

# CCSD

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**CHARLESTON**  
COUNTY SCHOOL DISTRICT

## **Charleston County School District Disparity Study**

October 18, 2022

**FINAL REPORT**

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## **GLOSSARY OF TERMS**

**Actual availability**—refers to firms that have affirmatively shown interest in doing business with CCSD in one or more of the following ways: bidding for a CCSD contract; being awarded a CCSD contract; or, being included on CCSD’s vendor or plan holder’s list. The difference between “actual availability” and “potential availability” may help identify and narrow down the area of availability that may be affected by discrimination, lack of outreach, lack of interest, lack of specific expertise required by the public entity, and lack of capacity.

**Active discrimination**—refers to any government entity which has directly discriminated against minority and female businesspersons through its contracting and procurement activities, or any other of its activities (e.g., employment).

**Anecdotal Interview**—interview conducted with a business owner within a particular industry, or who has contracted with a public entity, to ascertain his/her personal experiences in doing business within that industry or with that public entity.

**Availability**—the percentage of firms by race and gender in an industrial category and available to do business with a government entity.

**Awardees**—firms that receive a contract award from CCSD as reflected through contract awards, purchase orders and payments data.

**CCSD Certified MBE**—CCSD does not certify firms but does accept firms certified by South Carolina Office of Small and Minority Business Enterprises (OSMBE), County of Charleston, City of Charleston, and South Carolina DOT. MBE.

**Bidders**—firms that submitted a bid or sub-bid on a CCSD formal purchasing opportunity or submitted a quote for a CCSD informal procurement opportunities.

**Capacity**—a measure of additional work a firm can take on at a given point in time.

**Census**—a complete enumeration, usually of a population, but also of businesses and commercial establishments, farms, governments, and so forth.

**Certification**—process of qualifying a firm as being at least 51 percent owned, managed and controlled by minorities and female.

**Compelling Governmental Interest**—compelling reasons by a public entity to remedy past discriminatory treatment of racial or ethnic groups.

**Contract award data**—data gleaned from CCSD’s bid history data and contract logs that were provided to M<sup>3</sup> Consulting by CCSD’s Procurement Management Services. The contract logs represent the universe of formal competitive contracts let by CCSD.

**Crosby Requirements**—guidelines which govern any state or local political body’s attempt to enact a minority/female business enterprise program which uses set-asides, preferences, goals, or other race-conscious measures on condition that a compelling government interest exists and that the program elements are narrowly tailored.

**Data Axle**—offers comprehensive and accurate business and consumer databases, with almost 400 distinct attributes across businesses and consumers in the United States and Canada.

**Disparate Impact**—a policy or practice that, although neutral on its face, falls more harshly on a protected group. This impact may be viewed as discriminatory behavior in certain instances. The statistical analysis seeks to determine if there is any disparate impact of an agency’s policy(ies) or practice(s), intended or unintended, on protected classes.

**Disparity Ratio**—ratio of the percentage of receipts received by MBEs from a particular public entity in a specific category of work (e.g., construction), to the percentage of firms that are MBEs available to do business with that public entity; also, the public entity’s MBE utilization divided by MBE availability.

**Dodge Construction Data**—a construction market data resource that tracks construction activity by project and location. The data set also provides project specific information which includes owner of the project, value of project, type of project, general contractor, etc.

**Factual Predicate**—an analysis to determine whether there are any identified instances of past discrimination which must be particularized in a manner that provides guidance for the legislative body to determine the precise scope of the injury it seeks to remedy. It is utilized to determine whether a compelling governmental interest exists to support the utilization of race and gender-conscious remedies. The disparity study is utilized to develop the factual predicate.

**Formal Purchases**—competitive purchasing is required for contracts over \$50,000. Formal purchasing at CCSD is done using Invitations for Bid, Requests for Proposals, and Invitations to Negotiate.

**Goods and Supplies**—those traditional purchases that are "non-service" based (computers, food, parts, equipment, furniture, fixtures, etc.)

**Informal Procurement**—purchases not requiring advertising and valued at \$50,000 or less.

**Intermediate Scrutiny**—is applied to gender and age distinctions and requires the public entity to prove there is a fair and substantial relationship between the classification and the objective of the legislation.

**Local Business Preference**—a preference given to the lowest responsive and responsible vendor that has a principal place of business in in a public entity’s jurisdiction.

**Marketplace Availability**—all firms’ available in CCSD’s marketplace, as measured by Data Axle and Dodge Construction data.

**Master S/M/W/DBE List**—list of certified SBEs, MBEs, WBEs and DBEs from SC OSMBE, County of Charleston, City of Charleston, SC DOT and other certifying agencies in South Carolina and North Carolina.

**Matchmaking**—efforts to bring together potential MBEs, Non-MBEs and CCSD personnel on specific opportunities that encourages an environment of relationship building.

**Metropolitan Statistical Area (MSA)**—an area, defined by the US Census Bureau, which is an integrated economic and social unit with a population nucleus of at least 50,000 inhabitants. Each MSA consists of one or more counties meeting standards of metropolitan character.

**Minority Business Enterprise (MBE)**—firms that are at least 51% owned and controlled by minority individuals. Minority individuals are defined as: African Americans, Asian Americans, Native Americans, Hispanic Americans, Women.

**Multivariate Regression**—analyzes whether multiple variables, including race and gender, impact an outcome.

**Narrowly Tailored**—a law must be written to specifically fulfill only its intended goal. Race and gender-conscious remedial action be “narrowly tailored” to identify past or present discrimination. At least three characteristics were identified by the court as indicative of a narrowly tailored remedy:

- The program should be instituted either after, or in conjunction with, race-neutral means of increasing minority business participation; a governmental entity does not have to enact race-neutral means if they are not feasible or conducive to remedying past discrimination;
- The plan should avoid the use of rigid numerical quotas; and,
- The program must be limited in its effective scope to the boundaries of the governmental entity.

**Non-SWMBEs**—for computation of availability, utilization, and disparity tables, represents all other firms, exclusive of SWMBEs.



**Outreach**—any effort to communicate with minority or female-owned businesses regarding procurement or contracting opportunities.

**Passive Discrimination**—participating in the discriminatory or exclusive actions of other agents in the public and private sector.

**Passive Participant**—refers to any government entity which has indirectly discriminated against minority or female businesspersons by doing business with an industry or business that directly engages in discriminatory practices.

**Potential Availability**—refers to firms present in CCSD’s market beyond those “actually available,” to include those that have not bid on CCSD work or taken other affirmative steps toward doing business specifically with CCSD (as opposed to other public and private sector clients) during the study period. This availability includes firms identified under both public-sector availability and marketplace availability.

**Procurement Forecasting**—an organization and its departments determine their procurement needs for a set period.

**Public Sector Availability**—Includes lists of available firms known to various public sector agencies, including, but not limited to, CCSD in the relevant market region. These firms are closer to RWA<sup>SM</sup>, having expressed an interest in contracting opportunities with other public sector agencies with similar standards and limitations as CCSD.

**Pure Prime Utilization**—the value of prime contracts net of subcontract value.

**Practical Significance**—the most commonly used practical significance measure in the EEO context is the 4/5th or 80 percent rule, which indicates how large or small a given disparity is. An index less than 100 percent indicates that a given group is being utilized less than would be expected based on its availability, and courts have adopted the Equal Employment Opportunity Commission’s “80 percent” rule, that is, that a ratio less than 80 percent presents a prima facie case of discrimination.

**Procurement**—the acquisition of any good or services in the categories of A&E, construction, professional services, other services, and procurement.

**PUMS (Public-Use Microdata Samples)**—contains records for a sample of housing units with information on the characteristics of each unit and each person in the unit. Files are available from the American Community Survey and the Decennial Census.

**Purchase Order**—a procurement vehicle used by a government entity to acquire goods or services by opening an order for the goods and services for a specified amount.

**Race-Conscious**—any business development plan or program which uses race as a criterion for participation.

**Race-Neutral**—any business development plan or program in which race is not among the criteria for participation.

**Rational Basis Standard**—tests economic programs that do not make distinctions based on race, ethnic origin or gender. Under this standard, the moving party is required to show that the classification is not rationally related to a valid state purpose.

**Ready, Willing and Able Availability Estimate (RWA<sup>SM</sup> Estimate)**—the number of MBE firms ready and willing to perform a particular scope of work and with the ability to expand (or contract) to do the type of work required. Derived from the U.S. Supreme Court’s statement that:

Where 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 engaged by the locality or the locality’s prime contractors, an inference of discriminatory exclusion could arise.<sup>2</sup>

The first component of the model, “ready”, simply means a business exists in the market area. The second component, “willing”, suggests a business understands the requirements of the work being requested, and wants to perform the work. The third component, “able”, defines the group of firms with capacity to do the job.

