by the percentage of such firms available in the marketplace, (A):

Let: U =Utilization percentage for the MWBE group A =Availability percentage for the MWBE group  
DI =Disparity Index for the MWBE group  $DI = U/A$

The results obtained by a disparity analysis will result in one of three conclusions: overutilization, underutilization or parity. Underutilization is when the Disparity Index is below one. Overutilization is when the Disparity Index is over one. Parity, or the absence of disparity is when the Disparity Index is one (1.00) which indicates that the utilization percentage equals the availability percentage. In situations where there is availability, but no utilization, the corresponding disparity index will be zero. Finally, in cases where there is neither utilization nor availability, the corresponding disparity index is undefined and designated by a dash (-) symbol. Disparity analyses are presented separately for each procurement category and for each race/gender/ethnicity group. They are also disaggregated by year, for each year of the Study Period.

### 2. Prime Disparity Indices

In Construction, there was a statistically significant underutilization of Prime MWBE firms during the study period.

In Professional Services, there was a statistically significant underutilization of Prime MWBE firms during the study period.

In Other Services, there was a statistically significant overutilization of White Female firms and a statistically significant underutilization of Total MBE firms. Additionally, there was parity in the utilization of Non-Minority firms.

In Architecture & Engineering there was a statistically significant underutilization of Prime MWBE firms.

In Goods & Supplies, there was a statistically significant underutilization of Prime MWBE firms.

**Table 37: Disparity Indices – Construction (Prime)**

In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study

Business Ownership	Year	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization
African American	2014	0.00%	14.87%	0	Underutilization
	2015	0.00%	14.87%	0	Underutilization
	2016	0.00%	14.87%	0	Underutilization
	2017	0.00%	14.87%	0	Underutilization
	2018	1.13%	14.87%	0.08	Underutilization
	Study Period	0.38%	14.87%	0.03	Underutilization
Asian American	2014	0.00%	2.84%	0	Underutilization
	2015	0.00%	2.84%	0	Underutilization
	2016	4.39%	2.84%	1.55	Overutilization
	2017	0.00%	2.84%	0	Underutilization
	2018	0.00%	2.84%	0	Underutilization
	Study Period	0.78%	2.84%	0.27	Underutilization
Hispanic American	2014	0.00%	3.41%	0	Underutilization
	2015	0.00%	3.41%	0	Underutilization
	2016	0.00%	3.41%	0	Underutilization
	2017	0.00%	3.41%	0	Underutilization
	2018	0.00%	3.41%	0	Underutilization
	Study Period	0.00%	3.41%	0	Underutilization
Native American	2014	0.00%	0.11%	0	Underutilization
	2015	0.00%	0.11%	0	Underutilization
	2016	0.00%	0.11%	0	Underutilization
	2017	0.00%	0.11%	0	Underutilization
	2018	0.00%	0.11%	0	Underutilization
	Study Period	0.00%	0.11%	0	Underutilization
Total MBE	2014	0.00%	21.23%	0	Underutilization
	2015	0.00%	21.23%	0	Underutilization
	2016	4.39%	21.23%	0.21	Underutilization
	2017	0.00%	21.23%	0	Underutilization
	2018	1.13%	21.23%	0.05	Underutilization
	Study Period	1.16%	21.23%	0.05	Underutilization
White Female	2014	0.48%	17.14%	0.03	Underutilization
	2015	0.21%	17.14%	0.01	Underutilization
	2016	8.23%	17.14%	0.48	Underutilization
	2017	23.76%	17.14%	1.39	Overutilization
	2018	0.00%	17.14%	0	Underutilization
	Study Period	6.18%	17.14%	0.36	Underutilization
Unidentified MWBE	2014	0.00%	2.84%	0	Underutilization
	2015	0.00%	2.84%	0	Underutilization
	2016	0.00%	2.84%	0	Underutilization
	2017	0.00%	2.84%	0	Underutilization
	2018	0.00%	2.84%	0	Underutilization
	Study Period	0.00%	2.84%	0	Underutilization
Total MWBE/DBE	2014	0.48%	41.20%	0.01	Underutilization
	2015	0.21%	41.20%	0.01	Underutilization
	2016	12.62%	41.20%	0.31	Underutilization
	2017	23.76%	41.20%	0.58	Underutilization
	2018	1.13%	41.20%	0.03	Underutilization
	Study Period	7.34%	41.20%	0.18	Underutilization
Non-Minority	2014	99.52%	58.80%	1.69	Overutilization
	2015	99.79%	58.80%	1.7	Overutilization
	2016	87.38%	58.80%	1.49	Overutilization
	2017	76.24%	58.80%	1.3	Overutilization
	2018	98.87%	58.80%	1.68	Overutilization
	Study Period	92.66%	58.80%	1.58	Overutilization
Total	2014	100.00%	100.00%	1	Parity
	2015	100.00%	100.00%	1	Parity
	2016	100.00%	100.00%	1	Parity
	2017	100.00%	100.00%	1	Parity
	2018	100.00%	100.00%	1	Parity
	Study Period	100.00%	100.00%	1	Parity

**Table 38: Disparity Indices - Professional Services (Prime)**

In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study

Business Ownership	Year	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization
African American	2014	0.01%	8.43%	0	Underutilization
	2015	0.00%	8.43%	0	Underutilization
	2016	0.00%	8.43%	0	Underutilization
	2017	0.00%	8.43%	0	Underutilization
	2018	0.23%	8.43%	0.03	Underutilization
	Study Period	0.02%	8.43%	0	Underutilization
Asian American	2014	0.00%	1.83%	0	Underutilization
	2015	0.00%	1.83%	0	Underutilization
	2016	0.00%	1.83%	0.00	Underutilization
	2017	0.00%	1.83%	0	Underutilization
	2018	0.38%	1.83%	0.20	Underutilization
	Study Period	0.03%	1.83%	0.01	Underutilization
Hispanic American	2014	0.00%	0.95%	0	Underutilization
	2015	0.00%	0.95%	0	Underutilization
	2016	0.00%	0.95%	0	Underutilization
	2017	0.00%	0.95%	0	Underutilization
	2018	0.00%	0.95%	0	Underutilization
	Study Period	0.00%	0.95%	0	Underutilization
Native American	2014	0.00%	0.00%	N/A	Parity
	2015	0.00%	0.00%	N/A	Parity
	2016	0.00%	0.00%	N/A	Parity
	2017	0.00%	0.00%	N/A	Parity
	2018	0.00%	0.00%	N/A	Parity
	Study Period	0.00%	0.00%	N/A	Parity
Total MBE	2014	0.01%	11.22%	0	Underutilization
	2015	0.00%	11.22%	0	Underutilization
	2016	0.00%	11.22%	0	Underutilization
	2017	0.00%	11.22%	0	Underutilization
	2018	0.60%	11.22%	0.05	Underutilization
	Study Period	0.05%	11.22%	0	Underutilization
White Female	2014	0.03%	6.67%	0.01	Underutilization
	2015	0.33%	6.67%	0.05	Underutilization
	2016	2.47%	6.67%	0.37	Underutilization
	2017	0.08%	6.67%	0.01	Underutilization
	2018	0.00%	6.67%	0	Underutilization
	Study Period	0.12%	6.67%	0.02	Underutilization
Unidentified MWBE	2014	0.00%	1.17%	0	Underutilization
	2015	0.00%	1.17%	0	Underutilization
	2016	0.00%	1.17%	0	Underutilization
	2017	0.00%	1.17%	0	Underutilization
	2018	0.00%	1.17%	0	Underutilization
	Study Period	0.00%	1.17%	0	Underutilization
Total MWBE/DBE	2014	0.05%	19.06%	0	Underutilization
	2015	0.33%	19.06%	0.02	Underutilization
	2016	2.47%	19.06%	0.13	Underutilization
	2017	0.09%	19.06%	0	Underutilization
	2018	0.60%	19.06%	0.03	Underutilization
	Study Period	0.17%	19.06%	0.01	Underutilization
Non-Minority	2014	99.95%	80.94%	1.23	Overutilization
	2015	99.67%	80.94%	1.23	Overutilization
	2016	97.53%	80.94%	1.2	Overutilization
	2017	99.91%	80.94%	1.23	Overutilization
	2018	99.40%	80.94%	1.23	Overutilization
	Study Period	99.83%	80.94%	1.23	Overutilization
Total	2014	100.00%	100.00%	1	Parity
	2015	100.00%	100.00%	1	Parity
	2016	100.00%	100.00%	1	Parity
	2017	100.00%	100.00%	1	Parity
	2018	100.00%	100.00%	1	Parity
	Study Period	100.00%	100.00%	1	Parity

**Table 39: Disparity Indices - Other Services (Prime)**

In the Relevant Market – State of Ohio  
Cuyahoga Disparity Study

Business Ownership	Year	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization
African American	2014	0.80%	7.36%	0.11	Underutilization
	2015	0.06%	7.36%	0.01	Underutilization
	2016	0.17%	7.36%	0.02	Underutilization
	2017	3.74%	7.36%	0.51	Underutilization
	2018	0.00%	7.36%	0	Underutilization
	Study Period	0.52%	7.36%	0.07	Underutilization
Asian American	2014	0.63%	1.72%	0.37	Underutilization
	2015	0.03%	1.72%	0.02	Underutilization
	2016	0.43%	1.72%	0.25	Underutilization
	2017	0.14%	1.72%	0.08	Underutilization
	2018	0.56%	1.72%	0.33	Underutilization
	Study Period	0.42%	1.72%	0.24	Underutilization
Hispanic American	2014	0.00%	1.06%	0	Underutilization
	2015	0.00%	1.06%	0	Underutilization
	2016	0.00%	1.06%	0	Underutilization
	2017	1.89%	1.06%	1.78	Overutilization
	2018	0.00%	1.06%	0	Underutilization
	Study Period	0.14%	1.06%	0.13	Underutilization
Native American	2014	0.00%	0.00%	N/A	Parity
	2015	0.00%	0.00%	N/A	Parity
	2016	0.00%	0.00%	N/A	Parity
	2017	0.00%	0.00%	N/A	Parity
	2018	0.00%	0.00%	N/A	Parity
	Study Period	0.00%	0.00%	N/A	Parity
Total MBE	2014	1.44%	10.14%	0.14	Underutilization
	2015	0.09%	10.14%	0.01	Underutilization
	2016	0.59%	10.14%	0.06	Underutilization
	2017	5.77%	10.14%	0.57	Underutilization
	2018	0.56%	10.14%	0.06	Underutilization
	Study Period	1.07%	10.14%	0.11	Underutilization
White Female	2014	25.78%	5.96%	4.33	Overutilization
	2015	0.97%	5.96%	0.16	Underutilization
	2016	13.73%	5.96%	2.3	Overutilization
	2017	3.69%	5.96%	0.62	Underutilization
	2018	24.09%	5.96%	4.04	Overutilization
	Study Period	15.80%	5.96%	2.65	Overutilization
Unidentified MWBE	2014	0.00%	1.06%	0	Underutilization
	2015	0.00%	1.06%	0	Underutilization
	2016	0.00%	1.06%	0	Underutilization
	2017	0.00%	1.06%	0	Underutilization
	2018	0.00%	1.06%	0	Underutilization
	Study Period	0.00%	1.06%	0	Underutilization
Total MWBE/DBE	2014	27.22%	17.16%	1.59	Overutilization
	2015	1.05%	17.16%	0.06	Underutilization
	2016	14.32%	17.16%	0.83	Underutilization
	2017	9.46%	17.16%	0.55	Underutilization
	2018	24.65%	17.16%	1.44	Overutilization
	Study Period	16.87%	17.16%	0.98	Underutilization
Non-Minority	2014	72.78%	82.84%	0.88	Underutilization
	2015	98.95%	82.84%	1.19	Overutilization
	2016	85.68%	82.84%	1.03	Overutilization
	2017	90.54%	82.84%	1.09	Overutilization
	2018	75.35%	82.84%	0.91	Underutilization
	Study Period	83.13%	82.84%	1	Parity
Total	2014	100.00%	100.00%	1	Parity
	2015	100.00%	100.00%	1	Parity
	2016	100.00%	100.00%	1	Parity
	2017	100.00%	100.00%	1	Parity
	2018	100.00%	100.00%	1	Parity
	Study Period	100.00%	100.00%	1	Parity

**Table 40: Disparity Indices – Architecture & Engineering (Prime)**

In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study

Business Ownership	Year	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization
African American	2014	0.00%	7.52%	0	Underutilization
	2015	0.00%	7.52%	0	Underutilization
	2016	8.92%	7.52%	1.19	Overutilization
	2017	0.00%	7.52%	0	Underutilization
	2018	11.63%	7.52%	1.55	Overutilization
	Study Period	2.91%	7.52%	0.39	Underutilization
Asian American	2014	0.00%	7.52%	0	Underutilization
	2015	0.00%	7.52%	0	Underutilization
	2016	0.00%	7.52%	0.00	Underutilization
	2017	6.09%	7.52%	0.81	Underutilization
	2018	4.99%	7.52%	0.66	Underutilization
	Study Period	3.14%	7.52%	0.42	Underutilization
Hispanic American	2014	0.00%	1.31%	0	Underutilization
	2015	0.00%	1.31%	0	Underutilization
	2016	0.00%	1.31%	0	Underutilization
	2017	0.00%	1.31%	0	Underutilization
	2018	0.00%	1.31%	0	Underutilization
	Study Period	0.00%	1.31%	0	Underutilization
Native American	2014	0.00%	0.00%	N/A	Parity
	2015	0.00%	0.00%	N/A	Parity
	2016	0.00%	0.00%	N/A	Parity
	2017	0.00%	0.00%	N/A	Parity
	2018	0.00%	0.00%	N/A	Parity
	Study Period	0.00%	0.00%	N/A	Parity
Total MBE	2014	0.00%	16.34%	0	Underutilization
	2015	0.00%	16.34%	0	Underutilization
	2016	8.92%	16.34%	0.55	Underutilization
	2017	6.09%	16.34%	0.37	Underutilization
	2018	16.62%	16.34%	1.02	Overutilization
	Study Period	6.05%	16.34%	0.37	Underutilization
White Female	2014	0.00%	10.46%	0	Underutilization
	2015	0.00%	10.46%	0	Underutilization
	2016	0.00%	10.46%	0	Underutilization
	2017	0.00%	10.46%	0	Underutilization
	2018	0.00%	10.46%	0	Underutilization
	Study Period	0.00%	10.46%	0	Underutilization
Unidentified MWBE	2014	0.00%	1.31%	0	Underutilization
	2015	0.00%	1.31%	0	Underutilization
	2016	0.00%	1.31%	0	Underutilization
	2017	0.00%	1.31%	0	Underutilization
	2018	0.00%	1.31%	0	Underutilization
	Study Period	0.00%	1.31%	0	Underutilization
Total MWBE/DBE	2014	0.00%	28.10%	0	Underutilization
	2015	0.00%	28.10%	0	Underutilization
	2016	8.92%	28.10%	0.32	Underutilization
	2017	6.09%	28.10%	0.22	Underutilization
	2018	16.62%	28.10%	0.59	Underutilization
	Study Period	6.05%	28.10%	0.22	Underutilization
Non-Minority	2014	100.00%	71.90%	1.39	Overutilization
	2015	100.00%	71.90%	1.39	Overutilization
	2016	91.08%	71.90%	1.27	Overutilization
	2017	93.91%	71.90%	1.31	Overutilization
	2018	83.38%	71.90%	1.16	Overutilization
	Study Period	93.95%	71.90%	1.31	Overutilization
Total	2014	100.00%	100.00%	1	Parity
	2015	100.00%	100.00%	1	Parity
	2016	100.00%	100.00%	1	Parity
	2017	100.00%	100.00%	1	Parity
	2018	100.00%	100.00%	1	Parity
	Study Period	100.00%	100.00%	1	Parity

**Table 41: Disparity Indices– Goods & Supplies (Prime)**

In the Relevant Market – State of Ohio, Pennsylvania, and Michigan  
Cuyahoga Disparity Study

Business Ownership	Year	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization
African American	2014	0.32%	4.29%	0.07	Underutilization
	2015	0.03%	4.29%	0.01	Underutilization
	2016	0.02%	4.29%	0	Underutilization
	2017	0.37%	4.29%	0.09	Underutilization
	2018	0.49%	4.29%	0.11	Underutilization
	Study Period	0.28%	4.29%	0.07	Underutilization
Asian American	2014	0.00%	0.69%	0	Underutilization
	2015	1.85%	0.69%	2.70	Overutilization
	2016	0.00%	0.69%	0.00	Underutilization
	2017	0.00%	0.69%	0	Underutilization
	2018	0.00%	0.69%	0	Underutilization
	Study Period	0.36%	0.69%	0.53	Underutilization
Hispanic American	2014	0.01%	0.51%	0.02	Underutilization
	2015	0.00%	0.51%	0	Underutilization
	2016	0.53%	0.51%	1.04	Overutilization
	2017	0.00%	0.51%	0	Underutilization
	2018	0.00%	0.51%	0	Underutilization
	Study Period	0.07%	0.51%	0.14	Underutilization
Native American	2014	0.00%	0.06%	0	Underutilization
	2015	0.00%	0.06%	0	Underutilization
	2016	0.00%	0.06%	0	Underutilization
	2017	0.00%	0.06%	0	Underutilization
	2018	0.00%	0.06%	0	Underutilization
	Study Period	0.00%	0.06%	0	Underutilization
Total MBE	2014	0.33%	5.54%	0.06	Underutilization
	2015	1.88%	5.54%	0.34	Underutilization
	2016	0.55%	5.54%	0.1	Underutilization
	2017	0.37%	5.54%	0.07	Underutilization
	2018	0.49%	5.54%	0.09	Underutilization
	Study Period	0.71%	5.54%	0.13	Underutilization
White Female	2014	1.06%	4.94%	0.21	Underutilization
	2015	1.04%	4.94%	0.21	Underutilization
	2016	2.36%	4.94%	0.48	Underutilization
	2017	2.62%	4.94%	0.53	Underutilization
	2018	5.40%	4.94%	1.09	Overutilization
	Study Period	2.67%	4.94%	0.54	Underutilization
Unidentified MWBE	2014	0.00%	0.23%	0	Underutilization
	2015	0.00%	0.23%	0	Underutilization
	2016	0.00%	0.23%	0	Underutilization
	2017	0.00%	0.23%	0	Underutilization
	2018	0.00%	0.23%	0	Underutilization
	Study Period	0.00%	0.23%	0	Underutilization
Total MWBE/DBE	2014	1.39%	10.71%	0.13	Underutilization
	2015	2.92%	10.71%	0.27	Underutilization
	2016	2.91%	10.71%	0.27	Underutilization
	2017	2.99%	10.71%	0.28	Underutilization
	2018	5.89%	10.71%	0.55	Underutilization
	Study Period	3.38%	10.71%	0.32	Underutilization
Non-Minority	2014	98.61%	89.29%	1.1	Overutilization
	2015	97.08%	89.29%	1.09	Overutilization
	2016	97.09%	89.29%	1.09	Overutilization
	2017	97.01%	89.29%	1.09	Overutilization
	2018	94.11%	89.29%	1.05	Overutilization
	Study Period	96.62%	89.29%	1.08	Overutilization
Total	2014	100.00%	100.00%	1	Parity
	2015	100.00%	100.00%	1	Parity
	2016	100.00%	100.00%	1	Parity
	2017	100.00%	100.00%	1	Parity
	2018	100.00%	100.00%	1	Parity
	Study Period	100.00%	100.00%	1	Parity



### 3. Prime and Subcontractor Utilization Disparity Indices

In Construction, there was a statistically significant underutilization of Prime and Subcontractor MWBE firms during the study period.

In Professional Services, there was a statistically significant underutilization of Prime and Subcontractor MWBE firms during the study period.

In Other Services, there was a statistically significant underutilization of Prime and Subcontractor MBE firms and an overutilization of Prime and Subcontractor White Female firms during the study period. Additionally, there was parity in the utilization of Prime and Subcontractor Non-Minority firms.

In Architecture & Engineering, there was a statistically significant underutilization of Total MWBE firms. However, the underutilization of Prime and Subcontractor Asian American firms was not statistically significant.

In Goods & Supplies, there was a statistically significant underutilization of Prime and Subcontractor MWBE firms.

**Table 42: Disparity Indices – Construction (Prime and Subcontractor)**

**In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study**

Business Ownership	Year	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization
African American	2014	0.19%	14.87%	0.01	Underutilization
	2015	3.46%	14.87%	0.23	Underutilization
	2016	2.38%	14.87%	0.16	Underutilization
	2017	4.82%	14.87%	0.32	Underutilization
	2018	2.48%	14.87%	0.17	Underutilization
	Study Period	2.97%	14.87%	0.2	Underutilization
Asian American	2014	0.00%	2.84%	0	Underutilization
	2015	0.00%	2.84%	0	Underutilization
	2016	3.67%	2.84%	1.29	Overutilization
	2017	0.13%	2.84%	0.05	Underutilization
	2018	0.00%	2.84%	0	Underutilization
	Study Period	0.68%	2.84%	0.24	Underutilization
Hispanic American	2014	0.00%	3.41%	0	Underutilization
	2015	0.00%	3.41%	0	Underutilization
	2016	0.00%	3.41%	0	Underutilization
	2017	0.25%	3.41%	0.07	Underutilization
	2018	0.01%	3.41%	0	Underutilization
	Study Period	0.05%	3.41%	0.02	Underutilization
Native American	2014	0.02%	0.11%	0.17	Underutilization
	2015	0.09%	0.11%	0.77	Underutilization
	2016	0.00%	0.11%	0	Underutilization
	2017	0.00%	0.11%	0	Underutilization
	2018	0.00%	0.11%	0	Underutilization
	Study Period	0.02%	0.11%	0.18	Underutilization
Total MBE	2014	0.21%	21.23%	0.01	Underutilization
	2015	3.55%	21.23%	0.17	Underutilization
	2016	6.05%	21.23%	0.29	Underutilization
	2017	5.21%	21.23%	0.25	Underutilization
	2018	2.49%	21.23%	0.12	Underutilization
	Study Period	3.71%	21.23%	0.17	Underutilization
White Female	2014	8.53%	17.14%	0.5	Underutilization
	2015	11.90%	17.14%	0.69	Underutilization
	2016	11.37%	17.14%	0.66	Underutilization
	2017	19.69%	17.14%	1.15	Overutilization
	2018	2.08%	17.14%	0.12	Underutilization
	Study Period	9.77%	17.14%	0.57	Underutilization
Unidentified MWBE	2014	0.00%	2.84%	0	Underutilization
	2015	0.00%	2.84%	0	Underutilization
	2016	0.00%	2.84%	0	Underutilization
	2017	0.00%	2.84%	0	Underutilization
	2018	0.00%	2.84%	0	Underutilization
	Study Period	0.00%	2.84%	0	Underutilization
Total MWBE/DBE	2014	8.74%	41.20%	0.21	Underutilization
	2015	15.45%	41.20%	0.37	Underutilization
	2016	17.43%	41.20%	0.42	Underutilization
	2017	24.89%	41.20%	0.6	Underutilization
	2018	4.57%	41.20%	0.11	Underutilization
	Study Period	13.49%	41.20%	0.33	Underutilization
Non-Minority	2014	91.26%	58.80%	1.55	Overutilization
	2015	84.55%	58.80%	1.44	Overutilization
	2016	82.57%	58.80%	1.4	Overutilization
	2017	75.11%	58.80%	1.28	Overutilization
	2018	95.43%	58.80%	1.62	Overutilization
	Study Period	86.51%	58.80%	1.47	Overutilization
Total	2014	100.00%	100.00%	1	Parity
	2015	100.00%	100.00%	1	Parity
	2016	100.00%	100.00%	1	Parity
	2017	100.00%	100.00%	1	Parity
	2018	100.00%	100.00%	1	Parity
	Study Period	100.00%	100.00%	1	Parity

**Table 43: Disparity Indices - Professional Services (Prime and Subcontractor)**

In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study

Business Ownership	Year	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization
African American	2014	0.05%	8.43%	0.01	Underutilization
	2015	0.00%	8.43%	0	Underutilization
	2016	1.70%	8.43%	0.2	Underutilization
	2017	0.01%	8.43%	0	Underutilization
	2018	0.24%	8.43%	0.03	Underutilization
	Study Period	0.08%	8.43%	0.01	Underutilization
Asian American	2014	0.00%	1.83%	0	Underutilization
	2015	0.00%	1.83%	0	Underutilization
	2016	0.00%	1.83%	0	Underutilization
	2017	0.00%	1.83%	0	Underutilization
	2018	0.36%	1.83%	0.20	Underutilization
	Study Period	0.03%	1.83%	0.01	Underutilization
Hispanic American	2014	0.09%	0.95%	0.09	Underutilization
	2015	0.00%	0.95%	0	Underutilization
	2016	0.00%	0.95%	0	Underutilization
	2017	0.00%	0.95%	0	Underutilization
	2018	0.00%	0.95%	0	Underutilization
	Study Period	0.03%	0.95%	0.04	Underutilization
Native American	2014	0.00%	0.00%	N/A	Parity
	2015	0.00%	0.00%	N/A	Parity
	2016	0.00%	0.00%	N/A	Parity
	2017	0.00%	0.00%	N/A	Parity
	2018	0.00%	0.00%	N/A	Parity
	Study Period	0.00%	0.00%	N/A	Parity
Total MBE	2014	0.14%	11.22%	0.01	Underutilization
	2015	0.00%	11.22%	0	Underutilization
	2016	1.70%	11.22%	0.15	Underutilization
	2017	0.01%	11.22%	0	Underutilization
	2018	0.60%	11.22%	0.05	Underutilization
	Study Period	0.14%	11.22%	0.01	Underutilization
White Female	2014	0.03%	6.67%	0.01	Underutilization
	2015	0.33%	6.67%	0.05	Underutilization
	2016	2.47%	6.67%	0.37	Underutilization
	2017	0.08%	6.67%	0.01	Underutilization
	2018	0.00%	6.67%	0	Underutilization
	Study Period	0.12%	6.67%	0.02	Underutilization
Unidentified MWBE	2014	0.00%	1.17%	0	Underutilization
	2015	0.00%	1.17%	0	Underutilization
	2016	0.00%	1.17%	0	Underutilization
	2017	0.00%	1.17%	0	Underutilization
	2018	0.00%	1.17%	0	Underutilization
	Study Period	0.00%	1.17%	0	Underutilization
Total MWBE/DBE	2014	0.18%	19.06%	0.01	Underutilization
	2015	0.33%	19.06%	0.02	Underutilization
	2016	4.17%	19.06%	0.22	Underutilization
	2017	0.09%	19.06%	0	Underutilization
	2018	0.60%	19.06%	0.03	Underutilization
	Study Period	0.25%	19.06%	0.01	Underutilization
Non-Minority	2014	99.82%	80.94%	1.23	Overutilization
	2015	99.67%	80.94%	1.23	Overutilization
	2016	95.83%	80.94%	1.18	Overutilization
	2017	99.91%	80.94%	1.23	Overutilization
	2018	99.40%	80.94%	1.23	Overutilization
	Study Period	99.75%	80.94%	1.23	Overutilization
Total	2014	100.00%	100.00%	1	Parity
	2015	100.00%	100.00%	1	Parity
	2016	100.00%	100.00%	1	Parity
	2017	100.00%	100.00%	1	Parity
	2018	100.00%	100.00%	1	Parity
	Study Period	100.00%	100.00%	1	Parity

**Table 44: Disparity Indices - Other Services (Prime and Subcontractor**

**In the Relevant Market – State of Ohio  
Cuyahoga Disparity Study**

Business Ownership	Year	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization
African American	2014	1.74%	7.36%	0.24	Underutilization
	2015	0.18%	7.36%	0.02	Underutilization
	2016	1.39%	7.36%	0.19	Underutilization
	2017	3.57%	7.36%	0.48	Underutilization
	2018	3.43%	7.36%	0.47	Underutilization
	Study Period	1.84%	7.36%	0.25	Underutilization
Asian American	2014	0.82%	1.72%	0.47	Underutilization
	2015	0.03%	1.72%	0.02	Underutilization
	2016	0.46%	1.72%	0.27	Underutilization
	2017	0.96%	1.72%	0.56	Underutilization
	2018	0.56%	1.72%	0.33	Underutilization
	Study Period	0.53%	1.72%	0.31	Underutilization
Hispanic American	2014	0.04%	1.06%	0.03	Underutilization
	2015	0.00%	1.06%	0	Underutilization
	2016	0.00%	1.06%	0	Underutilization
	2017	1.89%	1.06%	1.78	Overutilization
	2018	0.04%	1.06%	0.04	Underutilization
	Study Period	0.15%	1.06%	0.14	Underutilization
Native American	2014	0.00%	0.00%	N/A	Parity
	2015	0.00%	0.00%	N/A	Parity
	2016	0.00%	0.00%	N/A	Parity
	2017	0.00%	0.00%	N/A	Parity
	2018	0.00%	0.00%	N/A	Parity
	Study Period	0.00%	0.00%	N/A	Parity
Total MBE	2014	2.60%	10.14%	0.26	Underutilization
	2015	0.21%	10.14%	0.02	Underutilization
	2016	1.85%	10.14%	0.18	Underutilization
	2017	6.42%	10.14%	0.63	Underutilization
	2018	4.03%	10.14%	0.4	Underutilization
	Study Period	2.52%	10.14%	0.25	Underutilization
White Female	2014	24.68%	5.96%	4.14	Overutilization
	2015	0.97%	5.96%	0.16	Underutilization
	2016	13.30%	5.96%	2.23	Overutilization
	2017	4.70%	5.96%	0.79	Underutilization
	2018	20.75%	5.96%	3.48	Overutilization
	Study Period	14.82%	5.96%	2.49	Overutilization
Unidentified MWBE	2014	0.00%	1.06%	0	Underutilization
	2015	0.00%	1.06%	0	Underutilization
	2016	0.00%	1.06%	0	Underutilization
	2017	0.00%	1.06%	0	Underutilization
	2018	0.00%	1.06%	0	Underutilization
	Study Period	0.00%	1.06%	0	Underutilization
Total MWBE/DBE	2014	27.28%	17.16%	1.59	Overutilization
	2015	1.18%	17.16%	0.07	Underutilization
	2016	15.14%	17.16%	0.88	Underutilization
	2017	11.11%	17.16%	0.65	Underutilization
	2018	24.78%	17.16%	1.44	Overutilization
	Study Period	17.34%	17.16%	1.01	Overutilization
Non-Minority	2014	72.72%	82.84%	0.88	Underutilization
	2015	98.82%	82.84%	1.19	Overutilization
	2016	84.86%	82.84%	1.02	Overutilization
	2017	88.89%	82.84%	1.07	Overutilization
	2018	75.22%	82.84%	0.91	Underutilization
	Study Period	82.66%	82.84%	1	Parity
Total	2014	100.00%	100.00%	1	Parity
	2015	100.00%	100.00%	1	Parity
	2016	100.00%	100.00%	1	Parity
	2017	100.00%	100.00%	1	Parity
	2018	100.00%	100.00%	1	Parity
	Study Period	100.00%	100.00%	1	Parity

**Table 45: Disparity Indices – Architecture & Engineering (Prime and Subcontractor)**

In the Relevant Market – Cleveland–Elyria, OH MSA  
Cuyahoga Disparity Study

Business Ownership	Year	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization
African American	2014	0.39%	7.52%	0.05	Underutilization
	2015	4.89%	7.52%	0.65	Underutilization
	2016	8.92%	7.52%	1.19	Overutilization
	2017	0.44%	7.52%	0.06	Underutilization
	2018	11.55%	7.52%	1.54	Overutilization
	Study Period	3.55%	7.52%	0.47	Underutilization
Asian American	2014	6.83%	7.52%	0.91	Underutilization
	2015	2.46%	7.52%	0.33	Underutilization
	2016	6.43%	7.52%	0.85	Underutilization
	2017	8.60%	7.52%	1.14	Overutilization
	2018	8.33%	7.52%	1.11	Overutilization
	Study Period	7.36%	7.52%	0.98	Underutilization
Hispanic American	2014	0.79%	1.31%	0.6	Underutilization
	2015	0.00%	1.31%	0	Underutilization
	2016	0.00%	1.31%	0	Underutilization
	2017	0.00%	1.31%	0	Underutilization
	2018	0.00%	1.31%	0	Underutilization
	Study Period	0.19%	1.31%	0.15	Underutilization
Native American	2014	0.00%	0.00%	N/A	Parity
	2015	0.00%	0.00%	N/A	Parity
	2016	0.00%	0.00%	N/A	Parity
	2017	0.00%	0.00%	N/A	Parity
	2018	0.00%	0.00%	N/A	Parity
	Study Period	0.00%	0.00%	N/A	Parity
Total MBE	2014	8.02%	16.34%	0.49	Underutilization
	2015	7.35%	16.34%	0.45	Underutilization
	2016	15.35%	16.34%	0.94	Underutilization
	2017	9.05%	16.34%	0.55	Underutilization
	2018	19.88%	16.34%	1.22	Overutilization
	Study Period	11.10%	16.34%	0.68	Underutilization
White Female	2014	4.76%	10.46%	0.46	Underutilization
	2015	11.89%	10.46%	1.14	Overutilization
	2016	4.06%	10.46%	0.39	Underutilization
	2017	3.80%	10.46%	0.36	Underutilization
	2018	3.91%	10.46%	0.37	Underutilization
	Study Period	4.71%	10.46%	0.45	Underutilization
Unidentified MWBE	2014	0.00%	1.31%	0	Underutilization
	2015	0.00%	1.31%	0	Underutilization
	2016	0.00%	1.31%	0	Underutilization
	2017	0.00%	1.31%	0	Underutilization
	2018	0.00%	1.31%	0	Underutilization
	Study Period	0.00%	1.31%	0	Underutilization
Total MWBE/DBE	2014	12.78%	28.10%	0.45	Underutilization
	2015	19.24%	28.10%	0.68	Underutilization
	2016	19.41%	28.10%	0.69	Underutilization
	2017	12.85%	28.10%	0.46	Underutilization
	2018	23.79%	28.10%	0.85	Underutilization
	Study Period	15.81%	28.10%	0.56	Underutilization
Non-Minority	2014	87.22%	71.90%	1.21	Overutilization
	2015	80.76%	71.90%	1.12	Overutilization
	2016	80.59%	71.90%	1.12	Overutilization
	2017	87.15%	71.90%	1.21	Overutilization
	2018	76.21%	71.90%	1.06	Overutilization
	Study Period	84.19%	71.90%	1.17	Overutilization
Total	2014	100.00%	100.00%	1	Parity
	2015	100.00%	100.00%	1	Parity
	2016	100.00%	100.00%	1	Parity
	2017	100.00%	100.00%	1	Parity
	2018	100.00%	100.00%	1	Parity
	Study Period	100.00%	100.00%	1	Parity

**Table 46: Disparity Indices– Goods & Supplies (Prime and Subcontractor)**

**In the Relevant Market – State of Ohio, Pennsylvania, and Michigan  
Cuyahoga Disparity Study**

Business Ownership	Year	Percent of Total Dollars	Percent of Available Firms	Disparity Index	Disparate Impact of Utilization
African American	2014	0.32%	4.29%	0.07	Underutilization
	2015	0.03%	4.29%	0.01	Underutilization
	2016	0.02%	4.29%	0	Underutilization
	2017	0.37%	4.29%	0.09	Underutilization
	2018	0.49%	4.29%	0.11	Underutilization
	Study Period	0.28%	4.29%	0.07	Underutilization
Asian American	2014	0.00%	0.69%	0	Underutilization
	2015	1.85%	0.69%	2.70	Overutilization
	2016	0.00%	0.69%	0	Underutilization
	2017	0.00%	0.69%	0	Underutilization
	2018	0.00%	0.69%	0	Underutilization
	Study Period	0.36%	0.69%	0.53	Underutilization
Hispanic American	2014	0.01%	0.51%	0.02	Underutilization
	2015	0.00%	0.51%	0	Underutilization
	2016	0.53%	0.51%	1.04	Overutilization
	2017	0.00%	0.51%	0	Underutilization
	2018	0.00%	0.51%	0	Underutilization
	Study Period	0.07%	0.51%	0.14	Underutilization
Native American	2014	0.00%	0.06%	0	Underutilization
	2015	0.00%	0.06%	0	Underutilization
	2016	0.00%	0.06%	0	Underutilization
	2017	0.00%	0.06%	0	Underutilization
	2018	0.00%	0.06%	0	Underutilization
	Study Period	0.00%	0.06%	0	Underutilization
Total MBE	2014	0.33%	5.54%	0.06	Underutilization
	2015	1.88%	5.54%	0.34	Underutilization
	2016	0.55%	5.54%	0.1	Underutilization
	2017	0.37%	5.54%	0.07	Underutilization
	2018	0.49%	5.54%	0.09	Underutilization
	Study Period	0.71%	5.54%	0.13	Underutilization
White Female	2014	1.06%	4.94%	0.21	Underutilization
	2015	1.04%	4.94%	0.21	Underutilization
	2016	2.36%	4.94%	0.48	Underutilization
	2017	2.62%	4.94%	0.53	Underutilization
	2018	6.44%	4.94%	1.3	Overutilization
	Study Period	2.94%	4.94%	0.59	Underutilization
Unidentified MWBE	2014	0.00%	0.23%	0	Underutilization
	2015	0.00%	0.23%	0	Underutilization
	2016	0.00%	0.23%	0	Underutilization
	2017	0.00%	0.23%	0	Underutilization
	2018	0.00%	0.23%	0	Underutilization
	Study Period	0.00%	0.23%	0	Underutilization
Total MWBE/DBE	2014	1.39%	10.71%	0.13	Underutilization
	2015	2.92%	10.71%	0.27	Underutilization
	2016	2.91%	10.71%	0.27	Underutilization
	2017	2.99%	10.71%	0.28	Underutilization
	2018	6.93%	10.71%	0.65	Underutilization
	Study Period	3.65%	10.71%	0.34	Underutilization
Non-Minority	2014	98.61%	89.29%	1.1	Overutilization
	2015	97.08%	89.29%	1.09	Overutilization
	2016	97.09%	89.29%	1.09	Overutilization
	2017	97.01%	89.29%	1.09	Overutilization
	2018	93.07%	89.29%	1.04	Overutilization
	Study Period	96.35%	89.29%	1.08	Overutilization
Total	2014	100.00%	100.00%	1	Parity
	2015	100.00%	100.00%	1	Parity
	2016	100.00%	100.00%	1	Parity
	2017	100.00%	100.00%	1	Parity
	2018	100.00%	100.00%	1	Parity
	Study Period	100.00%	100.00%	1	Parity

**1. Summary of Statistically Significant Underutilization**

The table below consolidates the disparity index tables, isolating only the index for the full study period. A statistically significant underutilization is indicated by a p-value less than 0.5. The phrase “Small Number” indicates that there is not enough evidence to accept or reject the null hypothesis.

The statistically significant underutilizations were identical at the prime and total levels for all groups excluding Asian Americans in the Architecture & Engineering work category.

**Table 47: Summary of Disparity Indices (Prime and Total)**

Based on Total Utilization Disparity Index for Study Period (CY 2014 – 2018)  
Cuyahoga Disparity Study

Race/Ethnicity	Work Category	Statistical Significance of Prime Underutilization	Statistical Significance of Total Underutilization
African American	Construction	p<.05	p<.05
	Professional Services	p<.05	p<.05
	Other Services	p<.05	p<.05
	Architecture & Engineering	p<.05	p<.05
	Goods & Supplies	p<.05	p<.05
Asian American	Construction	p<.05	p<.05
	Professional Services	p<.05	p<.05
	Other Services	p<.05	p<.05
	Architecture & Engineering	p<.05	p<.05
	Goods & Supplies	Small Number	Small Number
Hispanic American	Construction	p<.05	p<.05
	Professional Services	p<.05	p<.05
	Other Services	p<.05	p<.05
	Architecture & Engineering	p<.05	p<.05
	Goods & Supplies	p<.05	p<.05
Native American	Construction	Small Number	Small Number
	Professional Services		
	Other Services		
	Architecture & Engineering		
	Goods & Supplies	Small Number	Small Number
Total MBE	Construction	p<.05	p<.05
	Professional Services	p<.05	p<.05
	Other Services	p<.05	p<.05
	Architecture & Engineering	p<.05	p<.05
	Goods & Supplies	p<.05	p<.05
White Female	Construction	p<.05	p<.05
	Professional Services	p<.05	p<.05
	Other Services		
	Architecture & Engineering	p<.05	p<.05
	Goods & Supplies	p<.05	p<.05
Total MWBE/DBE	Construction	p<.05	p<.05
	Professional Services	p<.05	p<.05
	Other Services		
	Architecture & Engineering	p<.05	p<.05
	Goods & Supplies	p<.05	p<.05
Non-Minority	Construction		
	Professional Services		
	Other Services		
	Architecture & Engineering		
	Goods & Supplies		

## I. Determining the significance of Disparity Indices

The determination that an ethnic or gender group has been overutilized or underutilized is not, standing alone, proof of discrimination. Typically, the determination of whether a disparity is “statistically significant” can be based on the depth of the disparity in that any disparity index that is less than .80 is considered to be a statistically significant underutilization and any disparity index over 1.10 is considered to be a statistically significant overutilization. The disparity indices impact as designated in the above tables as “overutilization”, “underutilization”, or “parity” have been colored to indicate such statistically significant impact.

Typically, the determination of whether a disparity is “substantially significant” can be based on any disparity index that is less than .80. Further, GSPC uses a statistical test that considers whether or not the typical disparity index across all vendor categories is equal to unity. This constitutes a null hypothesis of “parity” and the test estimates the probability that the typical disparity index departs from unity, and the magnitude of the calculated test statistic indicates whether there is typically underutilization or overrepresentation. Statistical significance tests were performed for each disparity index derived for each MBE/WBE group, and in each procurement category. This approach to statistical significance is consistent with the case law and the Transportation Research Board approach to statistical significance in disparity studies.