**Relevant Market**—the geographic area reflecting a preponderance of commercial activity pertaining to an entity’s contracting activity based on where bidders, vendors, or awardees are located. A typical range fitting this definition is approximately 70 percent. Relevant Market categories for CCSD:

- City of Charleston
- Charleston-North Charleston MSA
- State of South Carolina
- Nationwide

**Regression Analysis**—a statistical method that analyzes how a single dependent variable may change or vary based on values of one or more independent variables. For example, the contract dollars awarded to MBEs vary based on characteristics such race, gender, years of experience, and gross annual receipts.

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<sup>2</sup>*City of Richmond v. J.A. Croson*, 109 S.Ct. 706, at 729 (1989).

**Services**—includes any provider of services, both professional and non-professional (attorney, consultant, training, landscaper, security, transportation etc.).

**Service Disabled Veteran Enterprise Program**—A race- and gender-neutral program designed to benefit service disabled veteran businesses.

**Set-Aside**—government policy in which competition for certain contracts/bid opportunities is restricted to certain firms.

**Statistical Significance**—how large or small the disparity ratio is in comparison with the observed percentages based on the statistical confidence level; also, the likelihood that a statistic will vary from a given value by more than a certain amount due to chance.

**Strict Scrutiny Standard**—is evoked if the classification is suspect, in particular, one based on race, ethnic or alien distinctions or infringements upon fundamental rights. The strict scrutiny test is the most rigorous of the three, requiring the public entity to show compelling governmental interests for making such classifications.

**Sunset Clause**—a legal or regulatory provision that stipulates the periodic review of a government agency or program to determine the need to continue its existence. For race and gender-conscious programs, this can involve a) a graduation program, b) a definite date to end the program; or c) an annual review of MBE program efficacy, goals, and utilization.

**Systemic Barrier**—entrenched discriminatory practices or policies that effectively prevent participation in economic opportunities.

**Technical Assistance**—the transfer of skills or information from one party or entity to another, through on-site consultation, conferences, brokering of services, training, or general dissemination of information.

**T-Test**—assesses whether the means of two groups are statistically different from each other.

**Utilization**—the percentage of receipts in an industrial category that are spent with a given class of firms (e.g., DBEs).

**Vendor**—any person or business entity who has come forth to a governmental entity and registered with the entity identifying the products and services they would like to supply/render.

## EXECUTIVE SUMMARY

### E.1 INTRODUCTION

#### E.1.1 PURPOSE OF DISPARITY STUDY

On July 11, 2021, Charleston County School District (CCSD) commissioned Miller<sup>3</sup> Consulting, Inc. (M<sup>3</sup> Consulting) to conduct a Disparity Study (the Study). The purpose of the study was to determine if there is evidence showing that there is disparity among ready, willing, and able disadvantaged businesses enterprises (MBEs) in Architecture and Engineering (A&E), Construction and Construction-Related Services, Professional Services, Non-Professional Services, and Goods & Supplies procurement and contracts issued by CCSD. The study period covers fiscal year (FY) 2017 to FY 2021.

#### E.1.2 OVERVIEW OF CHARLESTON COUNTY SCHOOL DISTRICT'S CURRENT RACE AND GENDER-CONSCIOUS AND RACE AND GENDER-NEUTRAL PROGRAMS

Charleston County School District's MBE initiatives are governed by SC Code § 11-35-5210. The State of South Carolina recognizes that "business firms owned and operated by minority persons have been historically restricted from full participation in the free enterprise system to a degree disproportionate to other businesses." The District has addressed the inclusion of Minority Business Enterprises (MBEs) in the CCSD Consolidated Procurement Code (CPC) to ensure that MBEs are afforded the opportunity to fully participate in the District's procurement process.<sup>3</sup> Through its efforts, the Board seeks to "enhance minority capital ownership, overall District and state economic development and reduce dependency on the part of minorities." A Minority Business Enterprise is defined as "a business holding a Certificate of Eligibility issued by the South Carolina Small and Minority Business Assistance Office (OSMBA)."

In the Minority Business Enterprise (MBE) Utilization Plan, it is thus established that the Superintendent is to develop regulations that will increase contract opportunities for Small, Minority and Women-owned businesses. These regulations are to include annual goals to measure performance.<sup>4</sup>

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<sup>3</sup> CPC at p. 63.

<sup>4</sup> Minority Business Enterprise Utilization Plan, p. 1.

### E.1.3 CROSON AND FOURTH CIRCUIT STANDARDS

In *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469, 109 S.Ct. 706 (1989), the U.S. Supreme Court established a two-pronged test for any governmental entity seeking to redress discrimination through race-conscious means:

- The governmental entity must demonstrate that there is a compelling governmental interest that supports the utilization of race-conscious initiatives; and,
- Any initiative or program must be narrowly tailored to remedy identified discrimination.

The requirements of the test can be shown in a factual predicate, which is also known as a disparity study. The methodology, findings, conclusions, and recommendations of this Disparity Study can be utilized by CCSD to determine whether it has a basis for utilizing some form of a race and gender-conscious program consistent with the U.S. Supreme Court requirements of *Richmond v. Croson*.

Narrow tailoring is the crucial element in crafting appropriate *Croson* remedies. Courts have struck down many MBE programs due to the failure of local jurisdictions to narrowly tailor their remedies. Once a factual predicate has been established, post-*Croson* case law presents several broad guidelines for crafting recommendations for MBE programs by a public entity, based on the factual predicate findings.

- Race and gender-conscious MBE programs should be instituted only after, or in conjunction with, race and gender-neutral programs.
- MBE programs should not be designed as permanent fixtures in a purchasing system without regard to eradicating bias in standard purchasing operations or in private sector contracting. Consequently, each MBE program should have a sunset provision, as well as provisions for regular review. Additionally, there is the implication that reform of purchasing systems should be undertaken.
- MBE programs should have graduation provisions for MBEs that have largely overcome the effects of discrimination and are no longer in need of a remedy.
- Rigid numerical quotas run a greater risk of being overturned by judicial review than flexible goals.
- Race and gender-conscious goals, if any, should be tied to MBE availability and to addressing identified discrimination.
- MBE programs should limit their impact on the rights and operations of third parties.

- MBE programs should be limited in scope to only those group(s) and firms that suffer the on-going effects of past or present discrimination.

*Croson* requirements were extended to federal programs in *Adarand v. Pena*.

In applying the *Croson* standard, the Fourth Circuit has developed several distinctive standards. Key findings that have evolved from *Croson* case law in the Fourth Circuit are:

- There must be a strong basis in evidence that race-conscious remedial action is necessary,
- The strong basis in evidence must be satisfied by pre-enactment evidence; post-enactment evidence can be used to show that the race-conscious program is narrowly tailored,
- Public entities cannot establish across the board goals with no regard for specific race/gender and industry variables,
- Waiving bonding, insurance and corporate experience requirements are considered race-conscious, if directed only to MBES,
- Acceptable variables in calculating availability include vendor lists with approved subcontractors, subcontractors that performed on a contract and contractors who have been qualified to perform on an entity's contracts, and,
- Challengers of race-based remedial measures must provide credible, particularized evidence to rebut the public entity's showing of a strong basis in evidence for the necessity for remedial action.

## E.2 M<sup>3</sup> CONSULTING'S APPROACH AND METHODOLOGY

M<sup>3</sup> Consulting's exclusive Study methodology includes 10 analyses, which lead to overall conclusions and recommendations.

### E.2.1 M<sup>3</sup> CONSULTING'S 10-PART DISPARITY STUDY METHODOLOGY

M<sup>3</sup> Consulting's 10-part Study methodology provides a complete factual predicate consistent with evolving case law and CCSD's regulatory environment. The statistical analysis—relevant market, availability, utilization, disparity, and capacity—conforms with the requirements of *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469, 109 S.Ct. 706 (1989); *Adarand Contractors, Inc. v. Federica Pena*, 515 U.S. 200, 115 S. Ct. 2097 (1995); and Fourth Circuit progeny and determines if there are statistically significant disparities from which an inference of discrimination may be drawn. The remaining industry and market analysis assists in determining if organizational factors (active discrimination or exclusion) or private sector and marketplace factors (passive discrimination or exclusion) cause any disparity. Together, these findings allow CCSD to determine if there is a compelling governmental interest in using race- and gender-conscious remedies for any statistically significant disparity. The combined analysis also leads to a set of customized recommendations that includes race- and gender-neutral initiatives and narrowly tailored race- and gender-conscious initiatives.