The existence of a statistically significant disparity between the availability and utilization of minority or women owned businesses that is determined to likely be the result of the owners’ race, gender, or ethnicity will impact the recommendations provided as a result of this study. GSPC will, in such a case, make recommendations for appropriate and narrowly tailored race/ethnicity/gender-neutral remedies for this discrimination to give all firms equal access to public contracting with the County. GSPC will also, if appropriate, recommend narrowly tailored race/ethnicity/gender-conscious remedies. If no statistically significant disparity is found to exist or if such a disparity is not determined to be a likely result of firm owners’ race, ethnicity, or gender on their success in the marketplace, GSPC may still make recommendations to support the continuation of engagement, outreach, small business development, and non-discrimination policies in the procurement processes of Cuyahoga County.

## J. Conclusion

Generally, every MWBE group was underutilized in each category in total throughout the Study Period as prime contractors and in total utilization. The cases where there was an overutilization for a MWBE group in prime and total utilization were created by a disproportionately large awards to a single firm. Further econometric analysis of disparities is contained in Chapter V below.



## VI. ANALYSIS OF PUBLIC CONTRACTING DISPARITIES IN CUYAHOGA COUNTY

### A. Introduction

In this section GSPC considers the market entry, private sector, public contracting and subcontracting outcomes and experiences of minority and Women owned firms relative to non-minority owned firms in the Cleveland-Elyria Metropolitan Area—the relevant market area for this portion of the GSPC analysis—from the US Census Bureau’s 2012 Survey of Business Owners (SBO).<sup>75</sup> Cleveland-Elyria Metropolitan Area. Our analysis utilizes data from business firms that are either willing, able, or have actually contracted/subcontracted with Cuyahoga County, with the aim of determining if the likelihood of successful contracting/subcontracting opportunities—actual and perceived—is conditioned in a statistically significant manner on the race, ethnicity, or gender status of firm owners.

Such an analysis is a useful and important complement to estimating simple disparity indices. The simple disparity indices assume that all things important for success and failure are equal among businesses competing for public contracts. They do not take into account any conditions, exceptions, or other differences that may inform the cause of such disparities. As simple disparity indices do not condition on possible confounders of new firm entry, and success and failure in public sector contracting/subcontracting by business firms, they are only suggestive of disparate treatment, and their implied likelihood of success/failure could be biased.

Therefore, our analysis goes further to posit that there are possible confounders of success and failure in the entry of new firms in the market and public sector contracting/subcontracting that are sources of heterogeneity among business firms that lead to differences in success and failure. Failure to condition on the sources of heterogeneity (variations) in success/failure in new firm formation and public sector contracting/subcontracting outcomes can leave simple disparity indices devoid of substantive policy implications as they ignore the extent to which firm owner race/ethnicity/gender characteristics are or are not causal factors. Disparate outcomes could possibly be reflective in whole or in part of outcomes driven by disparate business firm characteristics and they may make a fundamental difference in the success or failure in the formation of new firms and public sector contracting/subcontracting outcomes. If the race, ethnicity, or gender status of a firm owner conditions lower likelihoods of success/failure, this would be suggestive of these salient and mostly immutable characteristics causing the observed disparities.

A broad context for considering disparities by firm ownership status can be informed by considering private sector outcomes in the relevant Cleveland-Elyria Metropolitan Area. In general, the success and failure of minority and Women owned firms in public contracting could be conditioned by their outcomes in the private sector regarding their revenue generating capacity. The value of a descriptive private sector analysis is that it situates disparity analyses in the “but-for-justification.” Ian Ayres and Frederick Vars (1998), in

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<sup>75</sup> According to 2018 United States Census estimates, the Cleveland–Elyria Metropolitan Statistical Area (MSA) consists of Cuyahoga County, Geauga County, Lake County, Lorain County, and Medina County and is the most relevant Census Data for Cuyahoga County.

their consideration of the constitutionality of public affirmative programs posit a scenario in which private suppliers of financing systematically exclude or charge higher prices to minority and Women owned businesses, which potentially increases the cost of which minority and Women owned businesses can provide services required under public contracts relative to non-minority owned businesses.<sup>76</sup> This private discrimination means that as minority owned firms may only have recourse to higher cost financing due to facing discrimination in private sector capital markets, which compromises the competitiveness of their bids. Such a perspective on discrimination suggests that barriers faced by minority owned firms in the private sector can be a justification for public entities to implement targeted contracting programs. Conversely, in the absence of such private sector discrimination, minority and Women owned firms would be able to compete with other firms in bidding for public contracts.

Table 48 reports on firm ownership type and revenue for the Cleveland-Elyria Metropolitan Area—the relevant market area for the GSPC analysis—from the US Census Bureau’s 2012 Survey of Business Owners (SBO).<sup>77</sup> The SBO Data are collected every 5 years since 1972, for years ending in "2" and "7" as part of the economic census. The program began as a special project for minority owned businesses in 1969 and incorporated into the economic census in 1972 along with the Survey of Women Owned Businesses. The GSPC descriptive private sector analysis considers the percentage of representation in the population of firms and revenue across the firm ownership type classifications.

For the Cleveland-Elyria Metropolitan Area, Table 48 reveals that relative to Caucasian owned firms, the revenue shares of each minority owned firm never exceeds 4.3 percent (Women).<sup>78</sup> With the exception of firms owned by Asians, the revenue shares of other Minority and Women owned Business Enterprises (MWBES) never exceeds 5 tenths of one percent (Asian Indian American). This is particularly a stark finding for firms owned by MWBES, as each represent approximately 17 percent respectively of all firms in the Cleveland-Elyria Metropolitan Area, but collectively, MWBES have revenue shares drastically smaller than their overall share in the Cleveland-Elyria Metropolitan Area universe. This is consistent with and suggestive of—but not necessarily causal evidence for—MWBES facing discriminatory barriers in the private sector of the Cleveland-Elyria Metropolitan Area.

<sup>76</sup> See: Ayres, Ian, and Fredrick E. Vars. 1998, "When does private discrimination justify public affirmative action?" *Columbia Law Review*, 98: 1577-1641.

<sup>77</sup> SBO data are publicly available at <http://www.census.gov/programs-surveys/sbo/data.html>

<sup>78</sup> The percentages do not "add-up" to one, as the Women ownership category is not "mutually exclusive" of the other race/ethnicity categories.

**Table 48: Firm Ownership Type and Revenue Characteristics**

**For the Cuyahoga County Market Area:  
2012 Survey Of Business Owners**

Ownership Structure	Number of Firms	Percentage of all Firms (approximate)	Market Area Total Revenue (\$1,000)	Percentage of Market Area Total Revenue (approximate)	Ratio of Firm Share to Revenue Share (approximate)
All	180,240	100	210,238,706	100	1
Women	63,378	.352	9,094,208	.0433	8.13
Caucasian	144,575	.802	83,960,287	.399	2.01
African American	24,618	.1365	1,363,003	.0066	20.68
American Indian & Alaskan Native	628	.003	50,014	.0002	15
Asian	4,959	.0276	2,059,766	.0099	2.78
Asian Indian American	1,753	.0094	1,229,401	.0057	1.64
Chinese	1,094	.0061	376,593	.0018	3.39
Filipino	309	.0017	35,686	.0001	17
Japanese	226	.0012	54,437	.0002	6
Korean	409	.0022	157,185	.0008	2.75
Vietnamese	623	.0034	49,568	.0002	17
Other Asian	644	.0036	154,074	.0007	5.14
Native Hawaiian & Other Pacific Islander	58	.0003	6,935	.00001	30
Hispanic American	4,742	.0263	648,775	.0031	8.48
Some Other Race	1,879	.0104	238,769	.0011	9.45
Publicly Held and not classifiable by race, gender, ethnicity	4930	.0273	122,570,556	.5832	.0468

Source: US Census Bureau 2012 Survey of Business Owners.

Given that publicly held firms are not usually classifiable by MWBE status, and account for a disproportionate share of revenues, a simple comparison of a MWBE firm and revenue share may not inform the existence of any private sector disparities with precision. In this context, the ratio of a MWBE market share to revenue share may be more informative of disparities. For example, in the case of firms owned by African Americans, this ratio is (.1365)/(.0066) or approximately 20.68, suggesting that the revenue share of firms owned by African Americans would have to increase by a factor of approximately 21 to achieve firm share parity in the Cleveland-Elyria Metropolitan Area. This ratio also reveals that in the Cleveland-Elyria Metropolitan Area, MWBEs owned by Native Americans and African Americans have the highest firm to revenue share disparities. That the firm to revenue share disparity for Publicly held firms is less than unity implies they are overrepresented with respect to revenue share.

Table 49 replicates Table 48, to the extent the SBO data enable, for the Cleveland-Elyria Metropolitan Area construction sector—a sector which is a significant venue for public sector contracting.<sup>79</sup> As in the case of

<sup>79</sup> For the construction sector, 2012 SBO data do not provide detailed disaggregated race/ethnicity detail to the same extent as for all sectors. <sup>a</sup>Value suppressed to preserve confidentiality as a result of very few firms or there are one or

the private sector overall in Table 48, in general, all minority owned construction firms have revenue shares below their firm representation shares, consistent with and suggestive of—but not necessarily causal evidence for—MWBEs facing discriminatory barriers in the private construction sector of the Cleveland-Elyria Metropolitan Area. This ratio of firm to revenue share also reveals that for the construction sector in the Cleveland-Elyria Metropolitan Area, MWBEs owned by Hispanic Americans and African Americans have the highest firm to revenue share disparities. That the firm to revenue share disparity for Publicly held construction firms is less than unity implies they are overrepresented with respect to revenue share.

**Table 49: Firm Ownership Type and Revenue Characteristics**

**For the Cleveland-Elyria Metropolitan Area Construction Sector:  
2012 Survey Of Business Owners**

Ownership Structure	Number of Firms	Percentage of all Firms (approximate)	Market Area Total Revenue (\$1,000)	Percentage of Market Area Total Revenue (approximate)	Ratio of Firm Share to Revenue Share (approximate)
All	17,881	100	7,590,647	100	1
Women	1,709	.0956	491,437	.0647	1.48
Caucasian	16,404	.9173	5,679,495	.7368	1.24
African American	1,113	.0622	173,074	.0228	2.73
American Indian & Alaskan Native	55	.0031	19,619	.0026	1.19
Asian	109	.0061	35,010	.0046	1.33
Asian Indian American	35	.0019	28,878	.0038	.500
Hispanic American	559	.0313	42,382	.0056	5.59
Some Other Race	206	.0115	21,640	.0028	4.11
Publicly Held and not classifiable by race, gender, ethnicity	120	.0067	1,668,494	.2237	.029

Source: US Census Bureau 2013 Survey of Business Owners.

Overall, the descriptive summary in Tables 48-49 suggests that in the Cleveland-Elyria Metropolitan Area private sector, MWBEs face barriers that translate into lower firm revenues in general, and in the construction sector. In general, if being an MWBE in the Cleveland-Elyria Metropolitan Area private sector is associated with lower firm revenue, this lends some support to the “but-for” justification for affirmative action in public procurement. Lower revenues for MWBEs in the Cleveland-Elyria Metropolitan Area is suggestive of private discrimination that undermines their capacity to compete with non-minority owned

two large firms that dominate the statistic.

firms for public contracting opportunities. This could motivate a private discrimination justification for Affirmative Action in the Cuyahoga County procurement policies, otherwise Cuyahoga County is potentially a *passive participant* in private discrimination against MWBEs with respect to its procurement practices.

To explicitly examine potential disparities in the rates of business ownership in the Cleveland-Elyria Metropolitan Area, GSPC estimated the parameters of a Logit model using 2017 American Community Survey (ACS) data.<sup>80</sup> The ACS is a project of the U.S. Census Bureau that has replaced the decennial census as the key source of information about American population and housing characteristics. The 2016 ACS is an approximately 1-in-100 weighted public use sample consisting of U.S households with the smallest identifiable unit being the Public Use Microdata Unit (PUMA), which is a geography containing at least 100,000 individuals. The specification of each model controls for those variables in customary in the literature that are utilized to explain self-employment, so as to estimate the effects of MWBE status on self-employment while minimizing and/or eliminating confounding factors.<sup>81</sup> GSPC determines statistical significance on the basis of the estimated coefficient's probability value—or P-value. The P-value is the probability of obtaining an estimate of the coefficient by chance alone, assuming that the null hypothesis of the variable having a zero effect is true. As a convention, GSPC rejects the null hypothesis of no effect, and concludes the estimated coefficient is statistically significant as long as P-value  $\leq .10$ , which we highlight in bold for all parameter estimates

In the GSPC Logit model of self-employment, the estimated parameters are odds ratios, and when greater (less) than unity indicate that having a particular characteristics increases (decreases) the likelihood of being self-employed. In the case of the MWBE status indicators (e.g. African American, Female), the excluded category is Caucasian Males, and a positive (negative) odds ratio indicates that relative to Caucasian Males, having that MWBE characteristic increases (decreases) the likelihood of being self-employed in the Cleveland-Elyria Metropolitan Area.

Table 50 reports parameter estimates across all ACS measured business sectors in the Cleveland-Elyria Metropolitan Area. To control for ability and other unobservables that could condition the decision to be self-employed our regression specification includes controls for age, marital status, education, english language capability, disability, capital income, and home value/payments. The estimated odds ratios less than unity with statistical significance suggest that relative to Caucasian Males, Females, African Americans, Hispanic Americans, and Native Americans are less likely to be self-employed in the Cleveland-Elyria Metropolitan Area. These estimated odds ratios estimates are suggestive of barriers to self-employment for these type of MWBEs in the Cleveland-Elyria Metropolitan Area, that could potentially be ameliorated through successful MWBE public contracting programs that induce MWBE firm entry as Chatterji, Chay, and Fairlie (2014) find that the self-employment rate of African Americans is increasing with respect to the provisioning and establishment of MWBE remedial public procurement programs.<sup>82</sup>

Table 51 reports parameter estimates for the construction sector in the Cleveland-Elyria Metropolitan

<sup>80</sup> ACS data are publicly available at <https://usa.ipums.org/usa/>. See: Steven Ruggles, Katie Genadek, Ronald Goeken, Josiah Grover, and Matthew Sobek. 2017. *Integrated Public Use Microdata Series: Version 7.0* [dataset]. Minneapolis: University of Minnesota. <https://doi.org/10.18128/DO10.V7.0>.

<sup>81</sup> See: Grilo, Isabel, and Roy Thurik. 2008. "Determinants of Entrepreneurial Engagement Levels in Europe and the US." *Industrial and Corporate Change* 17: pp. 1113-1145, and Van der Sluis, Justin, Mirjam Van Praag, and Wim Vijverberg. 2008. "Education and Entrepreneurship Selection and Performance: A Review of the Empirical Literature." *Journal of economic surveys* 22: pp. 795-841.

<sup>82</sup> Chatterji, Aaron K., Kenneth Y. Chay, and Robert W. Fairlie. 2014. "The Impact of City Contracting Set-asides on Black Self-employment and Employment." *Journal of Labor Economics* 32: pp. 507-561.

Area—an important sector in the market for public procurement. The estimated odds ratios less than unity with statistical significance suggest that relative to Caucasian Males, Females, African Americans, Hispanic Americans, Native Americans, Native Americans are less likely to be self-employed in the Cleveland-Elyria Metropolitan Area. The estimated odds ratios estimates are suggestive of barriers to self-employment in the construction sector for these type of MWBEs in the Cleveland-Elyria Metropolitan Area that could potentially be ameliorated through successful MWBE public contracting programs that induce MWBE firm entry, as Marion (2009) finds that the self-employment rate of African Americans in construction is increasing with respect to the provisioning and establishment of MWBE public construction procurement programs.<sup>83</sup> In this context, the existence of a proportionality between MWBE entry and remedial programs in the public sector construction sector (Marion, 2009) suggests that the Logit parameter estimates in Table 51 could be informing, at least in part, disparities in the awarding of public sector construction projects in the Cleveland-Elyria Metropolitan Area.

**Table 50: Self-Employment/Business Ownership Model:**

**Logit Parameter Odds Ratio Estimates from the 2017 American Community Survey**

	<b>Coefficient</b>	<b>Standard Error</b>	<b>P-value</b>
<i>Regressand:</i> Self Employment in The Cleveland-Elyria Metropolitan Area (Binary)			
<i>Regressors:</i>			
Constant	.0624	.0015	<b>.0000</b>
Age	1.38	.0028	<b>.0000</b>
Age-Squared	.8912	.0093	.1682
Married	1.18	.0418	<b>.0329</b>
Female	.9362	.0294	<b>.0241</b>
African American	.8135	.1495	<b>.0294</b>
Hispanic American	.9735	.1149	<b>.0572</b>
Native American	.9112	.1628	<b>.0847</b>
Pacific Islander American	.7513	.1057	.1251
Asian American	1.21	.0439	.1359
Other Race American	1.12	.0053	.1539
College Degree	.8950	.0974	.5391
Speaks English Only	1.09	.0062	<b>.0393</b>
Disabled	.9713	.3256	.1537
Value of Home (\$)	1.19	.0021	<b>.0000</b>
Interest, Dividend, and Rental Income (\$)	1.24	.0017	<b>.0000</b>
Mortgage Payment (\$)	1.13	.0023	<b>.0000</b>
Number of Observations	19,595		
<i>Pseudo-R<sup>2</sup></i>	.084		

Bold P-value indicates statistical significance level of .10 or lower.

Source of Data: American Community Survey 2017, IPUMs USA

<sup>83</sup> Marion, Justin. 2009. "Firm Racial Segregation and Affirmative Action in the Highway Construction Industry." *Small Business Economics* 33: Article 441.

**Table 51: Construction Sector Self-Employment/Business Ownership Model:  
Logit Parameter Odds Ratio Estimates from the 2017 American Community Survey**

	<b>Coefficient</b>	<b>Standard Error</b>	<b>P-value</b>
<i>Regressand:</i> Self Employment in The Cleveland-Elyria Metropolitan Area (Binary)			
<i>Regressors:</i>			
Constant	.0314	.0015	<b>.0000</b>
Age	1.15	.0216	<b>.0000</b>
Age-Squared	.9638	.0468	.1473
Married	1.14	.0143	<b>.0813</b>
Female	.2139	.0257	<b>.0472</b>
African American	.1462	.0361	<b>.0328</b>
Hispanic American	.9814	.0135	<b>.0436</b>
Native American	.7931	.0231	<b>.0921</b>
Pacific Islander American	.5814	.1238	.1171
Asian American	.1275	.0410	<b>.0325</b>
Other Race American	1.74	1.14	.1273
College Degree	.9948	.0531	<b>.0936</b>
Speaks English Only	1.18	.1638	.1253
Disabled	1.13	1.21	.1247
Value of Home (\$)	1.43	1.18	<b>.0574</b>
Interest, Dividend, and Rental Income (\$)	1.12	.9814	<b>.0897</b>
Mortgage Payment (\$)	1.23	.0142	.1258
Number of Observations	77,218		
<i>Pseudo-R<sup>2</sup></i>	.113		

Bold P-value indicates statistical significance level of .10 or lower.

*Source of Data:* American Community Survey 2017, IPUMs USA

### **B. GSPC Survey Data and Regression-Based Disparity Analysis**

Our Cuyahoga County regression-based disparity analysis is based on survey data compiled by GSPC, and constitutes a sample of firms from Cuyahoga’s vendor lists, as well as various local and state certified vendor lists. The GSPC survey was a questionnaire that captured data on firm and firm ownership. The full results of GSPC’s Survey of Business Owners is found in Appendix F. The GSPC research interest is in the extent to which a firm’s status as minority or woman owned conditions success/failure in contracting with Cuyahoga County in public contracting opportunities. In this analysis, our use of the data in the GSPC survey is limited to the measured covariates that in our view are best suited for evaluating the extent to which SMWDBE status is a possible cause of public contracting disparities at Cuyahoga County. Table 52 reports, for the 210 survey responses available, a summary on the description, mean and standard deviation of the covariates from the GSPC survey that are relevant to the analysis, and utilized as regressors and regressands in our econometric specifications.

**Table 52: Covariate Summary**

Covariate	Description	Mean	Standard Deviation	Number of Observations
Firm entered market within past five years	<i>Binary Variable:</i> 1 = yes	.095	.294	210
Number of times denied a commercial bank loan	<i>Ordinal Variable:</i> 1 = 0 2 = 1 – 10 3 = 11 – 25 4 = 26 – 50 5 = 51 – 100 6 = Over 100	.976	.574	210
Number of prime bids submitted on Cuyahoga County projects	<i>Ordinal Variable:</i> 1 = 0 2 = 1 – 10 3 = 11 – 25 4 = 26 – 50 5 = 51 – 100 6 = Over 100	1.52	1.17	210
Number of Cuyahoga County contracts awarded between 1/1/14 - 6/30/17	<i>Ordinal Variable:</i> 1 = 0 2 = 1 – 10 3 = 11 – 25 4 = 26 – 50 5 = 51 – 100 6 = Over 100	1.23	1.01	210
Number of Cuyahoga County subcontracts awarded between 1/1/14 - 6/30/18	<i>Ordinal Variable:</i> 1 = 0 2 = 1 – 10 3 = 11 – 25 4 = 26 – 50 5 = 51 – 100 6 = Over 100	.262	.692	210
Did not serve as a contractor or subcontractor on Cuyahoga County projects between 1/1/14 – 6/30/17	<i>Binary Variable:</i> 1 = Yes	.829	.378	210
Largest single contract awarded since 1/1/18	<i>Ordinal Variable:</i> 1 = \$100,00 or less 2 = \$100,001 - \$250,000 3 = \$250,001 - \$500,000 4 = \$500,001 - \$750,000 5 = \$750,001 - \$1,000,000 6 = \$1,000,001 – 1,320,000 7 = 1,320,001 - \$1,500,000 8 = \$1,500,001 - \$5,000,000 9 = \$5,000,001 - \$10,000,000 10= Over \$10,000,000	2.91	3.09	210
Firm has experienced private sector discrimination	<i>Binary Variable</i> 1 = Yes	.733	.443	210
Owner has more than 20 years of experience	<i>Binary Variable</i>	.714	.453	210



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	1 = Yes			
Firm has more than 10 employees	Binary Variable: 1 = Yes	.395	.490	210
Firm owner has a baccalaureate degree	Binary Variable: 1 = Yes	.348	.477	210
Firm gross revenue greater than \$1,500,000	Binary Variable: 1 = Yes	.338	.474	210
Firm bonding limit greater than \$1,500,000	Binary Variable: 1 = Yes	.552	.498	210
Financing is a Barrier to Submitting Bids and Securing Contracts From County	Binary Variable: 1 = Yes	.090	.287	210
Firm is in the construction sector	Binary Variable: 1 = Yes	.119	.325	210
Firm is qualified to do business with Cuyahoga County	Binary Variable: 1 = Yes	.971	.167	210
Firm is registered to do business with Cuyahoga County	Binary Variable: 1 = Yes	.843	.362	210
Firm is willing to do business with Cuyahoga County as a prime contractor	Binary Variable: 1 = Yes	.995	.069	210
Firm is a certified minority business enterprise	Binary Variable: 1 = Yes	.305	.461	210
Firm is a certified Woman business enterprise	Binary Variable: 1 = Yes	.348	.477	210
Firm is a certified small business enterprise	Binary Variable: 1 = Yes	.538	.499	210
Firm is a certified disadvantaged business enterprise	Binary Variable: 1 = Yes	.243	.429	210
Majority Firm Owner is African American	Binary Variable: 1 = Yes	.300	.459	210
Majority Firm Owner is Asian Pacific American	Binary Variable: 1 = Yes	.005	.069	210
Majority Firm Owner is Hispanic	Binary Variable: 1 = Yes	.024	.153	210
Majority Firm Owner is Native American	Binary Variable: 1 = Yes	.005	.097	210
Majority Firm Owner is bi/multiracial	Binary Variable: 1 = Yes	.004	.069	210
Majority Firm Owner is a Woman	Binary Variable: 1 = Yes	.495	.501	210

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### C. Statistical and Econometric Framework

Methodologically, the GSPC statistical and econometric analysis of possible small, minority, woman or disadvantaged firm (“SMWDBE”) public contracting disparities with Cuyahoga County utilizes a Categorical Regression Model (CRM) framework.<sup>84</sup> As the covariates measuring public contracting activity/outcomes and other respondent characteristics in Table 52 are categorical responses to questionnaire items (e.g. public contracting bid ranges, yes, no), a CRM views the categories as latent variables with likelihood thresholds that are conditioned on other covariates. In the case where there are more than two categories and the succession of categories have a natural ranking, a CRM permits a determination as to how particular covariates condition the likelihood/probability of being in the highest valued category relative to the lower-valued categories. In the case of just two categorical but not naturally ordered categories, the CRM reduces to a Binary Regression Model (BRM).<sup>85</sup>

For all the CRM/BRM parameter estimates below, we report them as “odds ratios”, which measure the ratio of the probability of success and the probability of failure relative to the omitted group in all our specifications—nonminority owned firms.<sup>86</sup> When the odds ratio is greater (less) than unity for a parameter, the measure characteristic has the effect of increasing (decreasing) the likelihood of the outcome under consideration relative to nonminority owned firms. We determine statistical significance on the basis of the estimated coefficient’s probability value—or P-value. The P-value is the probability of obtaining an estimate of the coefficient by chance alone, assuming that the null hypothesis of the variable having a zero effect is true. As a convention, GSPC rejects the null hypothesis of no effect, and concludes the estimated coefficient is statistically significant as long as P-value  $\leq .10$ , which we highlight in bold for all parameter estimates.

As nonresponse probabilities in the GSPC survey are unknown, we estimate all parameters from our CRM/BRM specifications with robust empirical standard errors to minimize/eliminate the bias that can result from a sample being unrepresentative of the population of interest due to nonresponse.<sup>87</sup> CRM/BRM

<sup>84</sup> See: Richard D. McKelvey and William Zavoina. 1975. “A Statistical Model for the Analysis of Ordinal Level Dependent Variables,” *Journal of Mathematical Sociology*, 4: pp. 103 - 120.

<sup>85</sup> More formally, if the latent realization of an outcome is  $Y_i^*$ , ranging from  $-\infty$  to  $\infty$ , a structural and conditional specification for  $Y_i^*$  is  $Y_i^* = \mathbf{X}_i \beta + \varepsilon_i$ , where  $\mathbf{X}$  is a vector of exogenous covariates,  $\beta$  is a vector of coefficients measuring the effects of particular covariates on the realization of  $Y_i^*$ , and  $\varepsilon_i$  is a random error. For categorical and ordinal outcomes  $m = 1 \dots J$ ,  $Y_i = m$  if  $\tau_{m-1} \leq Y_i^* < \tau_m$ , where the  $\tau_i$  are thresholds for the particular realizations of  $Y_i^* = m$ . Conditional on  $\mathbf{X}$  the likelihood/probability that  $Y_i$  takes on a particular realization is  $Pr(Y_i = m | \mathbf{X}) = \Phi(\tau_m - \mathbf{X}\beta) - \Phi(\tau_{m-1} - \mathbf{X}\beta)$ , where  $\Phi$  is the cumulative density function of  $\varepsilon$ . The GSPC methodology utilizes covariates that control and/or proxy for the education level of the firm owner, the age of the firm, the size of the firm with respect to the number of employees and revenues, firm bonding capacity, and firm financial standing.

<sup>86</sup> An “odds-ratio” is also a measure of “effect size” in that in addition to the statistical significance of a parameter, the “odds-ratio” provides a measure of a parameter estimate’s “practical magnitude.” For an “odds-ratio” the practical magnitude is the absolute value of 1 minus the “odds-ratio”, measuring the percentage change in the likelihood of observing the dependent outcome.

<sup>87</sup> These standard errors are commonly referred to as robust standard errors. However, they are also empirically sample-based estimates of the unknown population variance and standard deviation. Thus, utilizing them assumes

parameter estimates with robust empirical standard errors effects can mitigate/eliminate the bias in parameter estimates caused by a sample that may not be fully representative of the population of interest.

#### D. The Relative New Firm Entry Propensities of Minority Firm Owners in Cleveland-Elyria Metropolitan Area

We first examine the effects of SMWDBE status on an individual's participation in the private sector as a relatively new business firm in the Cleveland-Elyria Metropolitan Area. To the extent that SMWDBEs have a lower likelihood of market entry relative to non-SMWDBEs, it would suggest that private discrimination against SMWDBEs is sufficiently present to warrant consideration of public sector legal remedies such as affirmative action and SMWDBE contracting programs, that would improve the prospects for the entry of new minority owned firms in the market. Such a perspective on discrimination suggests that entry barriers impede the formation of minority owned firms. The counterfactual is that in the absence of such entry barriers, manifested perhaps as discrimination against minority owned firms in access to capital, credit, etc, SMWDBEs would be able to enter the market, and compete with non-SMWDBES in bidding and securing public contracts from Cuyahoga County.

To determine if SMWDBE status is a barrier to the formation of new businesses in the Cleveland-Elyria Metropolitan Area, Tables 53-54 report, for each of the distinct group characteristics and owner self-reported race/ethnicity in the GSPC sample, the estimated parameters of a Logit BRM with a binary variable for a firm establishing itself within the past ten years as the dependent variable. As standard control covariates we include measures of, or proxies for, the firm's owner's experience, the size of the firm having, firm gross revenue, firm bonding status, firm financial standing, whether or not the firm is in the construction/construction services sector, and the education of the firm owner. As a goodness-of-fit measure, Pseudo- $R^2$  is reported.<sup>88</sup>

The parameter estimates in Tables 53-54 suggest that only firms owned by Native Americans are more likely to be new firms, as the estimated odds ratio is greater than unity and statistically significant in this instance. As the excluded group of non-SMWDBEs, to the extent that market experience is an important determinant of, and correlated with success in bidding and securing public contracts, most SMWDBEs in the Cleveland-Elyria Metropolitan Area are no different than non-SMWDBEs in being recent entrants to the market. This suggests that, with the exception of new firms owned by Native Americans, the market experience of SMWDBEs and non-SMWDBEs is similar. To the extent that this also implies similar knowledge/experience about bidding and securing public contracts, any disparities in public contracting outcomes between SMWDBEs and non-SMWDBEs—with the exception of firms owned by Native Americans—can't be explained by differential market experience.

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the relevant population has an unknown spread about its mean. See Christopher Zorn. 2006. "Comparing GEE and Robust Standard Errors for Conditionally Dependent Data," *Political Research Quarterly*, 59: pp. 329 – 342.

<sup>88</sup> Pseudo- $R^2$  is not to be interpreted as the  $R^2$  in standard Ordinary Least Squares (OLS) estimation, as OLS proceeds by minimizing variance to get parameter estimates. Logit specifications are likelihood-based, and higher values of Pseudo- $R^2$  indicate that the specified model is an increasingly better alternative to a null model with only an intercept.

**Table 53: Logit Parameter Estimates (Odds Ratio): SMWDBE Status and Firm Entry in Cleveland-Elyria Metropolitan Area**

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand: Firm entered market within past 10 years (Binary)</i>		
Owner has more than 20 years' experience	0.0599	<b>0.0000</b>
More than 10 employees	3.1979	0.1033
Firm owner has a baccalaureate degree	0.6678	0.5209
Firm gross revenue greater than 1.5 million	0.0001	<b>0.0000</b>
Firm Bonding limit greater than 1.5 million	1.2759	0.6958
Financing is a barrier for securing Cuyahoga County project	2.0797	0.4386
Firm is in the construction sector	1.2571	0.8874
Firm is qualified to do business with Cuyahoga County	1.8571	0.6541
Firm is registered to do business with Cuyahoga County	0.2541	0.0626
Firm is a certified minority business enterprise	0.6000	0.4601
Firm is a certified Woman enterprise	2.3402	0.2141
Firm is a certified disadvantaged business enterprise	0.0958	<b>0.0033</b>
Firm is a certified small business enterprise	1.2449	0.7433
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.3602	

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**Table 54: Logit Parameter Estimates (Odds Ratio): Owner Racial/Ethnic Status and Firm Entry in Cleveland-Elyria Metropolitan Area**

	Coefficient	P-value
<i>Regressand:</i> Firm entered market within past 10 years ( <i>Binary</i> )		
Owner has more than 20 years' experience	0.1402	<b>0.0012</b>
More than 10 employees	1.9202	0.3950
Firm owner has a baccalaureate degree	0.7117	0.5518
Firm gross revenue greater than 1.5 million	0.0001	<b>0.0000</b>
Firm Bonding limit greater than 1.5 million	0.7861	0.6517
Financing is a barrier for securing Cuyahoga County project	0.8188	0.8383
Firm is in the construction sector	0.5142	0.6811
Firm is qualified to do business with Cuyahoga County	0.9076	0.9283
Firm is registered to do business with Cuyahoga County	0.3448	0.1160
African American Owned Firm	1.2338	0.7290
Asian American Owned Firm	2.5303	.
Hispanic American Owned Firm	1.8711	0.6739
Native American Owned Firm	1.8101	<b>.00001</b>
Bi/Multi Racial American Owned Firm	.0001	<b>.00000</b>
Woman Owned Firm	1.0459	0.9396
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.2875	

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**E. SMWDBEs and Bank Loan Denials in The Cleveland-Elyria Metropolitan Area**

To the extent that SMWDBEs are credit-constrained as a result of facing discrimination in private lending markets, their capacity to compete for and execute public project could be compromised. In this context, a political jurisdiction that awards public contracts is potentially a *passive participant* in discrimination as SMWDBEs may only have recourse to higher cost financing due to facing discrimination in private credit markets, which compromises the competitiveness of their bids. Such a perspective on discrimination suggests that barriers faced by SMWDBEs in the private sector can rationalize targeted public contracting programs by political jurisdictions, and the capacity and growth of SMWDBEs could be enhanced with access to public contracting opportunities (Bates, 2009).<sup>89</sup>

To determine if SMWDBE status is a barrier to the formation of new businesses in the Cleveland-Elyria Metropolitan Area, Tables 55-56 report, for each of the distinct SMWDBEs and owner self-reported

<sup>89</sup> See: Bates, Timothy. 2009 "Utilizing Affirmative Action in Public Sector Procurement as a Local Economic Development Strategy." *Economic Development Quarterly*, 23: pp. 180 - 192., and Bates, Timothy, and Alicia Robb. 2013. "Greater Access to Capital is Needed to Unleash the Local Economic Development Potential of Minority owned Businesses." *Economic Development Quarterly*, 27: pp.250 - 259.

race/ethnicity in the GSPC sample, the estimated parameters of an Ordinal Logit BRM with the dependent variable being a categorical variable for the number of times the firm was denied a private bank loan firm between the years 2014 – 2019. Relative to the regressions reported in Tables 53-54, we add additional binary controls to account for the willingness to do business with County.

The estimated odds ratios in Table 55 reveal that for the five distinct SMWDBEs in the GSPC sample, relative to non-SMWDBEs—the excluded group in the CRM specification—Small business enterprises and minority business enterprises, SMWDBES are more likely to be denied commercial bank loans at high frequency, as the estimated odds ratio is greater than unity and statistically significant in these instances. The parameter estimates in Table 56 suggest that firms owned by African Americans are more likely to be denied loans at higher frequency relative to non-SMWDBEs. This suggests that among SMWDBEs in the Cleveland-Elyria Metropolitan Area, firm owners who are African American, and those certified as minority and small, are most likely to have their capacity to compete in the market for public procurement constrained as a result of private sector credit market discrimination.

**Table 55: Ordinal Logit Parameter Estimates (Odds Ratio): Owner Racial/Ethnic Status and Commercial Bank Loan Denials**

**In Cleveland-Elyria Metropolitan Area**

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand:</i> Number of times denied commercial bank loan ( <i>Ordinal</i> )		
Owner has more than 20 years' experience	0.5973	0.2223
More than 10 employees	0.9629	0.9324
Firm owner has a baccalaureate degree	1.2909	0.3935
Firm gross revenue greater than 1.5 million	1.1270	0.7818
Firm Bonding limit greater than 1.5 million	1.2799	0.4124
Financing is a barrier for securing Cuyahoga County project	2.3588	0.3063
Firm is in the construction sector	0.7652	0.6146
Firm is qualified to do business with Cuyahoga County	0.7526	0.7176
Firm is registered to do business with Cuyahoga County	1.9598	0.2066
Firm is willing to do Business with Cuyahoga County	0.1710	<b>0.0027</b>
Firm is a certified minority business enterprise	3.8080	<b>0.0050</b>
Firm is a certified Woman enterprise	1.3484	0.3532
Firm is a certified disadvantaged business enterprise	0.8530	0.7551
Firm is a certified small business enterprise	2.2300	<b>0.0291</b>
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.1146	

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**Table 56: Ordinal Logit Parameter Estimates (Odds Ratio): SMWDBE Status and Commercial Bank Loan Denials**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand</i> : Number of times denied commercial bank loan ( <i>Ordinal</i> )		
Owner has more than 20 years' experience	0.5664	0.1744
More than 10 employees	0.8512	0.7398
Firm owner has a baccalaureate degree	1.1882	0.5757
Firm gross revenue greater than 1.5 million	1.1477	0.7631
Firm Bonding limit greater than 1.5 million	1.5401	0.1718
Financing is a barrier for securing Cuyahoga County project	3.9775	<b>0.0989</b>
Firm is in the construction sector	0.9073	0.8537
Firm is qualified to do business with Cuyahoga County	0.7931	0.7706
Firm is registered to do business with Cuyahoga County	2.2625	0.1589
Firm is willing to do Business with Cuyahoga County	0.9373	0.9081
African American Owned Firm	3.0890	<b>0.0335</b>
Asian American Owned Firm	1.2389	0.6933
Hispanic American Owned Firm	0.3440	0.2561
Native American Owned Firm	1.7397	0.1281
Bi/Multi Racial American Owned Firm	0.0001	<b>0.0000</b>
Woman Owned Firm	0.9761	0.9417
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.0977	

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**F. Are Minority owned Firms Less Likely To Compete for Prime Contracts in Cleveland-Elyria Metropolitan Area?**

One reason disparities in public contracting outcomes between SMWDBEs and non-SMWDBEs could exist is that relative to non-SMWDBEs, SMWDBEs are less likely to submit bids for public contracts. To determine if this is the case in the Cleveland-Elyria Metropolitan Area, Tables 57-58 report Ordinal Logit parameter estimates of a CRM with the number of prime contracting bids submitted by a firm to Cuyahoga County between 2014 - 2019 as the dependent variable, for each of the distinct SMWDBEs in the GSPC sample. The statistically significant parameter estimates in Tables 57-58 suggest that with the exception of SMWDBEs owned by Bi/Multi-racial Americans who are more likely to submit bids, SMWDBEs are not less likely to submit prime bid submissions relative to non-SMWDBEs.

To the extent that public contracting success is proportional to the number of submissions, this suggests that, with the exception of SMWDBEs owned by Bi/Multi-racial Americans, any public contracting disparities in Cuyahoga County between SMWDBEs and non-SMWDBEs cannot be explained by differential public bid submission rates to Cuyahoga County. Indeed, in the case of SMWDBEs owned by Bi/Multi-racial Americans,, their relatively high prime bid submission rate would suggest, all things being equal, a higher success rate relative to non-SMWDBEs in securing public contracts from Cuyahoga County to the extent that public contracting success is proportional to the number of submissions.

**Table 57: Ordinal Logit Parameter Estimates (Odds Ratio): SMWDBE Status and Number of Prime Bid Submissions to County**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand:</i> Number of prime bids on Cuyahoga County projects ( <i>Ordinal</i> )		
Owner has more than 20 years' experience	1.6314	<b>0.0656</b>
More than 10 employees	0.4853	<b>0.0612</b>
Firm owner has a baccalaureate degree	1.7109	<b>0.0712</b>
Firm gross revenue greater than 1.5 million	2.7450	<b>0.0134</b>
Firm Bonding limit greater than 1.5 million	0.7620	0.3307
Financing is a barrier for securing Cuyahoga County project	0.9060	0.8014
Firm is in the construction sector	0.8816	0.7821
Firm is qualified to do business with Cuyahoga County	1.2339	0.4924
Firm is registered to do business with Cuyahoga County	3.0020	<b>0.0001</b>
Firm is willing to do Business with Cuyahoga County	4.4713	<b>0.0000</b>
Firm is a certified minority business enterprise	1.4145	0.2642
Firm is a certified Woman enterprise: Binary	0.7716	0.3679
Firm is a certified disadvantaged business enterprise	1.2358	0.5283
Firm is a certified small business enterprise	1.1512	0.6617
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.0537	

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**Table 58: Ordinal Logit Parameter Estimates (Odds Ratio): Owner Racial/Ethnic Status and Number of Prime Bid Submissions to County**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand:</i> Number of prime bids on Cuyahoga County projects ( <i>Ordinal</i> )		
Owner has more than 20 years' experience	1.7093	<b>0.0453</b>
More than 10 employees	0.4927	<b>0.0786</b>
Firm owner has a baccalaureate degree	1.7321	<b>0.0712</b>
Firm gross revenue greater than 1.5 million	2.6234	<b>0.0281</b>
Firm Bonding limit greater than 1.5 million	0.7897	0.3916
Financing is a barrier for securing Cuyahoga County project	0.9718	0.9438
Firm is in the construction sector	0.9235	0.8645
Firm is qualified to do business with Cuyahoga County	1.1934	0.5623
Firm is registered to do business with Cuyahoga County	3.1789	<b>0.0000</b>
Firm is willing to do Business with Cuyahoga County	8.9227	<b>0.0000</b>
African American Owned Firm	1.5290	0.1139
Asian American Owned Firm	1.3748	0.5163
Hispanic American Owned Firm	1.4073	0.4618
Native American Owned Firm	0.6956	0.7144
Bi/Multi Racial American Owned Firm: Binary	2.7052	<b>0.0690</b>
Woman Owned Firm	0.8835	0.6479
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.0514	

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**G. SMWDBEs And Prime Contracting Success in Cleveland-Elyria Metropolitan Area**

To the extent that success in winning public contracts is proportional to frequency of public contract bids, if SMWDBEs bid on public contracts at rates that do not differ from non-SMWDBEs, all things being equal, one would not expect differences in public contracting success. To determine if there are differences in public contracting outcomes the Cleveland-Elyria Metropolitan Area, Tables 59-60 report Ordinal Logit BRM parameter estimates where the dependent variable is the number of Cuyahoga County prime contracts awarded to the firm between 2015 – 2018.