### Charleston County School District Disparity Study

Industry Analysis	Statistical Analysis	Market Analysis	Conclusions	Recommendations
<ul style="list-style-type: none"><li>•Legal Analysis</li><li>•Procurement and MBE Program Operational Analysis</li></ul>	<ul style="list-style-type: none"><li>•Relevant Market Analysis</li><li>•Availability Analysis</li><li>•Utilization Analysis</li><li>•Disparity Ratios</li><li>•Regression and Capacity Analyses</li></ul>	<ul style="list-style-type: none"><li>•Anecdotal and Survey Analyses</li><li>•Race- and Gender-Neutral Analysis</li><li>•Marketplace Analysis</li></ul>	<ul style="list-style-type: none"><li>•Finding of Passive or Active Discrimination, If Any</li><li>•Identification of Barriers to MBE Participation</li></ul>	<ul style="list-style-type: none"><li>•Procurement and MBE Programmatic Initiatives</li><li>•Goal-setting</li><li>•Nondiscrimination Initiatives</li><li>•Management and Technical Assistance</li></ul>

### Description of Disparity Study Components

1. **Legal Analysis** outlines the legal standards of *Richmond v. Croson*, *Adarand v. Pena* and their progeny in the Fourth Circuit as well as around the country. Such a legal analysis provides critical insight to current judicial opinions relevant to both MBE program design and Study analysis.

2. **Procurement and MBE Program Operational Analyses** examine CCSD’s contracting history to determine the impact of CCSD’s policies, procedures, and practices on MBEs’ ability to do business with CCSD and the effectiveness of the MBE operations on increasing MBE participation.
3. **Relevant Market Analysis** determines the geographic boundaries within which CCSD performs the substantial part (about 70 percent) of its business activities. The identification of the bounds is also guided by legal criteria that require CCSD to refine its efforts to impact MBE business activity in its market area.
4. **Availability Analysis** determines the available MBEs and Non-SWMBEs that are available to do business with CCSD within the determined relevant market.
5. **Utilization Analysis** quantitatively examines CCSD’s contracting history and determines the number of contracts and levels of expenditures with MBEs.
6. **Disparity Ratios** determine the difference between the availability of MBEs and their utilization by CCSD and if any disparity is statistically significant.
7. **Regression and Capacity Analyses** examine differences in capacity of firms based on race and gender, using established statistical methods, and examine if race, gender, and ethnicity still impact the participation decision once a set of variables that represent capacity are controlled for. Further, the survey provides information on business characteristics, such as owner qualifications, years in business, capacity, and credit market experiences.
8. **Anecdotal and Survey Analyses** determine the experiences of MBEs and Non-SWMBEs attempting to do business with CCSD and in the business community overall.
9. **Race- and Gender-Neutral Analysis** determines the effectiveness of race- and gender-neutral programs in increasing MBE participation in both public and private sector opportunities.
10. **Marketplace Analysis** determines MBE participation in the marketplace, which consists of both public and private sector opportunities. Factors that impact business formation and self-employment are also analyzed in this analysis.

The methodology components M<sup>3</sup> Consulting deploys reflect the continuing development of case law, which has increased the level and sophistication of the statistical analysis necessary to comply with *Croscon* and *Adarand* standards.

## E.2.2 STATISTICAL METHODOLOGY

The statistical methodology below discusses in more detail relevant market, availability, utilization, and disparity. It includes various definitions of availability and M<sup>3</sup> Consulting’s “Ready, Willing and Able”



(RWA<sup>SM</sup>) model. M<sup>3</sup> Consulting has adapted this model to the specific CCSD data sources available for this study. Also discussed are the types of utilization analysis M<sup>3</sup> Consulting will perform. The statistical methodology section concludes by defining the disparity ratio and significance tests, crucial for drawing conclusions regarding any disparity in CCSD's recent history of contracting with MBEs.

To conduct the analysis, M<sup>3</sup> Consulting collected vendor, bidder, contract award, purchase order (PO) and payments data for years FY 2017 to FY 2021.

## A. Relevant Market

The *Croson* statistical analysis begins with identifying the relevant market. The relevant market establishes geographical limits to the calculation of MBE availability and utilization. Most courts and Study consultants characterize the relevant market as the geographical area encompassing most of a public entity's commercial activity. The *Croson* Court required that an MBE program cover only those groups that have been affected by discrimination within the public entity's jurisdiction.<sup>5</sup>

Two methods of establishing the relevant market area have been used in disparity studies. The first uses vendor and contract awardee location of dollars expended by an entity in the relevant industry categories. In the second method, vendors and contractors from an entity's vendor or bidder list are surveyed to determine their location. The former method is based on approaches implemented under the U.S. Justice Department guidelines for defining relevant geographic markets in antitrust and merger cases. M<sup>3</sup> Consulting has developed a method for determining an entity's relevant market by combining the above methods and using an entity's bidder lists, vendor lists and awardee lists as the foundation for market definition.

By examining the locations of bidders, vendors and winners of contract awards, M<sup>3</sup> Consulting seeks to determine the area where most of an entity's commercial activity occurs based on its contracting activity. While case law does not indicate a specific minimum percentage of vendors, bidders, or contract awardees that a relevant market must contain, M<sup>3</sup> Consulting has determined a reasonable threshold is somewhere around 70 percent each for bidders, vendors, and contract award winners. Further analysis may be necessary if there are large differences in the percentages of these three measures.

## B. Availability Analysis

The fundamental comparison to be made in disparity studies is between firms owned by minorities (Minority-owned firms) and/or women (WBEs) and other firms (Non-SWMBEs) *ready, willing, and able* to perform a particular service (i.e., they are "available") and the number of such businesses being used by

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<sup>5</sup> *Richmond v. Croson* at 725.

the locality or its prime contractors. The Availability Analysis presents a discussion of the availability estimates for MBEs that are *ready, willing, and able* to perform work on contracts for CCSD.

Availability is the most problematic aspect of the statistical analysis of disparity. It is intrinsically challenging to estimate the number of businesses in the marketplace that are ready, willing, and able to perform contracts for or provide services to a particular public entity. In addition to determining an accurate head count of firms, the accompanying issues of capacity, qualification, willingness, and ability complicate the production of accurate availability estimates.

## 1. M<sup>3</sup> Consulting Availability Model

M<sup>3</sup> Consulting employs two general approaches to measuring availability: the RWA<sup>SM</sup> model and marketplace availability. The availability measures can fall into the following categories:

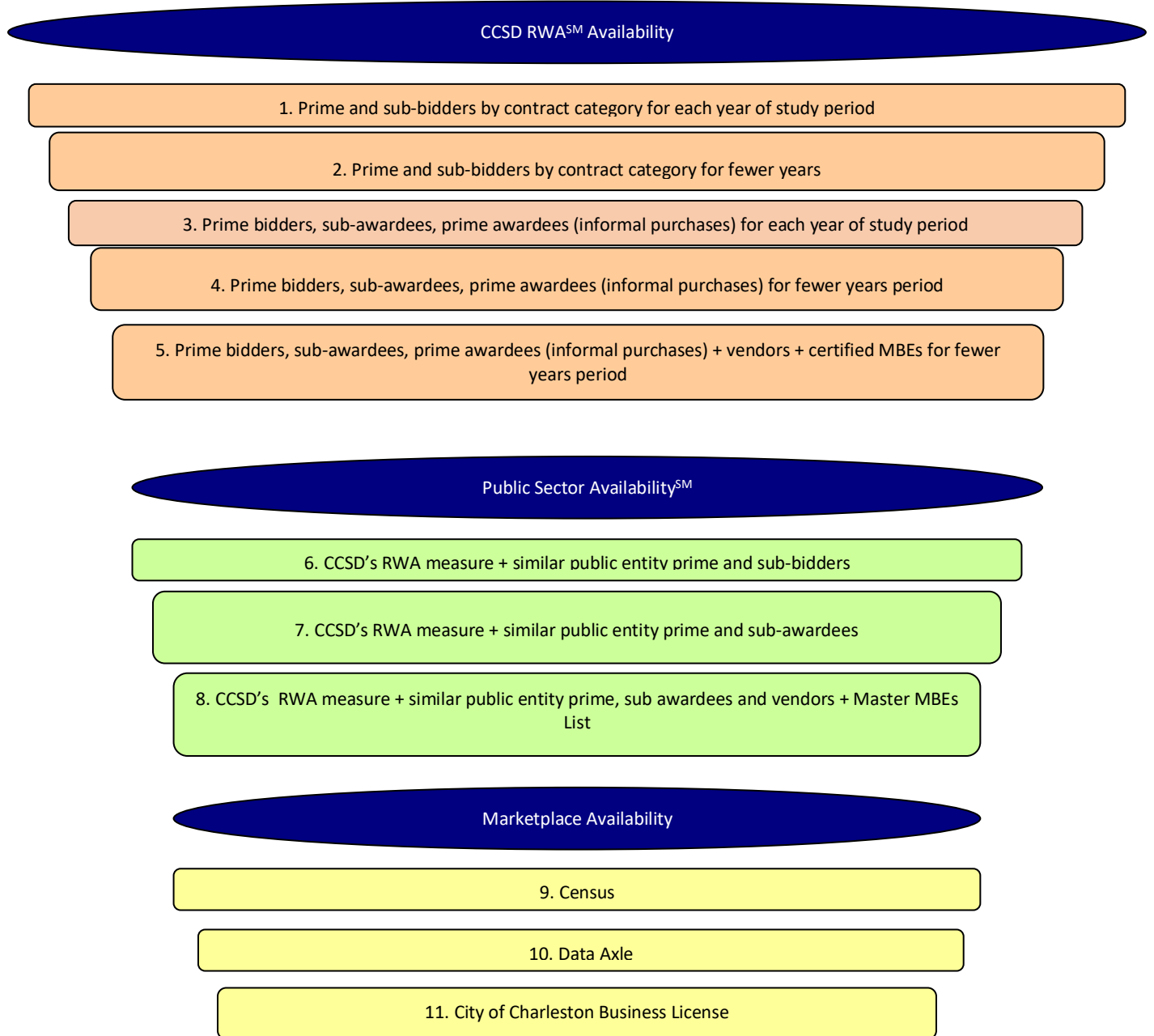
- **RWA<sup>SM</sup>**—Those firms that are ready, willing and able to do business with CCSD;
- **Public Sector Availability**—Those firms that are ready, willing, and able to do business with similar public sector agencies within CCSD’s marketplaces; and
- **Marketplace Availability**—All firms available in CCSD’s marketplace, as measured by Census, Data Axle, Dun & Bradstreet, Dodge Data & Analytics and/or business license data.