The parameter estimates in Table 59 suggest that relative to non-SMWDBEs, SMWDBEs were no different in the number of prime contracts received. However the parameter results in Table 60 suggest that firms

owned by Asian Americans and Native Americans were awarded less prime contracts relative to SMWDBEs. To the extent that public contract success is proportional to prior experience as a prime contractor, this suggests that any public contracting success disparities between non-SMWDBEs, and SMWDBEs owned by Asian Americans and Native Americans may reflect past constraints on public contract success if current public contracting success is correlated with the experience gained from past public contracting success.

**Table 59: Ordinal Logit Parameter Estimates (Odds Ratio):SMWDBE Status and Number of County Prime Contracts Awarded**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand:</i> Number of Cuyahoga County prime contracts awarded 7/1/13 - 6/1/19 (Ordinal)		
Owner has more than 20 years' experience	1.3385	0.3146
More than 10 employees	0.4002	<b>0.0233</b>
Firm owner has a baccalaureate degree	1.4369	0.2535
Firm gross revenue greater than 1.5 million	2.3970	<b>0.0666</b>
Firm Bonding limit greater than 1.5 million	1.1064	0.7386
Financing is a barrier for securing Cuyahoga County project	0.7279	0.4818
Firm is in the construction sector	1.2560	0.5772
Firm is qualified to do business with Cuyahoga County	1.0691	0.8273
Firm is registered to do business with Cuyahoga County	2.0314	<b>0.0226</b>
Firm is willing to do Business with Cuyahoga County	2.5731	<b>0.0000</b>
Firm is a certified minority business enterprise	1.1084	0.7382
Firm is a certified Woman enterprise: Binary	0.6261	0.1419
Firm is a certified disadvantaged business enterprise	0.9286	0.8363
Firm is a certified small business enterprise	1.5671	0.1926
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.0437	

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**Table 60: Ordinal Logit Parameter Estimates (Odds Ratio):  
Owner Racial/Ethnic Status and Number of County Prime Contracts Awarded  
In Cleveland-Elyria Metropolitan Area**

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand:</i> Number of Cuyahoga County prime contracts awarded 7/1/13 - 6/1/19 (Ordinal)		
Owner has more than 20 years' experience	1.4140	0.2206
More than 10 employees	0.3455	<b>0.0116</b>
Firm owner has a baccalaureate degree	1.4607	0.2361
Firm gross revenue greater than 1.5 million	2.4266	<b>0.0816</b>
Firm Bonding limit greater than 1.5 million	1.1292	0.6872
Financing is a barrier for securing Cuyahoga County project	0.7306	0.4914
Firm is in the construction sector	1.3606	0.4589
Firm is qualified to do business with Cuyahoga County	0.9728	0.9311
Firm is registered to do business with Cuyahoga County	2.1694	<b>0.0069</b>
Firm is willing to do Business with Cuyahoga County	2.8950	<b>0.0000</b>
African American Owned Firm	1.0663	0.8142
Asian American Owned Firm	0.1677	<b>0.0020</b>
Hispanic American Owned Firm	0.7681	0.3914
Native American Owned Firm	0.3658	<b>0.0382</b>
Bi/Multi Racial American Owned Firm	2.6875	0.1170
Woman Owned Firm	0.6358	0.1157
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.0446	

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#### H. SMWDBEs And SubContracting in the Cleveland-Elyria Metropolitan Area

To the extent that submitting and winning public contract bids requires experience, which can also be gained through subcontracting with lead prime firms, SMWDBEs can potentially become more frequent and successful prime contract bidders by acquiring experience as subcontractors. As such, the low-frequency of prime bid submission and lower likelihood of being a prime contractor by SMWDBEs need not be a concern if they are gaining valuable subcontracting experience that will translate into high frequency contract bids and success later. To determine if this is the case in the Cleveland-Elyria Metropolitan Area, Tables 61-62 report Ordinal Logit BRM parameter estimates where the dependent variable is the number of Cuyahoga County subcontracts awarded to the firm between 2015 – 2018.

The parameter estimates in Table 61 suggest that relative to non-SMWDBEs, with the exception of small business enterprises, SMWDBEs were no different in the number of subcontracts received. However the

parameter results in Table 62 suggest that firms owned by Asian Americans, Hispanic Americans, and Bi/Multi-racial Americans were awarded less subcontracts relative to SMWDBEs. To the extent that public contract success is proportional to prior experience as a subcontractor, this suggests that any public contracting success disparities between non-SMWDBEs, and SMWDBEs owned by Asian Americans, Hispanic Americans, and Bi/Multi-racial Americans reflect past constraints on public subcontracting success if current public contracting success is correlated with the experience gained from past public subcontracting success.

**Table 61: Ordinal Logit Parameter Estimates (Odds Ratio): SMWDBE Status and Number of County Subcontracts Awarded**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand:</i> Number of Cuyahoga County subcontracts awarded 7/1/13 - 6/1/19 ( <i>Ordinal</i> )		
Owner has more than 20 years' experience	1.7679	0.3129
More than 10 employees	1.7140	0.2984
Firm owner has a baccalaureate degree	1.2030	0.6273
Firm gross revenue greater than 1.5 million	1.0113	0.9838
Firm Bonding limit greater than 1.5 million	1.7769	0.2075
Financing is a barrier for securing Cuyahoga County project	0.7021	0.6574
Firm is in the construction sector	10.1306	<b>0.0000</b>
Firm is qualified to do business with Cuyahoga County	2.9486	<b>0.0000</b>
Firm is registered to do business with Cuyahoga County	1.7435	0.5178
Firm willing to do Business with Cuyahoga County	6.1874	<b>0.0000</b>
Firm is a certified minority business enterprise	0.5646	0.3773
Firm is a certified Woman enterprise	1.5098	0.3216
Firm is a certified disadvantaged business enterprise	1.1579	0.8216
Firm is a certified small business enterprise	2.6801	<b>0.0224</b>
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.1454	

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**Table 62: Ordinal Logit Parameter Estimates (Odds Ratio): Owner Racial/Ethnic**

**Status and Number of County Subcontracts Awarded**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand:</i> Number of Cuyahoga County subcontracts awarded 7/1/13 - 6/1/19 ( <i>Ordinal</i> )		
Owner has more than 20 years' experience	1.4137	0.5162
More than 10 employees	1.3263	0.5732
Firm owner has a baccalaureate degree	1.0438	0.9113
Firm gross revenue greater than 1.5 million	1.0153	0.9780
Firm Bonding limit greater than 1.5 million	1.9082	0.1387
Financing is a barrier for securing Cuyahoga County project	1.0744	0.9295
Firm is in the construction sector	11.1081	<b>0.0000</b>
Firm is qualified to do business with Cuyahoga County	3.2608	<b>0.0000</b>
Firm is registered to do business with Cuyahoga County	2.0322	0.3666
Firm willing to do Business with Cuyahoga County	1.0870	<b>0.0024</b>
African American Owned Firm	0.4731	0.2315
Asian American Owned Firm	0.0001	<b>0.0000</b>
Hispanic American Owned Firm	0.0001	<b>0.0000</b>
Native American Owned Firm	2.8525	0.2380
Bi/Multi Racial American Owned Firm	0.0001	<b>0.0000</b>
Woman Owned Firm	1.3638	0.4761
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.1401	

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Given the apparent heterogeneity in results across the number of prime contracts and subcontracts awarded in Tables 59-62, Tables 63-64 report Logit parameter estimates where the dependent variable is whether the firm “never” served as prime contractor or subcontractor for Cuyahoga County. The results in Table 63 suggest that minority business enterprises are more likely to have never served as a subcontractor or prime contractor with Cuyahoga County. The results in Table 64 suggest that relative to non-SMWDBEs, firms owned by African Americans, Asian Americans, Hispanic Americans, Native Americans, and Bi/Multi-racial Americans are more likely to have never received either Cuyahoga County prime contracts or subcontracts. For Woman owned firms, the odds ratio is positive, but not statistically significant, suggest that it is possible that Women owned firms are more also more likely to have never served as a subcontractor or prime contractor with Cuyahoga County. This is suggestive of disparities between non-SMWDBEs, and those firms owned by African Americans, Asian Americans, Hispanic Americans, Native Americans, and Bi/Multi-

racial Americans being driven by race/ethnicity.

**Table 63: Logit Parameter Estimates (Odds Ratio): SMWDBE Status and Never Serving as Contractor/Subcontractor for County**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand:</i> Served as neither prime nor subcontractor with Cuyahoga County ( <i>Binary</i> )		
Owner has more than 20 years' experience	0.3838	0.1121
More than 10 employees	0.6366	0.4353
Firm owner has a baccalaureate degree	1.2388	0.6045
Firm gross revenue greater than 1.5 million	0.5399	0.3118
Firm Bonding limit greater than 1.5 million	0.3857	<b>0.0310</b>
Financing is a barrier for securing Cuyahoga County project	0.6071	0.5840
Firm is in the construction sector	0.4215	0.1117
Firm is qualified to do business with Cuyahoga County	0.0001	<b>0.0000</b>
Firm is registered to do business with Cuyahoga County	0.4112	0.3400
Firm is willing to do Business with Cuyahoga County	0.0001	<b>0.0000</b>
Firm is a certified minority business enterprise	5.8511	<b>0.0041</b>
Firm is a certified Woman enterprise	1.1283	0.8043
Firm is a certified disadvantaged business enterprise	0.5556	0.3217
Firm is a certified small business enterprise	0.5021	0.1358
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.1816	

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**Table 64: Logit Parameter Estimates (Odds Ratio): Owner Racial/Ethnic Status and Never Serving as Contractor/Subcontractor for County**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand</i> : Served as neither prime nor subcontractor with Cuyahoga County ( <i>Binary</i> )		
Owner has more than 20 years' experience	0.4641	0.2203
More than 10 employees	0.8678	0.8031
Firm owner has a baccalaureate degree	1.3372	0.4818
Firm gross revenue greater than 1.5 million	0.4932	0.2389
Firm Bonding limit greater than 1.5 million	0.3643	<b>0.0250</b>
Financing is a barrier for securing Cuyahoga County project	0.4578	0.4166
Firm is in the construction sector	0.3983	0.1181
Firm is qualified to do business with Cuyahoga County	0.0001	<b>0.0000</b>
Firm is registered to do business with Cuyahoga County	0.3989	0.2988
Firm is willing to do Business with Cuyahoga County	0.0001	<b>0.0000</b>
African American Owned Firm	4.5227	<b>0.0546</b>
Asian American Owned Firm	2.4584	<b>0.0000</b>
Hispanic American Owned Firm	7.2560	<b>0.0000</b>
Native American Owned Firm	2.7169	<b>0.0000</b>
Bi/Multi Racial American Owned Firm	4.6543	<b>0.0000</b>
Woman Owned Firm	1.2010	0.6603
Number of Observations	210	
Pseudo R <sup>2</sup>	0.1880	

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**I. SMWDBEs, Private Sector Contracting, and Perceived Discrimination in the Cleveland-Elyria Metropolitan Area**

As the parameter results in Table 64 are suggestive of discrimination against firms owned by African Americans, Asian Americans, Hispanic Americans, Native Americans, and Bi/Multi-racial Americans individuals in securing prime contracts and subcontracts with County, Tables 65-68 explore if SMWDBEs face discrimination in the private sector with respect to contract size, and if firms perceive they have been discriminated against. Tables 65-66 report Ordinal Logit parameter estimates where the dependent variable is the size of the contract awarded from the private sector. Tables 67-68 report Logit parameter estimates where the binary dependent variable is whether the firm experienced discrimination in the private sector.

The parameter estimates in Table 65 suggest that relative to non-SMWDBEs, small business enterprise secure larger contracts from the private sector. Otherwise SMWDBEs appear no different from non-SMWDBEs in their capacity to secure private sector contracts. To the extent that success in securing private sector contracts builds capacity for success in securing public sector contracts, this suggests that any disparities between non-SMWDBEs and SMWDBEs in public contracting success in Cuyahoga County cannot be explained on the basis of any differential private contracting capacity. The parameter estimates in Table 66 suggest that among SMWDBEs, this relative lack of success in securing large private sector contracts does appear to be true for firms owned by Asian Americans, as relative to non-SMWDBEs, they secure smaller private sector contracts.

To the extent that perceptions of discrimination correlate positively with actual discrimination in the private sector, the parameter estimates in Table 67 suggest that relative to non-SMWDBEs, minority enterprises are less likely to have never experienced discrimination in the private sector, as the odds ratio is less than unity and statistically significant in that instance. For SMWDBEs owned by African Americans, this seem to be particularly the case, as the estimated odds ratio in Table 68 is less than unity and statistically significant. Firms owned by Asian Americans and Bi/Multi-racial Americans are more likely to have never experienced discrimination in the private sector, as the odds ratio is greater than unity and statistically significant in these instances. To the extent that private sector discrimination undermines the capacity of firms owned by African Americans, this could be a source of disparities in public contracting between firms owned by SMWDBEs and non-SMWDBEs.

**Table 65: Ordinal Logit Parameter Estimates (Odds Ratio):SMWDBE Status and Largest Contract Awarded**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand:</i> Largest single contract awarded since 6/1/14 (Ordinal)		
Owner has more than 20 years' experience	1.2834	0.4095
More than 10 employees	1.4128	0.4174
Firm owner has a baccalaureate degree	1.6380	<b>0.0514</b>
Firm gross revenue greater than 1.5 million	6.7657	<b>0.0001</b>
Firm Bonding limit greater than 1.5 million	1.8280	<b>0.0389</b>
Financing is a barrier for securing Cuyahoga County project	1.0965	0.7980
Firm is in the construction sector	6.0553	<b>0.0000</b>
Firm is qualified to do business with Cuyahoga County	2.7405	0.1197
Firm is registered to do business with Cuyahoga County	1.1636	0.6213
Firm is willing to do Business with Cuyahoga County	4.3806	<b>0.0000</b>
Firm is a certified minority business enterprise	1.2773	0.4512
Firm is a certified Woman enterprise	0.8977	0.6850
Firm is a certified disadvantaged business enterprise	1.2794	0.4734
Firm is a certified small business enterprise	1.8209	<b>0.0386</b>
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.1164	

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**Table 66: Ordinal Logit Parameter Estimates (Odds Ratio): SMWDBE Status and Largest Contract Awarded**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand:</i> Largest single contract awarded since 6/1/14 ( <i>Ordinal</i> )		
Owner has more than 20 years' experience	1.2711	0.4094
More than 10 employees	1.3048	0.5392
Firm owner has a baccalaureate degree	1.6117	<b>0.0676</b>
Firm gross revenue greater than 1.5 million	6.3486	<b>0.0002</b>
Firm Bonding limit greater than 1.5 million	1.9870	<b>0.0175</b>
Financing is a barrier for securing Cuyahoga County project	1.4918	0.2772
Firm is in the construction sector	6.7032	<b>0.0000</b>
Firm is qualified to do business with Cuyahoga County	2.5484	0.1350
Firm is registered to do business with Cuyahoga County	1.4173	0.2515
Firm is willing to do Business with Cuyahoga County	1.1793	<b>0.0001</b>
African American Owned Firm	1.2123	0.5539
Asian American Owned Firm	0.3661	<b>0.0712</b>
Hispanic American Owned Firm	1.1087	0.8544
Native American Owned Firm	0.2955	0.7202
Bi/Multi Racial American Owned Firm	1.0641	0.9095
Woman Owned Firm	0.8805	0.6302
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.1083	

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**Table 67: Logit Parameter Estimates (Odds Ratio): SMWDBE Status and Private Sector Discrimination**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand: Firm never experienced private sector discrimination (Binary)</i>		
Owner has more than 20 years' experience: Binary	1.6872	0.1863
More than 10 employees	0.2815	<b>0.0083</b>
Firm owner has a baccalaureate degree	0.7426	0.4076
Firm gross revenue greater than 1.5 million	2.3747	0.1069
Firm Bonding limit greater than 1.5 million	1.3688	0.3859
Financing is a barrier for securing Cuyahoga County project	0.5862	0.3490
Firm is in the construction sector	1.5745	0.4719
Firm is qualified to do business with	1.2525	0.8219
Firm is registered to do business with Cuyahoga County	1.3682	0.5834
Firm is willing to do Business with Cuyahoga County	7.2109	<b>0.0000</b>
Firm is a certified minority business enterprise	0.2969	<b>0.0105</b>
Firm is a certified Woman enterprise	0.8172	0.6121
Firm is a certified disadvantaged business enterprise	0.8760	0.7832
Firm is a certified small business enterprise	0.5523	0.1712
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.1612	

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**Table 68: Logit Parameter Estimates (Odds Ratio): Owner Racial/Ethnic Status and Private Sector Discrimination**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand:</i> Firm never experienced private sector discrimination ( <i>Binary</i> )		
Owner has more than 20 years' experience	1.5448	0.2799
More than 10 employees	0.3047	<b>0.0198</b>
Firm owner has a baccalaureate degree	0.7174	0.3475
Firm gross revenue greater than 1.5 million	2.4926	<b>0.1030</b>
Firm Bonding limit greater than 1.5 million	1.1465	0.6917
Financing is a barrier for securing Cuyahoga County project	0.3307	<b>0.0553</b>
Firm is in the construction sector	1.5758	0.4503
Firm is qualified to do business with Cuyahoga County	1.3659	0.7728
Firm is registered to do business with Cuyahoga County	0.9722	0.9582
Firm is w to do Business with Cuyahoga County	2.9021	<b>0.0000</b>
African American Owned Firm	0.3361	<b>0.0129</b>
Asian American Owned Firm	3.0699	<b>0.0000</b>
Hispanic American Owned Firm	0.2189	0.1320
Native American Owned Firm	0.1593	0.2434
Bi/Multi Racial American Owned Firm	4.9065	<b>0.0000</b>
Woman Owned Firm	0.9115	0.7940
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.1377	

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## J. The Perceived Role of Informal Contracting Networks

Access to informal networks matter for success in a wide variety of economic outcomes.<sup>90</sup> Public contracting outcomes could also be conditioned on a firm's access to informal networks that have advantages—due to say experience, political capital, insider knowledge—that are proportional to success in public contracting. If, for example, informal networks have a monopoly or dominate public contracting in Cuyahoga County, and these networks exclude minority owned firms, then firms owned by minorities could be disadvantaged with respect to competing for, and winning public contracts with Cuyahoga County. In Tables 69-70, we estimate the effects of being an SWMDBE on the perception that informal networks dominate/monopolize public contracting in Cuyahoga County.

The parameter estimates in Table 69 suggest that relative to non-SWDBEs, certified minority business enterprises are more likely to perceive that contracting in Cuyahoga County is monopolized/dominated by informal networks, as the odds ratio is greater than unity and statistically significant in this instance. This is possibly true for certified Women enterprises, certified disadvantaged business enterprises, and certified small business enterprises, as the estimate odds ratio is greater than unity, but statistically insignificant in these instances. Disaggregating by race and gender, the parameter estimates in Table 70 suggest that firms owned by African Americans, Hispanic Americans, Native Americans, and Bi/Multi-racial Americans are more likely to perceive that contracting in Cuyahoga County is monopolized/dominated by informal networks, as the odds ratio is greater than unity and statistically significant in these instances. Firms owned by Asian Americans are less likely to perceive that contracting in Cuyahogoa County is monopolized/dominated by informal networks, as the odds ratio is less than unity and statistically significant. To the extent this perception of networks determining public contracting success in Cuyahoga County drives actual behavior, it could potentially be a constraint on the number of bids submitted by SMWDBEs, and a possible driver of disparities between SMWDBEs and non-SMWDBEs in actual awards if contract success is proportional to bidding.

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<sup>90</sup> See: Gail M. McGuire, 2002. "Gender, race, and the shadow structure: A study of informal networks and inequality in a work organization." *Gender & Society*, 16: pp. 303 - 322.

**Table 69: Logit Parameter Estimates (Odds Ratio): SMWDBE Status and Informal Networks**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-value</b>
<i>Regressand: Informal network dominates/monopolizes contracting at Cuyahoga County (Binary)</i>		
Owner has more than 20 years' experience	0.7559	0.4505
More than 10 employees	1.6707	0.2226
Firm owner has a baccalaureate degree	1.1131	0.7405
Firm gross revenue greater than 1.5 million	0.3348	<b>0.0137</b>
Firm Bonding limit greater than 1.5 million	0.7007	0.2891
Financing is a barrier for securing Cuyahoga County project	1.1980	0.7839
Firm is in the construction sector	2.8666	<b>0.0346</b>
Firm is qualified to do business with Cuyahoga County	17.9264	<b>0.0010</b>
Firm is registered to do business with Cuyahoga County	0.8731	0.7698
Firm is willing to do Business with Cuyahoga County	5.7409	<b>0.0000</b>
Firm is a certified minority business enterprise	3.9883	<b>0.0019</b>
Firm is a certified Woman enterprise	1.1754	0.6672
Firm is a certified disadvantaged business enterprise	1.3346	0.5347
Firm is a certified small business enterprise	1.5475	0.2165
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.1831	

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**Table 70: Logit Parameter Estimates (Odds Ratio): SMWDBE Status and Informal Networks**

In Cleveland-Elyria Metropolitan Area

	<b>Coefficient</b>	<b>P-Value</b>
<i>Regressand: Informal network dominates/monopolizes contracting at Cuyahoga County (Binary)</i>		
Owner has more than 20 years' experience	0.9151	0.8203
More than 10 employees	1.6597	0.2390
Firm owner has a baccalaureate degree	1.1216	0.7223
Firm gross revenue greater than 1.5 million	0.3482	<b>0.0208</b>
Firm Bonding limit greater than 1.5 million	0.7906	0.4707
Financing is a barrier for securing Cuyahoga County project	1.6515	0.4621
Firm is in the construction sector	2.9080	<b>0.0319</b>
Firm is qualified to do business with Cuyahoga County	12.8752	<b>0.0065</b>
Firm is registered to do business with Cuyahoga County	1.3914	0.5092
Firm is willing to do Business with Cuyahoga County	10.1015	<b>0.0000</b>
African American Owned Firm	4.0550	<b>0.0006</b>
Asian American Owned Firm	0.0000	<b>0.0000</b>
Hispanic American Owned Firm	7.0409	<b>0.0501</b>
Native American Owned Firm	10.8371	<b>0.0000</b>
Bi/Multi Racial American Owned Firm	5.2048	<b>0.0000</b>
Woman Owned Firm	1.5468	0.1739
<i>Number of Observations</i>	210	
<i>Pseudo R<sup>2</sup></i>	0.1770	

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## K. Conclusion

GSPC’s analysis of disparities in public contracting and subcontracting outcomes in Cuyahoga County aimed to provide some policy relevant insight to observed unconditional disparity indices. A descriptive private sector analysis of the Cleveland-Elyria Metropolitan Area private sector revealed that in general, being an SMWDBE in the Cleveland-Elyria Metropolitan Area is associated with lower firm revenue, and is far below their market firm share, which lends some support to the “but-for” justification for affirmative action in public procurement. Lower revenues for SMWDBEs and lower self-employment rates for ethnic and racial minorities in the Cleveland-Elyria Metropolitan Area are suggestive of private sector discrimination that undermines their capacity to compete with non-minority owned firms for public contracting opportunities. In this context, the regression results reported in Tables 65-68 provides specific detail on which particular SMWDBEs in the broad Cleveland-Elyria Metropolitan Area are potentially constrained by private sector discrimination that translate into a diminished capacity to compete successfully for public contracts with Cuyahoga County. The parameters estimates from the GSPC sample suggest that in most instances, at least a subset of SMWDBEs are particularly harmed by private sector discrimination and/or face diminished odds of public contracting success with Cuyahoga County.

Overall, the GSPC disparity analysis explicitly links a business firm’s SMWDBE status to public contracting outcomes in the Cleveland-Elyria Metropolitan Area. Parameter estimates from categorical regression models suggest that in general while on average a firm’s SMWDBE status has a statistically significant effect on entering the Cleveland-Elyria Metropolitan Area as a new firm, and an adverse impact on securing public contracting opportunities relative to non-SMWDBEs in general. We also find that in the Cleveland-Elyria Metropolitan Area, with the exception of SMWDBEs owned by Bi/multiracial individuals, the credit capacity of SMWDBEs does not appear to be any different from non-SMWDBEs. This suggests that any Cuyahoga County public contracting disparities between SMWDBEs and non-SMWDBEs in general cannot be explained by differential credit capacities.

The results of the GSPC disparity analysis provide a framework to rationalize observed disparities in public contracting outcomes/success with Cuyahoga County between SMWDBEs and non-SMWDBEs in the Cleveland-Elyria Metropolitan Area. Our regression analysis suggests that any observed disparities in public contracting outcomes between SMWDBEs and non-SMWDBEs are not explained by differential capacities for public contracting success with Cuyahoga County. Our regression specifications control for firm public contracting capacity by including measures for the education level of the firm owner, the age and market tenure of the firm, the size of the firm with respect to the number of employees and revenues, firm bonding capacity, willingness and ability to do business with Cuyahoga County, and firm financial standing. This inclusion of these control covariates in our regression specifications permit an assessment of public contracting success/failure conditional on SMWDBE and non-SMWDBE public contracting capacity. The existence of public contracting success disparities between SMWDBEs and non-SMWDBEs—particularly when considering the racial/ethnic status of owners—even after controlling for capacity suggests that relative to non-SMWDBEs, SMWDBEs face barriers independent of their capacity—or their ability—in securing public contracts with Cuyahoga County. Perhaps most indicative of disparities in public contracting at Cuyahoga County, our results suggest that the likelihood of SMWDBEs owned by African Americans, Asian Americans, Hispanic Americans, Native Americans, and Bi/Multi-racial Americans of never receiving a prime contract or subcontract with Cuyahoga County was higher relative to non-SMWDBEs over the time period under consideration in our analysis. In this context and coupled with our findings of perceived discrimination being higher for firm owners who are racial/ethnic minorities, our results are also consistent with disparities in winning prime contracts with Cuyahoga County being driven by discrimination against SMWDBEs.

## VII. ANECDOTAL EVIDENCE

### A. Introduction

The anecdotal chapter of the Disparity Study provides evidence to support the overall findings of the Study using analytical assessment of the opinions, viewpoints, experiences, beliefs and perspectives of business owners, community organizations, and other stakeholders in the greater Cleveland/Cuyahoga County metropolitan area. These business owners conduct commerce in and with the Cuyahoga County government (“County”). GSPC’s methodology involves casting a wide net in its qualitative data collection to engage a broad variety of individuals to participate in the Study and to provide multiple layers of evidence gathering to track frequently occurring responses. The process began by inviting community members to an informational meeting intended to educate them on the role of the Study and the methods used therein. Next, the Study team engaged stakeholders in a variety of forums, including a pair of public hearings, one-on-one interviews, focus groups, meetings with area industry organizations, email commentary solicitation, and an online survey.

The Study provided opportunity for the community, both by open response and by random sample of small and diverse vendors from the marketplace to participate in person or remotely (by survey, email comment, or by phone.) Two separate public hearings were also held in which businesses, community members, and area stakeholders were encouraged to voice their opinions on the record. Broad scale advertisement of the public hearings using email blasts, press releases to area media, social media, and the Study website ensured that the general public was informed about the public hearings and the opportunity to participate. A separate, smaller focus group mediated by the Study team was convened to take part in discussion about doing business in and with the County. A random sample of local business owners was contacted via phone and email to participate in the focus group. GSPC also created and distributed the Online Survey of Business Owners requesting feedback regarding both demographic and anecdotal experiences. Lastly, the Study team contacted and interviewed local activists and members of community organizations and/or industry organizations for insight on the business environment established by Cuyahoga County. Finally, the team collected email commentary through the duration of the Study.

GSPC did encounter significant challenges with the quality and accuracy of the data utilized for outreach. At project inception, when soliciting for public participation, GSPC exported approximately 3100 invalid vendor emails from the Cuyahoga County BuySpeed database. Subsequent issues were experienced also when soliciting for anecdotal calls, particularly from Non-Minority male owned firms, where approximately a third of the sampled call list had invalid or disconnected phone numbers. GSPC will address this in more detail in the Findings and Recommendations section of this study.

What follows is an amalgamation of the feedback GSPC received from the various methods of information gathering, arranged by subject matter and type of analysis.



## B. Informational Meetings

GSPC conducted one informational meeting in February 2019 to discuss the study and how the community can be engaged. Concerns of the community included the following. IM-1, a local contractor noted that “it’s all bad, it’s all the same people” winning all the contracts, “The contractors in this town take more work than they can handle. They leave no room for anybody else. Unless somebody glad-hands you through the bank you don’t have the capacity to do the work just because you can’t show what they consider sufficient financial capability.” IM-1 also states that he gets treated differently by suppliers in the market as well, noting that “when I call (for supplies) I have to pay upfront.”

Several business owners say that they have been hamstrung by an inability to separate his personal and business credit and has also been impacted by local procurement policies prioritizing the “lowest and best” offer. He argues that the definition of best alone is very subjective. IM-1 states that he was recently also excluded from a bid on a major construction contract that he was included on, stating that after winning the bid the prime contractor has yet to contact him. He also stated that some local communities within the County are using creative ways to circumvent the County’s diversity goals.

IM-2, an African American woman engineer, agrees with IM-1, and referenced the work that has been going on in Columbus as helping to move the conversation forward by improving access to the state’s EDGE program (Encouraging Diversity, Growth and Equity) as an example of the conversations in the state’s capital.

IM-3 brought copies of a recently awarded County contract, worth over 7 million dollars as an example of the County’s failings regarding business diversity. “This is supposed to be a 17% (diversity) goal. How do they win the job with only 11%? The second guy, he does over \$20 million a year, he only has 1% MBE.”

## C. Anecdotal Interviews

The Study team conducted thirty (30) interviews with business owners from across Cuyahoga County using a database of available firms to compile a random sample. The collection of businesses varied by work types and demographics, targeted in accordance with the Cleveland/Cuyahoga County demographic breakdown. Total interviewees commenced as follows: three (3) Asian American owned firms, fourteen (14) African American owned firms, two (2) non-minority male owned firms, six (6) non-minority women owned firms, four (4) Hispanic American owned firms, and one (1) Native American owned firm. Business types represented industries from Health Care, Education, Public Relations, Maintenance, Engineering, Construction, Telecommunication, Security, Information Technology, and Communication, and several identified as small businesses. Though the interviews address a variety of topics related primarily to doing business with Cuyahoga County, the following narrative outlines themes derived from responses recurring in several interviews.

## 1. Informal Networks

Businesses frequently raised the concern that Cuyahoga County officials favored known businesses over newer or smaller vendors in bids and vendor selection. As a result, companies new to the bidding process – and sometimes also established businesses – were excluded from County jobs. This concern partly arises from the County’s history of impropriety surrounding the bid process, some of which contributed to a restructuring of the entire County government and is alleged by some to still continue.

AI-28, an Asian-owned IT service provider, said while he was satisfied with his level of contact with the County, he didn’t see evidence of much inclusion. “Time and time again I see the same companies winning all the bids. They are not the only vendors capable.” AI-23, AI-15, AI-16 and AI-17 voiced the same complaints. “The County continues to award contracts to the same companies that have been around for years,” AI-17 said. African American drywall business owner AI-15 believes it trickles down from the prime contractor/owner level to the subcontracting level as well, where prime contractors will continue to work with preferred subcontractors regardless of County oversight. “Primes don’t care unless they feel the County is pushing them,” he said. AI-24, a Hispanic data analysis business owner went further, pointing to litigation against the County and accusing County officials of perpetuating the practice. “It’s very frustrating to see the County award business to people who aren’t qualified for the jobs but win the awards because of their contacts at the County,” she said. “They keep people who aren’t doing a good job instead of switching. The County knows this is a huge problem because they have been sued over this fact.”

There are established companies that benefit from their familiarity with the County. AI-6, a Caucasian male owner of a building product supply company that has existed since 1905, touted his business’s notoriety as a line to continued business. “The County does know us and does send us regular RFPs,” he said, noting a continuing contract that was recently renewed. AI-4 is a Caucasian male who owns another 100-year-old business with seemingly no concerns about winning business from the County. “We have done business with them in the past and believe they know us and know where to find us,” said the commercial real estate agency owner who said when he does work with the County, “they don’t get in my way.”

African American architecture firm owner AI-16 offered a solution for the issue that involved reducing the size of the projects. “To level the playing field, things have to change. I shouldn’t have to be the vendor they know. If the County would break large jobs into smaller ones, new companies can get the work.”

## 2. Accounts of Discrimination

Most of the participants were unable to point to incidents of discrimination. But the ones who did pointed back to the County in one way or another. Some of the accusations mirrored the assertion that new or small businesses were eschewed in favor of larger or more established companies. “New businesses do not get a chance,” said AI-10, an African American-owned private investigation firm. “And I’m not discriminated against because I’m a minority, but because I am not a Cuyahoga County-based business.” AI-29, a black-owned painting company, said he feels he is “unfairly treated because I am a small business.”

Some participants did, however, identify instances that raise question about the possibility of race-based discrimination. AI-23, a Hispanic woman who owns a home health care service, said she and three other minority-owned businesses were the sole bidders on a County project which nobody won. The June 20, 2019, denial letter said the County “decided that the responses did not fully address the parameters of the work we are seeking.” She was upset by the response. “How is it that I can be doing this every single day and I have the parameters,” she said. “Medicaid approved it, so I did have all that was required. My problem is you have four minority businesses at the (pre-qualification) meeting and you're telling me all were not qualified.” Even with that, she only attributed the incident to “discrimination against me because I am outspoken.” AI-26, however, was very blunt about what led to his mistreatment. The Asian American general contractor is still awaiting pay from a County contract from roughly three years ago. “They don’t give a damn ... about MBEs,” he said of the Cuyahoga County official he dealt with. He said he encountered problems with a County project manager that persisted until his company was no longer working the contract. The next business that came in to replace him was owned by a white man and had no problems. “They are some racist people.”

AI-19 is the African American woman owner of a janitorial supply distribution company. She said when it is time for her to re-bid her County contract, the specifications for the job change based upon a larger, white-owned company that has never had the contract with the County. “If the County has been using certain products and were happy with the service, why would you not ask that company with the prior contract to give the specifications for the new RFP? That would just make a whole lot of sense.” She was able to maintain the contract but said she believes the County “wants to move to a white-owned company.”

AI-24 said a County official told her bids were awarded based on demographics, which in Cuyahoga County favored African Americans. “They lean toward black-owned companies winning awards,” the Hispanic business owner said. “Since we are Hispanic, we aren’t looked on favorably.”

There are some participants who pointed to examples that would counter claims of discrimination in the Cleveland area and by or while doing business with Cuyahoga County. AI-7 owns a metal working business that receives 10 percent of her business from the County, and said, “No, never, not at all have we received any discrimination.” The Caucasian woman co-owns the business with her husband and believes the County is fair in awarding bids. “We don’t win every bid, but I’m satisfied as a County citizen that the County does right by us and gives many people opportunities.” AI-5, an African American man who owns an insurance agency working with the County, said he is a member of the Cuyahoga County Investment Commission that provides oversight which, among other things, ensures diversity and inclusion on County business dealings. “We vet opportunities before they are voted on by the County Council,” he said. “That work on that commission is designed to bring on people from all walks of life and from all corners of the County. So, the County gets a lot of perspective by having this commission. The goal is to give many opportunities. So, I would say the County is fairly inclusive to give minorities a chance.” AI-30 doesn’t believe that minorities, in general, suffer from discrimination. “Most of the business (with the County) goes to minorities,” she said.

### **3. Outreach, Supportive Services and Certification Utility**

More than half of the participants questioned the value of certifications through the County, often drawing comparison to better experience with certifications attained through the City of Cleveland. In some cases, even those who found certification helpful identified some gap or shortfall in what the County had to offer.

AI-15, an African American plastering and drywall company owner, believes that SBE, MBE, DBE and WBE certifications with area agencies benefited his business but noted that “the County does not push certifications.” AI-18, the Caucasian female owner of a research and consulting firm, said certifications helped her business earn valuable points on RFP submissions, but pointed out that the “County and City should do coordinated certification so small businesses don’t have to go through so many certification processes.”

African American public relations firm owner, AI-17, complained that his certifications for SBE, DBE, and MBE have been of no use to him. “They make you go through all that to get the points, then they don’t award them to you”. AI-9, AI-12, AI-23, AI-23, AI-25, AI-26, and AI-30 all considered certification unhelpful. AI-5, AI-7, AI-10, and AI-11 all called the certification process cumbersome, with AI-5 noting that “a more unified certification process would be ideal.” AI-11, Caucasian owner of a painting company, suggested, “The County shouldn’t make vendors re-certify each year, particularly for companies that have been in the same line of work.”

Availability of information about RFPs – particularly industry-specific RFPs – was identified by participants as needing improvement. AI-4 suggested emailing RFPs to prospective bidders to prevent them from missing opportunities. “I have to get RFP information from brokerage firms,” the real estate agency owner said. AI-18 said she has to hear about RFPs “through word of mouth.” AI-3, AI-4, AI-9, AI-18, AI-20, and AI-21 each recommended that the County send out emails announcing RFPs. Even with implementation of an online procurement tool, African American transportation company owner, AI-20, believes “the County should send out RFPs as opposed to making companies search for them”. AI-8, the American Indian steel fabrication company owner, said he liked that the RFPs were straightforward and clear. “If a company wants to win a bid, they just need to meet the requirements and follow the guidelines,” he said. One of AI-9’s recommendations was that the County provide training for the best way to submit winning RFPs.

#### **4. Prompt Pay and Finances**

Slow pay was the primary barrier to successful business that participants expressed. This concern manifested itself in a variety of ways among the Study participants. For example, A-10 said he found himself limited in the amount of work he took on because he didn’t “have enough money to be able to make payroll on larger jobs.” AI-20 said she had to increase her debt because of slow pay from the County. “We complete the work in Cuyahoga County, but we aren’t getting paid until late,” she said. “Therefore, I have larger lines of credit to cover payroll.” AI-26, who still awaits payment from a job three years ago, said the County “lingers on payments, which is hard on businesses.” AI-19 said an official from the Minority Regional Purchasing Council said some minority businesses are “one paycheck away from shutting down,” and AI-29 said the way the County pays unfairly favors larger companies “that have enough capital to wait long periods of time before they are paid.” Caucasian owned painting service AI-11 does work for HUD, Cuyahoga County and the Cuyahoga Metropolitan Housing Authority – all cooperating entities – but must deal with three completely different payment systems. “They really need to look into unifying them,” he said. “We’re painters. We don’t know how to do (payroll) and have the work that we do every day.”

#### D. Public Hearings

GSPC held two (2) public hearings in different communities across Cuyahoga County. At both hearings, a representative of GSPC introduced the Study and outlined the purpose of the meeting before opening the floor for attendees to speak. In these forums, GSPC does not respond to comments or answer questions except to clarify items for the record as to avoid influencing anyone's perspectives.

In total, 70 local business owners registered to attend one of the two hearings. On October 15, 2019, 16 people attended the public hearing in Cleveland Heights. There were five participants at the public hearing in Parma Heights on October 16, 2019. Attendance at the October 16<sup>th</sup> hearing was likely impacted by inclement weather. All the vendors in the Study team's database were sent invitations via email blast and press releases were distributed in the community and to local civic and trade organizations to solicit their participation. Because a transcript was produced, each participant who spoke was asked to state his or her name for the record. At each meeting, the Study team listed to a collection of business advocacy organizations and businesses who offered specific ideas and opinions about Cuyahoga County's business programming and barriers to participation, and ways to improve both.

In Parma Heights, PH-21, a construction firm owner, echoed sentiments heard in the anecdotal interviews. She stated her frustration with being led to believe she has a chance to get work with the County because her business is certified and consistently getting nothing. She argued that there is no reason to continue going to pre-bid meetings when the prime contractors and general contractor have already decided who they want to hire. "They've already picked these teams, so there's no way that you're getting on these teams. And the people that have been picked to be on the team, they've already picked their people. So, knowingly, they still let you come. They still say, 'Oh yeah ... you need to talk to this person, oh you need to talk to that person. And for the time you spend ... it's not even worth it.'" She admits to feeling "tricked" when she goes to a pre-bid meeting or submits bids and doesn't get a call back or email, which means no work to pay her employees or herself. At the hearing, she made an open plea to County officials. "I'm not saying put something to the side. How about you know this is my area of expertise and give me that job (directly). Because there's no guarantee that that general contractor that you give it to is going to hire me."

PH-17 in Cleveland Heights complained that, among other things, there are limits placed on who and what services are selected to do work in the so-called "Opportunity Corridors". "Show where the minorities are at other than in the trucking on the Opportunity Corridor," he said. The construction company owner said, like PH-21, he gets invited to join with general contractors or primes on jobs, only to see the work eventually go to someone else. He said the paperwork to bid on jobs is just another opportunity for a contractor to let a preferred subcontractor underbid him. "I have had contractors take my numbers and go back to the guy they've always been using and say, 'match this number.' And they just match the number so that ... I can't get the project." What is worse is that he continues to be beat out of projects by the same subcontractors or contractors. "The same people keep eating. They've eaten enough." He said the changes to the County and State bonding rules, he thought, would help because he no longer needed to have bonding for work of less than \$250,000 value. Unfortunately, no work below that price point ever came to him. And he has to pay Bid Express (an RFP aggregator) \$180 a month in order to bid on jobs, PH-17 believes, "It's a great system, but all it allows is for the other contractors to see my numbers and say he's serious."

Interior maintenance company owner, PH-7, is new to working with the County and said he struggles to find out how to get started. The instructions for applying to bid and getting certified are confusing, he said. “I look Online, and I see all these different things, but nothing’s clear,” he said. “And then everything’s written like it’s written to a lawyer, not a business.” PH-7 also pointed out that all the RFP documentation he saw available on the website was dated for 2017, and worried that if he used those documents his bid would be disqualified. “It’s requests from 2017 still on there,” he said. I have no idea why. So, that has to be updated.” He couldn’t get information directing him where to go to get help and hasn’t been able to move forward. “I don’t even know how to bid on these requests that they’re putting out, and on their website it’s thousands of requests,” he said. “But my biggest issue is I have no idea how to do business with the County, who to talk to, who to call, nothing.”