The matrix in Figure E.1 outlines M<sup>3</sup> Consulting’s Availability Model. The matrix starts with the optimum availability measure of those firms ready, willing, and able to do business with CCSD and descends to less optimum measures. Factors that determine which level of availability best suits CCSD’s environment include quality of available data, legal environment, and previous levels of inclusion of MBE in bidding and contracting activity.

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<sup>6</sup> This analysis requires intergovernmental cooperation between public entities providing bidder, vendor and awardee data; thus it is not performed unless such agreement is developed for individual agencies or a consortium of agencies conducted a consortium disparity study.

Figure E.1.  
RWA<sup>SM</sup> Availability Model



Source: M<sup>3</sup> Consulting

M<sup>3</sup> Consulting’s RWA<sup>SM</sup> Availability Model is further tailored to the robustness of CCSD’s specific databases available for analysis. RWA<sup>SM</sup> availability is defined at Level 2 for the years FY 2017–FY 2021, which includes prime and sub-bidders, informal and noncompetitive awardees, and prime and sub-awardees.

<b>Figure E.2. CCSD Specific RWA<sup>SM</sup> Availability Levels</b>	
<b>RWA<sup>SM</sup> Availability Level</b>	<b>RWA<sup>SM</sup> Availability Definition</b>
Level 1	CCSD Bidders and Sub-bidders
Level 2	CCSD Bidders and Sub-bidders + AP/PO Firms

Source: M<sup>3</sup> Consulting; Level 3 availability was not calculated as the vendor list provided by CCSD did not include commodity codes to allow allocation types.

### C. Utilization Analysis

Utilization represents the contracting and subcontracting history of Non-SWMBEs and MBEs with CCSD. In developing the contract database to be used as the basis for determining utilization, there are three alternative measures of utilization that can be taken in each procurement category. These are:

1. The numbers of contracts awarded;
2. The dollar value of contracts actually paid or received; and
3. The numbers of firms receiving contracts.

The current report presents two of the three measures of utilization: the number of contracts awarded and the dollar value of the contract awards. Both dollars and counts are reported to determine if there are any outliers or large single contracts that cause utilization dollar values to be at reported levels. These were preferred over the third measure, the number of firms, which is less exact and more sensitive to errors in measurement.

For instance, if one Non-SWMBE received 30 contracts for \$5 million, and 10 African American-owned firms received one contract each worth \$100,000, measured by the number of firms (one Non-SWMBE vs. 10 African American-owned firms), African American-owned firms would appear to be overutilized and Non-SWMBEs underutilized. Using the number of contracts (30 contracts vs. 10 contracts) and the dollar value of contracts awarded (\$5 million vs. \$1 million), the aforementioned result would reverse, depending on relative availability.

### D. Disparity Analysis

A straightforward approach to establishing statistical evidence of disparity between the availability of MBEs and the utilization of MBEs by CCSD is to compare the utilization *percentage* of MBEs with their availability *percentage* in the pool of total businesses in the relevant market area. M<sup>3</sup> Consulting’s specific

approach, the “disparity ratio,” consists of a ratio of the percentage of dollars spent with MBEs (utilization) to the percentage of those businesses in the market (availability).

Disparity ratios are calculated by actual availability measures. The following definitions are used in the M<sup>3</sup> Consulting ratio:

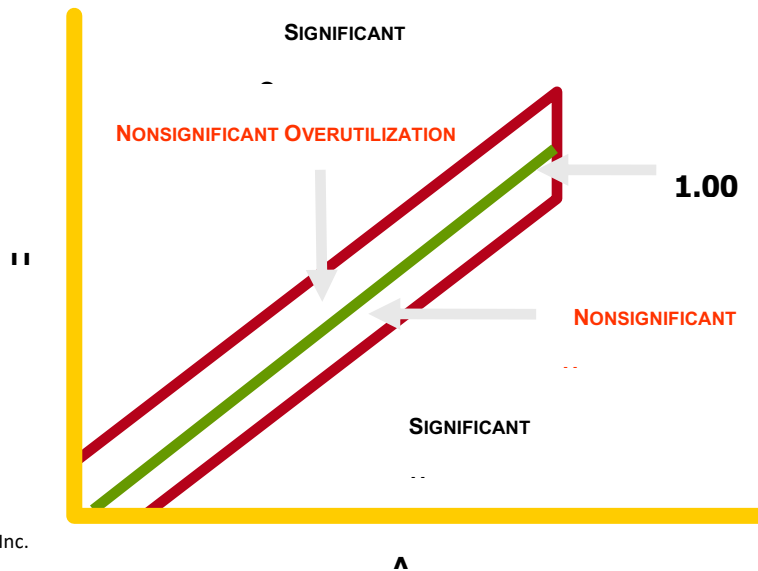
- A = Availability proportion or percentage
- U = Utilization proportion or percentage
- D = Disparity ratio
- N<sub>w</sub> = Number of women-owned firms
- N<sub>m</sub> = Number of minority-owned firms
- N<sub>t</sub> = Total number of firms

Availability (A) is calculated by dividing the number of minority- and/or women-owned firms by the total number of firms. Utilization (U) is calculated by dividing total dollars expended with minority- and women-owned firms by the total expenditures.

- $A_w = N_w/N_t$
- $A_m = N_m/N_t$
- $D = U/A$

When D=1, there is no disparity (i.e., utilization equals availability). As D approaches zero, the implication is that utilization is disproportionately low compared to availability. As D gets larger (and greater than one), utilization becomes disproportionately higher compared to availability. Statistical tests are used to determine if the difference between the actual value of D and 1 are statistically significant (i.e., if it can be stated with confidence that the difference in values is not due to chance [see Figure E.3]).

**Figure E.3.  
Disparity Ratio Indicating Areas of Significant and Nonsignificant Disparity and Overutilization**



Source: M<sup>3</sup> Consulting, Inc.

The statistical disparity ratio used in this study measures the difference between the proportion of available firms and the proportion of dollars those firms received. Therefore, as the proportion of contract dollars received becomes increasingly different from the proportion of available MBEs, an inference of discrimination can be made.

The concept of statistical significance as applied to disparity analysis is used to determine if the difference between the utilization and availability of MBEs could be attributed to chance. Significance testing often employs the t-distribution to measure the differences between the two proportions. The number of data points and the magnitude of the disparity affect the robustness of this test. The customary approach is to treat any variation greater than two standard deviations from what is expected as statistically significant.

A statistically significant outcome or result is one that is unlikely to have occurred as the result of random chance alone. The greater the statistical significance, the smaller the probability that it resulted from random chance alone. P-value is a standard measure used to represent the level of statistical significance. It states the numerical probability that the stated relationship is due to chance alone. For example, a p-value of 0.05 or 5 percent indicates that the chance a given statistical difference is due purely to chance is 1 in 20.

**E.3 FINDINGS AND CONCLUSIONS**

**E.3.1 STATISTICAL FINDINGS IMPACTING STATISTICALLY SIGNIFICANT DISPARITY**

**A. Relevant Market**

Based on the data provided for this study, four relevant markets were defined and are presented below in Table E.1:

- City of Charleston
- Charleston-North Charleston MSA;
- State of South Carolina
- Nationwide

<b>Table E.1. Summary of Relevant Market Determination</b>				
	<b>City</b>	<b>MSA</b>	<b>State</b>	<b>Nationwide</b>
<b>A&amp;E</b>			✓	
<b>Construction and Construction-Related Services</b>				✓
<b>Professional Services</b>				✓
<b>Non-Professional Services</b>				✓
<b>Goods &amp; Supplies</b>				✓

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; P-Card data

**B. Availability Analysis**

Table E.2 summarizes the availability estimates for MBEs within the relevant market for Charleston County School District. It also provides the source of the information. M<sup>3</sup> Consulting typically relies upon RWA<sup>SM</sup> estimates derived from bidders, sub-bidders, and awardees in that order of importance. Marketplace availability measures, based on Data Axle and reflected in Table E.3, are presented as a benchmark of minority- and woman-owned firm availability and for Charleston County School District to consider when looking for potentially available firms for outreach.

For A&E, the RWA<sup>SM</sup> availability is dominated by WBEs and SBEs. Minority-owned firms account for less than 5 percent of A&E firms. Marketplace availability for A&E was significantly lower in proportion for Minority-owned firms at less than 3 percent of the total available firms.

Construction and Construction-Related Services RWA<sup>SM</sup> availability is a little less than a third (29.30 percent) MBEs and 17.97 percent SBEs. WBEs and Minority-owned firms are available at 13.67 percent and 15.63 percent respectively. African American-owned firms and Other Minorities account for most of the available Minority-owned firms. Unlike RWA<sup>SM</sup>, Marketplace availability shows less than 5 percent of Minority-owned firms available in construction. The Marketplace shows fewer Minority-owned firms but the distribution by race/ethnic groups shows a greater number of Hispanic American-owned firms and fewer African American-owned firms in the marketplace compared to RWA<sup>SM</sup> availability.

Professional Services RWA<sup>SM</sup> availability notes 10.82 percent Minority-owned firms, 23.53 percent WBEs and 18.41 percent SBEs with African American-owned firms comprising the largest proportion of Minority-owned firms available. As in the case of Construction and Construction-Related Services, Marketplace availability shows a little less than 5 percent Minority-owned firms available in Professional Services. There are a greater number of Minority-owned firms in their marketplace (99 firms) compared to only 57 that meet the RWA<sup>SM</sup> criteria. In addition, the Marketplace includes a greater proportion of Asian American-owned and Hispanic American-owned firms in the Marketplace, whereas RWA<sup>SM</sup> shows only one firm in each of these race/ethnic groups.

Non-Professional services show about even proportion of available MBEs and SBEs and Non-SWMBEs. There are 76 (10.48 percent) Minority-owned firms, 80 (11.03 percent) WBEs and 172 (23.72 percent) SBEs available for CCSD that meet the RWA<sup>SM</sup> criteria for availability. On a broader basis, 1,328 (37.54) of MBEs are available based on the Marketplace measure of which 33.04 is represented by WBEs. While the Marketplace measure shows about the same number of African American-owned firms in Non-Professional services, there are considerably larger number of Hispanic American-owned and Asian American-owned firms in the Marketplace measure compared to the RWA<sup>SM</sup> measure.

About a third of MBEs are available in Goods & Supplies procurement based on the RWA<sup>SM</sup> measure that include 46 (5.20 percent) Minority-owned firms, 61 (6.89 percent) WBEs and 172 (19.44 percent) SBEs. African American-owned firms comprise a majority of Minority-owned firms available. The Marketplace shows 564 MBEs, of which WBEs represent 466 firms, followed by 15 African American-owned firms, which is fewer than the RWA<sup>SM</sup> measure and 36 and 46 Asian American-owned and Hispanic American-owned firms, which is greater than RWA<sup>SM</sup> for these two race/ethnic groups in Goods & Supplies.

The presence of MBEs in CCSD procurement process is higher as noted in the RWA<sup>SM</sup> measure for A&E, Construction and Construction-Related Services, Professional and Non-Professional Services compared to Marketplace availability. The Marketplace however shows a greater number of Minority-owned firms that do not participate in CCSD procurement process, especially among Hispanic American-owned and Asian American-owned firms that may potentially be available to do business. It is worth exploring whether these potentially available firms meet the RWA<sup>SM</sup> availability criteria and may be encouraged to participate in the School district's contracting process.



# Executive Summary

**Table 5.1.**  
**Summary Table - RWA<sup>SM</sup> Level 2 Availability Percentage Participation**  
**Charleston County School District**  
**Relevant Market; FY 2017 – FY 2021**

Ethnicity	Architecture and Engineering <sup>3</sup>		Construction and Construction-Related Services <sup>1</sup>		Professional Services <sup>1</sup>		Non-Professional Services <sup>1</sup>		Goods & Supplies <sup>1</sup>		Total Firms <sup>1</sup>	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>22</b>	<b>30.99</b>	<b>134</b>	<b>52.34</b>	<b>241</b>	<b>45.73</b>	<b>389</b>	<b>53.66</b>	<b>598</b>	<b>67.57</b>	<b>1,044</b>	<b>55.15</b>
Black or African American	1	1.41	21	8.20	52	9.87	63	8.69	28	3.16	123	6.50
Asian/Pacific Islander	-	0.00	3	1.17	1	0.19	2	0.28	5	0.56	9	0.48
Hispanic or Latino	1	1.41	1	0.39	1	0.19	3	0.41	7	0.79	12	0.63
Native American or American Indian	-	0.00	1	0.39	-	0.00	2	0.28	1	0.11	2	0.11
Other Minorities	1	1.41	14	5.47	3	0.57	6	0.83	5	0.56	25	1.32
<i>Total Minority</i>	<i>3</i>	<i>4.23</i>	<i>40</i>	<i>15.63</i>	<i>57</i>	<i>10.82</i>	<i>76</i>	<i>10.48</i>	<i>46</i>	<i>5.20</i>	<i>171</i>	<i>9.03</i>
Woman-Owned (WBEs)	12	16.90	35	13.67	124	23.53	80	11.03	61	6.89	257	13.58
Unknown MBE	-	0.00	0	0.00	8	1.52	5	0.69	6	0.68	15	0.79
<b>Total MBE</b>	<b>15</b>	<b>21.13</b>	<b>75</b>	<b>29.30</b>	<b>189</b>	<b>35.86</b>	<b>161</b>	<b>22.21</b>	<b>113</b>	<b>12.77</b>	<b>443</b>	<b>23.40</b>
SBE	34	47.89	46	17.97	97	18.41	172	23.72	172	19.44	401	21.18
VBE	-	0.00	1	0.39	-	0.00	3	0.41	2	0.23	5	0.26
<b>Grand Total</b>	<b>71</b>	<b>100.00</b>	<b>256</b>	<b>100.00</b>	<b>527</b>	<b>100.00</b>	<b>725</b>	<b>100.00</b>	<b>885</b>	<b>100.00</b>	<b>1,893</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; Other Minority is a firm identified as Minority, with no specific race/ethnicity identified; Unknown MBE is a firm identified as MBE or MWBE, with no specific race/ethnicity/gender identified.

<sup>1</sup>Nationwide

<sup>2</sup>Charleston-North Charleston Area

<sup>3</sup>State of South Carolina

# Executive Summary

<b>Table 5.2. Data Axle Availability Charleston-North Charleston, SC, 2021</b>												
	Architecture and Engineering		Construction and Construction-Related Services		Professional Services		Non-Professional Services		Goods & Supplies		Total Firms	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>131</b>	<b>68.95</b>	<b>601</b>	<b>83.01</b>	<b>1,227</b>	<b>60.95</b>	<b>2,210</b>	<b>62.46</b>	<b>949</b>	<b>62.72</b>	<b>5,118</b>	<b>64.15</b>
Black or African American	3	1.58	10	1.38	30	1.49	49	1.38	15	0.99	107	1.34
Asian/Pacific Islander	1	0.53	3	0.41	21	1.04	21	0.59	36	2.38	82	1.03
Hispanic or Latino	1	0.53	20	2.76	47	2.33	87	2.46	46	3.04	201	2.52
Native American or American Indian	-	0.00	-	0.00	1	0.05	2	0.06	1	0.07	4	0.05
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	<i>5</i>	<i>2.63</i>	<i>33</i>	<i>4.56</i>	<i>99</i>	<i>4.92</i>	<i>159</i>	<i>4.49</i>	<i>98</i>	<i>6.48</i>	<i>394</i>	<i>4.94</i>
Woman-Owned (WBEs)	54	28.42	90	12.43	687	34.13	1,169	33.04	466	30.80	2,466	30.91
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>59</b>	<b>31.05</b>	<b>123</b>	<b>16.99</b>	<b>786</b>	<b>39.05</b>	<b>1,328</b>	<b>37.54</b>	<b>564</b>	<b>37.28</b>	<b>2,860</b>	<b>35.85</b>
SBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>190</b>	<b>100.00</b>	<b>724</b>	<b>100.00</b>	<b>2,013</b>	<b>100.00</b>	<b>3,538</b>	<b>100.00</b>	<b>1,513</b>	<b>100.00</b>	<b>7,978</b>	<b>100.00</b>

Source: Data Axle, 2021; M<sup>3</sup> Consulting

## C. Utilization Analysis

Table E.4 summarizes utilization of MBEs by the three utilization measures: POs, accounts payable and contract awards.