PH-19, owner of an IT service and sales company said working with Ohio State was much easier than with the County and described his first time going into the County’s online system to view bids RFPs in his category. What he saw intimidated him. “Some of the bids I was looking at was hardware,” he said. “And you get a little overwhelmed. I’m a pretty small firm ... and so I’m there competing against CDW. Microsoft is there. Cisco is there. So, I’m thinking I don’t have a chance in heck.” He said he thought there was a County program that allowed vendors to bid for smaller purchases like \$20,000 and under or \$10,000 and under without having to go through an RFP. But that was an initiative of the first County Inclusion Officer who had since left the role. He said the experience made him question whether the County truly wanted to do business. “So, you kind of look ... at other places to actually sell that’s not so difficult to do business with.”

PH-2 is a landscaping professional who experienced trouble when she contacted someone with the County’s procurement office to get bid tabulations for work on the libraries. The individual told her that work was only bid a certain number of years. She emailed him a public request for the bid tabulations and continued to call, but never got her requested tabulations. “He finally sent me an email telling me the total price,” she said. “I was broken down. It should be something publicly, you know, out there for different people to bid on. The had a positive experience with the County as well, noting that she was able to pick up a three-year landscaping contract with the Health Department. When she asked the person with the Health Department purchasing office how to find information on bidding in the future, she was told they looked to see who was certified. “My problem is why can’t every other department for the County do the same thing?” She said finding jobs to bid on with the State was simple and suggested that the County work to unify and streamline their processes.

### **E. Focus Groups**

GSPC convened a focus group on October 16, 2019, in Cleveland with selected potential participants from a random group of vendors in the Cuyahoga County database. The purpose of the focus group was to encourage dialogue between business owners from varying backgrounds in a semi-anonymous environment.

FG-4 does land abatement work for the County, for Cuyahoga Metropolitan Housing Authority (CMHA), and for the County Health Department, and believes that the only purpose served by having vendors certify is to provide those agencies with data for winning grant dollars. Beyond that he identified financing as a

barrier to getting business. “You need money to make money,” FG-4 said. Although he participated in programs like the one offered by Turner Construction to help small and disadvantaged businesses win contracts, he has yet to win a bid. He worries that government officials who are supposed to be helping make the bid process equitable aren’t doing their jobs and should be held accountable. “Their whole purpose is equal business,” FG-4 said. But if businesses raise any issue with the process, “they put you on some type of blacklist.”

FG-7 works for the demolition company owned by his Caucasian mother. He said the unions control much of the hiring in the City of Cleveland and in surrounding cities, and they don’t hire DBEs. “None of the union firms are DBEs,” he said. CMHA forces vendors to partner with DBEs, FG-7 said. General contractors can use EDGE (Encouraging Diversity, Growth and Equity) certified subcontractors to meet their goals, but he said unfair selection practices persist. “It is not just a ‘Buddy-buddy’ system. It’s a buddy system controlled by one entity ... the unions.” Contractors who don’t have DBEs tend to work for the unions, so they can bring their own people and skirt any diversity requirements.

Doing business with the County has become more difficult, FG-1 stated. The African American security firm owner said there needs to be independent oversight of the County procurement process to ensure a fair and equitable bidding process. “At the end of the day, there is a bottleneck where 80 percent of the businesses can’t get through,” he said. “You need somebody who is not tied to anyone who is not appointed to come in and be a compliance officer.” FG-1 has been in business for more than 30 years and said businesses have become “more cliquish.” “You talk with people and they have relationships and they say they are going to get you in. If they want you to get in and get business, they will make a way.” He said vendors play games, and he was dropped by a contractor who set up a “front” and putting the business in the name of the company owner’s wife. Another vendor and long-time client, FG-1 said, dropped him and would not return calls. He said with a lot of construction companies, “if you aren’t union, they don’t want you on that job site.” As a result, he is focusing on private sector work and giving up bidding on County jobs. “You can’t keep spending resources that aren’t producing any return.”

Asian American home healthcare provider FG-5 said he gave up on getting certifications because it is “a full-time job getting all the stuff together.” Even though it is rare to see RFPs for the services his company provides, they continue to bid so that the firm is a “backup when the lowest bidder cannot perform.” FG-5 said County officials should invest time to get recruit companies that certified to County qualifications so that there is a history of eligible companies when contract bids are needed. He also suggested that County procurement requirements look deeper than just tax documents when qualifying businesses. Providing a bidding debriefing would let companies know why they didn’t win a contract and how they can improve, FG-5 recommended. He also suggested that the County proactively create outreach to pair contractors with compatible subcontractors so that contractors can “just have a list here and call them up.”

FG-3 also believes that prime contractors hire the same businesses over and over from the crowded field of design and engineering firms in the Cleveland area. “I feel that it is a clique,” said the African American owner who has not been able to win contracts in Cuyahoga County. She receives RFP notifications from the North American Industry Classification System in Columbus but noted that Cuyahoga County doesn’t use NAICS. FG-3 said she has been certified in the County for five years but has only received one email from County procurement officials. Conversely, she is certified in Broward County, Florida, and received 10

emails a day regarding workshops and trainings. She recommended that the County conduct more workshops to help vendors learn the best way to work with the County.

## F. Organizational Meetings

The Study team engaged several community and business organizations to conduct interviews eliciting insight on behalf of small and diverse businesses in the Cuyahoga County marketplace. Interviews with the representatives from each organization were conducted with the goal of ascertaining broader perspectives the business community has about working with the County and in the general atmosphere that is the Greater Cleveland Area. The four organizations were able to provide a variety of viewpoints.

ORG-4 is a cooperative of business, community and leadership organizations dating back more than 20 years with the goal of supporting minority business endeavors in the Cleveland area. Organization representatives said the County currently is investing in a partnership that will source future projects in the construction, manufacturing, healthcare and IT sectors. “Part of the priority is to focus on including and integrating D&I strategies in all of these sectors,” ORG-4b said. The announcement comes months after the Ohio State Supreme Court struck down a law that created a 20-percent set-aside for City of Cleveland residents to be included in construction projects of more than \$100,000. Despite this, he said there was optimism at the County’s recent organizational restructuring project which resulted in an Office of Inclusion. “The fact that there is an active role within the County ... that’s an important change,” ORG-4b said. His colleague, ORG-4a, however, pointed to some improvements that can be made with the role. “I think the position was buried in a department, but had responsibilities beyond that department,” he said. “They lost the (initial) individual after a couple of years. That’s tough to be in that position where you don’t have power.” They said reporting of County and City RFPs should be modeled after state practices, where needs are announced based upon industry segment to applicable potential suppliers, and in advance to qualified minority or disadvantaged vendors if it is determined that there are enough to create competitive bidding among them.

ORG-2 said he has a low opinion of the County Office of Procurement and Diversity because his organization has had to advocate for disadvantaged firms to get 30-percent participation in a major development deal that includes work on a metropolitan hospital. “Those departments don’t do much,” said the founder of the industry organization. “The County representative didn’t attend any Board or (County) Council meetings.” ORG-2 complained that neither City nor County officials do all they can to help the minority companies in the area that are missing out on opportunities. The Black community has a lot of qualified trades people and contractors. “Ninety percent of the industry I Black, but hiring doesn’t reflect that,” he said. So, his organization works to help people get training, earn their GED’s, get their drivers’ licenses and get jobs. He said there are too many fronts – businesses established in the name of a spouse or family member who qualifies for DBE certification – in the area and it causes a lot of legitimate companies to miss out on jobs. “The County knows about the issue, but doesn’t do anything about it,” ORG-2 said. “There are people who are supposed to monitor projects who never leave their office.” He recommended that the County meet with all parties involved in a winning bid before finalizing the contract to “lay down the rules of engagement as far as diverse and inclusive hiring goes.”

ORG-1 does lobbying, public relations and contract negotiations for construction professionals and believes the County has done a great job of opening up opportunities for small and minority businesses – especially



with Project Labor Agreements. PLAs like the Convention Center or Hilton Hotel always provide clauses for Minority- or Women-owned businesses, or small business contracting, often exceeding the threshold for the project, he said. “PLAs are part of the culture in Cleveland,” he said. “There’s rarely any pushback from vendors.” The PLA does involve the local trade union, and in construction requires that the workers in question be qualified. ORG-1 had no negative comments about the process, and said he believes the County is firm on compliance. “As long as monitoring of results continues and people are honest, everything should be OK,” he said. “They know the County is watching, so contractors are mindful.”

ORG-3 serves as an advocate for members of the construction industry, particularly around issues of inclusion and diversity. They said they are particularly active on behalf of their members when disparity studies are being conducted. The amount of opportunities in Cleveland has decreased over the years in Cleveland, where the rate of poverty is one of the highest in the nation. “When you start with that as a community framework – that a lot of people are unemployed or underemployed – a lot of people don’t have capacity,” ORG-3a said. “Cleveland as a city is operating significantly under its full capacity. So, there is a lot of pull on resources and people looking for opportunities.” When the County organization was restructured, ORG-3 lobbied for policies that would help streamline pay to vendors. But ORG-3a said some well-established, influential contractors convinced County leadership that waiving bonding requirements was more important. “Slow payment was much more of an issue at the time,” he said. “Your numbers are your numbers (in a bid), but if you don’t get paid on a timely basis, it doesn’t matter what your rate is.” The bonding waiver policy won out, but ORG-3b said he only recognized a small impact on the community at large. “You have to ask the County about the metrics for success. There were several false starts ... there may have been one a month or every other month.” Collectively, ORG-3 recommends more transparency in the certification process and oversight, and points to the Ohio Department of Transportation as a model. “They have done great work on compliance checks, verified payrolls, meetings in the community and making sure subcontractors get opportunities and perform their work,” ORG-3a said. “The County needs to scrutinize the numbers more versus the ‘photo opp’ of certifying people. How many of them are actually getting work?”

Lastly, ORG-5, a local business activist and advocate in the Hispanic business community, refused to participate in the study or with the GSPC team. ORG-5 objected to the GSPC community engagement team not including a staff person specifically of Hispanic origin. ORG-5 exclaimed his belief that without being of Hispanic origin, a researcher cannot properly communicate with, or empathize with the needs of people of Hispanic origin and noted that he would not participate with the study and would do his best to dissuade other Hispanic American business owners from not participating in the study. Despite this, GSPC was able to elicit participation for the Study during multiple segments, including individual anecdotal interviews and the focus group.

## **G. Survey of Business Owners**

In addition to the other methods of anecdotal evidence gathering, the Study team conducted an online survey of business owners that was circulated to local certified firms and firms from the Cuyahoga County vendor database. The survey closed with participation from 210 businesses. The full results of GSPC’s Survey of Business Owners can be found in Appendix F. The anecdotal findings from the survey align with the concerns raised across demographics about the current state of business in the Greater Cleveland marketplace. Business owners were primarily concerned with the amount of time it takes to be paid by the

Cuyahoga County Government, unfair competition with large or prime contractors, exclusionary internal networks, communication and outreach from the County and certification processes being cumbersome.

Notably, all the respondents indicated that payment from Cuyahoga County Government for completed work was problematic. Overall, approximately 36% of respondents were paid in over 30 days, with the majority taking between 30 to 60 days (Table 52 of the GSPC Survey of Business Owners in Appendix F). Roughly 39 percent of Non-minorities, 23 percent of women, 20 percent of African Americans and 50 percent of Native Americans responded to getting paid in this time frame.

How long does it typically take to receive payment from the Cuyahoga County Government for work performed on Cuyahoga County Government projects?	Owners' Minority Status									Total
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Less than 30 days	6 9 %	5 7.7 %	5 7.9 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	16 7.6 %
30-60 days	26 38.8 %	15 23.1 %	13 20.6 %	0 0 %	0 0 %	1 50 %	0 0 %	1 100 %	2 50 %	58 27.6 %
60-90 days	4 6 %	7 10.8 %	2 3.2 %	0 0 %	0 0 %	1 50 %	0 0 %	0 0 %	1 25 %	15 7.1 %
90-120 days	3 4.5 %	1 1.5 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	4 1.9 %
Over 120 days	2 3 %	0 0 %	1 1.6 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	3 1.4 %
Don't Know/NA	26 38.8 %	37 56.9 %	42 66.7 %	2 100 %	5 100 %	0 0 %	1 100 %	0 0 %	1 25 %	114 54.3 %
<b>Total</b>	67 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	210 100 %

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In discussing barriers to small and diverse businesses, nearly 40 percent of African American firms saw unfair competition with large firms as a barrier to bidding on County projects. Twenty percent of women cited the same reason and 16 percent of non-minorities. A significant number of respondents believed that there is an informal network of prime and subcontractors doing business with the Cuyahoga County Government (Table 77 of the GSPC Survey of Business Owners in Appendix F). Of African Americans, who represent the largest demographic to answer “Yes” to this question, 73 percent responded in the affirmative. 46 percent of women and 80 percent of Hispanic Americans also agreed.

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Table 77

Do you believe there is an informal network of prime and subcontractors doing business with the Cuyahoga County Government that monopolize the public contracting process?	Owners' Minority Status									Total
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Yes	20 29.9 %	30 46.2 %	46 73 %	0 0 %	4 80 %	2 100 %	1 100 %	0 0 %	0 0 %	103 49 %
No	47 70.1 %	35 53.8 %	17 27 %	2 100 %	1 20 %	0 0 %	0 0 %	1 100 %	4 100 %	107 51 %
<b>Total</b>	67 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	210 100 %

Griffin & Strong, P.C. 2020

As to whether a company's exclusion from an informal network contributed to a business losing out on a contract, 24 percent of African Americans strongly agreed while 28 percent simply agreed (Table 78 of the GSPC Survey of Business Owners in Appendix F). Only 10 percent of women strongly agreed, and 43 percent agreed, and 5 percent of non-minorities strongly agreed with 30 percent responding in agreement.

Table 78

Please tell us if you strongly agree, agree, neither agree or disagree, disagree or strongly disagree with each of the following statements: [My company's exclusion from this informal network has prevented us from winning contracts with the Cuyahoga County Government.]	Owners' Minority Status									Total
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Strongly agree	1 5 %	3 10 %	11 23.9 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	15 14.6 %
Agree	6 30 %	13 43.3 %	13 28.3 %	0 0 %	2 50 %	0 0 %	0 0 %	0 0 %	0 0 %	34 33 %
Neither agree or disagree	9 45 %	13 43.3 %	19 41.3 %	0 0 %	2 50 %	1 50 %	1 100 %	0 0 %	0 0 %	45 43.7 %
Disagree	2 10 %	1 3.3 %	2 4.3 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	5 4.9 %
Strongly disagree	2 10 %	0 0 %	1 2.2 %	0 0 %	0 0 %	1 50 %	0 0 %	0 0 %	0 0 %	4 3.9 %
<b>Total</b>	20 100 %	30 100 %	46 100 %	0 100 %	4 100 %	2 100 %	1 100 %	0 100 %	0 100 %	103 100 %

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The percentage of times African Americans were denied a commercial business bank loan between January 1, 2014 and December 31, 2018 is 38.7 percent, more than five times that of non-minorities (7.5 percent) and nearly eight times the percentage of women at 4.7 percent (Table 70 of the GSPC Survey of Business Owners in Appendix F). The rates for the largest commercial loan received were also universally higher for Caucasian Women and Non-Minority Male owned businesses than for all other ethnic groups that responded to the survey (Table 69 of the GSPC Survey of Business Owners in Appendix F).

Table 69

What was the largest commercial loan you received from January 1, 2014 through December 31, 2018?	Owners' Minority Status									Total
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
\$50,000 or less	11 16.4 %	10 15.4 %	14 22.2 %	0 0 %	1 20 %	0 0 %	0 0 %	0 0 %	0 0 %	36 17.1 %
\$50,001 - \$100,000	4 6 %	7 10.8 %	2 3.2 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	13 6.2 %
\$100,001 - \$300,000	4 6 %	5 7.7 %	4 6.3 %	0 0 %	0 0 %	2 100 %	0 0 %	0 0 %	1 25 %	16 7.6 %
\$300,001 - \$500,000	2 3 %	3 4.6 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 25 %	6 2.9 %
\$500,001 - \$1,000,000	2 3 %	4 6.2 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	6 2.9 %
\$1,000,001 - \$3,000,000	3 4.5 %	1 1.5 %	2 3.2 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	6 2.9 %
\$3,000,001 - \$5,000,000	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
\$5,000,001 to \$10,000,000	0 0 %	1 1.5 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 0.5 %
over \$10,000,000	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
Don't Know/NA	41 61.2 %	34 52.3 %	41 65.1 %	2 100 %	4 80 %	0 0 %	1 100 %	1 100 %	2 50 %	126 60 %
<b>Total</b>	67 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	210 100 %

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Table 70

How many times have you been denied a commercial (business) bank loan from January 1, 2014 through December 31, 2018?	Owners' Minority Status									Total
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
None	49 73.1 %	54 84.4 %	29 46.8 %	2 100 %	3 60 %	2 100 %	0 0 %	0 0 %	2 50 %	141 67.8 %
1-10	5 7.5 %	3 4.7 %	24 38.7 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	32 15.4 %
11-25	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
26-50	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
51-100	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
Over 100	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
Don't Know/NA	13 19.4 %	7 10.9 %	9 14.5 %	0 0 %	2 40 %	0 0 %	1 100 %	1 100 %	2 50 %	35 16.8 %
<b>Total</b>	67 100 %	64 100 %	62 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	208 100 %

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While racial discrimination was not prevalent in the County from survey responses (Table 76 of the GSPC Survey of Business Owners in Appendix F) only 3 percent of Women, 11 percent of African Americans and 5% of all respondents feel they experienced discrimination “Often” or “Very Often” from the County) but there were other indicators of perceived racial animus in the marketplace. First, in the Cuyahoga private marketplace (non-County actors) feelings of discrimination were much more prevalent (17% of respondents experienced discrimination including over 41 percent of African Americans).

Table 76

From January 1, 2014 through December 31, 2018, how often has your company experienced any racial, gender, or ethnic discrimination from the Cuyahoga County Government or its personnel?	Owners' Minority Status									Total
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Never</b>	59 88.1 %	50 76.9 %	34 54 %	2 100 %	3 60 %	1 50 %	1 100 %	1 100 %	3 75 %	154 73.3 %
<b>Seldom</b>	2 3 %	1 1.5 %	4 6.3 %	0 0 %	0 0 %	1 50 %	0 0 %	0 0 %	0 0 %	8 3.8 %
<b>Often</b>	0 0 %	2 3.1 %	4 6.3 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	6 2.9 %
<b>Very Often</b>	0 0 %	0 0 %	3 4.8 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	3 1.4 %
<b>Don't Know</b>	6 9 %	12 18.5 %	18 28.6 %	0 0 %	2 40 %	0 0 %	0 0 %	0 0 %	1 25 %	39 18.6 %
<b>Total</b>	67 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	210 100 %

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Secondly, indicators of more latent racial bias were triggered in the survey’s responses for tables 81 through 84. Reinforcing anecdotes from business owners, nearly 30% of business owners (including over 27 percent of Women, 57 percent of African Americans and 60% of Hispanic American respondents) feel contractors will contact MWBE firms to ask for quotes but never give the quote consideration (Table 81 of the GSPC Survey of Business Owners in Appendix F). Nearly half of all African American respondents (and 30% of Women) felt that prime contractors would include MWBE firms on bids to meet goals and drop them after winning awards (Table 82 of the GSPC Survey of Business Owners in Appendix F). Diverse firms also indicate feeling that MWBE firms are considered “less competent” than those owned by Non-Minority males (including 12.1% of Non-Minority males). Lastly, over 24 percent of Non-Minority males, nearly 60 percent of women and over 72 percent of African Americans feel that prime contractors only utilize MWBE firms when required by the County.

Table 81

<b><i>Sometimes, a prime contractor will contact a minority- or woman-owned business to ask for quotes but never give the proposal sufficient review to consider giving that firm the award.</i></b>	<b><i>Owners' Minority Status</i></b>									<b><i>Total</i></b>
	<b><i>Non-Minority</i></b>	<b><i>Woman</i></b>	<b><i>African American</i></b>	<b><i>Asian American</i></b>	<b><i>Hispanic American</i></b>	<b><i>Native American</i></b>	<b><i>Bi-Racial or Multi-Racial</i></b>	<b><i>Publicly Traded Company</i></b>	<b><i>Other</i></b>	
<b>Strongly agree</b>	1 1.5 %	6 9.2 %	21 33.3 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	28 13.4 %
<b>Agree</b>	5 7.6 %	12 18.5 %	15 23.8 %	0 0 %	3 60 %	0 0 %	0 0 %	0 0 %	1 25 %	36 17.2 %
<b>Neither agree or disagree</b>	52 78.8 %	42 64.6 %	25 39.7 %	2 100 %	2 40 %	1 50 %	1 100 %	1 100 %	2 50 %	128 61.2 %
<b>Disagree</b>	4 6.1 %	5 7.7 %	1 1.6 %	0 0 %	0 0 %	1 50 %	0 0 %	0 0 %	0 0 %	11 5.3 %
<b>Strongly disagree</b>	4 6.1 %	0 0 %	1 1.6 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 25 %	6 2.9 %
<b>Total</b>	66 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	209 100 %

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Table 82

<b>Sometimes, a prime contractor will include a minority or woman subcontractor on a bid to meet participation goals, then drop the company as a subcontractor after winning the award.</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Strongly agree</b>	0 0 %	2 3.1 %	18 28.6 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 25 %	21 10 %
<b>Agree</b>	6 9.1 %	17 26.2 %	13 20.6 %	0 0 %	0 0 %	1 50 %	0 0 %	0 0 %	1 25 %	38 18.2 %
<b>Neither agree or disagree</b>	53 80.3 %	41 63.1 %	27 42.9 %	2 100 %	5 100 %	1 50 %	1 100 %	1 100 %	1 25 %	132 63.2 %
<b>Disagree</b>	2 3 %	4 6.2 %	3 4.8 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	9 4.3 %
<b>Strongly disagree</b>	5 7.6 %	1 1.5 %	2 3.2 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 25 %	9 4.3 %
<b>Total</b>	66 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	209 100 %

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Table 83

<i><b>In general, M/WBE's tend to be viewed by Non-M/WBE businesses as less competent than non-minority male-owned businesses.</b></i>	<i><b>Owners' Minority Status</b></i>									<i><b>Total</b></i>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Strongly agree</b>	0 0 %	4 6.2 %	17 27 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	21 10 %
<b>Agree</b>	8 12.1 %	16 24.6 %	20 31.7 %	0 0 %	2 40 %	0 0 %	0 0 %	0 0 %	1 25 %	47 22.5 %
<b>Neither agree or disagree</b>	44 66.7 %	39 60 %	24 38.1 %	2 100 %	3 60 %	0 0 %	1 100 %	1 100 %	2 50 %	116 55.5 %
<b>Disagree</b>	6 9.1 %	2 3.1 %	2 3.2 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	10 4.8 %
<b>Strongly disagree</b>	8 12.1 %	4 6.2 %	0 0 %	0 0 %	0 0 %	2 100 %	0 0 %	0 0 %	1 25 %	15 7.2 %
<b>Total</b>	66 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	209 100 %

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Table 84

<b><i>I believe that some non-minority prime contractors only utilize M/WBE companies when required to do so by the Cuyahoga County Government.</i></b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Strongly agree</b>	4 6.2 %	19 29.2 %	32 50.8 %	0 0 %	1 20 %	0 0 %	0 0 %	0 0 %	0 0 %	56 26.9 %
<b>Agree</b>	12 18.5 %	18 27.7 %	14 22.2 %	0 0 %	2 40 %	0 0 %	0 0 %	0 0 %	1 25 %	47 22.6 %
<b>Neither agree or disagree</b>	43 66.2 %	27 41.5 %	16 25.4 %	2 100 %	2 40 %	0 0 %	1 100 %	1 100 %	2 50 %	94 45.2 %
<b>Disagree</b>	3 4.6 %	1 1.5 %	1 1.6 %	0 0 %	0 0 %	2 100 %	0 0 %	0 0 %	0 0 %	7 3.4 %
<b>Strongly disagree</b>	3 4.6 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 25 %	4 1.9 %
<b>Total</b>	65 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	208 100 %

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### H. Email Comments

Throughout the Study, email commentary was collected from businesspeople active in the Cuyahoga County and greater Cleveland marketplace – or those who want to be – to provide further insight. The Study team monitored the email address CuyahogaCoStudy@gspclaw.com, which serves as supplement to the broader slate of data collected and is a highly effective method in obtaining commentary from business owners who may have missed the public hearings or being randomly selected for focus groups or interviews. Commentary received in this manner reflects opinions about doing business with Cuyahoga County as well as the Study itself.

EC-7 is a 40-year-old U.S. military veteran who has had difficulty breaking into business with the County and is requesting a new diversity category be established for individuals in his situation. “Veterans my age are at a disadvantage because instead of going to work in the Cleveland business world in our early 20s, we went into the military,” EC-7 said. “We didn’t have 20 years to build our networks of friends to do business with (purchasers at local government entities as well as local businesses) because our networks are cross-country and mainly defense and security focused.” He pointed out that in its Disadvantaged Business

Enterprise categories, the State of Ohio recognizes Veterans as a category, and he said the County should follow suit.

EC-3 expressed difficulty communicating with County officials. “My issue with doing business with the government is there’s no one to contact,” he said. “I’m always being bounced around to different people and agencies.”

EC-2 and EC-5 both noted that the Study did not address Small Businesses. “It looks like SBEs (Small Business Enterprises) are not included,” EC-2 said. “This Study should include small businesses as well as local businesses who could be doing business with the County,” EC-5 said.

EC-8 raised several issues in her commentary. First, she stated that companies should be allowed to gain MBE or WBE certification if they are subsidiaries of a larger company. Further, she said that MBE or WBE certified businesses should not be able to work on the same contracts with companies owned by spouses or relatives of said companies. EC-8 raised the issue of subcontractors hiring subcontractors and making certain that those hires are recorded so all parties are paid appropriately. “If a prime or sub hires you after the original contracts are let out there should be a clear way for that sub to make sure that the County knows about them and adds them to the monthly payment confirmation list,” she said. “Sometimes subs don’t pay their subs just because the prime contractor paid them.” Finally, she reiterated the importance of making sure that all parties are paid appropriately for their work. “Getting paid is the largest problem to small and minority companies in the construction business.”

## I. Conclusion

Participants voiced their concerns to the Study team about slow pay, informal networks, a lack of transparency and poor access to information. In the face of a restructuring of Cuyahoga County Government, Study participants report that some old habits associated with doing business overshadowed changes in the County. Business owners report that initiatives, like the County’s Inclusion office have been inconsistent at best and complain that County staff tasked with helping forge an environment of inclusivity offer lackluster outreach and support and are not being held accountable for making improvements. Prime contractors and government officials alike cling to long-standing partnerships impacting the ability of newer businesses to gain traction in the market.

Small business owners fret each time they file a time sheet or expense report with the County whether they will see a payment in a timely manner. Participants engaged by the Study team acknowledged worry about being able to make their own payroll, or potentially going into debt to keep employees paid. At least one participant pointed to invoice that has inexplicably lingered for three years without being paid. Examples of expedient payroll systems are referred to with the State of Ohio and the City of Columbus.

Study participants note a pattern of discrimination against diverse and smaller firms including bid shopping, business fronts and pass throughs. Many applauded the steps taken by the County to establish the Office of Procurement and Diversity and the associated Office of Inclusion, but these entities have not facilitated the type of progress that was anticipate, leaving many in the community skeptical to their impact.

APPENDIX A  
EXPANDED LEGAL ANALYSIS

## APPENDIX A – EXPANDED LEGAL ANALYSIS

Having provided an overview of the de facto genesis of diversity studies, the following underscores the legal benefit to such studies should an MBE/WBE program or initiative be challenged in a court of law.

### 1. Overview of Legal Challenges to MBE/WBE Programs and Legislation

There are several important legal standards and considerations which arise when a constitutional challenge to an MBE/WBE program is initiated. Matters such as standing, the burden(s) of proof, the level of judicial scrutiny to be applied, and the types of evidence necessary for the court's evaluation, must all be addressed. Each of these concepts is addressed in turn.

#### a) The Standing Requirement

Legal “standing” to bring suit is an absolute requirement for one seeking relief in any federal court of the United States or any state court called upon to decide a matter upon federal law. U.S. Const. Art. III, § 2, Cl 1; Lujan v. Defenders of Wildlife, 504 U.S. 555, 560 (1992). Though “some of its elements express merely prudential considerations that are part of judicial self-government, the core component of standing is an essential and unchanging part of the case-or-controversy requirement of Article III.”<sup>1</sup>

[S]tanding contains three elements. First, the plaintiff must have suffered an injury in fact -- an invasion of a legally protected interest which is . . . concrete and particularized . . . [; s]econd, there must be a causal connection between the injury and the conduct complained of . . . [; and t]hird, it must be likely, as opposed to merely speculative, that the injury will be redressed by a favorable decision [of the Court wherewith the matter is brought]. [Lujan, 504 U.S. at 560-61 (internal punctuation and citations omitted)]

Under the traditional standing analysis, in order to satisfy the “injury in fact” requirement, plaintiffs must establish a causal connection between the injury, the ordinance, and the likelihood that the injury will be redressed by a favorable decision. Moreover, the courts may not tolerate a lawsuit unless the plaintiff shows some “concrete and particularized” injury that is in fact imminent and which amounts to something more than “conjectural or hypothetical” injury. Price v. City of Charlotte, 93 F.3d 1241, 1247 (4th Circuit 1996) (citing Lujan).

In the federal judicial circuit covering the Cuyahoga County, the “injury in fact” element for standing was analyzed in Associated General Contractors of America v. City of Columbus, 172 F.3d 411 (6th Cir. 1999). In that case, a contractors’ association brought an action challenging the constitutionality of the City of Columbus’ minority business set-aside ordinance. After a decision by the district court striking down the ordinance, the City sought relief from the judgment citing a revised, recently enacted set-aside ordinance.

On appeal, the Sixth Circuit held that the contractors’ association could not demonstrate the injury-in-fact required to establish standing to challenge the constitutionality of the second minority business set-aside ordinance, as the ordinance had not yet been put into effect:

Once the [first] set-aside program was gone, the constitutional violation was gone, and no condition requiring repair remained. The remedy was complete. The agreed order, however ... enjoined the City from enacting any new set-aside legislation without first obtaining District Court approval--thus, the decree aimed at eliminating a condition that did not yet

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<sup>1</sup> Lujan, 504 U.S. at 560.

exist, a condition that, at most, might violate the Constitution, if that condition should in fact materialize. [Associated General Contractors, 172 F.3d at 418]

The goal, of course, is to design and implement an MWBE program in such a manner that no legitimate claims of “reverse discrimination” by majority contractors will result, and thus, no constitutional challenge will ensue. Absent achievement of such a program, standing issues will need to be addressed at the outset of any litigation.

#### b) Burdens of Production/Proof

As noted above, the Croson court struck down the City of Richmond's minority set-aside program because the City failed to provide an adequate evidentiary showing of past and present discrimination as was its initial burden.<sup>2</sup> Since the Fourteenth Amendment only allows race-conscious programs that narrowly seek to remedy particularized discrimination, the Court held that state and local governments “must identify that discrimination . . . with some specificity before they may use race-conscious relief.” The court's rationale for judging the sufficiency of the City's factual predicate for affirmative action legislation was whether there existed a “strong basis in evidence for its [government's] conclusion that remedial action was necessary.”<sup>3</sup>

The initial burden of production on the state or local governmental entity is to demonstrate a “strong basis in evidence” that its race- and gender-conscious contract program is aimed at remedying identified past or present discrimination. See West Tennessee Chapter of Associated Builders v. City of Memphis, 302 F.Supp.2d 860, 863 (W.D. Tenn. 2004) (citing Croson; Adarand). Merely stating a “benign” or “remedial” purpose does not constitute a “strong basis in evidence” that the remedial plan is necessary, nor does it establish a prima facie case of discrimination. Thus, the local government must identify the discrimination it seeks to redress, (Croson, 488 U.S. at 500-01), and produce particularized findings of discrimination.

A governmental entity may, for example, establish an inference of discrimination by using empirical evidence that proves a significant statistical disparity between the number of qualified MBE/WBEs, the number of MBE/WBE contractors actually awarded a contract by the governmental entity, or MBE/WBEs brought in as subcontractors by prime contractors to which a contract is awarded.

The courts maintain that the quantum of evidence required for the governmental entity is to be determined on a case-by-case basis, and in the context and breadth of the MBE/WBE program it purports to advance. See Concrete Works, 36 F.3d 1513 (10th Cir. 1994). If the local government is able to do this, then the burden shifts to the challenging party to rebut the municipality's showing.<sup>4</sup>

Once the governmental entity has shown acceptable proof of a compelling interest in remedying past discrimination and illustrated that its plan is narrowly tailored to achieve this goal, the party challenging the affirmative action plan bears the ultimate burden of proving that the plan is unconstitutional. Sherbrooke Turf, Inc. v. Minnesota D.O.T., 345 F.3d 964, 971 (8th Cir. 2003) (“Sherbrooke and Gross Seed have the ultimate burden of establishing that the DBE program is not narrowly tailored.”); Geyer Signal, Inc. v. Minnesota D.O.T., 2014 WL 1309092, \*26 (D. Minn. 2014) (“The party challenging the constitutionality of the DBE program bears the burden of demonstrating that the government's evidence did not support an inference of prior discrimination.”), citing Adarand III, 228 F.3d at 1166.

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<sup>2</sup> Croson, 488 U.S. at 498-506.

<sup>3</sup> Croson, 488 U.S. at 500 (quoting Wygant v. Jackson Bd. of Educ., 476 U.S. 267, 277, 106 S.Ct. 1842, 1849 (1986)).

<sup>4</sup> Id.

## 2. Equal Protection and Judicial Scrutiny

The Fourteenth Amendment provides that “No state shall . . . deny to any person within its jurisdiction the equal protection of the laws”. U.S. Const. amend. XIV, § 1. Courts determine the appropriate standard of equal protection review by “[f]irst . . . [determining] whether a state or local government has developed the program, or whether Congress has authorized the program’s creation”, then by examining the protected classes embodied in the statute. S. J. Groves & Sons Company v. Fulton County et. al., 920 F.2d 752, 767 (11th Cir. 1991).

Because the program instituted by the Cuyahoga County makes classifications based both on race/ethnicity and on gender, each is addressed in this analysis with respect to the applicable standard of review (e.g., strict or intermediate scrutiny).

### a) Strict Scrutiny for Race-Based Classifications

“We have held that all racial classifications imposed by government must be analyzed by a reviewing court under strict scrutiny.” Grutter v. Bollinger, 539 U.S. 306, 326 (2003); *see also* Adarand II, 515 U.S. at 212 (same). The Fourth Circuit previously put into sharp relief its view of the rationale for this level of judicial review:

Racial and ethnic distinctions of any sort are inherently suspect and thus call for the most exacting judicial examination. Wygant v. Jackson Board of Education, 476 U.S. 267, 273, 106 S.Ct. 1842 1846, 90 L.Ed.2d 260 (1986) (plurality opinion) (quoting Regents of the University of California v. Bakke, 438 U.S. 265, 291, 98 S.Ct. 2733 2748, 57 L.Ed.2d 750 (1978) (Powell, J.)). The rationale for this stringent standard of review is plain. Of all the criteria by which men and women can be judged, the most pernicious is that of race. The injustice of judging human beings by the color of their skin is so apparent that racial classifications cannot be rationalized by the casual invocation of benign remedial aims. City of Richmond v. J.A. Croson Co., 488 U.S. 469, 500, 109 S.Ct. 706, 724, 102 L.Ed.2d 854 (1989). While the inequities and indignities visited by past discrimination are undeniable, the use of race as a reparational device risks perpetuating the very race-consciousness such a remedy purports to overcome.... It thus remains our constitutional premise that race is an impermissible arbiter of human fortunes. [Podberesky v. Kirwin, 38 F.3d 147, 152 (4th Cir. 1994) (quoting Maryland Troopers Ass'n v. Evans, 993 F.2d 1072, 1076 (4th Cir.1993)]

“Under strict scrutiny, a racial classification must (1) serve a compelling state interest and (2) be narrowly tailored to achieve that interest.” Tuttle v. Arlington County School Board, 195 F.3d 698, 704 (4th Cir. 1999) (emphasis added) (citing Ararand II).<sup>5</sup>

### b) Intermediate Scrutiny for Gender-Based Classifications

Though still a live debate in some federal Circuits, it appears settled in the Sixth Circuit that programs with gender-based classifications are evaluated for constitutionality under the same strict scrutiny standard applied to race-based classifications, and not a more relaxed level of scrutiny (such as intermediate

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<sup>5</sup> See also Michigan Road Builders Ass’n v. Milliken, 834 F.2d 583, 589-90 (6th Cir. 1987) (setting forth two-part analysis); Associated General Contractors v. Drabik, 214 F.3d (6th Circuit 2000); Cleveland Firefighters for Fair Housing v. City of Cleveland, 917 F.Supp.2d 668, 6679-80 (N.D. Ohio 2013). The strict scrutiny test further requires a “searching judicial inquiry into the justification” for the race conscious remedy to determine whether the classifications are remedial or “in fact, motivated by the illegitimate notions of social inferiority or simple social politics.” Doe v. Sundquist, 943 F. Supp. 886 (M.D. Tenn. 1996).



scrutiny). See Brunet v. City of Columbus, 1 F.3d 390, 403-04 (6th Cir. 1993); Conlin v. Blanchard, 890 F.2d 811, 816 (6th Cir. 1989).

### 3. “Compelling Public Interest” Considerations

In order for a local government to enact a constitutionally valid MBE/WBE program or ordinance which applies to awards of its contracts, it must show a compelling governmental interest. H.B. Rowe Company, Incorporated v. W. Lyndo Tippet, 615 F.3d 233 (4th Cir. 2010):

Although imposing a substantial burden, strict scrutiny is not automatically “fatal in fact.” Adarand II, 515 U.S. at 237, 115 S.Ct. 2097. After all, “[t]he unhappy persistence of both the practice and the lingering effects of racial discrimination against minority groups in this country is an unfortunate reality, and government is not disqualified from acting in response to it.” Id.; Alexander, 95 F.3d at 315. In so acting, a governmental entity must demonstrate it had a compelling interest in “remedying the effects of past or present racial discrimination.” Shaw v. Hunt, 517 U.S. 899, 909, 116 S.Ct. 1894, 135 L.Ed.2d 207 (1996).

Thus, to justify a race-conscious measure, a state must “identify that discrimination, public or private, with some specificity,” Croson, 488 U.S. at 504, 109 S.Ct. 706, and must have a “strong basis in evidence for its conclusion that remedial action [is] necessary,” id. at 500, 109 S.Ct. 706 (quoting Wygant v. Jackson Bd. of Educ., 476 U.S. 267, 277, 106 S.Ct. 1842, 90 L.Ed.2d 260 (1986) (plurality opinion)); see also Podberesky v. Kirwan, 38 F.3d 147, 153 (4th Cir.1994). As courts have noted, “there is no ‘precise mathematical formula to assess the quantum of evidence that rises to the Croson ‘strong basis in evidence’ benchmark.’” Rothe Dev. Corp. v. Dep’t of Def., 545 F.3d 1023, 1049 (Fed.Cir.2008) (Rothe II) (quoting W.H. Scott Constr. Co. v. City of Jackson, 199 F.3d 206, 218 n. 11 (5th Cir.1999)). [H.B. Rowe, at 241]

This compelling interest must be proven by particularized findings of discrimination. The strict scrutiny test ensures that the means used to address the compelling goal of remedying discrimination “fit” so closely that there is little likelihood that the motive for the racial classification is illegitimate racial prejudice or stereotype.<sup>6</sup>

The relevant case law establishes that the compelling state interests of remedying past discrimination and of avoiding discrimination in the context of governmental procurement programs are well-accepted, and not controversial at this point. See W.H. Scott Const. Co. v. City of Jackson, 199 F.3d 206, 217 (5th Cir. 1999) (“Combatting racial discrimination is a compelling government interest.”); Croson, 488 U.S. at 492 (“It is beyond dispute that any public entity, state or federal, has a compelling interest in assuring that public dollars, drawn from the tax contributions of all citizens, do not serve to finance the evils of private prejudice.”); Adarand II, 515 U.S. at 237 (“The unhappy persistence of both the practice and the lingering effects of racial discrimination against minority groups in this country is an unfortunate reality, and government is not disqualified from acting in response to it.”).

#### a) The Extent of Participation in Discrimination by the Public Entity

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<sup>6</sup> Croson; Engineering Contractors Ass’n v. Metropolitan Dade County, 122 F.3d 895, 906 (11th Cir. 1997). See also, Adarand II, 515 U.S. at 235.

The courts have uniformly held that general societal discrimination is insufficient to justify the use of race-based measures to satisfy a compelling governmental interest.<sup>7</sup> Rather, there must be some showing of prior discrimination by the governmental actor involved, either as an “active” or “passive” participant.<sup>8</sup>

The upshot of this dual-faceted evaluation of the enacting governmental entity is that, even if the entity did not directly discriminate, it can take corrective action. Engineering Contractors, 122 F.3d at 907 (“[I]f the County could show that it had essentially become a ‘passive participant’ in a system of racial exclusion practiced by elements of the local construction industry, the Supreme Court has made it clear that the [County] could take affirmative steps to dismantle such a system.”); Croson, 488 U.S. at 492 (“Thus, if the city could show that it had essentially become a ‘passive participant’ in a system of racial exclusion practiced by elements of the local construction industry, we think it clear that the city could take affirmative steps to dismantle such a system.”).

Subsequent lower court rulings have provided more guidance on passive participation by local governments. In Concrete Works, 36 F.3d 1513, the Tenth Circuit held that it was sufficient for the local government to demonstrate that it engaged in passive participation in discrimination rather than showing that it actively participated in the discrimination:

Neither Croson nor its progeny clearly state whether private discrimination that is in no way funded with public tax dollars can, by itself, provide the requisite strong basis in evidence necessary to justify a municipality’s affirmative action program. Although we do not read Croson as requiring the municipality to identify an exact linkage between its award of public contracts and private discrimination, such evidence would at least enhance the municipality’s factual predicate for a race/gender-conscious program. [Id., 36 F.3d at 1529]

Thus, the desire for a government entity to prevent the infusion of public funds into a discriminatory industry is enough to satisfy the requirement.

The next question, however, is whether a public entity has the requisite factual support for its MWBE program in order to satisfy the particularized showing of discrimination required by Croson. This factual support can be developed from anecdotal and statistical evidence, as discussed hereafter.

#### b) Types of Evidence

The types of evidence routinely presented to show the existence of a compelling interest include statistical and anecdotal evidence.<sup>9</sup> Where gross statistical disparities exist, they alone may constitute prima facie proof of a pattern or practice of discrimination. Anecdotal evidence, such as testimony from minority contractors, is most useful as a supplement to strong statistical evidence, as it cannot carry the burden for the entity by itself.

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<sup>7</sup> Adarand II, 515 U.S. at 227; Croson, 488 U.S. at 496-97.

<sup>8</sup> Croson, 488 U.S. at 498. See also Ashton v. City of Memphis, 49 F. Supp.2d 1051, 1057 (W. D. Tenn. 1999) (citing Croson). As the court in Tennessee Asphalt clarified, “[g]overnmental entities are not restricted to eradicating the effects only of their own discriminatory acts.” 942 F.2d at 974. Thus, even if the governmental unit did not directly discriminate, it can take corrective action. Engineering Contractors, 122 F.3d at 907 (“[I]f the County could show that it had essentially become a ‘passive participant’ in a system of racial exclusion practiced by elements of the local construction industry,” the Supreme Court has made it “clear that the [County] could take affirmative steps to dismantle such a system.”).

<sup>9</sup> Croson, 488 U.S. at 501.

The majority decision in Croson implicitly endorsed the inclusion of personal accounts of discrimination, but Croson and subsequent decisions also make clear that selective anecdotal evidence about MBE/WBE experiences alone would not provide an ample basis in evidence to demonstrate public or private discrimination in a municipality's construction industry.<sup>10</sup>

In sum, personal accounts of actual discrimination or the effects of discriminatory practices are admissible and effective, and anecdotal evidence of a governmental entity's institutional practices that provoke discriminatory market conditions is particularly probative. In order to carry the day, however, such evidence must be supplemented with strong statistical proof:

A state need not conclusively prove the existence of past or present racial discrimination to establish a strong basis in evidence for concluding that remedial action is necessary. See, e.g., Concrete Works, 321 F.3d at 958. Instead, a state may meet its burden by relying on "a significant statistical disparity" between the availability of qualified, willing, and able minority subcontractors and the utilization of such subcontractors by the governmental entity or its prime contractors. Croson, 488 U.S. at 509, 109 S.Ct. 706 (plurality opinion). We further require that such evidence be "corroborated by significant anecdotal evidence of racial discrimination." Md. Troopers Ass'n, Inc. v. Evans, 993 F.2d 1072, 1077 (4th Cir.1993). [H.B. Rowe, 615 F.3d at 241]

Accordingly, a combination of statistical disparities in the utilization of MBE/WBEs and particularized anecdotal accounts of discrimination by the MBE/WBEs (or others) are required to satisfy the factual predicate. See Middleton et. al. v. City of Flint, 92 F.3d 396, 405 (6th Cir. 1996) ("Anecdotal evidence is most useful as a supplement to strong statistical evidence[.]").

Of note, several courts have rejected assertions by plaintiffs attacking programs that anecdotal evidence must be verified to be considered as part of a governmental entity's evidentiary proffer.<sup>11</sup>

#### i. Post-Enactment Evidence

Before looking at specific types of statistical and anecdotal evidence a governmental entity may utilize in order to meet its initial burden to show a "strong basis in evidence" that its race- and gender-conscious contract program is aimed at remedying identified past or present discrimination, we first note that the evidence offered need not pre-date the enactment of the program or legislation under challenge.

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<sup>10</sup> Croson, 488 U.S. at 480 (noting as a weakness in the City's case that the Richmond City Council heard "no direct evidence of race-conscious discrimination on the part of the city in letting contracts or any evidence that the City's prime contractors had discriminated against minority-owned subcontractors"); See also Engineering Contractors Ass'n, 122 F. 3d at 925 ("[W]e have found that kind of evidence [anecdotal] to be helpful in the past, but only when it was combined with and reinforced by sufficiently probative statistical evidence.").

<sup>11</sup> Associated General Contractors v. California D.O.T., 713 F.2d at 1196-1197 ("AGC contends that the anecdotal evidence has little or no probative value in identifying discrimination because it is not verified. AGC cites to no controlling authority for a verification requirement. Both the Fourth and Tenth Circuits have rejected the need to verify anecdotal evidence."), citing H.B. Rowe, 615 F.3d at 249; Concrete Works, 321 F.3d at 989. See also Kossman Contracting Co. v. City of Houston, Case No. H-14-1203, at 58 (S.D. Texas 2016) ("Plaintiff criticizes the anecdotal evidence with which NERA supplemented its statistical analysis as not having been verified and investigated. Anecdotes are not the sole or even primary evidence of discrimination in this case. . . . One reason anecdotal evidence is valuable supplemental evidence is that it reaches what statistics cannot: a witness' narrative of an incident told from the witness' perspective and including the witness' perceptions.") (quotations and citations omitted).

In Croson, the Court stated that a state or local government “must identify that discrimination . . . with some specificity before they may use race-conscious relief.”<sup>12</sup> However, the Court declined to require that all relevant evidence of such discrimination be gathered prior to the enactment of the program. This is important, as it allows a governmental entity to utilize a variety of evidentiary sources (as discussed below), but also to supplement such pre-enactment evidence with disparity evidence gathered after the program has been initiated.

Pre-enactment evidence refers to evidence developed prior to the enactment of an MWBE program by a governmental entity. Such evidence is strong predicate for the decision to implement such a program in the first place, and a lack of relevant pre-enactment evidence of discrimination may make it difficult for a governmental entity to satisfy the standards established in Croson.

Post-enactment evidence is that which has been developed since the affirmative action program was enacted and therefore was not specifically relied upon as a rationale for the government’s race/gender-conscious efforts. As such, post-enactment evidence can often be devalued when a constitutional challenge is made, though most courts applying Croson’s evidentiary requirement allow reliance on post-enactment evidence. See, e.g., Contractors Ass’n., 6 F.3d, at 1003-04 (3rd Cir. 1993).

The federal courts in the Sixth Circuit have often wrestled with the relative value or significance to be placed on post-enactment evidence. In West Tennessee Chapter of Associated Builders and Contractors v. Board of Education of the Memphis City Schools, 64 F.Supp.2d 714 (W.D. Tenn. 1999), the district court faced the issue of whether post-enactment evidence was sufficient to establish a strong basis upon which a race conscious program can be supported. The late Judge Jerome Turner opined that although the court in Croson was not faced with the issue of post enactment evidence, much of the language in the opinion suggested that the court meant to require the governmental entity to develop the evidence before enacting a plan.

At the appellate level, the Sixth Circuit addressed this issue in In re: City of Memphis, 293 F.3d 345 (6th Circuit 2002), though much of the discussion on post-enactment evidence is dicta; the court having denied interlocutory review.<sup>13</sup>

In 1996, the City of Memphis adopted a Minority and Women Business Enterprise Procurement Program (“MWBE”), based upon findings from a disparity study covering the period from 1988 to 1992. The West Tennessee Chapter of Associated Builders and Contractors, Inc. and Zellner Construction Company, Inc. filed suit against the City of Memphis in January 1999, claiming that the City’s MBWE program violated the Equal Protection Clause of the Fourteenth Amendment.

In response to the lawsuit, Memphis proposed to commission a new disparity study, covering the period from 1993 to 1998. The City asserted that the post-enactment study could be used as evidence to demonstrate a compelling governmental interest. Six months after the initiation of the lawsuit, the district court ruled that Memphis could not introduce the post-enactment study as evidence of a compelling governmental interest and initially denied the City’s motion to certify an interlocutory appeal. In response to the City’s motion to reconsider, the district court certified an interlocutory appeal, though notice of this decision was not rendered to the parties in a timely fashion.

After deciding that it had jurisdiction to rule on the matter, the Sixth Circuit examined the issue of post-enactment evidence through its analysis of the three requirements for interlocutory appeal: 1) whether the order involves a controlling issue of law; 2) whether a substantial ground for difference of opinion exists

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<sup>12</sup> 488 U.S. at 504.

<sup>13</sup> 293 F.3d 348.

regarding the correctness of the decision; and, 3) whether an immediate appeal may materially advance the ultimate termination of the litigation. Of the three requirements, the Sixth Circuit focused on the second. The appeals court observed that the district court had relied upon the City's assertion that substantial ground for difference of opinion existed regarding the value of post-enactment evidence.

The Sixth Circuit rejected the City's argument, stating that "[t]his issue...appears to have been resolved in this circuit." The Court then cited to the ruling in Drabik to imply that post-enactment evidence was inadmissible:

The City argues that the court in Drabik did not find that post-enactment evidence was inadmissible...Although Drabik did not directly address the admissibility of post-enactment evidence, it held that a governmental entity must have pre-enactment evidence sufficient to justify a racially conscious statute. It also indicates that this circuit would not favor using post-enactment evidence to make that showing. [In re: City of Memphis, 293 F.3d at 351]

Ultimately, the appeals court denied the City's application for permission to appeal because "[e]ven if we concluded that there is a substantial difference of opinion, the issue presented in this case is not a controlling legal issue."<sup>14</sup> Because this discussion of the admissibility of post-enactment evidence occurred in the dicta of the opinion, the case does not represent a change in the Sixth Circuit at the present time. Therefore, a race and gender-conscious program implemented by the Cuyahoga County may be supported by post-enactment evidence of discrimination at this time.

## ii. Statistical Data Generally

The Court in Croson explained that an inference of discrimination may be made with empirical evidence that demonstrates "a significant statistical disparity between the number of qualified minority contractors . . . and the number of such contractors actually engaged by the locality or the locality's prime contractors."<sup>15</sup> A predicate to governmental action is a demonstration that gross statistical disparities exist between the proportion of MBEs awarded government contracts and the proportion of MBEs in the local industry "willing and able to do the work," in order to justify its use of race-conscious contract measures.<sup>16</sup>

In order to adequately assess statistical evidence, there must be information identifying the basic qualifications of minority contractors "willing and able to do the job" and the Court must determine, based upon these qualifications, the relevant statistical pool with which to make the appropriate statistical comparisons.<sup>17</sup> Although subsequent lower court decisions have provided considerable guidelines for statistical analyses sufficient for satisfying the Croson factual predicate, there are multiple methods that the courts have accepted for conducting statistical analyses. The most prevalent of these are outlined hereafter.

## iii. Availability

The attempted methods of calculating MBE/WBE availability have varied from case to case. In Contractors Association of Eastern Pennsylvania v. City of Philadelphia, 6 F.3d 990 (3rd Cir. 1993), the Third Circuit stated that available and qualified minority-owned businesses comprise the "relevant statistical pool" for purposes of determining availability. The court permitted availability to be based on the metropolitan

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<sup>14</sup> 293 F.3d at 351.

<sup>15</sup> 488 U.S. at 509.

<sup>16</sup> Ensley Branch, 31 F.3d at 1565.

<sup>17</sup> Engineering Contractors, 122 F. 3d. at 925.

statistical area (MSA) and local list of the Office of Minority Opportunity for non-MBE/WBEs, which itself was based on census data.

In Associated General Contractors v. City of Columbus, the City's consultants collected data on the number of MBE/WBE firms in the Columbus MSA in order to calculate the percentage of available MBE/WBE firms. Three sources were considered to determine the number of MBE/WBEs "ready, willing and able" to perform construction work for the city. Associated General Contractors of America v. City of Columbus, 936 F. Supp. 1363 (1996), vacated on other grounds, 172 F.3d 411 (6th Cir. 1999). However, the Court found that none of the measures of availability purported to measure the number of MBE/WBEs who were qualified and willing to bid as a prime contractor on City construction projects because neither the City Auditor Vendor Payment History file, Subcontractor Participation Reports, or Contract Document Database of the City were attentive to which firms were able to be responsible or provide either a bid bond or performance bond. The Court wrote, "[t]here is no basis in the evidence for an inference that qualified MBE/WBE firms exist in the same proportions as they do in relation to all construction firms in the market."<sup>18</sup>

In H.B. Rowe, availability was calculated using a vendor list that included: "1) subcontractors approved by the Department to perform subcontract work on state-funded projects, (2) subcontractors that performed such work during the study period, and (3) contractors qualified to perform prime construction work on state-funded contracts."<sup>19</sup>

The issue of availability also was examined by the Eleventh Circuit in Contractors Association of South Florida v. Metropolitan Dade County, 122 F.3d 895 (11th Cir. 1997). There, the Court opined that when reliance is made upon statistical disparity, and special qualifications are necessary to undertake a particular task, the relevant statistical pool must include only those minority-owned firms qualified to provide the requested services. Moreover, these minority firms must be qualified, willing and able to provide the requested services. If the statistical analysis includes the proper pool of eligible minorities, any resulting disparity, in a proper case, may constitute prima facie proof of a pattern or practice of discrimination.

As discussed above, the Sixth Circuit in Drabik ruled that the State of Ohio failed to satisfy the strict scrutiny standard to justify the state's minority business enterprise act because it relied on statistical evidence that did not account for which firms were qualified, willing and able to perform on construction contracts.<sup>20</sup>

A common question in collecting and applying availability data is whether prime contractor and subcontractor data needs to be evaluated separately. Though the Sixth Circuit has not spoken on this particular question, the trend is to accept combined data.

NCI's argument is that IDOT essentially abused its discretion under this regulation by failing to separate prime contractor availability from subcontractor availability. However, NCI has not identified any aspect of the regulations that requires such separation. Indeed, as the district court observed, the regulations require the local goal to be focused on overall DBE participation in the recipient's DOT-assisted contracts. See 49 C.F.R. § 26.45(a)(1). It would make little sense to separate prime contractor and subcontractor availability as suggested by NCI when DBEs will also compete for prime contracts and any success will be

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<sup>18</sup> Associated General Contractors, 936 F. Supp. at 1389.

<sup>19</sup> 615 F.3d at 244. Cf. Contractors Association of South Florida v. Metropolitan Dade County, 122 F.3d 895 (11th Cir. 1997) (when special qualifications are necessary to undertake a particular task, the relevant statistical pool must include only those minority-owned firms qualified to provide the requested services.)

<sup>20</sup> Drabik, 214 F.3d at 736.

reflected in the recipient's calculation of success in meeting the overall goal. [Northern Contracting, 473 F.3d at 723]<sup>21</sup>

Also, several courts have accepted the use of a “custom census” methodology for calculating availability. For example, in Northern Contracting, after identifying the relevant geographic market and product market (transportation construction) the analyst “surveyed Dun & Bradstreet’s *Marketplace*, which is a comprehensive database of American businesses that identifies which businesses are minority or women-owned. Wainwright supplemented this survey with IDOT’s list of DBEs in Illinois.”<sup>22</sup> In Kossman, the consulting analyst “relied on data acquired from Dun & Bradstreet’s Hoovers subsidiary on the total number of businesses in the defined market area. . . . Because the Dun & Bradstreet data did not adequately identify all MWBEs, NERA collected information on MWBEs in Texas and surrounding states through lists from public and private entities, as well as prior NERA studies, and culled records for MWBEs within the [City’s] defined market area.”<sup>23</sup>

#### iv. Utilization

Utilization is a natural corollary of availability, in terms of statistical calculation. Different courts have applied utilization rates to different base measures, including percentage-based analyses regarding contract awards and dollars paid.

In Engineering Contractors,<sup>24</sup> the City’s consultants calculated the percentage of City contracting dollars that were paid to MWBE construction firms.<sup>25</sup> In Associated General Contractors v. California D.O.T., the State’s disparity study consultants calculated the percentage of contracting dollars that were paid to DBE firms.<sup>26</sup> This is referred to as the rate of utilization. From this point, one can determine if a disparity exists and, if so, to what extent. A similar methodology was utilized in Associated General Contractors of America v. City of Columbus.<sup>27</sup>

In Cone Corp. v. Hillsborough County, 908 F.3d 908 (11th Cir. 1990), the following utilization statistics were developed and presented to justify an MBE program:

The County documented the disparity between the percentage of MBE contractors in the area and the percentage of contracts awarded to those MBE contractors. Hillsborough County determined that the percentage of County construction dollars going to MBE contractors compared to the total percentage of County construction dollars spent. . . . The

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<sup>21</sup> See Associated General Contractors v. California D.O.T., 713 F.23d at 1199 (citing Northern Contracting); Kossman, at 58 (“Separately considering prime contractors and subcontractors is not only unnecessary but may be misleading. The anecdotal evidence indicates that construction firms had served, on different contracts, as both.”). See also H.B.Rowe, 615 F.3d at 245 (court accepted combined data based on experts’ explanation that prime contractors are also qualified to do subcontracting work, and often do).

<sup>22</sup> 473 F.3d at 718.

<sup>23</sup> Id. at 5. See also Midwest Fence, 840 F.3d at 950 (discussing and approving custom census method).

<sup>24</sup> 122 F.3d at 914.

<sup>25</sup> 615 F.3d at 241, 250-51 (“[A] state may meet its burden by relying on ‘a significant statistical disparity’ between the availability of qualified, willing, and able minority subcontractors and the utilization of such subcontractors by the governmental entity or its prime contractors.”), citing Croson, 488 U.S. at 509, 109 S.Ct. 706.

<sup>26</sup> 713 F.23d at 1191-1193. In Kossman v. City of Houston, NERA used both “award amounts” and “paid amounts” to determine utilization. Id. at 3, n. 10. The court, in approving the statistical proffer, looked only at the award amounts to “simplify matters.” Id.

<sup>27</sup> 936 F. Supp. 1363 (City calculated the percentage of City contracting dollars that were paid to M/WBE construction firms)

data extracted from the studies indicates that while ten percent of the businesses and twelve percent of the contractors in the County were minorities, only 7.89% of the County purchase orders, 1.22% of the County purchase dollars, 6.3% of the awarded bids, and 6.5% of the awarded dollars went to minorities. The statistical disparities between the total percentage of minorities involved in construction and the work going to minorities, therefore, varied from approximately four to ten percent, with a glaring 10.78% disparity between the percentage of minority contractors in the County and the percentage of County construction dollars awarded to minorities. Such a disparity clearly constitutes a prima facie case of discrimination indicating that the racial classification in the County plan were necessary. [Id. at 915-16]

The Sixth Circuit signaled in Drabik, however, that statistical proof of under-utilization would be insufficient in and of itself to supply the justification for the utilization of a non-race-neutral measure in public contracting practices.<sup>28</sup> The Drabik Court did not read Croson as permitting remedial action of a non-race neutral type simply because of statistical findings of underutilization of those minority companies that were in the ready, willing and able to perform a public contracting need category, but rather required that “governments . . . identify discrimination with some specificity before they may use race-conscious relief; explicit findings of a constitutional or statutory violation must be made.”<sup>29</sup>

#### v. Disparity Indices

To demonstrate the under-utilization of MBE/WBEs in a particular area, parties can employ a statistical device known as the “disparity index.” The use of such an index was explained, and cited approvingly, in H.B. Rowe.<sup>30</sup>

In H.B. Rowe, after noting the increasing use of disparity indices, the court explained that the State (through a consulting firm) calculated a disparity index for each relevant racial or gender group covered by the M/WBE program, and further, conducted a standard deviation analysis on each of those indices using t-tests.<sup>31</sup> The resulting calculations “demonstrated marked underutilization of [] African American and Native American subcontractors,” according to the court.<sup>32</sup>

The utility of disparity indices or similar measures to examine the utilization of minorities or women in a particular industry has been recognized by a number of federal circuit courts. See Concrete Works, 36 F.3d at 1523 n. 10 (10th Cir.1994) (employing disparity index); Contractors Ass'n, 6 F.3d at 1005 (3d Cir.1993) (employing disparity index); Associated Gen. Contractors v. Coalition for Economic Equity, 950 F.2d 1401, 1414 (9th Cir.1991) (employing similar statistical data).

Specifically, courts have used these MBE/WBE disparity indices to apply the “strong basis in evidence” standard in Croson. As noted, the disparity index in H.B. Rowe was 0.46 for African Americans and was

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<sup>28</sup> 214 F.3d at 735.

<sup>29</sup> 214 F.3d at 735. Moreover, the Drabik Court also indicated that the government would need to present evidence demonstrating “pervasive, systematic, and obstinate discriminatory conduct” in order to satisfy Croson. 214 F.3d at 737.

<sup>30</sup> 615 F.3d at 243-44.

<sup>31</sup> Id. at 244. The disparity index is calculated by dividing the percentage of available MBE/WBE participation (amount of contract dollars) by the percentage of MBE/WBEs in the relevant population of local firms. A disparity index of one (1) demonstrates full MBE/WBE participation, whereas the closer the index is to zero, the greater the MBE/WBE under-utilization. Some courts multiply the disparity index by 100, thereby creating a scale between 0 and 100, with 100 representing full MBE/WBE utilization.

Engineering Contractors, 122 F.3d at 914.

<sup>32</sup>Id.



0.48 for Native Americans. Id. at 245. Based on a disparity index of 0.22, the Ninth Circuit upheld the denial of a preliminary injunction to a challenger of the City of San Francisco's MBE plan based upon an equal protection claim. AGC v. Coal. for Economic Equity, 950 F.2d 1401, 1414 (9th Cir. 1991). Similarly, the Third Circuit held that a disparity of 0.04 was "probative of discrimination in City contracting in the Philadelphia construction industry."<sup>33</sup>

#### vi. Use of Standard Deviation

The number calculated via the disparity index (established above) is then tested for its validity through the application of a standard deviation analysis. Standard deviation analysis measures the probability that a result is a random deviation from the predicted result (the more standard deviations, the lower the probability the result is a random one). Social scientists consider a finding of two standard deviations significant, meaning that there is about one chance in 20 that the explanation for the deviation could be random, so the deviation must be accounted for by some factor.

As noted above, standard deviations were applied by the State of North Carolina in the statistical analysis utilized to defend its MBE/WBE program in H.B. Rowe.<sup>34</sup> The Fourth Circuit described the significance of the findings as follows:

For African Americans, the t-value of 3.99 fell outside of two standard deviations from the mean and, therefore, was statistically significant at a 95 percent confidence level. In other words, there was at least a 95 percent probability that prime contractors' underutilization of African American subcontractors was not the result of mere chance. For Native American subcontractors, the t-value of 1.41 was significant at a confidence level of approximately 85 percent. [Id. at 245]

Similarly, the Eleventh Circuit has directed that "where the difference between the expected value and the observed number is greater than two or three standard deviations, then the hypothesis that [employees] were hired without regard to race would be suspect." Peightal v. Metropolitan Dade County, 26 F.3d 1545, 1556 (11th Cir. 1994) (quoting Hazelwood School District et al. v. United States, 433 U.S. 308, quoting Castaneda v. Partida, 430 U.S. 482, 497 n.17, 97 S.Ct. 1272, 1281 n.17, (1977)).

#### vii. Regression Analysis

The statistical significance of certain quantitative analyses was further evaluated in H.B. Rowe.<sup>35</sup> The H.B. Rowe court indicated that the appropriate test should resemble the one employed in Engineering Contractors, wherein two standard deviations or any disparity ratio that was higher than .80 (which is insignificant), should be used.<sup>36</sup>

In evaluating the disparity evidence offered, and the regression analysis conducted by the State, the court favorably noted:

To corroborate the disparity data, MGT conducted a regression analysis studying the influence of certain company and business characteristics - with a particular focus on owner race and gender - on a firm's gross revenues. MGT obtained the data from a telephone survey of firms that conducted or attempted to conduct business with the

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<sup>33</sup> Contractors Ass'n., 6 F.3d at 1005.

<sup>34</sup> 615 F.3d at 244-45.

<sup>35</sup> 615 F.3d at 244-46.

<sup>36</sup> Id.; see also, supra, analysis using standard deviations.

Department. The survey pool consisted of a random sample of 647 such firms; of this group, 627 participated in the survey.

MGT used the firms' gross revenues as the dependent variable in the regression analysis to test the effect of other variables, including company age and number of full-time employees, and the owners' years of experience, level of education, race, ethnicity, and gender. The analysis revealed that minority and women ownership universally had a negative effect on revenue. African American ownership of a firm had the largest negative effect on that firm's gross revenue of all the independent variables included in the regression model. These findings led MGT to conclude that "for African Americans, in particular, the disparity in firm revenue was not due to capacity-related or managerial characteristics alone." [*Id.* at 245-46; 250]

#### viii. Geographic Scope

The Croson Court also observed that because discrimination varies across market areas, state and local governments cannot rely on national statistics of discrimination in the disputed industry to draw conclusions about prevailing market conditions in their respective regions.<sup>37</sup> However, to confine the permissible data to a governmental entity's strict geographical borders would ignore the economic reality that contracts are awarded to firms located in adjacent areas. Thus, courts closely scrutinize pertinent data related to the jurisdictional area of the state or municipality.

Generally, the scope of the statistical analyses pertains to the geographic market area from which the governmental entity offerors come. In addition, disparities concerning utilization, firm size, and formation are also relevant in determining discrimination in a marketplace. It has been deemed appropriate to examine the existence of discrimination against MBE/WBEs even when these areas go beyond the geographical boundaries of the local jurisdictions. See Contractors Association of Eastern Pennsylvania v. City of Philadelphia, 91 F.3d 586, 604 (3rd Cir. 1996).

When utilizing evidence of discrimination from nearby public entities and from within the relevant private marketplace, however, extra-jurisdictional evidence must still pertain to the operation of an industry within geographic boundaries of the jurisdiction. As the court wrote in Tennessee Asphalt v. Farris, "[s]tates and lesser units of local government are limited to remedying sufficiently identified past and present discrimination within their own spheres of authority."<sup>38</sup>

#### 4. Requirement for Narrowly Tailored Remedies

Under the Croson framework, any race-conscious plan must be narrowly tailored to ameliorate the effects of past discrimination. See Michigan Road Builders Ass'n v. Milliken, 834 F.2d 583, 589-90 (6th Cir. 1987). "Generally, while 'goals' are permissible, unyielding preferential 'quotas' will normally doom an affirmative action plan." Virdi v. DeKalb County School District, 135 Fed. Appx. 262 (11th Cir. 2005); see also Sherbrooke Turf, 345 F.3d at 972 (citing Croson, 488 U.S. at 496).

The Fourth Circuit addressed the parameters of this requirement in Tuttle v. Arlington County, 195 F.3d 698:

When reviewing whether a state racial classification is narrowly tailored, we consider factors such as: (1) the efficacy of alternative race-neutral policies, (2) the planned duration of the policy, (3) the relationship between the numerical goal and the percentage of

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<sup>37</sup> Croson, 488 U.S. at 504.

<sup>38</sup> 942 F.2d 969, 974 (6th Cir. 1991).

minority group members in the relevant population or work force, (4) the flexibility of the policy, including the provision of waivers if the goal cannot be met, and (5) the burden of the policy on innocent third parties. [*Id.* at 706 (citation omitted)]

In Croson, the Court considered similar factors, including 1) whether the city has first considered race-neutral measures, but found them to be ineffective;<sup>39</sup> 2) the basis offered for the goals selected; 3) whether the program provides for waivers; and 4) whether the program applies only to MBEs who operate in the geographic jurisdiction covered by the program.<sup>40</sup>

More refined guideposts are provided in several post-Croson cases wrestling with efforts to meet the “narrowly tailored” prong – which we simply list for ease of reference:

- Relief is limited to minority groups for which there is identified discrimination;
- Remedies are limited to redressing the discrimination within the boundaries of the enacting jurisdiction;
- The goals of the programs should be flexible and provide waiver provisions;
- Race and/or gender-neutral measures should be considered; and
- The program should include provisions or mechanisms for periodic review and sunset.

Recall that, as discussed in the Section 1 of this analysis, the Sixth Circuit in Associated General Contractors v. Drabik affirmed that Ohio’s MBEA statute was not narrowly tailored to remedy past discrimination because: (1) the MBEA suffered from under inclusiveness and over inclusiveness, (lumping together racial and ethnic groups without identified discrimination); (2) the MBEA lacked a sunset date; and (3) the state failed to provide specific evidence that Ohio had considered race-neutral alternatives before adopting the plan to increase minority participation.<sup>41</sup>

Again, Drabik underscores that MBE/WBE Programs must be designed so that the benefits of the programs are targeted specifically toward those firms that faced discrimination in the local marketplace; to withstand a challenge, relief must extend only to those minority groups for which there is evidence of discrimination.<sup>42</sup>

Inherent in the above discussion is the notion that MBE/WBE Programs and remedies must maintain flexibility with regard to local conditions in the public and private sectors. Courts have suggested project-by-project goal setting and waiver provisions as means of ensuring fairness to all vendors.

Finally, “review” or “sunset” provisions are strongly suggested components for an MBE/WBE program to guarantee that remedies do not out-live their intended remedial purpose. As an example, the Sixth Circuit specifically cited the lack of a “sunset” provision in criticizing the MBEA instituted by the State of Ohio.<sup>43</sup>

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<sup>39</sup> 488 U.S. at 507-08. See also Sherbrooke Turf, 345 F.3d at 971-72 (“Narrow tailoring does not require exhaustion of every conceivable race-neutral alternative, but it does require serious, good faith consideration of workable race-neutral alternatives.”).

<sup>40</sup> Sherbrooke Turf, 345 F.3d at 971 (“In determining whether a race-conscious remedy is narrowly tailored, we look to factors such as the efficacy of alternative remedies, the flexibility and duration of the race-conscious remedy, the relationship of the numerical goals to the relevant labor market, and the impact of the remedy on third parties.”).

<sup>41</sup> 214 F.3d 739.

<sup>42</sup> 214 F.3d at 735 (discussing the need for a “fit” between past/present harm and the proffered remedy).

<sup>43</sup> Drabik, 214 F.3d at 739.

APPENDIX B  
DATA ASSESSMENT REPORT

# **CUYAHOGA COUNTY 2019 DISPARITY STUDY DATA ASSESSMENT REPORT**

Griffin & Strong, P.C. (“GSPC”) conducted a data assessment meeting on February 28<sup>th</sup>, 2019 regarding the Cuyahoga County (“County”) 2019 Disparity Study. This report summarizes that meeting and sets forth action items and preliminary questions to be answered. It is necessary to issue a data assessment report prior to completing the data collection plan to confirm that GSPC has the correct understanding of how and where data is kept by the County.

## **I. Scope Statement**

The purpose of this engagement is to conduct a full and comprehensive disparity study (“Study”) to ascertain whether discrimination exists in the process of awarding contracts to Minority and Women Owned businesses, to handle all issues related with collection and analysis of data, and to recommend a legally defensible diversity initiative such as a Minority and Women Business Enterprise Program. (collectively “M/WBE”).

The Study will collect and analyze relevant data on “ready, willing and able” vendors in the areas of:

- A. Construction
- B. Commodity Providers (Goods)
- C. Business Services
- D. Architecture and Engineering (“A/E”)
- E. Professional Services
- F. Other Services

The dollars spent with these same types of businesses (whether as prime contractors or subcontractors) will be collected and analyzed.

The study period for the disparity study has been determined as a five-year study period between FY13-FY17 (January 1, 2014 through December 31<sup>st</sup>, 2018) (“Study Period”)

## **II. Data Assessment Meeting**

GSPC conducted a data assessment meeting to ascertain the location, types, and constraints on the data needed for the disparity study, as well as to obtain a basic understanding of the County’s purchasing practices. GSPC met with the following personnel:

Lenora Lockett – Director of Office of Procurement & Diversity (“OPD”)  
Edwin Nunez – Senior Contract Compliance Officer  
Sharese McKinney – Contract Compliance Officer

W. Ryan Veney – Contract Compliance Officer  
Eric Paliwoda - IT  
Joseph Boatwright - Law

Along with GSPC's Study Team:

Michele Clark Jenkins – Sr. Director, Consulting Group & Project Oversight  
Sterling Johnson – Director of Public Policy & Project Manager  
Omar Baig – Data Analyst

### **III. Preliminary Purchasing Practices**

#### **A. Purchasing Levels**

1. P-Cards are issued and managed within departments. Usage is generally limited with a daily limit and a \$500 overall limit. The County code is written flexibly to allow p-cards to also be used to pay higher amounts. It was initially designed this way to permit the County to earn rebates with the cards or pay workers compensation claims but the County stated this did not happen often.

Anything over the \$500 threshold is considered a form of payment and would need to be encumbered and submitted to purchasing. Because of this, P-Card purchases over \$1,000 will be included in the study analysis. GSPC will need to retrieve a form of statement detailing p-card payments over \$1,000 to mirror contracts over \$1,000 that will be included in analysis.

2. All purchases and contracts between \$500-\$1000 dollars require prior approval through the Board of Control. Contracts between \$1,001 – 24,999.99 are considered Department Order or Direct Open Market purchases or contracts and are procured informally through BuySpeed and must get approval from the Board of Control. These contracts require only a quote for services, where the contract opportunity is posted in BuySpeed and vendors submit quotes through the system.
3. Formal contract thresholds are established at any contract valued over \$25,000 unless there is an exemption, sole source, or contract amendment.
4. All purchases and contracts over \$500,000 must be approved by County Council. Contracts under this threshold must be approved by the Board of Control.
5. All contracts over \$500 should be documented in the County systems.

#### **B. Prequalification**

The County does not have a prequalification process.

### **C. SBE/MWBE Program**

County offers its own SMWBE certification and began offering MWBE certification in April 2016. To be certified, MWBE firms must provide proof of ethnicity or proof of certification from a third party for verification. Third party certification only applies for MBEs through the State of Ohio. The OPD Diversity Division differs from purchasing in that NAICS codes are used for County certification, versus NIGP codes used during vendor registration. Vendors are not required to identify a primary NAICS code when certifying and are encouraged by the County to identify NAICS codes in all area they desire to receive notices of opportunity in addition to areas where they conduct business. For SBE certification NAICS codes are used to determine eligibility and graduation from program.

Job descriptions are also kept for MWBE firms submitted through the DIV-2 forms submitted at bid by prime contractors seeking to meet the County's diversity goals. These forms also maintain scope of work definitions. While NIGP designations are considered more accurate in construction and professional service areas, the County reports that some departments mis-assign commodity codes and they cannot be considered reliable.

On the first year of certification, MWBE firms who were SBE certified were grandfathered into the new certification. Vendors are required to re-submit for their MWSBE certification annually. In order to be certified as an SBE, the firm must be within Cuyahoga County and meet SBA gross revenues or total employee criteria. MWBE firms can be certified based on the Cleveland contracting economic market area determined from the County's previous disparity study:

- Cuyahoga County
- Geauga County
- Lake County
- Lorain County
- Medina County
- Summit County.

The County also has a reciprocity agreement with the state of Ohio for MBE firms located in this market area and is currently looking into an agreement with the City of Cleveland. Vendors who feel they are wrongfully denied certification are also provided grievance hearings with the Grievance Hearing Board and OPD. OPD is not a voting member and only presents their perspective on the denial of certification.

The Grievance Hearing Board consists of the following five (5) members:

- Deputy Chief of Staff, Development or his/her designee
- Director of Public Works or his/her designee
- Deputy Chief of Staff, Justice or his/her designee

- Two (2) County Council Members appointed by the President of County Council)

The County has used several data platforms in tracking MWSBE utilization. Currently, the County tracks MWSBE payments on contracts with goals through B2GNow. Currently, Only OPD and Public Works have access to the B2G platform. Public Works tracks DBE utilization in the system. This platform was implemented during FY17. B2G houses info for contract requisition, prime info, info for sub, certified status and payments to subcontractors. Prior to FY17, the County tracked MWSBE payments in a Microsoft Access database maintained by the Diversity Division and through 'CountyStat', a database compiled in 2011 by Compliance to report on SBE participation. This database also housed RFBs, RFPs and RFQs that had SBE goals.

Unique to many other MWBE programs, businesses owned by Minority Women, specifically, may be designated as certified WBE businesses instead of as MBEs. MWBE firms can also be certified as SBEs but the Prime vendor determines where the MWSBE firm participation can apply if there are both MWBE and SBE goals.

The County does currently set MWSBE goals on all contracts. Goals begin to be set at the formal \$25,000 threshold. The County does not currently engage in weighted goal setting due to lacking necessary data on work performance areas by MWSBEs. The maximum goal applied on a contract has historically been a thirty (30) percent MWSBE goal. If there is no goal set, the data is not collected. Second tier subs are counted by the County, but only to a maximum of 25% of the amount subcontracted to the first-tier subcontractor. This is traditionally only used in procurement methods where the second-tier contractor operates more traditionally as a sub-prime contractor to a larger General Contractor. County also has an SBE set aside program where contracts can be designated as SBE sheltered. Subcontracting is also encouraged on SBE sheltered market contracts.

The County SBE program also has a graduation provision where if a vendor has four consecutive years of exceeding the SBE employment or revenue limits established by the SBA, a firm can graduate from the Cuyahoga SBE program. The MWBE program does not have SBA size limitations.

## IV. Data Assessment

### A. General Data

County has used several different tracking and contracting systems across the study period for generating contracts, housing contracts, or monitoring MWSBE participation. The systems do not communicate with one another and GSPC will need to retrieve data from different sources over the study period. These systems include the following:

- **OnBase** – Current database for workflow management, requisitions and contract approval process used that replaced Novus and MyPro. Starts the RFP/RFQ/RFB and approval process. **Mike DiMarino** is the OnBase administrator. **(Current)**
- **Access** – Database used by the County for tracking MWSBE payments prior to B2GNow.



- **FAMIS** – County payment database. Over 20 years old. Houses vendor tax ID numbers, check numbers, payments and encumbrances against a contract award. May also have a description of the payment item and General Ledger (GL) code. **Dave Rowski (sp.)** is the primary contact to retrieve data. **(Current)**
- **Contract Database** – Database managed by the County that holds all contract awards amounts. Different from FAMIS in that it shows the entire contract award amount versus yearly encumbrance. **(Current)**
- **BuySpeed** – Purchasing and Vendor Registration system. Used to generate notices to vendors about upcoming bid opportunities. Houses all requisitions, P.O.'s and vendors. The primary contact is **Johnathan Po** in IT. **(Current)**
- **B2GNow** – Compliance software used by Diversity Division and Public Works since FY17 to measure MWSBE and DBE participation and payments on contracts with MWSBE goals. **(Current)**
- **CountyStat** – Database created by the County in 2011 for RFBS/RFPs/RFQs and SBE goals performance.
- **Novus** – Agenda management software system used prior to FY15. Was later replaced by MyPro and OnBase. Managed by **Eric** (Last Name) in IT.
- **MyPro** – Database for contract approval used prior to current OnBase agenda management system. **Mike DiMarino** is the OnBase administrator.

The following departments will be included in the Disparity Study analysis:

- Public Works
- HHS Administration/Office of The Director
- HHS- DSAS - Department of Senior and Adult Services
- HHS-CJFS - Cuyahoga Job and Family Services
- HHS-DCFS - Children and Family Services
- HHS-Office Of Homeless Services
- HHS- Early Childhood
- HHS-Family & Children First Council
- HHS-Office of Re-Entry
- HHS-Child Support Enforcement Agency
- Fiscal: Special Projects/Financial Reporting/Operations/Auto Title
- Fiscal-OBM - Office of Budget and Management
- Fiscal-Board of Revision
- Fiscal-Office of Procurement and Diversity
- Fiscal-Treasurer's Office
- Probate Court
- Juvenile Court
- Domestic Relations Court
- Common Pleas Court
- Corrections Planning Board
- Clerk of Courts
- 8th District Court of Appeals
- Cuyahoga County Law Library
- Public Defender

- Prosecutor's Office
- Department of Law
- Department of Workforce Development
- Sheriff's Department
- Department of Human Resources
- Cuyahoga County Executive's Office
- County Council
- Medical Examiner
- Department of Regional Collaboration
- Department of Sustainability
- Department of Development
- Agency of Inspector General
- Innovation and Performance
- Department of Information Technology
- Department of Public Safety & Justice Services
- Department of Communications

The County is also in the midst of selecting and implementing a new ERP system which will impact several items regarding the study, including commodity code selection and information regarding third party procurements. GSPC will need to connect with Mike Young to discuss further.

## **B. Analysis**

### **1. Anecdotal**

GSPC will work with the County and OPD to build a stakeholder list comprised of local civic, trade and business organizations. In addition to local certified firms and vendors, GSPC will retrieve the County's current stakeholder list from the Diversity Department

### **2. Specific Data files**

It was determined in this meeting that GSPC will need from the County:

- List of Requisitions (during the Study Period)
- Vendor list (current)
- Certified MWBE list (current)
- SBE Management System (current)
- Awards (during Study Period)
- P. O's (during the Study Period)
- Payments (during Study Period)
- Contracts (during Study Period)

- P-Card Statements (Study Period)
- Vouchers (Study Period)
- Bidders (Study Period)
- Subcontractors (utilized during the study period)

Both successful and unsuccessful bid tabs are kept in the OnBase system. PDF versions of bidder data have been compiled for the study and are ready to be sent in a zip file. Bid tabs also contain subs used on the forms while DIV 1 and 2 subcontractor forms are kept in electronic registration folders. Uncertified subs will not appear on the tab. Bid Tabs include subcontractors identified to meet MWSBE goals. GSPC will not necessarily need the Bid Tabs to supplement the vendor list, but they may be useful in identifying subcontractors, subcontractor scopes and subcontractor awards amounts.

### **a) Requisitions**

All solicitations are housed on the BuySpeed system. Prior to FY 15 solicitations were kept on the Novus system. BuySpeed should also house all purchasing requisitions made from over the study period. To access BuySpeed, GSPC must contact Johnathan Po in IT. For Novus, GSPC would contact Eric Paliwoda. With OnBase and MyPro, GSPC will need to request assistance from Mike DiMarino.

### **b) Vendor List**

Vendors are not required to register in order to bid but must be registered as a vendor for award. Vendors self-register through BuySpeed for an RFP, RFB, or RFQ. Upon registering, vendors are not considered to be an official vendor in Buyspeed until they provide their W-9 forms to the County. These forms can be provided at any time during the vendor registration process. Vendors also select NIGP codes in the BuySpeed system at time of registration, but little scrutiny is given to NIGP code selection and they are encouraged by County staff to register under multiple codes for notification on work areas. The County also manages its own certification process and has a reciprocity agreement with the State of Ohio.