For A&E procurement, Minority-owned firm utilization is less than 0.05 percent using either measure of utilization. In comparison, WBEs have higher utilization percentage of 13.87 percent based on payments and 25.24 percent based on POs. It is worth noting that 3 WBEs receive over 88 percent of contracts thus tilting this result upwards

In Construction and Construction-Related Services, the percentage utilization of Minority-owned firms is 10.88 percent and 8.12 percent based on POs and payments but only 6.78 percent based on contracts. WBE utilization is slightly short of 3 percent based on POs and payments, but 7.75 percent based on contracts.

About 15 percent of PO and payment dollars in Professional Services is paid out to MBEs. A little less than 5 percent goes to Minority-owned firms and a little over 10 percent goes to WBEs. As there are not enough MBEs available locally, most often the firms that bid and win professional service awards are out of State.

Non-Professional Services utilization of MBEs hovers around 30 percent based on POs and payments as measures of utilization. Based on contracts, this utilization is at 8.53 percent. WBEs have 11.20 percent utilization whereas Minority-owned firms have 15.75 percent based on contract awards.

MBE utilization in Goods & Supplies procurement is highest at 11.60 percent based on payments and 10.57 percent based on POs but these measures are below that for contracts at 19.36 percent. WBEs utilization is higher at 9.40 percent and 10.31 percent based on POs and Payments and 18.22 percent based on contract awards, while Minority-owned firm participation is 1.2 percent or less based on all three utilization measures.

# Executive Summary

**Table 5.3.**  
**MBE Utilization in Percent of Dollars of Purchase Orders, Payments, and Contract Awards**  
**Charleston County School District**  
**Summary of MBE Utilization; FY 2017 - FY 2021**  
**By Relevant Market**

Procurement Category	MBE Utilization Based on Purchase Orders			MBE Utilization Based on Accounts Payables			MBE Utilization Based on Contract Dollars		
	(in percent)			(in percent)			(in percent)		
	Minority	WBE	MBE <sup>4</sup>	Minority	WBE	MBE <sup>4</sup>	Minority	WBE	MBE <sup>4</sup>
Architecture & Engineering <sup>3</sup>	0.05	25.27	25.32	0.03	13.87	13.89	0.00	16.72	16.72
Construction and Construction-Related Services <sup>1</sup>	10.88	2.92	13.80	8.12	2.71	10.82	6.78	7.75	14.53
Professional Services <sup>1</sup>	4.67	10.46	15.21	4.88	9.83	14.85	83.49	0.00	83.49
Non-Professional Services <sup>1</sup>	15.78	11.20	27.04	12.92	18.30	31.27	8.38	0.15	8.53
Goods & Supplies <sup>1</sup>	1.09	9.40	10.57	1.20	10.31	11.60	1.14	18.22	19.36

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data

<sup>1</sup>Nationwide

<sup>2</sup> Charleston-North Charleston MSA

<sup>3</sup>State of South Carolina

<sup>4</sup>Includes unknown Minority Business Enterprises (MBEs)

## D. Disparity Analysis

Table E.5 summarizes the disparity ratios discussed in this chapter for each procurement categories at the race/ethnic/gender group level, for CCSD procurements for the period FY 2017-FY 2021. Based on the foregoing analysis and the summary below, findings of statistically significant disparity are made for the following groups in the following procurement categories:

- Architecture and Engineering—African American-owned firms, Asian American-owned firms, Hispanic American-owned firms, Native American-owned firms
- Construction and Construction-Related Services—WBEs
- Non-Professional Services—None
- Professional Services—African American-owned firms, Native American-owned firms, WBEs
- Goods and Supplies—African American-owned firms, Asian American-owned firms, Hispanic American-owned firms, Native American-owned firms.

**Table 5.4.**  
**Summary Disparity Ratios by Race, Ethnicity and Gender**  
**Utilization vs. *RWA*<sup>SM</sup> Availability Level 2**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	Architecture & Engineering (Purchase Orders)		Construction & Construction-Related Services (Purchase Orders)		Non-Professional Services (Purchase Orders)		Professional Services (Purchase Orders)		Goods & Supplies (Purchase Orders)	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>0.62</b>	<b>S</b>	<b>1.46</b>	<b>S</b>	<b>1.17</b>	<b>S</b>	<b>1.60</b>	<b>S</b>	<b>1.24</b>	<b>S</b>
African American	0.02	S	1.02	NS	1.61	S	0.41	S	0.33	S
Asian American	0.00	S	1.04	NS	1.20	NS	0.26	NS	0.03	S
Hispanic American	0.02	S	3.26	S	0.99	NS	0.11	NS	0.01	S
Native American or American Indian	0.00	S	0.13	NS	3.81	S	0.00	S	0.22	S
Other Minorities	0.00	S	0.00	S	0.02	S	1.03	NS	0.01	S
<i>Total Minority</i>	<i>0.01</i>	<i>S</i>	<i>0.70</i>	<i>S</i>	<i>1.51</i>	<i>S</i>	<i>0.43</i>	<i>S</i>	<i>0.21</i>	<i>S</i>
Woman-Owned (WBEs)	1.50	S	0.21	S	1.02	NS	0.44	S	1.36	S
Unknown MBE	0.00	S	0.00	S	0.09	S	0.05	S	0.11	S
<b>Total MBE</b>	<b>1.20</b>	<b>S</b>	<b>0.47</b>	<b>S</b>	<b>1.22</b>	<b>S</b>	<b>0.42</b>	<b>S</b>	<b>0.83</b>	<b>S</b>
SBE	1.16	S	0.55	S	0.43	S	0.63	S	0.30	S
VBE	0.00	S	0.00	NS	0.00	S	0.00	S	0.00	S

Source: CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

## E. Capacity Analysis

As disparities in procurement and contracting are often attributed to differences in capacity of Non-SWMBEs and MBEs, the capacity analysis sought to examine if there were any differences in capacity of firms based on race or gender that impact disparity outcomes and that could hinder firms from being actually and potentially available to CCSD. The purpose of this analysis is to determine if there are any differences in the capacity of race, gender, and ethnic groups and, after accounting for any differences in the capacity of firms, if race and gender are contributing factors to any disparities found.

### Capacity Based on Data Axle

Based on the number of employees, there are about 3,300 MBEs with 1-19 employees. Nearly 2,900 of these are WBEs and only about 470 are Minority-owned firms. 5,747 of the firms in this range are Non-SWMBE firms. In contrast, for capacity measured as 500-1,000 employees or over, there are no MBEs. In the very large employee range of 1,000-4,999 employees however, there is one Asian American-owned firm and one WBE in the 10,000+ range in the CBSA.

If capacity were to be measured using sales volume, then Minority-owned firms and Non-SWMBEs are represented in all sales ranges up to \$1 billion. One WBE is in the capacity range of Over \$1 billion. So, based on sales volume, differences in capacity are not vast based on race or gender groups, especially in the larger sales volume ranges although the number and proportion of MBE firms is smaller, overall. Even in the smaller sales ranges below \$100 million, Minority-owned firms never exceeded 4.69 percent in any sales range. Moreover, there were only 3 Minority-owned firms in the sales ranges over \$10-\$20 million. WBEs ranged anywhere from 4.85 percent to 50 percent across the sales ranges and was represented in almost every sales range category.

### Capacity Based on Survey Data

There is a significant difference in the number of employees and the number of years in business among male and female-owned firm that do business with CCSD. Similarly, a significant difference in the number of employees and years in business is noted between minority and non-minority owned firms.

### Capacity Based on PUMS

Using a binary logistic regression model and variables from the Integrated Public Use Microdata Series (IPUMS) data for 2019 ACS 5-year survey for the State of South Carolina, M<sup>3</sup> Consulting attempted to examine the impact of economic and demographic characteristics on the self-employment decision and whether there are differences in the probability of self-employment among the different race/ethnicities and genders. Additionally, M<sup>3</sup> Consulting analysed the factors that impact self-employment income and whether self-employment income is impacted by race and/or gender.