In addition to NIGP codes, vendor ethnicities are also self-identified and will not be reliable for analysis. Several systems house vendor related data. The main system is BuySpeed, which is where vendors register in order to bid. This is likely the most complete set of vendor data. The FAMIS and OnBase systems also contain some vendor information. FAMIS contains the vendor name and physical business address but does not include email addresses or contact information. OnBase contains vendor name and contact information. The County Access file should have addresses if they were paid in FAMIS but does not have emails or other contacts.

While vendors are notified about bid opportunities through BuySpeed, departments also maintain a list of vendors that they provide notice to at the time of bid. GSPC will also need to retrieve these departmental vendor lists for the study.

### **c) Certified MWBE Lists**

Legislation was introduced in April 2016 that started County's MWBE program. MWBE certification is done every year. OPD's Diversity Division had prepared an excel spreadsheet that includes certified vendors. Additionally, the Access and B2G systems have been used to track subcontractor payments to MWBE firms.

The County manages its own certification process through the Diversity division who maintains all certified vendor lists. The County has prepared an excel file with certified firms contact information, including addresses, emails, telephone numbers and certification status for GSPC.

During vendor registration, if a vendor identifies that they are an MWBE, the County allows them to submit supplemental information that will assist in verification of their MWBE status. GSPC will also collect the state of Ohio certified MBE list, which the County recognizes for businesses within its market area, the City of Cleveland list and other governmental certified list from the region.

### **d) Certified SBE List**

In addition to the County MWBE certification, the county has maintained its SBE certification process. SBE certification is processed through the SBE Management System. GSPC will query this system for certified SBE firms. Certification is renewed annually and has a four-year graduation provision.

### **e) Awards**

Vendors must be registered to be awarded a contract and all contract awardees should be in the County vendor list. The FAMIS system contains data including payments, date of payments, total award amount and Vendor Tax ID numbers but only references encumbrance amounts against the current fiscal year's allocation. FAMIS may also include an item description, but it is not a mandatory data entry and may be unavailable.

Contract awards are approved through OnBase, which starts the requisition process and places the item on the agenda for approval by the Board of Control or the County Council. OnBase shows contract awards, change orders/amendments, and addendums. OnBase replaced Novus and MyPro, and should show all contract awards, change orders, and contract addendums.

The County also maintains a Contract Database which should illustrate the total contract award amount. The County Council and Board of Control agenda items will also be needed to reference award amounts, particularly for blanket contracts that may have multiple awardees and award amounts.

### **f) Purchase Orders (P.O.)**

Approved Purchase Orders are housed on BuySpeed and also contains Requisition numbers, which are automated and issued by BuySpeed. Contracts do not have P.O.'s and items paid that do not have contracts are paid with P.O.'s.

### **g) Payments**

FAMIS contains Payment data and should relate to the P.O.'s in BuySpeed via their shared contract numbers. FAMIS should include Vendors, Vendor Tax ID, Check Number Dates, Payment Amounts, Descriptions (if entered by staff), GL Codes, Contract Numbers and Physical Addresses. This system is dated and is noted by staff as being difficult to retrieve data from. GSPC will need to connect with Dave Rowski (sp.) to retrieve this.

Payments in FAMIS may need to be matched against the Contract Database to measure total payments against contract award amounts.

### **h) Contracts**

All contracts numbers are separate from requisition numbers and should be separate from the P.O. database. Purchase orders and Contracts do not overlap. Contracts do have a unique number split from requisition numbers. This number can be found in FAMIS and the agenda summaries and should be traceable between the different systems. Contract numbers may have duplicates in the contract file and may need to be matched against payments.

### **i) P-Cards**

GSPC will include P-Card purchases in the analysis. P-Cards have both daily limits and usage limits, with the usage limit set at \$500. The County has explored using P-Cards as a form of payment for items over \$500. Because of this, P-Card purchases over \$1,000 will be included in the study analysis. GSPC will retrieve a form of statement detailing p-card payments over \$1,000 or notice of approvals otherwise given by the County for this payment.

### **j) Office Vouchers**

Before changes in the County governance structure, Purchasing and agenda approvals were under the County commissioner's office and the fiscal office was under the County auditor. The fiscal office is now under the County Executive. In preparation for the ERP process the County discovered that departments were paying a lot of items on office vouchers that should have been done via Purchase Order.

The County became concerned that departments were circumventing the purchasing process through use of these Vouchers when noting a decrease of term contracts. While they were generally used for items that would not be included in the study, like payments for jury duty, the Board of Elections, and adoptions payments.

The voucher threshold is \$500. By county code, the department can make discretionary purchases for items under \$500. The voucher process, however, is supposed to be a one-time

use, per vendor, per year. not repeated. GSPC will look at these vouchers to analyze whether they were being used for purchases on a repeat basis to circumvent purchasing.

### **k) Bidders**

Vendors must be registered to be awarded a contract but are not required to be registered to bid. Bidders are stored as PDFs within OnBase. These include both successful and unsuccessful bidders. Notifications to bid are sent out through BuySpeed and via individual departments who may keep their own internal vendor lists.

For subcontractors, the DIV-1 and 2 forms should pick up all proposed certified MWSBE subcontractors on contracts with goals.

There have been some bid protests in the past, but the County did not recall any being based on allegations of discrimination. The County does make note that some vendors will come to them to make complaints but will not file formal protests.

### **l) Subcontractors**

MWBE/SBE subcontractor data for before FY 17 is housed in the Access database. This data was reentered into the B2G system as well. County does not currently collect subcontractor info for non-MWBE firms. Certified SBE subcontractor utilization is also tracked and re-entered by the County into B2GNow. Currently, only OPD and Public Works have access to B2GNow, but it is primarily in use by Public Works for tracking DBE utilization.

Certified subcontractors should also be in OnBase through the use of bidder submission documents and the DIV-1 and DIV-2 subcontractor forms. Non-certified subs will not appear on bid tabs. Second tier subs are not tracked and do not contribute towards goals. Subcontracting is also required on sheltered market contracts.

The Access database, which was used to track MWSBE payments prior to FY17, shows payments to MWBE/SBE subs for before FY17. Beginning in FY17, the County began using B2GNow to track MWSBE payments on contracts with MWSBE goals.

## **C. Considerations and Data Gaps**

1. Vendors register, and County procurement is done using NIGP codes, but MWSBE certification is done with NAICS codes. GSPC will have to create a crosswalk between NIGP – NAICS codes but will have to get confirmation from the County on which direction the crosswalk will go (NIGP to NAICS or NAICS to NIGP) to mirror the County's ERP process which is currently underway.

2. NIGP codes are self-identified by vendors in the BuySpeed Vendor registration process. In addition to vendors not being required to identify a primary work code, vendors are also encouraged to register under several codes, including those where they do not perform work but desire to receive notice through BuySpeed. While additional scrutiny is given to MWBE firms in NAICS code selection, the NIGP codes selected are reported as being inaccurate and should not be used for the study. GSPC will develop a workaround for determining vendor work categories.
3. GSPC will need a final list of all Departments included in the study for analysis, including County/City operations and County Executive Agencies. GSPC should be sure to request the Department as a field with our data requests.
4. Unique to many other governments, businesses owned by Minority Women, specifically, may be designated as certified WBE businesses instead of as MBEs. We will need to take this into consideration in our availability methodology.
5. Vendors are not required to be registered as a vendor to bid for a contract but must be a registered vendor for awards and payments. GSPC will need to remain mindful of bidders who may not be represented on the Vendor list.
6. Because vendor ethnicities in the BuySpeed vendor list are self-identified vendor ethnicities will be used as a reference but will not be depended on for verification of vendor ethnicities or gender status.
7. The County does a lot of design build construction. On these contracts, OPD will provide a recommendation to the department for award. Once the contract is awarded County asks them to commit to sub goals and asks for names and numbers. Goals are not traditionally set early in the project inception on Design Build contracts and certified MWSBE subcontractors may not be shown as utilized on bid documents.
8. For payments, GSPC will also retrieve a list of the County's General Ledger (GL) codes.
9. While vendors are notified about bid opportunities through BuySpeed, departments also maintain a list of vendors that they provide notice to at the time of bid. GSPC will need to inquire about (and retrieve from, if needed) individual departmental vendor lists for the study.
10. There may be duplicate contract numbers in the contract file. When duplicates are removed, GSPC will not remove by contract numbers to avoid removing payments against a contract award.
11. GSPC will pivot office voucher utilization by payee to see if there were repeat payments made to businesses in an attempt to circumvent purchasing.

12. County departments maintain their own internal vendor lists. GSPC will need to retrieve these departmental vendor lists in addition to the County Buyspeed vendor list.



APPENDIX C  
DATA COLLECTION PLAN

**CUYAHOGA COUNTY  
2019 DISPARITY STUDY  
DATA COLLECTION PLAN**

The data collection plan utilizes the information gathered in the Data Assessment Report, and sets forth a preliminary plan for actual retrieval of the data from FY13-FY17 (July 1, 2012 through June 30<sup>th</sup>, 2017) (“Study Period”)

- A. Collect Electronic Data\* Note that we are aware that some of the data being requested in database format spans several different data platforms and may need to be requested from several different departments and individuals. Data requested from Purchasing/Compliance is below.

Assigned	Task	Start	Finish	Completed
Sterj/Mc j/Ob	Submit request for electronic data, including the following to <b>County Project Manager Sharese McKinney and the Purchasing/Compliance Department</b> 1. Certified MWBE Vendor file <b>including NAICS codes and contact information</b> (Current) 2. Subcontractors from <b>B2GNow</b> (FY17) 3. Prime Contractors from <b>B2GNow</b> (FY17) 4. Subcontractor Bid forms (if available) (7/1/2012-6/30/2017) 5. Subcontractor payments ( <b>From Access/CountyStat and B2GNow</b> ) (7/1/2012-6/30/2017) 6. <b>CountyStat Database</b> for RFP/RFQs/SBE Goals Contracts and performance (7/1/2012-6/30/2017) 7. <b>Access Database</b> for MWSBE subcontractor payments (7/1/2012-6/30/2017) 8. Certified SBE Vendor List and <b>SBE Management System Vendor List</b> (Current) 9. SBE revenue database (tracking revenues against SBA size standards) (7/1/2012-6/30/2017) 10. All Contracts from the <b>Contract Database</b> (7/1/2012-6/30/2017) 11. P Card Utilization over \$1,000 (7/1/2012 – 6/30/2017) 12. P Card Statements Detailing Purchases over \$1,000 (7/1/2012 - 6/30/2017) 13. Office Vouchers (7/1/2012 – 6/30/2017) 14. GL Code keys and descriptions for the <b>Famous Database</b> 15. List of County Departments Included in the Study	3/14/2019	5/17/2019	
	ALL ELECTRONIC DATA COLLECTED		5/17/2019	

B. Collect Electronic Data\* Note that we are aware that some of the data being requested in database format spans several different data platforms and may need to be requested from several different departments and individuals. Data requested from IT for other databases is listed below.

Assigned	Task	Start	Finish	Completed
Sterj/Mcj/Ob	<p>Submit request for electronic data, including the following to <b>Johnathan Po, IT</b></p> <ol style="list-style-type: none"> <li>1. BuySpeed Vendor List (Current)</li> <li>2. BuySpeed Requisitions (7/1/2012 – 6/30/2017)</li> <li>3. BuySpeed Purchase Orders (7/1/2012 – 6/30/2017)</li> </ol> <p>Submit request for electronic data, including the following to <b>Mike DiMarino, OnBase Administrator</b></p> <ol style="list-style-type: none"> <li>1. All Bidders (7/1/2012 – 6/30/2017)</li> <li>2. <b>DIV-1 and DIV-2</b> Bid forms for all contracts with goals (7/1/2012 – 6/30/2017)</li> <li>3. OnBase Requisitions (7/1/2012 – 6/30/2017)</li> <li>4. Awards (7/1/2012 – 6/30/2017)</li> <li>5. Board of Controls and County Council Agenda Items (showing contract approvals, amounts and awarded vendors) (7/1/2012 – 6/30/2017)</li> <li>6. MyPro Requisitions (7/1/2012 – 6/30/2017)</li> </ol> <p>Submit request for electronic data, including the following to <b>Eric (LastName), Novus Administrator</b></p> <ol style="list-style-type: none"> <li>1. Novus Requisitions (7/1/2012 – 6/30/2015)</li> <li>2. Novus Awards (7/1/2012 - 6/30/2015)</li> <li>3. Board of Controls and County Council Agenda Items (showing contract approvals, amounts and awarded vendors) (7/1/2012 – 6/30/2015)</li> <li>4. DIV-1 and DIV-2 Bid forms for all contracts with goals (7/1/2012 – 6/30/2017)</li> </ol> <p>Submit request for electronic data, including the following to <b>Dave Rowski (sp.), Famous Administrator</b></p> <ol style="list-style-type: none"> <li>1. Famous Vendor Database (7/1/2012 – 6/30/2017)</li> <li>2. Contract Work Descriptions (7/1/2012)</li> <li>3. Vendor Payments (7/1/2012 – 6/30/2017)</li> </ol>	3/14/2019	5/17/2019	

	4. Awards (7/1/2012 – 6/30/2017) 5. Encumbrances against Contract Awards (7/1/2012 – 6/30/2017) 6. DIV-1 and DIV-2 Bid forms for all contracts with goals (7/1/2012 – 6/30/2017)			
	ALL ELECTRONIC DATA COLLECTED		5/17/2019	

C. Survey of Business Owners

Assigned	Task	Start	Finish	Completed
Sterj/price/Crs	Prepare questions for Survey of Business Owners	5/10/2019	5/17/2019	
Sterj/Mcj	Obtain County current data files	3/14/2019	5/17/2019	
Ob	Clean data files	2/1/2019	4/26/2019	
CRS	Send questions and datafiles to Creative Research Solutions, LLC to conduct the telephone survey	2/15/2019	4/26/2019	
	ALL SURVEY TABLES RECEIVED BY GSPC		7/29/2019	

D. Purchasing Practices, Policies & Procedures Interviews

Assigned	Task	Start	Finish	Completed
JVE	Contact Purchasing buyers and departments to make appoints to be interviewed	3/8/2019	4/26/2019	
JVE	Conduct policy interviews with the various departments that conduct procurements	3/8/2019	4/26/2019	
JVE	Complete draft of Policy Chapter		4/26/2019	
	PURCHASING PRACTICES INTERVIEWS COMPLETED		4/26/2019	

E. Anecdotal Evidence

Assigned	Task	Start	Finish	Completed
Sterj/Mcj/Ob	Stakeholder List	3/14/2019	3/22/2019	
Sterj/Mcj/rh	Take random sample of Relevant Market Vendors	6/14/2019	6/21/2019	
Spm	Set up in-person interviews	6/21/2019	8/16/2019	
Spm	Conduct interviews using a script but receiving information not on script as well (interviews are recorded) and write up summary of interviews, particularly documenting any accounts of marketplace discrimination	4/15/2019	7/15/2019	
Rks/Sterj	Conduct public hearings & focus group	TBD	TBD	

	ANECDOTAL EVIDENCE COLLECTED		9/16/2019	
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F. Private Sector Analysis

Assigned	Task	Start	Finish	Completed
Price	Collect publicly available data e.g. census and economic data as useful	7/29/2019	10/14/2019	
	PRIVATE SECTOR DATA COLLECTED		10/14/2019	

G. Miscellaneous Reports, Data & External Lists

Assigned	Task	Start	Finish	Completed
Sterj/Ob	City of Cleveland Certified MWBE Lists Ohio Department of Administrative Services MBE List Ohio Department of Administrative Services Certified EDGE Business List Ohio Unified DBE Directory	3/14/2019	4/15/2019	
	MISCELLANEOUS REPORTS & DATA COLLECTED		4/15/2019	

Personnel Assigned Key

Mcj – Michele Clark Jenkins, Project Oversight

Sterj-Sterling Johnson, Project Manager

Ob – Omar Baig, Data Analyst

Sj-Susan Johnson, Project Administrator

JVE- Dr.Vince Egan, Principal Investigator

Price-Dr. Gregory Price, Senior Economist

CRS - Creative Research Solutions, Dr. Travis

Tatum

Spm – Stephanie Perry-Moore, anecdotal

researcher

Respectfully submitted this 14<sup>th</sup> day of March, 2019

By Sterling J. Johnson  
Project Manager  
Griffin & Strong, P.C.

APPENDIX D  
NAICS CODES UTILIZED BY  
CUYAHOGA COUNTY

## APPENDIX D – NAICS CODES UTILIZED BY CUYAHOGA COUNTY

NAICS	NAICS (Alternate Format)	NAICS_Description	NIGP_CODE	NIGP_Description
111998	111998	All Other Miscellaneous Crop Farming	94438	Crop Farming (Not Otherwise Classified)
113310	11331	Logging	94756	Logging Services
211120		Crude Petroleum Extraction		
211130		Natural Gas Extraction		
212393	212393	Other Chemical and Fertilizer Mineral Mining	96155	Mining and Quarrying Services
221112	221112	Fossil Fuel Electric Power Generation	92578	Power Generation, Transmission, Distribution - Engineering
221121	221121	Electric Bulk Power Transmission and Control	92578	Power Generation, Transmission, Distribution - Engineering
221210	22121	Natural Gas Distribution	92543	Gas Systems (Propane, Natural, etc.) Engineering
221310	22131	Water Supply and Irrigation Systems	92597	Water Supply, Treatment, and Distribution/Engineering
221320	22132	Sewage Treatment Facilities	92587	Sewage Collection, Treatment, and Disposal/Engineering
221330	22133	Steam and Air-Conditioning Supply	92507	Air Conditioning, Heating and Ventilating Engineering
236116	236116	New Multifamily Housing Construction (except Operative Builders)	90923	Building Construction, Residential (Apartments, etc.)
236118	236118	Residential Remodelers	91065	Remodeling and Alterations
236210	23621	Industrial Building Construction	90921	Building Construction, Industrial (Warehouse, etc.)
236220	23622	Commercial and Institutional Building Construction	90924	Building Construction, Commercial and Institutional
237110	23711	Water and Sewer Line and Related Structures Construction	91345	Construction, Sewer and Storm Drain
237120	23712	Oil and Gas Pipeline and Related Structures Construction	91340	Construction, Pipeline
237210	23721	Land Subdivision	90957	Land Development and Sub-Division Services
237310	23731	Highway, Street, and Bridge Construction	91313	Reconstruction/Rehabilitation)
238110	23811	Poured Concrete Foundation and Structure Contractors	91430	Concrete
238120	23812	Structural Steel and Precast Concrete Contractors	91430	Concrete
238130	23813	Framing Contractors	91427	Carpentry
238140	23814	Masonry Contractors	91455	Masonry
238150	23815	Glass and Glazing Contractors	91447	Glass and Glazing
238160	23816	Roofing Contractors	91473	Roofing and Siding
238190	23819	Other Foundation, Structure, and Building Exterior Contractors	91484	Trade Services, Construction (Not Otherwise Classified)
238210	23821	Electrical Contractors	91438	Electrical
238220	23822	Plumbing, Heating, and Air-Conditioning Contractors	91450	Heating, Ventilating and Air Conditioning (HVAC)
238290	23829	Other Building Equipment Contractors	91484	Trade Services, Construction (Not Otherwise Classified)
238310	23831	Drywall and Insulation Contractors	91038	Removal Services (Includes Spray-On Insulation)
238320	23832	Painting and Wall Covering Contractors	91461	Painting and Wallpapering
238330	23833	Flooring Contractors	91444	Flooring
238340	23834	Tile and Terrazzo Contractors	91483	Tile and Marble Work, All Types
238350	23835	Finish Carpentry Contractors	91427	Carpentry
238390	23839	Other Building Finishing Contractors	91427	Carpentry
238910	23891	Site Preparation Contractors	90976	Site Work (Incl. Site Clean-Up)
238990	23899	All Other Specialty Trade Contractors	91484	Trade Services, Construction (Not Otherwise Classified)
311119	311119	Other Animal Food Manufacturing	96703	Animal Food Manufacturing Services
311511	311511	Fluid Milk Manufacturing	96738	Food Manufacturing Services (Including Beverages)
311612	311612	Meat Processed from Carcasses	39049	Meat: Cured, Fresh, and Frozen
314120	31412	Curtain and Linen Mills	85077	Textile Mills
314910	31491	Textile Bag and Canvas Mills	85077	Textile Mills
314999	314999	All Other Miscellaneous Textile Product Mills	85077	Milling Machines
315190	31519	Other Apparel Knitting Mills	96734	Clothing (Apparel) and Accessory Manufacturing Services
315210	31521	Cut and Sew Apparel Contractors	96278	Sewing, Embroidery, Embossing, and Alteration Services
315220	31522	Men's and Boys' Cut and Sew Apparel Manufacturing	96734	Clothing (Apparel) and Accessory Manufacturing Services
321213	321213	Engineered Wood Member (except Truss) Manufacturing	96793	Wood and Wood Products
321918	321918	Other Millwork (including Flooring)	15049	Millwork: Counters, Custom-Made Cabinets, Shelves, Stairs, e
321920	32192	Wood Container and Pallet Manufacturing	96793	Wood and Wood Products
322121	322121	Paper (except Newsprint) Mills	54548	Milling Machines
322212	322212	Folding Paperboard Box Manufacturing	96754	Paper and Pulp Products
322230	32223	Stationery Product Manufacturing	96754	Paper and Pulp Products
323111	323111	Commercial Printing (except Screen and Books)	96600	PRINTING AND TYPESETTING SERVICES
323113	323113	Commercial Screen Printing	96684	Silk Screen Printing
323120	32312	Support Activities for Printing	96500	AND PREPARATION OF MATS, NEGATIVES AND PLATES
324121	324121	Asphalt Paving Mixture and Block Manufacturing	96718	Asphalt and Saturated Materials Manufacturing Services
324191	324191	Petroleum Lubricating Oil and Grease Manufacturing	96756	Petroleum Products Manufacturing Services (Including Coal, e
325120	32512	Industrial Gas Manufacturing	96756	Petroleum Products Manufacturing Services (Including Coal, e
325211	325211	Plastics Material and Resin Manufacturing	96759	Plastics and Plastic Products (Incl. Fiberglass, Poly, etc.)



325413	325413	In-Vitro Diagnostic Substance Manufacturing	96757	Manufacturing Services
325611	325611	Soap and Other Detergent Manufacturing	96745	Janitorial Products Manufacturing Services
325998	325998	All Other Miscellaneous Chemical Product and Preparation Manufact	96732	Chemical Products (Incl. Biochemical, Petrochemical, etc.)
326111	326111	Plastics Bag Manufacturing	96759	Plastics and Plastic Products (Incl. Fiberglass, Poly, etc.)
326130	32613	Laminated Plastics Plate, Sheet (except Packaging), and Shape Manu	96759	Plastics and Plastic Products (Incl. Fiberglass, Poly, etc.)
326191	326191	Plastics Plumbing Fixture Manufacturing	96760	Services
326199	326199	All Other Plastics Product Manufacturing	96759	Plastics and Plastic Products (Incl. Fiberglass, Poly, etc.)
327120	32712	Clay Building Material and Refractories Manufacturing	96712	Refractory Materials and Tile Products)
327212	327212	Other Pressed and Blown Glass and Glassware Manufacturing	96743	Glass Products
327215	327215	Glass Product Manufacturing Made of Purchased Glass	96743	Glass Products
327320	32732	Ready-Mix Concrete Manufacturing	96712	Refractory Materials and Tile Products)
327331	327331	Concrete Block and Brick Manufacturing	96712	Refractory Materials and Tile Products)
327332	327332	Concrete Pipe Manufacturing	96760	Services
331110	33111	Iron and Steel Mills and Ferroalloy Manufacturing	96749	Metals and Metal Products
331318	331318	Other Aluminum Rolling, Drawing, and Extruding	96749	Metals and Metal Products
331491	331491	Extruding	96749	Metals and Metal Products
331511	331511	Iron Foundries	40045	Castings, Malleable Iron
332215	332215	Metal Kitchen Cookware, Utensil, Cutlery, and Flatware (except Prec	96750	Manufacturing Services (Not Otherwise Classified)
332216	332216	Saw Blade and Handtool Manufacturing	96744	Hardware Manufacturing Services
332312	332312	Fabricated Structural Metal Manufacturing	96762	Manufacturing Services
332313	332313	Plate Work Manufacturing	96749	Metals and Metal Products
332322	332322	Sheet Metal Work Manufacturing	96749	Metals and Metal Products
332618	332618	Other Fabricated Wire Product Manufacturing	96749	Metals and Metal Products
332710	33271	Machine Shops	92854	Industrial Type)
332913	332913	Plumbing Fixture Fitting and Trim Manufacturing	96760	Services
332919	332919	Other Metal Valve and Pipe Fitting Manufacturing	96760	Services
332991	332991	Ball and Roller Bearing Manufacturing	96750	Manufacturing Services (Not Otherwise Classified)
332992	332992	Small Arms Ammunition Manufacturing	96750	Manufacturing Services (Not Otherwise Classified)
332993	332993	Ammunition (except Small Arms) Manufacturing	96750	Manufacturing Services (Not Otherwise Classified)
332994	332994	Small Arms Manufacturing	96750	Manufacturing Services (Not Otherwise Classified)
332996	332996	Fabricated Pipe and Pipe Fitting Manufacturing	96760	Services
332999	332999	All Other Miscellaneous Fabricated Metal Product Manufacturing	96749	Metals and Metal Products
333241	333241	Food Product Machinery Manufacturing	96748	Machinery, All Types
333314	333314	Optical Instrument and Lens Manufacturing	96761	Optical, Laboratory, etc.)
333316	333316	Photographic and Photocopying Equipment Manufacturing	96761	Optical, Laboratory, etc.)
333318	333318	Other Commercial and Service Industry Machinery Manufacturing	96748	Machinery, All Types
333413	333413	Industrial and Commercial Fan and Blower and Air Purification Equip	96748	Machinery, All Types
333415	333415	Industrial Refrigeration Equipment Manufacturing	96748	Machinery, All Types
333517	333517	Machine Tool Manufacturing	96785	Tool Manufacturing Services
333519	333519	Rolling Mill and Other Metalworking Machinery Manufacturing	96748	Machinery, All Types
333911	333911	Pump and Pumping Equipment Manufacturing	96748	Machinery, All Types
333921	333921	Elevator and Moving Stairway Manufacturing	96750	Manufacturing Services (Not Otherwise Classified)
333922	333922	Conveyor and Conveying Equipment Manufacturing	96748	Machinery, All Types
333924	333924	Industrial Truck, Tractor, Trailer, and Stacker Machinery Manufacturir	96748	Machinery, All Types
333993	333993	Packaging Machinery Manufacturing	96748	Machinery, All Types
333996	333996	Fluid Power Pump and Motor Manufacturing	96750	Manufacturing Services (Not Otherwise Classified)
333999	333999	All Other Miscellaneous General Purpose Machinery Manufacturing	96748	Machinery, All Types
334111	334111	Electronic Computer Manufacturing	96737	Peripherals)
334112	334112	Computer Storage Device Manufacturing	96737	Peripherals)
334118	334118	Computer Terminal and Other Computer Peripheral Equipment Man	96737	Peripherals)
334210	33421	Telephone Apparatus Manufacturing	96735	Communications Equipment Manufacturing Services
334220	33422	Manufacturing	96735	Communications Equipment Manufacturing Services
334310	33431	Audio and Video Equipment Manufacturing	96735	Communications Equipment Manufacturing Services
334413	334413	Semiconductor and Related Device Manufacturing	96775	Semiconductor and Related Equipment Manufacturing Services
334416	334416	Electronic Coil, Transformer, and Other Inductor Manufacturing	96737	Peripherals)
334511	334511	and Instrument Manufacturing	96761	Optical, Laboratory, etc.)
334512	334512	and Appliance Use	96750	Manufacturing Services (Not Otherwise Classified)
334513	334513	Controlling Industrial Process Variables	96761	Optical, Laboratory, etc.)
334516	334516	Analytical Laboratory Instrument Manufacturing	96761	Optical, Laboratory, etc.)
334517	334517	Irradiation Apparatus Manufacturing	96761	Optical, Laboratory, etc.)
334519	334519	Other Measuring and Controlling Device Manufacturing	96761	Optical, Laboratory, etc.)
334613	334613	Magnetic and Optical Recording Media Manufacturing	96750	Manufacturing Services (Not Otherwise Classified)
335122	335122	Commercial, Industrial, and Institutional Electric Lighting Fixture Ma	96737	Peripherals)
335129	335129	Other Lighting Equipment Manufacturing	96737	Peripherals)
335311	335311	Power, Distribution, and Specialty Transformer Manufacturing	96750	Manufacturing Services (Not Otherwise Classified)
335312	335312	Motor and Generator Manufacturing	96748	Machinery, All Types
335313	335313	Switchgear and Switchboard Apparatus Manufacturing	96750	Manufacturing Services (Not Otherwise Classified)
335314	335314	Relay and Industrial Control Manufacturing	96750	Manufacturing Services (Not Otherwise Classified)
335911	335911	Storage Battery Manufacturing	96737	Peripherals)
335999	335999	All Other Miscellaneous Electrical Equipment and Component Manu	96737	Peripherals)
336120	33612	Heavy Duty Truck Manufacturing	96784	Transport Equipment
336211	336211	Motor Vehicle Body Manufacturing	96784	Transport Equipment
336212	336212	Truck Trailer Manufacturing	96784	Transport Equipment
336320	33632	Motor Vehicle Electrical and Electronic Equipment Manufacturing	96784	Transport Equipment
336411	336411	Aircraft Manufacturing	96750	Manufacturing Services (Not Otherwise Classified)
336991	336991	Motorcycle, Bicycle, and Parts Manufacturing	96784	Transport Equipment

337214	337214	Office Furniture (except Wood) Manufacturing	96742	Services
337910	33791	Mattress Manufacturing	96784	Transport Equipment
337920	33792	Blind and Shade Manufacturing	96750	Manufacturing Services (Not Otherwise Classified)
339111	339111	Laboratory Apparatus and Furniture Manufacturing	96761	Optical, Laboratory, etc.)
339112	339112	Surgical and Medical Instrument Manufacturing	96761	Optical, Laboratory, etc.)
339113	339113	Surgical Appliance and Supplies Manufacturing	96761	Optical, Laboratory, etc.)
339950	33995	Sign Manufacturing	96750	Manufacturing Services (Not Otherwise Classified)
423120	42312	Motor Vehicle Supplies and New Parts Merchant Wholesalers	6000	AUTOMOTIVE AND TRAILER EQUIPMENT AND PARTS
423130	42313	Tire and Tube Merchant Wholesalers	86300	TIRES AND TUBES (INCL. RECAPPED/RETREADED TIRES)
423210	42321	Furniture Merchant Wholesalers	41000	OFFICE
423220	42322	Home Furnishing Merchant Wholesalers	41000	OFFICE
423310	42331	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	54000	LUMBER, SIDING, AND RELATED PRODUCTS
423320	42332	Brick, Stone, and Related Construction Material Merchant Wholesalers	13500	TILE PRODUCTS
423420	42342	Office Equipment Merchant Wholesalers	60000	OFFICE MACHINES, EQUIPMENT, AND ACCESSORIES
423430	42343	Wholesalers	20400	MICROCOMPUTERS
423440	42344	Other Commercial Equipment Merchant Wholesalers	54529	(Not Otherwise Classified)
423450	42345	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers	26000	DENTAL EQUIPMENT AND SUPPLIES
423490	42349	Other Professional Equipment and Supplies Merchant Wholesalers	54529	(Not Otherwise Classified)
423510	42351	Metal Service Centers and Other Metal Merchant Wholesalers	57000	STRUCTURAL SHAPES, TUBING, AND FABRICATED ITEMS
423520	42352	Coal and Other Mineral and Ore Merchant Wholesalers	40506	Coal, Coke, Lignite and Peat
423610	42361	Merchant Wholesalers	28500	AND WIRE
423690	42369	Other Electronic Parts and Equipment Merchant Wholesalers	28700	ACCESSORIES (SEE CLASS 730 FOR TESTING OR
423710	42371	Hardware Merchant Wholesalers	45000	HARDWARE AND RELATED ITEMS
423720	42372	Wholesalers	3100	EQUIPMENT, PARTS AND ACCESSORIES (SEE CLASS 740
423730	42373	Wholesalers	3100	EQUIPMENT, PARTS AND ACCESSORIES (SEE CLASS 740
423740	42374	Refrigeration Equipment and Supplies Merchant Wholesalers	74000	REFRIGERATION EQUIPMENT AND ACCESSORIES
423820	42382	Farm and Garden Machinery and Equipment Merchant Wholesalers	2000	ACCESSORIES (SEE CLASS 022 FOR PARTS)
423830	42383	Industrial Machinery and Equipment Merchant Wholesalers	54529	(Not Otherwise Classified)
423840	42384	Industrial Supplies Merchant Wholesalers	54500	MACHINERY AND HARDWARE, INDUSTRIAL
423850	42385	Service Establishment Equipment and Supplies Merchant Wholesalers	96179	etc.)
423910	42391	Sporting and Recreational Goods and Supplies Merchant Wholesalers	80500	FACILITY EQUIPMENT
423930	42393	Recyclable Material Merchant Wholesalers	64066	Type) (Incl. Wax Paper, Aluminum Foil and Cellophane)
423990	42399	Other Miscellaneous Durable Goods Merchant Wholesalers	57800	CLASSIFIED)
424110	42411	Printing and Writing Paper Merchant Wholesalers	64500	PAPER, FOR OFFICE AND PRINT SHOP USE
424120	42412	Stationery and Office Supplies Merchant Wholesalers	61500	OFFICE SUPPLIES, GENERAL
424210	42421	Drugs and Druggists' Sundries Merchant Wholesalers	26900	DRUGS AND PHARMACEUTICALS
424310	42431	Piece Goods, Notions, and Other Dry Goods Merchant Wholesalers	59000	SUPPLIES
424410	42441	FOODS: STAPLE GROCERY AND GROCER'S MISCELLANEOUS ITEMS	39300	MISCELLANEOUS ITEMS
424420	42442	Packaged Frozen Food Merchant Wholesalers	38500	FOODS, FROZEN
424440	42444	Poultry and Poultry Product Merchant Wholesalers	39000	FOODS: PERISHABLE
424490	42449	FOODS: STAPLE GROCERY AND GROCER'S MISCELLANEOUS ITEMS	39300	MISCELLANEOUS ITEMS
424590	42459	Other Farm Product Raw Material Merchant Wholesalers	1900	MELONS, NUTS, AND VEGETABLES
424690	42469	Other Chemical and Allied Products Merchant Wholesalers	17500	CHEMICAL LABORATORY EQUIPMENT AND SUPPLIES
424910	42491	Farm Supplies Merchant Wholesalers	2000	ACCESSORIES (SEE CLASS 022 FOR PARTS)
424920	42492	Book, Periodical, and Newspaper Merchant Wholesalers	71500	TEXTBOOKS (PREPARED MATERIALS ONLY)
424950	42495	Paint, Varnish, and Supplies Merchant Wholesalers	63000	AND RELATED PRODUCTS
424990	42499	Other Miscellaneous Nondurable Goods Merchant Wholesalers	57800	CLASSIFIED)
441110	44111	New Car Dealers	7104	Automobiles and Station Wagons
441120	44112	Used Car Dealers	7104	Automobiles and Station Wagons
441222	441222	Boat Dealers	12000	BOATS, MOTORS, AND MARINE EQUIPMENT
441310	44131	Automotive Parts and Accessories Stores	5500	TRAILERS, TRUCKS, ETC.
441320	44132	Tire Dealers	86300	TIRES AND TUBES (INCL. RECAPPED/RETREADED TIRES)
442110	44211	Furniture Stores	42040	Household Furniture, General Line
443120	44312	Computer and Software Stores	20400	MICROCOMPUTERS
443142	443142	Electronics Stores	28700	ACCESSORIES (SEE CLASS 730 FOR TESTING OR
444130	44413	Hardware Stores	45000	HARDWARE AND RELATED ITEMS
444190	44419	Other Building Material Dealers	15000	BUILDER'S SUPPLIES
444210	44421	Outdoor Power Equipment Stores	51500	(SEE CLASS 020 FOR AGRICULTURAL TYPES)
444220	44422	Nursery, Garden Center, and Farm Supply Stores	59500	NURSERY (PLANTS) STOCK, EQUIPMENT, AND SUPPLIES
445110	44511	Supermarkets and Other Grocery (except Convenience) Stores	39300	MISCELLANEOUS ITEMS
446110	44611	Pharmacies and Drug Stores	26900	DRUGS AND PHARMACEUTICALS
446199	446199	All Other Health and Personal Care Stores	65200	SUPPLIES
448320	44832	Luggage and Leather Goods Stores	53000	LUGGAGE, BRIEF CASES, PURSES AND RELATED ITEMS
451110	45111	Sporting Goods Stores	80500	FACILITY EQUIPMENT
451211	451211	Book Stores	71500	TEXTBOOKS (PREPARED MATERIALS ONLY)
453210	45321	Office Supplies and Stationery Stores	61500	OFFICE SUPPLIES, GENERAL
453220	45322	Gift, Novelty, and Souvenir Stores	3743	Gifts (Incl. Gift Certificates)
453920	45392	Art Dealers	5200	ART OBJECTS
453998	453998	All Other Miscellaneous Store Retailers (except Tobacco Stores)	96179	etc.)
454110	45411	Electronic Shopping and Mail-Order Houses	91551	Web, Virtual Tours to Include Construction Renderings, etc.)
481219	481219	Other Nonscheduled Air Transportation	96288	Third Party (Incl. Commercial Airplane Travel and Helicopter
483212	483212	Inland Water Passenger Transportation	95956	Passenger Transportation Services, Ship or Ferry
484121	484121	General Freight Trucking, Long-Distance, Truckload	96286	Transportation of Goods and Other Freight Services
484122	484122	General Freight Trucking, Long-Distance, Less Than Truckload	96286	Transportation of Goods and Other Freight Services
484210	48421	Used Household and Office Goods Moving	96256	Moving Services

485310	48531	Taxi Service	96217	Operations, Management, and Terminal Services)
485410	48541	School and Employee Bus Transportation	96216	Bus Transportation Services, School
485991	485991	Special Needs Transportation	95294	Incapacitated, Prisoners, Juries, etc.
488119	488119	Other Airport Operations	95803	Airport Management Services
488410	48841	Motor Vehicle Towing	96890	Vehicle Towing and Storage
488490	48849	Other Support Activities for Road Transportation	96286	Transportation of Goods and Other Freight Services
488999	488999	All Other Support Activities for Transportation	91896	Transportation Consulting
493110	49311	General Warehousing and Storage	96295	(Includes Farm Product Storage in Silos and Grain Elevators)
511110	51111	Newspaper Publishers	71510	Periodicals, Publications, Reprints, etc.
511120	51112	Periodical Publishers	71510	Periodicals, Publications, Reprints, etc.
511130	51113	Book Publishers	71510	Periodicals, Publications, Reprints, etc.
51210	5121	Software Publishers	20870	Printing Software (Microcomputer)
512110	51211	Motion Picture and Video Production	91569	Motion Picture Production and Distribution Services
512199	512199	Other Motion Picture and Video Industries	91569	Motion Picture Production and Distribution Services
512240	51224	Sound Recording Studios	80382	Studio Monitors, Broadcasting and Recording
515112	515112	Radio Stations	91514	Broadcasting Services, Radio
517311		Wired Telecommunications Carriers		
517312		Wireless Telecommunications Carriers (except Satellite)		
517911	517911	Telecommunications Resellers	83800	SUPPLIES
518210	51821	Data Processing, Hosting, and Related Services	92022	Data Preparation and Processing Services
519130	51913	Internet Publishing and Broadcasting and Web Search Portals	91551	Web, Virtual Tours to Include Construction Renderings, etc.)
519190	51919	All Other Information Services	91573	Public Information Services (Incl. Press Releases)
522110	52211	Commercial Banking	94625	Banking Services
522320	52232	Financial Transactions Processing, Reserve, and Clearinghouse Activi	94649	Financial Services (Not Otherwise Classified)
523110	52311	Investment Banking and Securities Dealing	94656	Investment Management Services
523120	52312	Securities Brokerage	94638	Custom Brokerage Services (Incl. Stock and Bonds)
523930	52393	Investment Advice	94656	Investment Management Services
524114	524114	Direct Health and Medical Insurance Carriers	95348	Health/Hospitalization (Including Dental and Visual Insurance
524126	524126	Direct Property and Casualty Insurance Carriers	95377	Property and Casualty
524127	524127	Direct Title Insurance Carriers	95387	Title
524210	52421	Insurance Agencies and Brokerages	95352	Insurance and Insurance Services (Not otherwise classified)
531120	53112	Lessors of Nonresidential Buildings (except Miniwarehouses)	97145	Office Space Rental or Lease
531210	53121	Offices of Real Estate Agents and Brokers	95883	Services)
531320	53132	Offices of Real Estate Appraisers	94615	Appraisal Services, Real Estate
531390	53139	Other Activities Related to Real Estate	95883	Services)
532111	532111	Passenger Car Rental	97514	Emergency Type) Rental or Lease
532120	53212	Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasir	97586	Truck and Van Rental or Lease (Incl. Fire and Garbage Trucks)
532282		Video Tape and Disc Rental		
532289		All Other Consumer Goods Rental		
532291	532291	Home Health Equipment Rental	97945	Hospital Equipment - General, Rental or Lease
532412	532412	Leasing	97542	Machinery and Heavy Hardware Rental or Lease
532490	53249	Other Commercial and Industrial Machinery and Equipment Rental a	97542	Machinery and Heavy Hardware Rental or Lease
541110	54111	Offices of Lawyers	96149	Legal Services, Attorneys
541199	541199	All Other Legal Services	96150	Testimony
541211	541211	Offices of Certified Public Accountants	94631	Certified Public Accountant (CPA) Services
541219	541219	Other Accounting Services	94610	Party Reimbursement for Medicare, Medicaid, Private Insuran
541310	54131	Architectural Services	90714	Architectural Services, Non-Licensed (Not Otherwise Classifie
541320	54132	Landscape Architectural Services	90656	Landscape Architecture
541330	54133	Engineering Services	92533	Engineer Services, Professional
541350	54135	Building Inspection Services	96847	Inspection Services, Construction Type
541360	54136	Geophysical Surveying and Mapping Services	96174	Scientist Services (Geology, Geophysics, etc)
541370	54137	Surveying and Mapping (except Geophysical) Services	96252	Services, Not Aerial)(See 920-33 for Digitized Mapping Servic
541380	54138	Testing Laboratories	96148	Incl. Hazardous Waste
541410	54141	Interior Design Services	96248	Interior Design/Decorator Services
541430	54143	Graphic Design Services	90640	Graphic Design - Architectural
541511	541511	Custom Computer Programming Services	92040	Programming Services, Computer
541512	541512	Computer Systems Design Services	92040	Programming Services, Computer
541513	541513	Computer Facilities Management Services	92029	Facilities Management Services, Computer
541519	541519	Other Computer Related Services	92000	SOFTWARE SERVICES
541611	541611	Administrative Management and General Management Consulting S	91875	Management Consulting
541612	541612	Human Resources and Executive Search Consulting Services	91866	Human Resources Consulting Services
541613	541613	Marketing Consulting Services	91876	Marketing Consulting
541614	541614	Process, Physical Distribution, and Logistics Consulting Services	91832	Consulting Services (Not Otherwise Classified)
541618	541618	Other Management Consulting Services	91875	Management Consulting
541620	54162	Environmental Consulting Services	91843	Environmental Consulting
541690	54169	Other Scientific and Technical Consulting Services	91832	Consulting Services (Not Otherwise Classified)
541720	54172	Research and Development in the Social Sciences and Humanities	95670	Research Services (Other Than Business)
541810	54181	Advertising Agencies	91501	Advertising Agency Services
541820	54182	Public Relations Agencies	91503	Advertising/Public Relations (Incl. Skywriting)
541840	54184	Media Representatives	91571	Newspaper and Publication Advertising
541860	54186	Direct Mail Advertising	91558	Sorting and Delivery)
541890	54189	Other Services Related to Advertising	91501	Advertising Agency Services
541921	541921	Photography Studios, Portrait	91572	Photography (Not Including Aerial Photography)
541930	54193	Translation and Interpretation Services	96175	Translation Services
541940	54194	Veterinary Services	96186	Veterinary Services
551112	551112	Offices of Other Holding Companies	91821	Business Consulting, Large

561110	56111	Office Administrative Services	96102	Services, etc.)
561210	56121	Facilities Support Services	95815	Building and Facilities Management Services
561311	561311	Employment Placement Agencies	96130	Background Investigations and Drug Testing for Employment)
561431	561431	Private Mail Centers	91558	Sorting and Delivery)
561492	561492	Court Reporting and Stenotype Services	96124	Court Reporting Services
561599	561599	All Other Travel Arrangement and Reservation Services	96178	Travel Agency Services
561611	561611	Investigation Services	99052	Investigative Services
561612	561612	Security Guards and Patrol Services	99046	Guard and Security Services
561613	561613	Armored Car Services	99010	Armored Car Services
561621	561621	Security Systems Services (except Locksmiths)	99000	(INCLUDING DISASTER DOCUMENT RECOVERY)
561622	561622	Locksmiths	91048	Locksmith Services
561710	56171	Exterminating and Pest Control Services	91059	Animal Trapping, Rodent Control, Exterminating and
561720	56172	Janitorial Services	91039	Janitorial/Custodial Services
561730	56173	Landscaping Services	98852	Not Grounds Maintenance or Tree Trimming Services)
561740	56174	Carpet and Upholstery Cleaning Services	91009	Carpet Cleaning, Dyeing, Installation and Repair
561790	56179	Other Services to Buildings and Dwellings	91000	SERVICES
561910	56191	Packaging and Labeling Services	96264	Packaging and Wrapping Services (Incl. Shrink Wrapping)
561990	56199	All Other Support Services	96102	Services, etc.)
562111	562111	Solid Waste Collection	96871	Services) (See 926-45 for Hazardous Waste Disposal)
562211	562211	Hazardous Waste Treatment and Disposal	92645	Response and Nuclear Wastes)
562910	56291	Remediation Services	92678	Services Hazardous Waste and Mold Remediation)
562998	562998	All Other Miscellaneous Waste Management Services	96871	Services) (See 926-45 for Hazardous Waste Disposal)
611110	61111	Elementary and Secondary Schools	92400	EDUCATIONAL/TRAINING SERVICES
611310	61131	Colleges, Universities, and Professional Schools	92400	EDUCATIONAL/TRAINING SERVICES
611420	61142	Computer Training	92091	Training, Computer Based (Software Supported)
611430	61143	Professional and Management Development Training	92435	In-Service Training (For Employees)
611511	611511	Cosmetology and Barber Schools	92486	Rehabilitation and Technical Education)
611513	611513	Apprenticeship Training	92486	Rehabilitation and Technical Education)
611620	61162	Sports and Recreation Instruction	96168	Recreational Programs and Referee/Umpire Services)
611691	611691	Exam Preparation and Tutoring	92480	Tutoring
611699	611699	All Other Miscellaneous Schools and Instruction	92400	EDUCATIONAL/TRAINING SERVICES
621111	621111	Offices of Physicians (except Mental Health Specialists)	94874	Pharmacists, and All Specialties)
621320	62132	Offices of Optometrists	94868	Optician/Optomterical Services (Non-Physician)
621330	62133	Offices of Mental Health Practitioners (except Physicians)	95262	Mental Health Services: Vocational, Residential, Etc.
621420	62142	Outpatient Mental Health and Substance Abuse Centers	95262	Mental Health Services: Vocational, Residential, Etc.
621491	621491	HMO Medical Centers	94847	Health Care Center Services
621498	621498	All Other Outpatient Care Centers	94848	Health Care Services (Not Otherwise Classified)
621511	621511	Medical Laboratories	94855	Medical and Laboratory Services (Non-Physician)
621512	621512	Diagnostic Imaging Centers	94855	Medical and Laboratory Services (Non-Physician)
621610	62161	Home Health Care Services	94848	Health Care Services (Not Otherwise Classified)
622210	62221	Psychiatric and Substance Abuse Hospitals	94876	Behavioral Management Services)
622310	62231	Specialty (except Psychiatric and Substance Abuse) Hospitals	94846	Hospital Services, Inpatient and Outpatient
623110	62311	Nursing Care Facilities	94865	Nursing Home Services
623312	623312	Homes for the Elderly	94865	Nursing Home Services
624110	62411	Child and Youth Services	95243	Services)
624120	62412	Services for the Elderly and Persons with Disabilities	95240	Elderly Assistance Services
624190	62419	Other Individual and Family Services	95243	Services)
624210	62421	Community Food Services	95284	Supplemental Food Services
624221	624221	Temporary Shelters	95237	Emergency Shelter
624229	624229	Other Community Housing Services	95237	Emergency Shelter
624230	62423	Emergency and Other Relief Services	95243	Services)
624410	62441	Child Day Care Services	95225	Day Care (Preschool)
711211	711211	Sports Teams and Clubs	96168	Recreational Programs and Referee/Umpire Services)
711310	71131	Promoters of Performing Arts, Sports, and Similar Events with Faciliti	96205	Professionals)
711510	71151	Independent Artists, Writers, and Performers	96104	Artists (Including Digital Artists)
713110	71311	Amusement and Theme Parks	96205	Professionals)
713940	71394	Fitness and Recreational Sports Centers	94873	Physical Fitness Programs
713990	71399	All Other Amusement and Recreation Industries	96205	Professionals)
721110	72111	Hotels (except Casino Hotels) and Motels	97130	Bed/Breakfast Inns, etc.) Rental or Lease
721214	721214	Recreational and Vacation Camps (except Campgrounds)	98864	Parks Systems Administrative Services
722310	72231	Food Service Contractors	96219	Cafeteria and Restaurant Services
722320	72232	Caterers	96115	Class 905 for Airport Concessions)
722511	722511	Full-Service Restaurants	96219	Cafeteria and Restaurant Services
811111	811111	General Automotive Repair	92815	Repair (Not Otherwise Classified)
811113	811113	Automotive Transmission Repair	92885	Maintenance and Repair
811118	811118	Other Automotive Mechanical and Electrical Repair and Maintenance	92838	etc.) Maintenance and Repair
811121	811121	Automotive Body, Paint, and Interior Repair and Maintenance	92819	Body and Frame Work (Including Undercoating)
811191	811191	Automotive Oil Change and Lubrication Shops	92847	Classified), to Include Oil Changes, Lubrication, Guaranteed
811198	811198	All Other Automotive Repair and Maintenance	92815	Repair (Not Otherwise Classified)
811212	811212	Computer and Office Machine Repair and Maintenance	93937	Electronic Equipment Maintenance and Repair
811219	811219	Other Electronic and Precision Equipment Repair and Maintenance	93937	Electronic Equipment Maintenance and Repair
811310	81131	Electronic) Repair and Maintenance	92900	AGRICULTURAL, CONSTRUCTION, HEAVY INDUSTRIAL,
811411	811411	Home and Garden Equipment Repair and Maintenance	93446	Lawn Equipment Maintenance and Repair
811420	81142	Reupholstery and Furniture Repair	93688	Cleaning)
811490	81149	Other Personal and Household Goods Repair and Maintenance	93100	APPLIANCE, ATHLETIC, CAFETERIA, FURNITURE, MUSICAL
812111	812111	Barber Shops	95210	Barber/Beautician Services
812220	81222	Cemeteries and Crematories	95264	Mortuary and Funeral (Including Crematory Services)

812310	81231 Coin-Operated Laundries and Drycleaners	50095 Washing Machines
812320	81232 Drycleaning and Laundry Services (except Coin-Operated)	95405 Laundry and Linen Service
812331	812331 Linen Supply	95405 Laundry and Linen Service
812332	812332 Industrial Launderers	95405 Laundry and Linen Service
812910	81291 Pet Care (except Veterinary) Services	96206 (Breeding), Animal Training Services, etc. (Including Pet
812930	81293 Parking Lots and Garages	95872 and Supervision)
812990	81299 All Other Personal Services	95268 Personal Care Services
813110	81311 Religious Organizations	96271 Religious Services
813211	813211 Grantmaking Foundations	94649 Financial Services (Not Otherwise Classified)
813312	813312 Environment, Conservation and Wildlife Organizations	92600 ENVIRONMENTAL AND ECOLOGICAL SERVICES
813319	813319 Other Social Advocacy Organizations	95259 Human Services (Not Otherwise Classified)
813410	81341 Civic and Social Organizations	95259 Human Services (Not Otherwise Classified)
813910	81391 Business Associations	91820 Business Consulting, Small
813920	81392 Professional Organizations	96258 Professional Services (Not Otherwise Classified)
921120	92112 Legislative Bodies	91858 Governmental Consulting
921190	92119 Other General Government Support	91858 Governmental Consulting
922130	92213 Legal Counsel and Prosecution	96150 Legal Services Including Depositions and Expert Witness Testir
923110	92311 Administration of Education Programs	92400 EDUCATIONAL/TRAINING SERVICES
923120	92312 Administration of Public Health Programs	94807 Administration Services, Health
923130	92313 Administration of Human Resource Programs (except Education, Pub	95243 Family and Social Services (Including Shopping and BuyingSer
924110	92411 Administration of Air and Water Resource and Solid Waste Managerr	96892 Water Supply Plant Operating and Monitoring System Service
925110	92511 Administration of Housing Programs	96102 Administrative Services, All Kinds (Incl. Clerical, SecretarialS

APPENDIX E  
THRESHOLD ANALYSIS

## APPENDIX E - THRESHOLD ANALYSIS

In Construction, there are 154 awards made in the study period with 14 accounting for 58.85% of all award dollars.

**Table 1: Award Thresholds – Construction**  
**Appendix** (Using Award Dollars CY2014-FY2018)  
 Cuyahoga Disparity Study

Award Threshold	Number of Awards	Percent of Awards	Dollars	Percent of Dollars
1,000 to 5,000	24	15.58%	\$56,888.88	0.02%
5,000.01 to 10,000	7	4.55%	\$60,052.89	0.02%
10,000.01 to 50,000	26	16.88%	\$597,373.81	0.22%
50,000.01 to 100,000	5	3.25%	\$365,722.72	0.14%
100,000.01 to 250,000	12	7.79%	\$2,089,416.22	0.78%
250,000.01 to 500,000	16	10.39%	\$5,307,566.68	1.99%
500,000.01 to 750,000	3	1.95%	\$2,038,943.89	0.76%
750,000.01 to 1,000,000	5	3.25%	\$4,406,068.11	1.65%
1,000,000.01 to 1,500,000	14	9.09%	\$17,581,275.99	6.59%
1,500,000.01 to 2,000,000	7	4.55%	\$12,569,473.14	4.71%
2,000,000.01 to 2,500,000	4	2.60%	\$9,217,736.43	3.45%
2,500,000.01 to 5,000,000	17	11.04%	\$55,508,979.89	20.80%
Over 5,000,000	14	9.09%	\$157,025,931.99	58.85%
<b>Total</b>	<b>154</b>	<b>100.00%</b>	<b>\$266,825,430.64</b>	<b>100.00%</b>

Average	Median
\$1,732,632.67	\$289,299.90

Griffin & Strong, P.C. 2020

In Professional Services, there are 213 awards in the study period with 50% of the awards are less than \$20,412.50. There are 8 awards in this category that make up 94.92% of awarded dollars. These awards are medical and life insurance benefits.

Table 1: *Award Thresholds – Professional Services*  
 (Using Award Dollars CY2014-FY2018)  
 Cuyahoga Disparity Study

Award Threshold	Number of Awards	Percent of Awards	Dollars	Percent of Dollars
1,000 to 5,000	55	25.82%	\$123,912.50	0.02%
5,000.01 to 10,000	24	11.27%	\$187,381.78	0.02%
10,000.01 to 50,000	67	31.46%	\$1,517,810.20	0.20%
50,000.01 to 100,000	12	5.63%	\$1,041,113.00	0.14%
100,000.01 to 250,000	18	8.45%	\$3,285,005.04	0.44%
250,000.01 to 500,000	13	6.10%	\$4,176,089.91	0.56%
500,000.01 to 750,000	3	1.41%	\$1,752,864.80	0.23%
750,000.01 to 1,000,000	4	1.88%	\$3,678,757.27	0.49%
1,000,000.01 to 1,500,000	3	1.41%	\$3,523,011.36	0.47%
1,500,000.01 to 2,000,000	1	0.47%	\$2,000,000.00	0.27%
2,000,000.01 to 2,500,000	1	0.47%	\$2,500,000.00	0.33%
2,500,000.01 to 5,000,000	4	1.88%	\$14,347,500.00	1.91%
Over 5,000,000	8	3.76%	\$713,119,368.46	94.92%
<b>Total</b>	<b>213</b>	<b>100.00%</b>	<b>\$751,252,814.32</b>	<b>100.00%</b>

Average	Median
\$3,527,008.52	\$20,412.50

Griffin & Strong, P.C. 2020



In Other Services, 50% of all awards are \$4,961.12 or less. Eleven awards over \$5 million compose 45% of all award dollars.

**Table 2: Award Thresholds – Other Services**  
 (Using Award Dollars CY2014-FY2018)  
 Cuyahoga Disparity Study

Award Threshold	Number of Awards	Percent of Awards	Dollars	Percent of Dollars
1,000 to 5,000	1168	51.05%	\$2,668,771.55	1.12%
5,000.01 to 10,000	346	15.12%	\$2,519,780.85	1.06%
10,000.01 to 50,000	515	22.51%	\$10,660,274.15	4.48%
50,000.01 to 100,000	83	3.63%	\$6,132,847.80	2.58%
100,000.01 to 250,000	58	2.53%	\$10,148,177.71	4.27%
250,000.01 to 500,000	49	2.14%	\$16,811,736.92	7.07%
500,000.01 to 750,000	19	0.83%	\$11,427,295.74	4.81%
750,000.01 to 1,000,000	11	0.48%	\$9,367,161.98	3.94%
1,000,000.01 to 1,500,000	8	0.35%	\$10,457,648.77	4.40%
1,500,000.01 to 2,000,000	9	0.39%	\$15,932,120.89	6.70%
2,000,000.01 to 2,500,000	5	0.22%	\$11,620,860.50	4.89%
2,500,000.01 to 5,000,000	6	0.26%	\$23,029,728.38	9.69%
Over 5,000,000	11	0.48%	\$106,980,747.58	45.00%
<b>Total</b>	<b>2288</b>	<b>100.00%</b>	<b>\$237,757,152.82</b>	<b>100.00%</b>

Average	Median
\$103,914.84	\$4,961.12

Griffin & Strong, P.C. 2020

In Architecture & Engineering, there are 74 awards in the study period with 50% of awards being \$200,000 or less. There are no awards over \$5 million.

Table 3: *Award Thresholds – Architecture & Engineering*  
 (Using Award Dollars CY2014-FY2018)  
 Cuyahoga Disparity Study

Award Threshold	Number of Awards	Percent of Awards	Dollars	Percent of Dollars
1,000 to 5,000	5	6.76%	\$14,443.17	0.07%
5,000.01 to 10,000	6	8.11%	\$42,820.85	0.19%
10,000.01 to 50,000	16	21.62%	\$456,344.34	2.05%
50,000.01 to 100,000	4	5.41%	\$257,936.60	1.16%
100,000.01 to 250,000	11	14.86%	\$2,189,000.00	9.85%
250,000.01 to 500,000	23	31.08%	\$8,152,453.00	36.69%
500,000.01 to 750,000	4	5.41%	\$2,642,145.31	11.89%
750,000.01 to 1,000,000	1	1.35%	\$788,987.00	3.55%
1,000,000.01 to 1,500,000	1	1.35%	\$1,056,145.00	4.75%
1,500,000.01 to 2,000,000	1	1.35%	\$1,667,397.00	7.50%
2,000,000.01 to 2,500,000	1	1.35%	\$2,143,423.00	9.65%
2,500,000.01 to 5,000,000	1	1.35%	\$2,808,412.00	12.64%
Over 5,000,000	0	0.00%	\$0.00	0.00%
<b>Total</b>	<b>74</b>	<b>100.00%</b>	<b>\$22,219,507.27</b>	<b>100.00%</b>

Average	Median
\$300,263.61	\$200,000.00

Griffin & Strong, P.C. 2020

In Goods & Supplies, 53.79% of all awards are less than \$5,000. The highest concentration of dollars is in the \$10,000 to \$50,000 range.

Table 4: *Award Thresholds – Goods & Supplies*  
 (Using Award Dollars CY2014-FY2018)  
 Cuyahoga Disparity Study

Award Threshold	Number of Awards	Percent of Awards	Dollars	Percent of Dollars
1,000 to 5,000	2535	53.79%	\$6,271,946.23	7.12%
5,000.01 to 10,000	853	18.10%	\$6,157,472.60	6.99%
10,000.01 to 50,000	1070	22.70%	\$21,876,802.26	24.84%
50,000.01 to 100,000	112	2.38%	\$7,745,098.52	8.79%
100,000.01 to 250,000	89	1.89%	\$13,491,339.15	15.32%
250,000.01 to 500,000	41	0.87%	\$15,584,312.35	17.69%
500,000.01 to 750,000	5	0.11%	\$2,924,693.81	3.32%
750,000.01 to 1,000,000	2	0.04%	\$1,687,577.60	1.92%
1,000,000.01 to 1,500,000	2	0.04%	\$2,505,677.40	2.84%
1,500,000.01 to 2,000,000	1	0.02%	\$1,678,000.00	1.91%
2,000,000.01 to 2,500,000	1	0.02%	\$2,067,000.00	2.35%
2,500,000.01 to 5,000,000	2	0.04%	\$6,085,343.98	6.91%
Over 5,000,000	0	0.00%	\$0.00	0.00%
<b>Total</b>	<b>4713</b>	<b>100.00%</b>	<b>\$88,075,263.90</b>	<b>100.00%</b>

Average	Median
\$18,687.73	\$4,380.00

Griffin & Strong, P.C. 2020

Because of the extremely large Professional Service contracts, 33 awards compose 71.53% of all awards over \$1,000 made by the County. Fifty percent of all awards are \$4,898.52 or less.

Table 5: *Award Thresholds – All Work Categories*  
 (Using Award Dollars CY2014-FY2018)  
 Cuyahoga Disparity Study

Award Threshold	Number of Awards	Percent of Awards	Dollars	Percent of Dollars
1,000 to 5,000	3787	50.89%	\$9,135,962.33	0.67%
5,000.01 to 10,000	1236	16.61%	\$8,967,508.97	0.66%
10,000.01 to 50,000	1694	22.76%	\$35,108,604.76	2.57%
50,000.01 to 100,000	216	2.90%	\$15,542,718.64	1.14%
100,000.01 to 250,000	188	2.53%	\$31,202,938.12	2.28%
250,000.01 to 500,000	142	1.91%	\$50,032,158.86	3.66%
500,000.01 to 750,000	34	0.46%	\$20,785,943.55	1.52%
750,000.01 to 1,000,000	23	0.31%	\$19,928,551.96	1.46%
1,000,000.01 to 1,500,000	28	0.38%	\$35,123,758.52	2.57%
1,500,000.01 to 2,000,000	19	0.26%	\$33,846,991.03	2.48%
2,000,000.01 to 2,500,000	12	0.16%	\$27,549,019.93	2.02%
2,500,000.01 to 5,000,000	30	0.40%	\$101,779,964.25	7.45%
Over 5,000,000	33	0.44%	\$977,126,048.03	71.53%
<b>Total</b>	<b>7442</b>	<b>100.00%</b>	<b>\$1,366,130,168.95</b>	<b>100.00%</b>

Average	Median
\$183,570.30	\$4,898.52

Griffin & Strong, P.C. 2020

APPENDIX F  
SURVEY OF BUSINESS OWNERS  
RESULTS

# Cuyahoga County Disparity Study

## A brief note on how tables are calculated

Duplicate responses have been removed. Duplicate responses were removed based on businesses having either the same email address or same business name.

The total count of responses for each question includes only those participants who responded to that question. Participants who skipped or were not given a question are not included.

Table 1

Is your company a not for profit organization or a government entity?	Owners' Minority Status									Total
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Yes	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
No	67 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	210 100 %
Total	67 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	210 100 %

Table 2

Which one of the following is your company's primary line of business?	Owners' Minority Status									Total
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Construction	5 7.5 %	6 9.2 %	10 15.9 %	1 50 %	2 40 %	1 50 %	0 0 %	0 0 %	0 0 %	25 11.9 %
Commodity Providers (Goods)	22 32.8 %	22 33.8 %	7 11.1 %	1 50 %	0 0 %	0 0 %	0 0 %	0 0 %	2 50 %	54 25.7 %
Business Services	6 9 %	6 9.2 %	5 7.9 %	0 0 %	1 20 %	1 50 %	0 0 %	0 0 %	0 0 %	19 9 %
Architecture and Engineering ("A/E")	8 11.9 %	3 4.6 %	4 6.3 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	15 7.1 %
Professional Services	9 13.4 %	17 26.2 %	25 39.7 %	0 0 %	1 20 %	0 0 %	0 0 %	1 100 %	0 0 %	53 25.2 %
Other Services	17 25.4 %	11 16.9 %	12 19 %	0 0 %	1 20 %	0 0 %	1 100 %	0 0 %	2 50 %	44 21 %
Total	67 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	210 100 %

Table 3

How long	Owners' Minority	Total
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<i>has your company been in operation?</i>	<i>Status</i>										
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other		
<b>Under 1 year</b>	0 0 %	0 0 %	1 1.6 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 0.5 %
<b>1-5 years</b>	2 3 %	5 7.7 %	11 17.5 %	0 0 %	1 20 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	19 9 %
<b>6-10 years</b>	2 3 %	8 12.3 %	18 28.6 %	0 0 %	0 0 %	0 0 %	1 100 %	0 0 %	0 0 %	0 0 %	29 13.8 %
<b>11-15 year</b>	4 6 %	6 9.2 %	14 22.2 %	0 0 %	2 40 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	26 12.4 %
<b>15-20 years</b>	4 6 %	9 13.8 %	5 7.9 %	0 0 %	0 0 %	0 0 %	0 0 %	1 100 %	1 25 %	1 25 %	20 9.5 %
<b>Over 20 years</b>	55 82.1 %	37 56.9 %	14 22.2 %	2 100 %	2 40 %	2 100 %	0 0 %	0 0 %	0 0 %	3 75 %	115 54.8 %
<b>Total</b>	67 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	4 100 %	210 100 %

Table 4

<i>On average, what is the number of employees and regular independent contractors (including full-time and part-time staff) your company keeps on payroll? (Number of Employees)</i>	<i>Owners' Minority Status</i>									<i>Total</i>	
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other		
<b>None</b>	2 3 %	4 6.2 %	9 14.3 %	0 0 %	1 20 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	16 7.6 %
<b>1-10</b>	22 32.8 %	42 64.6 %	42 66.7 %	1 50 %	3 60 %	0 0 %	1 100 %	0 0 %	0 0 %	0 0 %	111 52.9 %
<b>11-30</b>	27 40.3 %	12 18.5 %	9 14.3 %	0 0 %	1 20 %	1 50 %	0 0 %	0 0 %	0 0 %	2 50 %	52 24.8 %
<b>31-50</b>	5 7.5 %	3 4.6 %	2 3.2 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	10 4.8 %
<b>51-75</b>	5 7.5 %	1 1.5 %	1 1.6 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	7 3.3 %
<b>76-100</b>	2 3 %	3 4.6 %	0 0 %	1 50 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	6 2.9 %
<b>101-300</b>	3 4.5 %	0 0 %	0 0 %	0 0 %	0 0 %	1 50 %	0 0 %	1 100 %	0 0 %	0 0 %	5 2.4 %
<b>Over 300</b>	1 1.5 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	2 50 %	3 1.4 %
<b>Total</b>	67 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	4 100 %	210 100 %

Table 5

<b>Is at least 51% percent of your company owned and controlled by a woman or women?</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Yes</b>	0 0 %	65 100 %	37 58.7 %	0 0 %	2 40 %	0 0 %	1 100 %	1 100 %	0 0 %	106 50.5 %
<b>No</b>	67 100 %	0 0 %	26 41.3 %	2 100 %	3 60 %	2 100 %	0 0 %	0 0 %	4 100 %	104 49.5 %
<b>Total</b>	67 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	210 100 %

Table 6

<b>What is the race or ethnic identity of your business' majority owner? (person or persons that own at least 51% of the company)</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Caucasian</b>	66 98.5 %	62 95.4 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	128 61 %
<b>African American</b>	0 0 %	0 0 %	63 100 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	63 30 %
<b>Asian American</b>	0 0 %	0 0 %	0 0 %	1 50 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 0.5 %
<b>Hispanic American</b>	0 0 %	0 0 %	0 0 %	0 0 %	5 100 %	0 0 %	0 0 %	0 0 %	0 0 %	5 2.4 %
<b>Native American</b>	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	2 100 %	0 0 %	0 0 %	0 0 %	2 1 %
<b>Bi-Racial or Multi-Racial</b>	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 100 %	0 0 %	0 0 %	1 0.5 %
<b>Publicly Traded Company</b>	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 100 %	0 0 %	1 0.5 %
<b>Other</b>	1 1.5 %	3 4.6 %	0 0 %	1 50 %	0 0 %	0 0 %	0 0 %	0 0 %	4 100 %	9 4.3 %
<b>Total</b>	67 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	210 100 %

Table 7

<b>What is the highest</b>	<b>Owners' Minority Status</b>	<b>Total</b>
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<i>level of education completed by the owner of your company?Would you say:</i>	Owners' Minority Status									<i>Total</i>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Some High School</b>	0	0	1	0	0	0	0	0	0	1
	0 %	0 %	1.6 %	0 %	0 %	0 %	0 %	0 %	0 %	0.5 %
<b>High School graduate</b>	5	11	4	0	1	0	0	0	0	21
	7.6 %	16.9 %	6.3 %	0 %	20 %	0 %	0 %	0 %	0 %	10 %
<b>Some College</b>	12	14	16	0	4	1	0	0	0	47
	18.2 %	21.5 %	25.4 %	0 %	80 %	50 %	0 %	0 %	0 %	22.5 %
<b>College Graduate</b>	27	22	22	1	0	1	0	0	0	73
	40.9 %	33.8 %	34.9 %	50 %	0 %	50 %	0 %	0 %	0 %	34.9 %
<b>Post Graduate Degree</b>	16	17	19	0	0	0	1	0	3	56
	24.2 %	26.2 %	30.2 %	0 %	0 %	0 %	100 %	0 %	75 %	26.8 %
<b>Trade or Technical Certificate</b>	2	1	1	0	0	0	0	0	0	4
	3 %	1.5 %	1.6 %	0 %	0 %	0 %	0 %	0 %	0 %	1.9 %
<b>Don't Know</b>	4	0	0	1	0	0	0	1	1	7
	6.1 %	0 %	0 %	50 %	0 %	0 %	0 %	100 %	25 %	3.3 %
<b>Total</b>	66	65	63	2	5	2	1	1	4	209
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 8

<i>How many years of experience in your company's line of business does the primary owner of your company have?</i>	Owners' Minority Status									<i>Total</i>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>None</b>	1	0	0	0	0	0	0	0	0	1
	1.5 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0.5 %
<b>1-5</b>	1	2	2	0	1	0	0	0	0	6
	1.5 %	3.1 %	3.2 %	0 %	20 %	0 %	0 %	0 %	0 %	2.9 %
<b>6-10</b>	1	3	9	0	0	0	1	0	0	14
	1.5 %	4.6 %	14.3 %	0 %	0 %	0 %	100 %	0 %	0 %	6.7 %
<b>11-15</b>	2	5	9	0	2	0	0	0	0	18
	3 %	7.7 %	14.3 %	0 %	40 %	0 %	0 %	0 %	0 %	8.6 %
<b>16-20</b>	0	7	14	0	0	0	0	0	0	21
	0 %	10.8 %	22.2 %	0 %	0 %	0 %	0 %	0 %	0 %	10 %
<b>More than 20</b>	62	48	29	2	2	2	0	1	4	150
	92.5 %	73.8 %	46 %	100 %	40 %	100 %	0 %	100 %	100 %	71.4 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 9

<i>Which of the following categories best</i>	Owners' Minority Status									<i>Total</i>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial	Publicly Traded	Other	

approximates your company's gross revenues for calendar year 2018. Your best estimate will suffice.	or Multi- Racial Company									
\$100,000 or less	6	8	34	0	2	0	1	0	0	51
	9 %	12.3 %	54 %	0 %	40 %	0 %	100 %	0 %	0 %	24.3 %
\$100,001 - \$250,000	2	11	6	0	0	0	0	0	0	19
	3 %	16.9 %	9.5 %	0 %	0 %	0 %	0 %	0 %	0 %	9 %
\$250,001 - \$500,000	2	4	4	0	0	0	0	1	0	11
	3 %	6.2 %	6.3 %	0 %	0 %	0 %	0 %	100 %	0 %	5.2 %
\$500,001 - \$750,000	3	4	7	0	1	0	0	0	0	15
	4.5 %	6.2 %	11.1 %	0 %	20 %	0 %	0 %	0 %	0 %	7.1 %
\$750,001 - \$1,000,000	2	10	1	0	1	0	0	0	0	14
	3 %	15.4 %	1.6 %	0 %	20 %	0 %	0 %	0 %	0 %	6.7 %
\$1,000,001 - \$1,320,000	9	3	2	0	0	0	0	0	0	14
	13.4 %	4.6 %	3.2 %	0 %	0 %	0 %	0 %	0 %	0 %	6.7 %
\$1,320,001 - \$1,500,000	2	2	2	0	0	0	0	0	0	6
	3 %	3.1 %	3.2 %	0 %	0 %	0 %	0 %	0 %	0 %	2.9 %
\$1,500,001 - \$5,000,000	18	10	3	1	1	1	0	0	2	36
	26.9 %	15.4 %	4.8 %	50 %	20 %	50 %	0 %	0 %	50 %	17.1 %
\$5,000,001 to \$10,000,000	5	10	2	0	0	0	0	0	0	17
	7.5 %	15.4 %	3.2 %	0 %	0 %	0 %	0 %	0 %	0 %	8.1 %
Over \$10 million	11	2	1	1	0	1	0	0	2	18
	16.4 %	3.1 %	1.6 %	50 %	0 %	50 %	0 %	0 %	50 %	8.6 %
Don't Know	7	1	1	0	0	0	0	0	0	9
	10.4 %	1.5 %	1.6 %	0 %	0 %	0 %	0 %	0 %	0 %	4.3 %
Total	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 10

What is your current single project bonding limit?	Owners' Minority Status									Total
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
\$100,000 or less	5	2	8	0	0	0	0	0	0	15
	7.5 %	3.1 %	12.7 %	0 %	0 %	0 %	0 %	0 %	0 %	7.1 %
\$100,001 - \$250,000	2	2	5	0	1	0	0	0	0	10
	3 %	3.1 %	7.9 %	0 %	20 %	0 %	0 %	0 %	0 %	4.8 %
\$250,001 - \$500,000	2	1	3	0	0	0	0	0	1	7
	3 %	1.5 %	4.8 %	0 %	0 %	0 %	0 %	0 %	25 %	3.3 %
\$500,001 - \$750,000	0	0	3	0	0	0	0	0	0	3
	0 %	0 %	4.8 %	0 %	0 %	0 %	0 %	0 %	0 %	1.4 %
\$750,001 - \$1,000,000	4	3	4	0	0	0	0	0	0	11
	6 %	4.6 %	6.3 %	0 %	0 %	0 %	0 %	0 %	0 %	5.2 %
\$1,000,001 - \$1,320,000	3	0	2	0	0	0	0	0	1	6
	4.5 %	0 %	3.2 %	0 %	0 %	0 %	0 %	0 %	25 %	2.9 %
\$1,320,001 - \$1,500,000	0	1	0	0	0	0	0	0	0	1
	0 %	1.5 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0.5 %
\$1,500,001 - \$5,000,000	8	2	1	0	1	0	1	0	0	13
	11.9 %	3.1 %	1.6 %	0 %	20 %	0 %	100 %	0 %	0 %	6.2 %
\$5,000,001	2	1	0	0	0	1	0	0	1	5

to \$10,000,000	3 %	1.5 %	0 %	0 %	0 %	50 %	0 %	0 %	25 %	2.4 %
Over \$10 million	2	0	1	1	0	0	0	0	0	4
Don't Know	17	14	7	0	0	1	0	1	1	41
	25.4 %	21.5 %	11.1 %	0 %	0 %	50 %	0 %	100 %	25 %	19.5 %
Not Applicable	22	39	29	1	3	0	0	0	0	94
	32.8 %	60 %	46 %	50 %	60 %	0 %	0 %	0 %	0 %	44.8 %
Total	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 11

What is the largest single contract your firm has been awarded since January 1, 2014?	Owners' Minority Status									Total
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
\$100,000 or less	19	23	21	0	1	0	1	0	0	65
	28.4 %	35.4 %	33.3 %	0 %	20 %	0 %	100 %	0 %	0 %	31 %
\$100,001 - \$250,000	5	4	6	1	1	0	0	0	0	17
	7.5 %	6.2 %	9.5 %	50 %	20 %	0 %	0 %	0 %	0 %	8.1 %
\$250,001 - \$500,000	5	9	5	0	0	0	0	0	2	21
	7.5 %	13.8 %	7.9 %	0 %	0 %	0 %	0 %	0 %	50 %	10 %
\$500,001 - \$750,000	3	0	3	0	0	0	0	0	0	6
	4.5 %	0 %	4.8 %	0 %	0 %	0 %	0 %	0 %	0 %	2.9 %
\$750,001 - \$1,000,000	8	3	3	0	0	0	0	0	0	14
	11.9 %	4.6 %	4.8 %	0 %	0 %	0 %	0 %	0 %	0 %	6.7 %
\$1,000,001 - \$1,320,000	1	3	0	0	2	0	0	0	0	6
	1.5 %	4.6 %	0 %	0 %	40 %	0 %	0 %	0 %	0 %	2.9 %
\$1,320,001 - \$1,500,000	1	2	0	0	0	0	0	0	0	3
	1.5 %	3.1 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	1.4 %
\$1,500,001 - \$5,000,000	5	6	6	0	0	0	0	0	0	17
	7.5 %	9.2 %	9.5 %	0 %	0 %	0 %	0 %	0 %	0 %	8.1 %
\$5,000,001 to \$10,000,000	2	3	0	1	0	0	0	0	1	7
	3 %	4.6 %	0 %	50 %	0 %	0 %	0 %	0 %	25 %	3.3 %
Over \$10 million	6	0	3	0	0	1	0	0	0	10
	9 %	0 %	4.8 %	0 %	0 %	50 %	0 %	0 %	0 %	4.8 %
Don't Know	5	2	0	0	0	0	0	0	1	8
	7.5 %	3.1 %	0 %	0 %	0 %	0 %	0 %	0 %	25 %	3.8 %
Not applicable	7	10	16	0	1	1	0	1	0	36
	10.4 %	15.4 %	25.4 %	0 %	20 %	50 %	0 %	100 %	0 %	17.1 %
Total	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 12

Is your company willing to do business with the	Owners' Minority Status									Total
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or	Publicly Traded Company	Other	

<b>Cuyahoga County Government?</b>	Multi-Racial									
<b>Yes</b>	67	65	62	2	5	2	1	1	4	209
	100 %	100 %	98.4 %	100 %	100 %	100 %	100 %	100 %	100 %	99.5 %
<b>No</b>	0	0	1	0	0	0	0	0	0	1
	0 %	0 %	1.6 %	0 %	0 %	0 %	0 %	0 %	0 %	0.5 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 13

<b>Do you believe your business is qualified to do business with the Cuyahoga County Government?</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Yes</b>	67	62	60	2	5	2	1	1	4	204
	100 %	95.4 %	95.2 %	100 %	100 %	100 %	100 %	100 %	100 %	97.1 %
<b>No</b>	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
<b>Not sure</b>	0	3	3	0	0	0	0	0	0	6
	0 %	4.6 %	4.8 %	0 %	0 %	0 %	0 %	0 %	0 %	2.9 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 14

<b>Is your company currently registered as a vendor with the Cuyahoga County Government?</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Yes</b>	61	57	47	2	3	2	0	1	4	177
	91 %	87.7 %	74.6 %	100 %	60 %	100 %	0 %	100 %	100 %	84.3 %
<b>No</b>	6	8	16	0	2	0	1	0	0	33
	9 %	12.3 %	25.4 %	0 %	40 %	0 %	100 %	0 %	0 %	15.7 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 15

<b>Is your company registered to do business with any other government entity</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	

<i>(including but not limited to: Ohio Department of Transportation, State of Ohio or City of Cleveland)?</i>										
<b>Yes</b>	57	49	53	2	4	2	1	1	4	173
	85.1 %	75.4 %	84.1 %	100 %	80 %	100 %	100 %	100 %	100 %	82.4 %
<b>No</b>	10	16	10	0	1	0	0	0	0	37
	14.9 %	24.6 %	15.9 %	0 %	20 %	0 %	0 %	0 %	0 %	17.6 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 16

<i>Why is your company not registered to do business with the Cuyahoga County Government? Indicate all that apply. [Do not know how to register?]</i>	<i>Owners' Minority Status</i>									<i>Total</i>
	<i>Non-Minority</i>	<i>Woman</i>	<i>African American</i>	<i>Asian American</i>	<i>Hispanic American</i>	<i>Native American</i>	<i>Bi-Racial or Multi-Racial</i>	<i>Publicly Traded Company</i>	<i>Other</i>	
<b>Not Selected</b>	4	7	12	0	2	0	1	0	0	26
	66.7 %	87.5 %	75 %	0 %	100 %	0 %	100 %	0 %	0 %	78.8 %
<b>Selected</b>	2	1	4	0	0	0	0	0	0	7
	33.3 %	12.5 %	25 %	0 %	0 %	0 %	0 %	0 %	0 %	21.2 %
<b>Total</b>	6	8	16	0	2	0	1	0	0	33
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 17

<i>Did not know there was a registry?</i>	<i>Owners' Minority Status</i>									<i>Total</i>
	<i>Non-Minority</i>	<i>Woman</i>	<i>African American</i>	<i>Asian American</i>	<i>Hispanic American</i>	<i>Native American</i>	<i>Bi-Racial or Multi-Racial</i>	<i>Publicly Traded Company</i>	<i>Other</i>	
<b>Not Selected</b>	1	7	10	0	1	0	0	0	0	19
	16.7 %	87.5 %	62.5 %	0 %	50 %	0 %	0 %	0 %	0 %	57.6 %
<b>Selected</b>	5	1	6	0	1	0	1	0	0	14
	83.3 %	12.5 %	37.5 %	0 %	50 %	0 %	100 %	0 %	0 %	42.4 %
<b>Total</b>	6	8	16	0	2	0	1	0	0	33
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 18

<i>Do not see any benefit in registering?</i>	<i>Owners' Minority Status</i>									<i>Total</i>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	6 100 %	6 75 %	14 87.5 %	0 0 %	2 100 %	0 0 %	1 100 %	0 0 %	0 0 %	29 87.9 %
<b>Selected</b>	0 0 %	2 25 %	2 12.5 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	4 12.1 %
<b>Total</b>	6 100 %	8 100 %	16 100 %	0 100 %	2 100 %	0 100 %	1 100 %	0 100 %	0 100 %	33 100 %

Table 19

<i>Do not want to do business with government?</i>	<i>Owners' Minority Status</i>									<i>Total</i>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	6 100 %	8 100 %	15 93.8 %	0 0 %	2 100 %	0 0 %	1 100 %	0 0 %	0 0 %	32 97 %
<b>Selected</b>	0 0 %	0 0 %	1 6.2 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 3 %
<b>Total</b>	6 100 %	8 100 %	16 100 %	0 100 %	2 100 %	0 100 %	1 100 %	0 100 %	0 100 %	33 100 %