- Comparing similarly situated individuals, a White male is more than 1.76 times likely to be self-employed compared to an African American, 1.72 times compared to Asian American and 1.35 times as likely as a Hispanic American.
- Additionally, based on the regression, African Americans are significantly less likely to be self-employed in South Carolina.
- Being Non-native increases the likelihood of self-employment. Education, even some college appears to increase the likelihood to be self-employed but folks with health insurance (that

reflects being employed elsewhere), reduces the probability of being self-employed. In addition, greater property value increases the likelihood of self-employment as it can be used as collateral to access capital.

- Except professional services, all other procurement types show a probability of self-employment in the State of South Carolina.

M<sup>3</sup> Consulting utilizes a linear regression analysis to estimate the impact of race and gender on the percentage change in self-employment earnings, controlling for economic and demographic characteristics. A summary of the results are as follows:

- All other variables kept constant, a self-employed African American will see a 9.78 percent decline in earning compared to a similarly situated non-minority and a White Female will earn about 4.47 percent less being self-employed. However, these results do not reach statistical significance.
- A disabled individual who is self-employed earns about 47 percent less as will an individual with health insurance who will earn 28.7 percent less if self-employed. Age that perhaps proxies experience tends to increase self-employment income but as a person gets older, this reduces.
- An individual who is educated with a degree will earn 43.6 percent less if self-employed in South Carolina and those with some college education still indicates 37 percent lower self-employment income.

### **E.3.2 QUALITATIVE FINDINGS IMPACTING STATISTICALLY SIGNIFICANT DISPARITY**

#### **A. Procurement and MBE Program Analysis**

Based on the foregoing discussion and findings, below are the Procurement, and MBE Program policies, procedures and practices that may impact the ability of MBEs to participate in CCSD's procurement and contracting opportunities.

##### **Program Manager Incumbent Preference**

CCSD's Program Manager has been in place since 1999. This long-term relationship could have a chilling effect on competition and the willingness of other firms to bid on the Program Management contract. MBE participation as part of the evaluation could distinguish one Program Manager from another.

##### **Difference in Viewpoint on Budgeting And Forecasting**



Based on interviews and statements from CCSD senior management and procurement staff, there is a disconnect on the degree to which CCSD engages in budgeting and forecasting as it relates to procurement needs of departments and the District overall. Senior management articulated a detailed budgeting process, while staff stated a lack of budgeting and forecasting that leads to the practice of “rushed” procurement. Limited to no budgeting and forecasting limits the visibility and transparency of CCSD’s procurement opportunities, reduces the opportunity for matchmaking and outreach and reduces time frames for response.

### **Rushed and Last-Minute Purchasing**

As discussed previously, CCSD buyers acknowledge that, based on the lateness of departmental identification of need, many procurements are rushed. While emergency purchases are rarely used officially, these rushed purchases have a similar effect. We note that this is not the case for Facilities and Capital Programs, which allows these departments to engage in more widespread outreach efforts.

### **Identifying Pools of Potential Vendors**

CCSD does not maintain a vendor registry which limits its ability to systematically build a pool of firms, including MBEs that can bid on its opportunities. The lack of a vendor registry leads to dependence on incumbents and previously used vendors, as well state contracts. CCSD is expanding its notification of opportunities to Mt. Pleasant Chronicle, minority newspaper and it searches the OSMBE website.

### **Small Purchase Requirements Satisfied by Large Firms and State Contracts**

CCSD utilizes Amazon and large supply firms to provide a significant amount of its small purchases. Small purchases are the area where MBEs and other small firms have the greatest capacity to satisfy CCSD’s requirements. Further, Procurement staff is trying to reduce the District’s dependency on State contracts in order to increase competition.

### **Impact of Pre-qualification on MBEs**

Pre-qualification can be a useful tool for public entities. But it can also have the result of disqualifying firms. In the State of South Carolina, pre-qualification is required on contracts greater than \$10 million. Interviews suggested that pre-qualification is utilized on virtually all capital construction projects, thereby excluding MBEs from prime opportunities, as MBEs are mainly small contractors.

### **Bid Security Required on Projects Over \$50,000**

Bonding is typically a requirement that MBEs struggle to meet because of the strict requirements. CCSD requires bonding on construction projects over \$50,000, although there is the possibility of bond waivers on projects below \$100,000.

## Architect Direct Negotiation

CCSD can use direct negotiation for A&E projects less than \$25,000. This provides CCSD an opportunity to include MBEs and other small A&E firms at this level.

## Large Vendors Have Minority Vendors as Part of Their Supply Chain

CCSD relies on several large vendors to meet its IDIQ and warehouse needs. While the Procurement staff is aware that these firms have minority vendors as part of their supply chain, CCSD has not determined whether there are any minority vendors working with these large vendors on CCSD opportunities.

## Lack of Interest in MBE certification

Procurement staff reported that several MBEs did not want to become certified due to the strict and detailed requirements. They also reported that White males are transferring ownership to their spouses to obtain the benefit of WBE goals.

## Use of Direct Negotiation with MBEs

CCSD utilized direct negotiation to select MBEs without competition and to build capacity. This practice was discontinued during this study. Several procurement staff recognized that CCSD would not have achieved current levels of MBE participation, but for direct negotiation.

## Limited Number of MBEs Locally and Within the State

There are 731 OSMBE certified firms. However, many of these firms are not located in the Charleston area.

## B. Anecdotal Analysis

After analyzing the anecdotal evidence gathered through one-on-one interviews, focus group sessions, public hearing and survey, the following observations illustrate the possible barriers that interviewees perceive to exist for small, minority and women business owners as they attempt to transact business with the CCSD:

- Participants believe that competitive advantages go to those companies that are connected to CCSD staff and informed of CCSD opportunities.
- Participants felt that CCSD tends to continue contracts with incumbents as opposed to vetting new firms, even those with sound and credible credentials. Some saw this as incumbent and insider bias but were often unable to support their perception with specific examples within the CCSD procurement and award process.

- Several participants noted that CCSD repeatedly utilizes the same vendors.
- Participants believe that CCSD provides insufficient information to the small business community regarding upcoming CCSD opportunities and the criteria for evaluation and award. This was compounded by the participants' inability to gain access to the right people in procurement to learn about opportunities. Several participants desired increased communication from the District related to upcoming and current opportunities.
- Although some companies knew where to access information, many of the participants did not know where to find bid listings.
- Participants would like special outreach efforts and technical training that focus specifically on small firms and MBEs in the CCSD community. Many felt that there was a lack of outreach on the part of CCSD.
- Participants believe that there is a lack of notice of small dollar contracts and how to secure them. As such, CCSD is not including MBEs in CCSD small business opportunities.
- Participants who reported contracting experience within the District found those opportunities by working through inside school contacts vs District procurements.
- Some participants found the CCSD procurement staff insufficient/disinterested in supporting and enforcing the inclusion of small firms and MBEs in District contracting.
- CCSD has constant staff turnover, according to participants, which prevents relationship building efforts. There is no staff follow up or hand off when staffing changes do occur.
- Some participants believed that prime contractors sometimes used them just to "check the box".
- Participants could not obtain District involvement to follow up on payment issues.
- Some participants found CCSD's past MBE initiatives helpful; others expressed concern about CCSD's discontinuation of direct negotiation and seeming change in focus on assisting MBEs and local firms.
- A few participants recounted differences in treatment between Non-SWMBEs and MBEs in the CCSD procurement process.

### C. Marketplace Analysis

The marketplace analysis examined various activities to determine MBE participation levels in the private sector and other public sector opportunities. To understand factors that impact the participation of MBEs

with CCSD and the potential opportunities for capacity building that may limit participation of MBEs with CCSD, the role of the marketplace in which these firms operate is critical.

The population distribution and the labor force in the City of Charleston as well as the State is skewed towards Whites and African Americans with other race/ethnicities being a small percentage of the population.

- In a majority of the apprenticeship-like Construction occupations, males dominate females except in Production and Transportation and Material moving occupations.
- In professional managerial occupations, male and female representation are almost evenly split except in the case of African Americans, where females are in greater proportion than males.
- Healthcare practitioners, technical occupations and sales related occupations also see a greater proportion of women employees.

Using Dodge data to gain understanding into MBE inclusion in the private sector, we see that the majority (approximately 90 percent) of firms in the Construction industry that include architects, construction managers, general contractors, owner builders/developers and project managers are White male-owned firms in the State and MSA. African American-owned firms and SBEs make up the remainder although only one African American-owned firm in the MSA is among the Owner Builder. WBEs are only Architects, Engineers, or General contractors with one firm in the MSA as an Owner Builder/Developer.

In comparing the ranking of bidders, there is little difference between the public and private sector in the State. While Non-SWMBEs are ranked at #1 over 94 percent of the time in the private sector, the same ranking holds about 83 percent or greater number of times in the public sector.