Table 20

<i>Do not want to do business with the Cuyahoga County Government?</i>	<i>Owners' Minority Status</i>									<i>Total</i>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	6 100 %	8 100 %	15 93.8 %	0 0 %	2 100 %	0 0 %	1 100 %	0 0 %	0 0 %	32 97 %
<b>Selected</b>	0 0 %	0 0 %	1 6.2 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 3 %
<b>Total</b>	6 100 %	8 100 %	16 100 %	0 100 %	2 100 %	0 100 %	1 100 %	0 100 %	0 100 %	33 100 %

Table 21

<i>Do not see opportunities in my field of work?</i>	<i>Owners' Minority Status</i>									<i>Total</i>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	6 100 %	6 75 %	13 81.2 %	0 0 %	2 100 %	0 0 %	1 100 %	0 0 %	0 0 %	28 84.8 %
<b>Selected</b>	0 0 %	2 25 %	3 18.8 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	5 15.2 %
<b>Total</b>	6 100 %	8 100 %	16 100 %	0 100 %	2 100 %	0 100 %	1 100 %	0 100 %	0 100 %	33 100 %

100 % 100 % 100 % 100 % 100 % 100 % 100 % 100 % 100 % 100 %

Table 22

<b>Do not believe firm would be awarded contract?</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	5	6	14	0	2	0	1	0	0	28
	83.3 %	75 %	87.5 %	0 %	100 %	0 %	100 %	0 %	0 %	84.8 %
<b>Selected</b>	1	2	2	0	0	0	0	0	0	5
	16.7 %	25 %	12.5 %	0 %	0 %	0 %	0 %	0 %	0 %	15.2 %
<b>Total</b>	6	8	16	0	2	0	1	0	0	33
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 23

<b>Other, please specify</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	6	7	13	0	1	0	1	0	0	28
	100 %	87.5 %	81.2 %	0 %	50 %	0 %	100 %	0 %	0 %	84.8 %
<b>Selected</b>	0	1	3	0	1	0	0	0	0	5
	0 %	12.5 %	18.8 %	0 %	50 %	0 %	0 %	0 %	0 %	15.2 %
<b>Total</b>	6	8	16	0	2	0	1	0	0	33
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 24

<b>From January 1, 2014 through December 31, 2018, how many times has your company submitted bids or proposals for projects as prime contractor on: [Cuyahoga County Government Public Projects]</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>None</b>	21	26	32	0	4	1	1	1	2	88

	31.3 %	40 %	50.8 %	0 %	80 %	50 %	100 %	100 %	50 %	41.9 %
<b>1-10</b>	18	21	27	1	1	1	0	0	0	69
	26.9 %	32.3 %	42.9 %	50 %	20 %	50 %	0 %	0 %	0 %	32.9 %
<b>11-25</b>	7	3	0	0	0	0	0	0	1	11
	10.4 %	4.6 %	0 %	0 %	0 %	0 %	0 %	0 %	25 %	5.2 %
<b>26-50</b>	3	2	0	0	0	0	0	0	0	5
	4.5 %	3.1 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	2.4 %
<b>51-100</b>	2	0	0	0	0	0	0	0	0	2
	3 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	1 %
<b>Over 100</b>	2	2	0	0	0	0	0	0	1	5
	3 %	3.1 %	0 %	0 %	0 %	0 %	0 %	0 %	25 %	2.4 %
<b>Don't Know/NA</b>	14	11	4	1	0	0	0	0	0	30
	20.9 %	16.9 %	6.3 %	50 %	0 %	0 %	0 %	0 %	0 %	14.3 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 25

<b>Private Sector Projects</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>None</b>	18	15	22	0	3	1	0	1	2	62
	26.9 %	23.1 %	34.9 %	0 %	60 %	50 %	0 %	100 %	50 %	29.5 %
<b>1-10</b>	13	12	22	0	2	0	1	0	0	50
	19.4 %	18.5 %	34.9 %	0 %	40 %	0 %	100 %	0 %	0 %	23.8 %
<b>11-25</b>	3	2	7	0	0	0	0	0	0	12
	4.5 %	3.1 %	11.1 %	0 %	0 %	0 %	0 %	0 %	0 %	5.7 %
<b>26-50</b>	4	7	0	0	0	0	0	0	0	11
	6 %	10.8 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	5.2 %
<b>51-100</b>	1	3	2	0	0	0	0	0	0	6
	1.5 %	4.6 %	3.2 %	0 %	0 %	0 %	0 %	0 %	0 %	2.9 %
<b>Over 100</b>	17	15	4	0	0	0	0	0	2	38
	25.4 %	23.1 %	6.3 %	0 %	0 %	0 %	0 %	0 %	50 %	18.1 %
<b>Don't Know/NA</b>	11	11	6	2	0	1	0	0	0	31
	16.4 %	16.9 %	9.5 %	100 %	0 %	50 %	0 %	0 %	0 %	14.8 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 26

<b>Other Public Sector (non-Cuyahoga County Government Projects)</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>None</b>	18	17	22	0	3	1	0	0	1	62
	26.9 %	26.2 %	34.9 %	0 %	60 %	50 %	0 %	0 %	25 %	29.5 %
<b>1-10</b>	14	23	27	0	1	0	1	0	1	67
	20.9 %	35.4 %	42.9 %	0 %	20 %	0 %	100 %	0 %	25 %	31.9 %
<b>11-25</b>	3	7	2	0	1	0	0	0	0	13
	4.5 %	10.8 %	3.2 %	0 %	20 %	0 %	0 %	0 %	0 %	6.2 %
<b>26-50</b>	4	1	3	0	0	0	0	0	0	8
	6 %	1.5 %	4.8 %	0 %	0 %	0 %	0 %	0 %	0 %	3.8 %
<b>51-100</b>	0	0	2	0	0	0	0	0	1	3
	0 %	0 %	3.2 %	0 %	0 %	0 %	0 %	0 %	25 %	1.4 %





<b>26-50</b>	3	6	1	0	0	0	0	0	0	10
	4.5 %	9.2 %	1.6 %	0 %	0 %	0 %	0 %	0 %	0 %	4.8 %
<b>51-100</b>	4	3	1	0	0	0	0	0	0	8
	6 %	4.6 %	1.6 %	0 %	0 %	0 %	0 %	0 %	0 %	3.8 %
<b>Over 100</b>	10	11	2	0	0	0	0	0	2	25
	14.9 %	16.9 %	3.2 %	0 %	0 %	0 %	0 %	0 %	50 %	11.9 %
<b>Don't Know/NA</b>	12	11	5	1	0	1	0	0	1	31
	17.9 %	16.9 %	7.9 %	50 %	0 %	50 %	0 %	0 %	25 %	14.8 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 29

<b>Other Public Sector (non-Cuyahoga County Government Projects)</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>None</b>	21	22	35	1	4	1	0	1	1	86
	31.3 %	33.8 %	55.6 %	50 %	80 %	50 %	0 %	100 %	25 %	41 %
<b>1-10</b>	13	24	19	0	1	0	1	0	1	59
	19.4 %	36.9 %	30.2 %	0 %	20 %	0 %	100 %	0 %	25 %	28.1 %
<b>11-25</b>	7	2	1	0	0	0	0	0	0	10
	10.4 %	3.1 %	1.6 %	0 %	0 %	0 %	0 %	0 %	0 %	4.8 %
<b>26-50</b>	2	2	0	0	0	0	0	0	1	5
	3 %	3.1 %	0 %	0 %	0 %	0 %	0 %	0 %	25 %	2.4 %
<b>51-100</b>	2	0	1	0	0	0	0	0	0	3
	3 %	0 %	1.6 %	0 %	0 %	0 %	0 %	0 %	0 %	1.4 %
<b>Over 100</b>	9	4	1	0	0	0	0	0	1	15
	13.4 %	6.2 %	1.6 %	0 %	0 %	0 %	0 %	0 %	25 %	7.1 %
<b>Don't Know/NA</b>	13	11	6	1	0	1	0	0	0	32
	19.4 %	16.9 %	9.5 %	50 %	0 %	50 %	0 %	0 %	0 %	15.2 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 30

<b>Approximately how many times did you bid to be a subcontractor on a Cuyahoga County Government project from January 1, 2014 through December 31, 2018?</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>None</b>	45	33	35	1	3	1	1	0	4	123
	67.2 %	50.8 %	55.6 %	50 %	60 %	50 %	100 %	0 %	100 %	58.6 %
<b>1-10</b>	4	17	23	1	0	0	0	0	0	45
	6 %	26.2 %	36.5 %	50 %	0 %	0 %	0 %	0 %	0 %	21.4 %
<b>11-25</b>	4	3	0	0	1	0	0	0	0	8
	6 %	4.6 %	0 %	0 %	20 %	0 %	0 %	0 %	0 %	3.8 %

<b>26-50</b>	4	0	2	0	1	1	0	0	0	8
	6 %	0 %	3.2 %	0 %	20 %	50 %	0 %	0 %	0 %	3.8 %
<b>51-100</b>	1	1	0	0	0	0	0	0	0	2
	1.5 %	1.5 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	1 %
<b>Over 100</b>	0	1	0	0	0	0	0	0	0	1
	0 %	1.5 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0.5 %
<b>Don't Know</b>	9	10	3	0	0	0	0	1	0	23
	13.4 %	15.4 %	4.8 %	0 %	0 %	0 %	0 %	100 %	0 %	11 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 31

<b>Approximately how many times did you serve as a subcontractor on a Cuyahoga County Government project from January 1, 2014 through December 31, 2018?</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>None</b>	47	41	54	1	5	1	1	1	4	155
	70.1 %	63.1 %	85.7 %	50 %	100 %	50 %	100 %	100 %	100 %	73.8 %
<b>1-10</b>	13	11	8	0	0	0	0	0	0	32
	19.4 %	16.9 %	12.7 %	0 %	0 %	0 %	0 %	0 %	0 %	15.2 %
<b>11-25</b>	0	2	0	0	0	0	0	0	0	2
	0 %	3.1 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	1 %
<b>26-50</b>	0	1	0	0	0	1	0	0	0	2
	0 %	1.5 %	0 %	0 %	0 %	50 %	0 %	0 %	0 %	1 %
<b>51-100</b>	0	1	0	1	0	0	0	0	0	2
	0 %	1.5 %	0 %	50 %	0 %	0 %	0 %	0 %	0 %	1 %
<b>Over 100</b>	0	1	0	0	0	0	0	0	0	1
	0 %	1.5 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0.5 %
<b>Don't Know</b>	7	8	1	0	0	0	0	0	0	16
	10.4 %	12.3 %	1.6 %	0 %	0 %	0 %	0 %	0 %	0 %	7.6 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 32

<b>The following is a list of things that may prevent companies from bidding or obtaining work on a project. In your experience, have any of</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	

<i>the following been a barrier to your firm obtaining work on Cuyahoga County Government projects? (check all that apply) [Excessive experience requirements]</i>										
<b>Not Selected</b>	64	62	52	2	4	2	1	1	4	192
	95.5 %	95.4 %	82.5 %	100 %	80 %	100 %	100 %	100 %	100 %	91.4 %
<b>Selected</b>	3	3	11	0	1	0	0	0	0	18
	4.5 %	4.6 %	17.5 %	0 %	20 %	0 %	0 %	0 %	0 %	8.6 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 33

<i>Performance bond requirements</i>	<i>Owners' Minority Status</i>									<i>Total</i>
	<i>Non-Minority</i>	<i>Woman</i>	<i>African American</i>	<i>Asian American</i>	<i>Hispanic American</i>	<i>Native American</i>	<i>Bi-Racial or Multi-Racial</i>	<i>Publicly Traded Company</i>	<i>Other</i>	
<b>Not Selected</b>	63	57	51	2	5	2	1	1	4	186
	94 %	87.7 %	81 %	100 %	100 %	100 %	100 %	100 %	100 %	88.6 %
<b>Selected</b>	4	8	12	0	0	0	0	0	0	24
	6 %	12.3 %	19 %	0 %	0 %	0 %	0 %	0 %	0 %	11.4 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 34

<i>Excessive paperwork</i>	<i>Owners' Minority Status</i>									<i>Total</i>
	<i>Non-Minority</i>	<i>Woman</i>	<i>African American</i>	<i>Asian American</i>	<i>Hispanic American</i>	<i>Native American</i>	<i>Bi-Racial or Multi-Racial</i>	<i>Publicly Traded Company</i>	<i>Other</i>	
<b>Not Selected</b>	60	53	50	2	4	2	1	1	4	177
	89.6 %	81.5 %	79.4 %	100 %	80 %	100 %	100 %	100 %	100 %	84.3 %
<b>Selected</b>	7	12	13	0	1	0	0	0	0	33
	10.4 %	18.5 %	20.6 %	0 %	20 %	0 %	0 %	0 %	0 %	15.7 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 35

<i>Bid bond requirements</i>	<i>Owners' Minority Status</i>									<i>Total</i>
	<i>Non-</i>	<i>Woman</i>	<i>African</i>	<i>Asian</i>	<i>Hispanic</i>	<i>Native</i>	<i>Bi-</i>	<i>Publicly</i>	<i>Other</i>	





<b>Selected</b>	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 43

<b>Lack of experience</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	65	63	56	2	5	2	1	1	4	199
	97 %	96.9 %	88.9 %	100 %	100 %	100 %	100 %	100 %	100 %	94.8 %
<b>Selected</b>	2	2	7	0	0	0	0	0	0	11
	3 %	3.1 %	11.1 %	0 %	0 %	0 %	0 %	0 %	0 %	5.2 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 44

<b>Lack of personnel</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	66	61	57	2	5	2	0	1	4	198
	98.5 %	93.8 %	90.5 %	100 %	100 %	100 %	0 %	100 %	100 %	94.3 %
<b>Selected</b>	1	4	6	0	0	0	1	0	0	12
	1.5 %	6.2 %	9.5 %	0 %	0 %	0 %	100 %	0 %	0 %	5.7 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 45

<b>Contract too large</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	63	59	52	2	4	2	1	1	4	188
	94 %	90.8 %	82.5 %	100 %	80 %	100 %	100 %	100 %	100 %	89.5 %
<b>Selected</b>	4	6	11	0	1	0	0	0	0	22
	6 %	9.2 %	17.5 %	0 %	20 %	0 %	0 %	0 %	0 %	10.5 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 46

<b>Contract too expensive</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-	Woman	African	Asian	Hispanic	Native	Bi-	Publicly	Other	





Table 50

<b>Unfair competition with large firms</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	56	52	38	2	3	2	1	1	4	159
	83.6 %	80 %	60.3 %	100 %	60 %	100 %	100 %	100 %	100 %	75.7 %
<b>Selected</b>	11	13	25	0	2	0	0	0	0	51
	16.4 %	20 %	39.7 %	0 %	40 %	0 %	0 %	0 %	0 %	24.3 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 51

<b>None of the above</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	33	42	49	0	4	2	1	0	1	132
	49.3 %	64.6 %	77.8 %	0 %	80 %	100 %	100 %	0 %	25 %	62.9 %
<b>Selected</b>	34	23	14	2	1	0	0	1	3	78
	50.7 %	35.4 %	22.2 %	100 %	20 %	0 %	0 %	100 %	75 %	37.1 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 52

<b>How long does it typically take to receive payment from the Cuyahoga County Government for work performed on Cuyahoga County Government projects?</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Less than 30 days</b>	6	5	5	0	0	0	0	0	0	16
	9 %	7.7 %	7.9 %	0 %	0 %	0 %	0 %	0 %	0 %	7.6 %
<b>30-60 days</b>	26	15	13	0	0	1	0	1	2	58
	38.8 %	23.1 %	20.6 %	0 %	0 %	50 %	0 %	100 %	50 %	27.6 %
<b>60-90 days</b>	4	7	2	0	0	1	0	0	1	15
	6 %	10.8 %	3.2 %	0 %	0 %	50 %	0 %	0 %	25 %	7.1 %
<b>90-120 days</b>	3	1	0	0	0	0	0	0	0	4
	4.5 %	1.5 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	1.9 %
<b>Over 120 days</b>	2	0	1	0	0	0	0	0	0	3
	3 %	0 %	1.6 %	0 %	0 %	0 %	0 %	0 %	0 %	1.4 %
<b>Don't</b>	26	37	42	2	5	0	1	0	1	114



Table 56

<b>DBE (Disadvantaged Business Enterprise)</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Yes</b>	1 3.3 %	11 20.8 %	35 66 %	1 100 %	2 50 %	0 0 %	1 100 %	0 0 %	0 0 %	51 35.7 %
<b>No</b>	21 70 %	32 60.4 %	13 24.5 %	0 0 %	2 50 %	1 100 %	0 0 %	0 0 %	0 0 %	69 48.3 %
<b>N/A</b>	8 26.7 %	10 18.9 %	5 9.4 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	23 16.1 %
<b>Total</b>	30 100 %	53 100 %	53 100 %	1 100 %	4 100 %	1 100 %	1 100 %	0 100 %	0 100 %	143 100 %

Table 57

<b>SBE (Small Business Enterprise)</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Yes</b>	29 96.7 %	41 77.4 %	40 75.5 %	1 100 %	2 50 %	0 0 %	0 0 %	0 0 %	0 0 %	113 79 %
<b>No</b>	0 0 %	10 18.9 %	11 20.8 %	0 0 %	2 50 %	1 100 %	1 100 %	0 0 %	0 0 %	25 17.5 %
<b>N/A</b>	1 3.3 %	2 3.8 %	2 3.8 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	5 3.5 %
<b>Total</b>	30 100 %	53 100 %	53 100 %	1 100 %	4 100 %	1 100 %	1 100 %	0 100 %	0 100 %	143 100 %

Table 58

<b>Why is your company not certified as a Small, Minority, Woman or Disadvantaged Business Enterprise? [I do not understand the certification process]</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	28 77.8 %	9 81.8 %	9 90 %	1 100 %	1 100 %	1 100 %	0 0 %	1 100 %	2 66.7 %	52 81.2 %
<b>Selected</b>	8 22.2 %	2 18.2 %	1 10 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 33.3 %	12 18.8 %
<b>Total</b>	36 100 %	11 100 %	10 100 %	1 100 %	1 100 %	1 100 %	0 100 %	1 100 %	3 100 %	64 100 %

Table 59

<b>We do not meet one or more of the requirements for certification</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	16	10	8	1	1	1	0	0	1	38
	44.4 %	90.9 %	80 %	100 %	100 %	100 %	0 %	0 %	33.3 %	59.4 %
<b>Selected</b>	20	1	2	0	0	0	0	1	2	26
	55.6 %	9.1 %	20 %	0 %	0 %	0 %	0 %	100 %	66.7 %	40.6 %
<b>Total</b>	36	11	10	1	1	1	0	1	3	64
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 60

<b>Certification is too expensive</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	34	9	8	1	1	1	0	1	3	58
	94.4 %	81.8 %	80 %	100 %	100 %	100 %	0 %	100 %	100 %	90.6 %
<b>Selected</b>	2	2	2	0	0	0	0	0	0	6
	5.6 %	18.2 %	20 %	0 %	0 %	0 %	0 %	0 %	0 %	9.4 %
<b>Total</b>	36	11	10	1	1	1	0	1	3	64
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 61

<b>I do not want the Cuyahoga County Government to have information about my company</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not Selected</b>	36	11	10	1	1	1	0	1	3	64
	100 %	100 %	100 %	100 %	100 %	100 %	0 %	100 %	100 %	100 %
<b>Selected</b>	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
<b>Total</b>	36	11	10	1	1	1	0	1	3	64
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 62

<b>I have not had time to get certified/the process is too time-consuming</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Not</b>	34	8	7	1	0	0	0	1	3	54



<b>Approved</b>										
<b>Applied, Some</b>	0	0	1	0	0	0	0	0	0	1
	0 %	0 %	1.6 %	0 %	0 %	0 %	0 %	0 %	0 %	0.5 %
<b>Approved</b>										
<b>Applied, All</b>	0	1	1	0	0	0	0	0	0	2
	0 %	1.5 %	1.6 %	0 %	0 %	0 %	0 %	0 %	0 %	1 %
<b>Approved</b>										
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 66

<b>Operating capital loan?</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Never Applied</b>	58	52	48	1	5	1	1	1	2	169
	86.6 %	80 %	76.2 %	50 %	100 %	50 %	100 %	100 %	50 %	80.5 %
<b>Applied, Never Approved</b>	0	0	7	0	0	0	0	0	0	7
	0 %	0 %	11.1 %	0 %	0 %	0 %	0 %	0 %	0 %	3.3 %
<b>Applied, Some Approved</b>	0	1	4	0	0	0	0	0	0	5
	0 %	1.5 %	6.3 %	0 %	0 %	0 %	0 %	0 %	0 %	2.4 %
<b>Applied, All Approved</b>	9	12	4	1	0	1	0	0	2	29
	13.4 %	18.5 %	6.3 %	50 %	0 %	50 %	0 %	0 %	50 %	13.8 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 67

<b>Equipment loan?</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Never Applied</b>	54	57	49	2	5	0	1	1	2	171
	80.6 %	87.7 %	77.8 %	100 %	100 %	0 %	100 %	100 %	50 %	81.4 %
<b>Applied, Never Approved</b>	0	0	3	0	0	0	0	0	0	3
	0 %	0 %	4.8 %	0 %	0 %	0 %	0 %	0 %	0 %	1.4 %
<b>Applied, Some Approved</b>	0	0	5	0	0	0	0	0	0	5
	0 %	0 %	7.9 %	0 %	0 %	0 %	0 %	0 %	0 %	2.4 %
<b>Applied, All Approved</b>	13	8	6	0	0	2	0	0	2	31
	19.4 %	12.3 %	9.5 %	0 %	0 %	100 %	0 %	0 %	50 %	14.8 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 68

<b>Commercial/Professional liability insurance?</b>	<b>Owners' Minority Status</b>	<b>Total</b>
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	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Never Applied</b>	23 34.3 %	19 29.2 %	18 28.6 %	1 50 %	2 40 %	0 0 %	0 0 %	0 0 %	3 75 %	66 31.4 %
<b>Applied, Never Approved</b>	0 0 %	0 0 %	1 1.6 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 0.5 %
<b>Applied, Some Approved</b>	0 0 %	1 1.5 %	3 4.8 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	4 1.9 %
<b>Applied, All Approved</b>	44 65.7 %	45 69.2 %	41 65.1 %	1 50 %	3 60 %	2 100 %	1 100 %	1 100 %	1 25 %	139 66.2 %
<b>Total</b>	67 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	210 100 %

Table 69

<b>What was the largest commercial loan you received from January 1, 2014 through December 31, 2018?</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>\$50,000 or less</b>	11 16.4 %	10 15.4 %	14 22.2 %	0 0 %	1 20 %	0 0 %	0 0 %	0 0 %	0 0 %	36 17.1 %
<b>\$50,001 - \$100,000</b>	4 6 %	7 10.8 %	2 3.2 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	13 6.2 %
<b>\$100,001 - \$300,000</b>	4 6 %	5 7.7 %	4 6.3 %	0 0 %	0 0 %	2 100 %	0 0 %	0 0 %	1 25 %	16 7.6 %
<b>\$300,001 - \$500,000</b>	2 3 %	3 4.6 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 25 %	6 2.9 %
<b>\$500,001 - \$1,000,000</b>	2 3 %	4 6.2 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	6 2.9 %
<b>\$1,000,001 - \$3,000,000</b>	3 4.5 %	1 1.5 %	2 3.2 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	6 2.9 %
<b>\$3,000,001 - \$5,000,000</b>	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
<b>\$5,000,001 to \$10,000,000</b>	0 0 %	1 1.5 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	1 0.5 %
<b>over \$10,000,000</b>	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %	0 0 %
<b>Don't Know/NA</b>	41 61.2 %	34 52.3 %	41 65.1 %	2 100 %	4 80 %	0 0 %	1 100 %	1 100 %	2 50 %	126 60 %
<b>Total</b>	67 100 %	65 100 %	63 100 %	2 100 %	5 100 %	2 100 %	1 100 %	1 100 %	4 100 %	210 100 %

Table 70

<b>How many times have you been denied a</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial	Publicly Traded	Other	

<i>commercial (business) bank loan from January 1, 2014 through December 31, 2018?</i>	or Company Multi- Racial									
	None	49	54	29	2	3	2	0	0	
	73.1 %	84.4 %	46.8 %	100 %	60 %	100 %	0 %	0 %	50 %	67.8 %
<b>1-10</b>	5	3	24	0	0	0	0	0	0	32
	7.5 %	4.7 %	38.7 %	0 %	0 %	0 %	0 %	0 %	0 %	15.4 %
<b>11-25</b>	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
<b>26-50</b>	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
<b>51-100</b>	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
<b>Over 100</b>	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
<b>Don't Know/NA</b>	13	7	9	0	2	0	1	1	2	35
	19.4 %	10.9 %	14.5 %	0 %	40 %	0 %	100 %	100 %	50 %	16.8 %
<b>Total</b>	67	64	62	2	5	2	1	1	4	208
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 71

<i>Of the items your company was denied, what was the denial reason? [Business start-up loan?]</i>	Owners' Minority Status									<b>Total</b>
	Non- Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi- Racial or Multi- Racial	Publicly Traded Company	Other	
<b>Insufficient Documentation</b>	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
<b>Insufficient Business History</b>	0	0	1	0	0	0	0	0	0	1
	0 %	0 %	20 %	0 %	0 %	0 %	0 %	0 %	0 %	20 %
<b>Confusion about Process</b>	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
<b>Credit History</b>	0	0	3	0	0	0	0	0	0	3
	0 %	0 %	60 %	0 %	0 %	0 %	0 %	0 %	0 %	60 %
<b>Don't Know</b>	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
<b>N/A</b>	0	0	1	0	0	0	0	0	0	1
	0 %	0 %	20 %	0 %	0 %	0 %	0 %	0 %	0 %	20 %
<b>Total</b>	0	0	5	0	0	0	0	0	0	5
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 72

<i>Operating capital loan?</i>	Owners' Minority Status									<b>Total</b>
	Non- Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi- Racial or Multi- Racial	Publicly Traded Company	Other	





<b>Don't Know</b>	0	0	0	0	0	0	0	0	0	0
	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %	0 %
<b>N/A</b>	0	1	3	0	0	0	0	0	0	4
	0 %	100 %	75 %	0 %	0 %	0 %	0 %	0 %	0 %	80 %
<b>Total</b>	0	1	4	0	0	0	0	0	0	5
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 75

<b>Do you feel as though you experienced discriminatory behavior from the private sector (i.e., non-governmental entities) from January 1, 2014 through December 31, 2018?</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Yes</b>	4	4	26	0	1	0	0	0	0	35
	6 %	6.2 %	41.3 %	0 %	20 %	0 %	0 %	0 %	0 %	16.7 %
<b>No</b>	59	48	27	2	3	2	1	1	3	146
	88.1 %	73.8 %	42.9 %	100 %	60 %	100 %	100 %	100 %	75 %	69.5 %
<b>Don't Know</b>	4	13	10	0	1	0	0	0	1	29
	6 %	20 %	15.9 %	0 %	20 %	0 %	0 %	0 %	25 %	13.8 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 76

<b>From January 1, 2014 through December 31, 2018, how often has your company experienced any racial, gender, or ethnic discrimination from the Cuyahoga County Government or its personnel?</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Never</b>	59	50	34	2	3	1	1	1	3	154
	88.1 %	76.9 %	54 %	100 %	60 %	50 %	100 %	100 %	75 %	73.3 %
<b>Seldom</b>	2	1	4	0	0	1	0	0	0	8
	3 %	1.5 %	6.3 %	0 %	0 %	50 %	0 %	0 %	0 %	3.8 %
<b>Often</b>	0	2	4	0	0	0	0	0	0	6
	0 %	3.1 %	6.3 %	0 %	0 %	0 %	0 %	0 %	0 %	2.9 %
<b>Very Often</b>	0	0	3	0	0	0	0	0	0	3

	0 %	0 %	4.8 %	0 %	0 %	0 %	0 %	0 %	0 %	1.4 %
<b>Don't Know</b>	6	12	18	0	2	0	0	0	1	39
	9 %	18.5 %	28.6 %	0 %	40 %	0 %	0 %	0 %	25 %	18.6 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 77

<b>Do you believe there is an informal network of prime and subcontractors doing business with the Cuyahoga County Government that monopolize the public contracting process?</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Yes</b>	20	30	46	0	4	2	1	0	0	103
	29.9 %	46.2 %	73 %	0 %	80 %	100 %	100 %	0 %	0 %	49 %
<b>No</b>	47	35	17	2	1	0	0	1	4	107
	70.1 %	53.8 %	27 %	100 %	20 %	0 %	0 %	100 %	100 %	51 %
<b>Total</b>	67	65	63	2	5	2	1	1	4	210
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 78

<b>Please tell us if you strongly agree, agree, neither agree or disagree, disagree or strongly disagree with each of the following statements: [My company's exclusion from this informal network has prevented us from winning contracts with the Cuyahoga County</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	

<b>Government.]</b>										
<b>Strongly agree</b>	1	3	11	0	0	0	0	0	0	15
	5 %	10 %	23.9 %	0 %	0 %	0 %	0 %	0 %	0 %	14.6 %
<b>Agree</b>	6	13	13	0	2	0	0	0	0	34
	30 %	43.3 %	28.3 %	0 %	50 %	0 %	0 %	0 %	0 %	33 %
<b>Neither agree or disagree</b>	9	13	19	0	2	1	1	0	0	45
	45 %	43.3 %	41.3 %	0 %	50 %	50 %	100 %	0 %	0 %	43.7 %
<b>Disagree</b>	2	1	2	0	0	0	0	0	0	5
	10 %	3.3 %	4.3 %	0 %	0 %	0 %	0 %	0 %	0 %	4.9 %
<b>Strongly disagree</b>	2	0	1	0	0	1	0	0	0	4
	10 %	0 %	2.2 %	0 %	0 %	50 %	0 %	0 %	0 %	3.9 %
<b>Total</b>	20	30	46	0	4	2	1	0	0	103
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 79

<b>Double standards in qualifications and work performance make it more difficult for minority and women-owned businesses to win bids or contracts.</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Strongly agree</b>	0	4	19	0	0	0	0	0	0	23
	0 %	6.2 %	30.2 %	0 %	0 %	0 %	0 %	0 %	0 %	11 %
<b>Agree</b>	1	9	21	0	0	0	1	0	0	32
	1.5 %	13.8 %	33.3 %	0 %	0 %	0 %	100 %	0 %	0 %	15.3 %
<b>Neither agree or disagree</b>	42	37	20	1	4	0	0	1	1	106
	63.6 %	56.9 %	31.7 %	50 %	80 %	0 %	0 %	100 %	25 %	50.7 %
<b>Disagree</b>	9	9	3	1	1	1	0	0	2	26
	13.6 %	13.8 %	4.8 %	50 %	20 %	50 %	0 %	0 %	50 %	12.4 %
<b>Strongly disagree</b>	14	6	0	0	0	1	0	0	1	22
	21.2 %	9.2 %	0 %	0 %	0 %	50 %	0 %	0 %	25 %	10.5 %
<b>Total</b>	66	65	63	2	5	2	1	1	4	209
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 80

<b>The Cuyahoga County Government is generally accommodating to the language needs of its vendor community.</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Strongly agree</b>	3	3	5	0	0	0	0	0	1	12
	4.5 %	4.6 %	8.1 %	0 %	0 %	0 %	0 %	0 %	25 %	5.8 %
<b>Agree</b>	15	13	13	0	2	0	0	1	3	47
	22.7 %	20 %	21 %	0 %	40 %	0 %	0 %	100 %	75 %	22.6 %

Neither agree or disagree	45	44	40	2	3	2	1	0	0	137
	68.2 %	67.7 %	64.5 %	100 %	60 %	100 %	100 %	0 %	0 %	65.9 %
Disagree	3	4	3	0	0	0	0	0	0	10
	4.5 %	6.2 %	4.8 %	0 %	0 %	0 %	0 %	0 %	0 %	4.8 %
Strongly disagree	0	1	1	0	0	0	0	0	0	2
	0 %	1.5 %	1.6 %	0 %	0 %	0 %	0 %	0 %	0 %	1 %
Total	66	65	62	2	5	2	1	1	4	208
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 81

<b>Sometimes, a prime contractor will contact a minority- or woman-owned business to ask for quotes but never give the proposal sufficient review to consider giving that firm the award.</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
Strongly agree	1	6	21	0	0	0	0	0	0	28
	1.5 %	9.2 %	33.3 %	0 %	0 %	0 %	0 %	0 %	0 %	13.4 %
Agree	5	12	15	0	3	0	0	0	1	36
	7.6 %	18.5 %	23.8 %	0 %	60 %	0 %	0 %	0 %	25 %	17.2 %
Neither agree or disagree	52	42	25	2	2	1	1	1	2	128
	78.8 %	64.6 %	39.7 %	100 %	40 %	50 %	100 %	100 %	50 %	61.2 %
Disagree	4	5	1	0	0	1	0	0	0	11
	6.1 %	7.7 %	1.6 %	0 %	0 %	50 %	0 %	0 %	0 %	5.3 %
Strongly disagree	4	0	1	0	0	0	0	0	1	6
	6.1 %	0 %	1.6 %	0 %	0 %	0 %	0 %	0 %	25 %	2.9 %
Total	66	65	63	2	5	2	1	1	4	209
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 82

<b>Sometimes, a prime contractor will include a minority or woman subcontractor on a bid to meet participation goals, then drop the company as a subcontractor</b>	<b>Owners' Minority Status</b>									<b>Total</b>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	

<i>after winning the award.</i>										
<b>Strongly agree</b>	0	2	18	0	0	0	0	0	1	21
	0 %	3.1 %	28.6 %	0 %	0 %	0 %	0 %	0 %	25 %	10 %
<b>Agree</b>	6	17	13	0	0	1	0	0	1	38
	9.1 %	26.2 %	20.6 %	0 %	0 %	50 %	0 %	0 %	25 %	18.2 %
<b>Neither agree or disagree</b>	53	41	27	2	5	1	1	1	1	132
	80.3 %	63.1 %	42.9 %	100 %	100 %	50 %	100 %	100 %	25 %	63.2 %
<b>Disagree</b>	2	4	3	0	0	0	0	0	0	9
	3 %	6.2 %	4.8 %	0 %	0 %	0 %	0 %	0 %	0 %	4.3 %
<b>Strongly disagree</b>	5	1	2	0	0	0	0	0	1	9
	7.6 %	1.5 %	3.2 %	0 %	0 %	0 %	0 %	0 %	25 %	4.3 %
<b>Total</b>	66	65	63	2	5	2	1	1	4	209
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 83

<i>In general, M/WBE's tend to be viewed by Non-M/WBE businesses as less competent than non-minority male-owned businesses.</i>	<i>Owners' Minority Status</i>									<i>Total</i>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	
<b>Strongly agree</b>	0	4	17	0	0	0	0	0	0	21
	0 %	6.2 %	27 %	0 %	0 %	0 %	0 %	0 %	0 %	10 %
<b>Agree</b>	8	16	20	0	2	0	0	0	1	47
	12.1 %	24.6 %	31.7 %	0 %	40 %	0 %	0 %	0 %	25 %	22.5 %
<b>Neither agree or disagree</b>	44	39	24	2	3	0	1	1	2	116
	66.7 %	60 %	38.1 %	100 %	60 %	0 %	100 %	100 %	50 %	55.5 %
<b>Disagree</b>	6	2	2	0	0	0	0	0	0	10
	9.1 %	3.1 %	3.2 %	0 %	0 %	0 %	0 %	0 %	0 %	4.8 %
<b>Strongly disagree</b>	8	4	0	0	0	2	0	0	1	15
	12.1 %	6.2 %	0 %	0 %	0 %	100 %	0 %	0 %	25 %	7.2 %
<b>Total</b>	66	65	63	2	5	2	1	1	4	209
	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %

Table 84

<i>I believe that some non-minority prime contractors only utilize M/WBE companies when required to do so by the Cuyahoga</i>	<i>Owners' Minority Status</i>									<i>Total</i>
	Non-Minority	Woman	African American	Asian American	Hispanic American	Native American	Bi-Racial or Multi-Racial	Publicly Traded Company	Other	



APPENDIX G  
DATA REFORM RECOMMENDATIONS



## CUYAHOGA COUNTY DISPARITY STUDY PREFERRED DATA AND DATA REFORM RECOMMENDATIONS

### OVERVIEW

Disparity studies can be conducted with imperfect data. However, there is a preferred set of data for disparity studies. Cuyahoga County could improve its next disparity study by starting to maintain data in this preferential way.

### DISPARITY STUDY PREFERRED DATA

#### 1. General Requirements

- a. Firms should have vendor numbers that are consistent in all data files. This can be done with an auto-correct feature that recognizes names as you begin to enter them if they have been entered before.
- b. All data of a certain type e.g. award data or vendor data, should be maintained in the same data file and not in separate files.
- c. Attention should be made on what NIGP and NAICS

#### 2. Relevant Market

Relevant market is determined by the location of firms where at least 75% of the County's awards or payments are made by work category. In order to conduct this analysis, the following is needed:

- a. Firms identified by work category. It is preferred that firms have one primary commodity code and as many additional codes in which they actually do work and not just where they want notifications.
- b. Firms should all have full street addresses (not just mailing address) with zip codes in a separate cell.
- c. Award data that is in one data file by purchase order or contract number that identifies the one primary commodity code for that award.

- d. The award data should have total award amount that reflects a revised award based upon any modifications or cancellations.
- e. All award data should have a dollar amount except zero awards which should represent only those awards that have purchase orders issued against them as used.
- f. Award data should include all modifications and cancellations.

### 3. Prime Utilization

Prime Utilization is best analyzed using payment data matched against the full award. In order to conduct this analysis, the following is needed:

- a. All vendor payments should be able to be recognized separately from employee and other types of payments
- b. Contract or Purchase Order Number as a required field
- c. General Ledger Code or NIGP Code to identify with specificity what the payment is for.
- d. All contracts should be tracked in one place.

### 4. Bidders

- a. Bidders should be required to register with the County in order to bid so there is a record of all bidders within the Vendor file.
- b. Bidders should be required to submit a form with all subcontractors indicated with information about their ethnicity/race/gender information as well as the amount of the subcontractor award. That form should be maintained electronically (either in PDF or in a datafile).
- c. Bid tabulations should be kept in electronic format

### 5. Vendor

- a. Vendor contact information should be updated periodically to make sure that notifications are reaching as many firms as possible.
- b. Vendor information should include one primary commodity code that they actually do work in and up to a certain number of additional commodity codes that they also do work in.
- c. Race/gender/ethnicity should be identified (only if backed up by a certificate)

- d. Phone numbers, physical addresses, and email should be mandatory information.
  - e. Vendors should not be included in the vendor/supplier system without all information included.
6. Subcontractors
- a. All subcontractor payments should be tracked in B2GNow. Not just MWSBE subcontractors and not just goal-based contracts.
  - b. All of second tier subcontractor data should be tracked, not just up to 25%.
7. Certifications
- a. All bona fide third-party certifications should be accepted by registering with the County and identify that certification status.
  - b. All certifications claimed should be demonstrated by a certificate.
  - c. Certifications should be included in the Vendor data file.
  - 8. Several instances in almost all systems where the Vendor name is "Various Vendors" or "Various Providers". This prevents usability in analysis. Fortunately, when this happens it is usually for an award that would be excluded from analysis anyways.

## **SPECIFIC DATA ISSUES NEEDING REFORM**

- 1. All data should include an award identifier. An example of a good award identifier for analysis purposes would have the following characteristics:
  - a. One-to-one relationship between Vendor and Final Award Amount
  - b. One-to-many relationship between Award Amount and Amendments, where amendments work like line items which sum together to create the final amount. These amendments can contain negative values if needed. Buyspeed works in this way for Purchase Order line items.
  - c. The identifier is standard regardless of context: Purchase Order, Contract, Department Order, etc.
  - d. Year of award is embedded in the identifier number. This is already practiced, but some systems truncate the year.

- e. The Vendor ID is constant regardless of if there are different addresses. The vendor ID points to each unique address by Address ID. Buyspeed is already set up this way.
- f. The Vendor ID internally points to the County's certified lists and is actively updated. Ideally the certified list could be generated from the internal award system based on a simple query of the vendor table.

Below is an outline of some other issues found in the data systems used in the study period.

- 2. Amendment dates overwrite Award Dates. This may make sense in certain contexts but for analysis purposes it presents a large problem when limiting analysis to a study period. Even in the Contract Quality database, the dates in the data were dates of amendment and not award. The year embedded in the requisition/contract number alleviates this issue but not everything is a contract or has the full requisition number.
- 3. Several instances in almost all systems where the Vendor name is "Various Vendors" or "Various Providers". This prevents usability in analysis. Fortunately, when this happens it is usually for an award that would be excluded from analysis anyways.
  - a. There is a general issue where DBA names prevent accurate smoothing
  - b. General Parts, LLC
  - c. ENCORE ONE, L.L.C. DBA GENERAL PARTS, L.L.C.
  - d. Bernard R. Doyle, Inc. dba Fastsigns
  - e. FASTSIGNS, INC.
- 4. Often keys like requisition number and contract number were informally typed in descriptions and not put into their own fields. This makes it very difficult to identify things.
- 5. All Excel tables being used should be organized in such a way that each column name correctly reflects the contents of the rows under it, with as many columns needed to fully describe the entity the table represents. If data is stored correctly, it requires minimal processing for analysis. If there is software outputting data in a format that doesn't comply with these rules, it should not be used.

Columns

ROWS

Regd. No	Name	Marks%
1000	Steve	86.29
1001	Mathew	91.63
1002	Jose	72.90
1003	Patty	69.23
1004	Vin	88.30

#### OnBase Data Problems

6. OnBase is cutting off the first letter of business names. For example:
  - a. CITY OF MIDDLEBURG HEIGHTS
  - b. ITY OF MIDDLEBURG HEIGHTS
  - c. ADOPTION AND ATTACHMENT THERAPY PARTNERS, LLC
  - d. DOPTION & ATTACHMENT THERAPY PARTNERS LLC
7. OnBase has varieties of spelling for the same business meaning that the Business Name doesn't serve as a reliable index within the system itself.
8. OnBase often contains the Master Contract amount and not the individual award amounts. This presents the illusion that multiple firms are all awarded the same amount for the same contract. It is not possible to use this value for analysis.