In 2,117 private sector bids 18 African American-owned firms, 22 WBEs and 51 SBEs and 10 SDV/HUBs ranked #1 respectively. In contrast, 38 African American-owned firms, 51 WBEs and 93 SBEs ranked #1 similarly among 1,648 public sector bids respectively.

### **D. Race Neutral**

There are a significant number of race-neutral programs that provide assistance and support to MBEs in CCSD's MSA. M<sup>3</sup> Consulting reviewed the offerings of 61 organizations and agencies in the categories of:

- Goal-Based, Small, MBE programs and Supplier Diversity Programs
- Management, Financial, and Technical Assistance Providers
- Community and Economic Development Organizations

- Trade Organizations, Business Associations, and other Advocacy Groups
- Racial and Gender Equity Initiatives

As a result of the race neutral analysis, race-neutral programs exist in the Charleston County School District marketplace that are directly and effectively focused on development, growth and support of minority, women owned and small business entities.

Several race neutral programs still rely on goal-based programs to ensure minority- and women-owned business entity inclusion and participation in the procurement opportunities in the Tri-County area.

Many of the organizations interviewed during this analysis lacked the ability to readily obtain and present specific metrics regarding MBE demographics, participation, struggles and success due to the absence of consistent record keeping systems that accurately measure MBE program progress and participation.

Though progress has been made by race-neutral initiatives in the Tri-County Area with a focus on MBEs' management capabilities, access to capital, and greater exposure to the larger business community, MBEs continue to struggle to access public and private sector contracting, in comparison to other small business entities.

M<sup>3</sup> Consulting conducted interviews with 13 Executive Directors of M&TA organizations to gain their perspective on issues impacting MBEs in the Charleston area and with CCSD.

- Nine (9) of the thirteen (13) interviewees cite having minimal, if any, contact with procurement and contracting representatives for the Charleston County School District, though many of these agencies are local mainstays consistently focused on serving small and minority-owned business entities.
- Interviewees had mixed views on the effectiveness of CCSD's MBE initiatives and the openness of CCSD's procurement process. Several felt that the methods used to promote inclusion were not practical or intuitive and that the Director of Contracts and Procurement was not sufficiently supported by his superiors. Others believe that CCSD's MBE initiatives have loopholes that Non-SWMBEs take advantage of.
- An influx of non-local business development makes it hard for locals to compete. Business loan policies also are a barrier to entry to funding.
- Businesses need better financial prep and education around grant writing to get loans.
- Businesses are not taking advantage of programs or are not completing all steps to qualify.

- The Hispanic community feels discriminated against.
- The business culture is one with historical stereotypes and assumptions intact that keep people of color in dysfunction. African American businesses are overlooked and stereotyped due to nepotism. Qualified women are questioned if there is not a male involved in the decision making of the business. There is also the stereotype that Hispanic men will work harder and cheaper than African American men so qualified African American business take their business outside of Charleston.
- There is a need for more marketing of the educational/mentorship programs that are available in the area to MBEs.
- There is also a need for more available access to capital, and access to information about business development resources available to be a sustainable small women and minority owned business, and to confidently network and bid without the current need of set asides used to obtain contracts.
- Suggested improvements included
  - A marketplace for promoting businesses designated as minority owned,
  - A monthly or quarterly bi-lingual class for businesses with set work agendas to work through business issues and prepare businesses (non-minority and minority) to become bidders from start to finish.

Race-neutral initiatives have contributed to expanded capacity and an improved number of procurement awards for MBEs. However, race-neutral initiatives alone have not been efficacious at improving effective utilization of MBEs, eliminating disparity, increasing availability, and expanding capacity. Considering this outcome, the availability of financial, technical, and management assistance primarily by way of race-neutral programs, does not appear to adequately address barriers and resolve issues disproportionately experienced by minority and women-owned business entities in the Tri-County region.

### **E.4 RECOMMENDATIONS**

Considering the findings discussed above, M<sup>3</sup> Consulting is providing the following recommendations to CCSD. The recommendations contain both race/gender-neutral and race/gender-conscious elements. These recommendations consist of a listing of pertinent options from which CCSD may select in tailoring its efforts to the findings of this report. The options combine agency-specific and best practices recommendations that are legally defensible based on the factual findings of this study. CCSD should consider adoption of those recommendations considered most appropriate in terms of cost, resources, likely effectiveness, community acceptance and organizational feasibility.

#### **E.4.1 IDENTIFICATION OF RACE/GENDER-CONSCIOUS GOAL POSSIBILITIES**

The actual setting of legally defensible MBE goals is a policy decision that requires action by CCSD. CCSD can establish overall MBE policy goals that then may be used by employees with buying authority. CCSD can develop an action plan that specifies procedure, program and goal improvements that will be made, and the timeline allocated for those tasks.

##### **Establishment of Race/Gender-Conscious Goals**

In certain categories and for certain groups, race/gender-conscious means are supportable activities toward the achievement of established goals, based on the findings of statistically significant disparity, reflected in Table E.6 below.

M<sup>3</sup> Consulting draws an inference of discrimination against the following race, ethnicity, and gender groups:

**Table 5.5.  
 Findings of Statistically Significant Disparity  
 By Race/Ethnicity/Gender  
 By Procurement Type**

	<b>Architecture &amp; Engineering  (Purchase Orders)</b>	<b>Construction &amp; Construction-Related Services (Purchase Orders)</b>	<b>Non-Professional Services  (Purchase Orders)</b>	<b>Professional Services  (Purchase Orders)</b>	<b>Goods &amp; Supplies  (Purchase Orders)</b>
<b>African American</b>	Disparity*	No disparity	No disparity*	Disparity*	Disparity*
<b>Asian American</b>	Disparity*	No disparity	No disparity	Disparity	Disparity*
<b>Hispanic American</b>	Disparity*	No disparity*	Disparity	Disparity	Disparity*
<b>Native American</b>	Disparity*	Disparity	No disparity*	Disparity*	Disparity*
<b>WBE</b>	No Disparity*	Disparity*	No disparity	Disparity*	No disparity*

Source: M<sup>3</sup> Consulting  
 \*Statistically significant

As significant disparity is eliminated in the race/gender-conscious categories, the utilization of race/gender-neutral means in attaining the established goals should be increased. However, in all instances where race/gender-neutral means are utilized, if significant disparity re-emerges, then race/gender-conscious techniques can be utilized on a nonpermanent basis to correct identified disparities.

While CCSD should utilize race/gender-neutral means to address participation of groups where there is no statistically significant disparity, that does not mean or condone passive or no outreach to these groups, as significant disparity can emerge (or re-emerge) with a lack of focus by CCSD to be inclusive. CCSD should continuously focus on an inclusive procurement environment that considers MBEs and SBEs and narrow the focus, when necessary, based on meeting established goals.

Availability, utilization, and disparity measures should be tracked on an annual basis and annual goals set as discussed above, as the recommendations below are implemented.<sup>6</sup> RWA<sup>SM</sup> availability is significantly

<sup>6</sup> Annual goals should be set only as benchmarks that provide guidance in accessing how well the program is working on an annual basis, and that help the agency determine whether it needs to be more or less aggressive in the kinds of tools and efforts it is undertaking to remedy the ongoing effects of discrimination.



impacted by bidding patterns and practices. If the bidding patterns of CCSD vendors are altered, due to internal adjustments within CCSD or marketplace factors, the impact of those changes should be captured.

### **E.4.2 ENHANCEMENTS TO PROCUREMENT AND MBE PROCEDURES AND PRACTICES**

Below are recommendations to Charleston County School District for organizational, cultural, structural, and programmatic changes that will lead to transformative and sustainable change in Charleston County School District's procurement operations and that will bring the Charleston County School District into regulatory compliance and alignment with best practices.

#### **A. Create Appropriate Governance and Procurement Oversight Structures**

Inclusive procurement occurs best in a procurement environment that is open and transparent. To ensure appropriate visibility into the procurement practices of the District, proper governance structures at the Board level, along with sufficient oversight authority by Contracts and Procurement over all elements of the bidding and contracting process, including Construction and Construction-Related Services, is needed. During this study, the Board began to approve contracts above \$250K. In public sector procurement systems, it is quite common, if not expected, that governing bodies approve formal contracts at award. Further, if Contracts and Procurement is responsible to the Board for all procurement activities, then the departmental head must have sufficient access to bidding and contracting decisions being made. If Facilities and the Construction Procurement Officer is responsible to the Board for Construction and Construction-Related Services, that decision should be codified into policy. In any case, the services provided by the Program Manager should be more visible to the Board, as well as Contracts and Procurement.

In addition to governance and procurement oversight structures, additional discussions are needed around:

- Adequate systems and tools in place to appropriately capture and report activity, timely
- Enforcement of formal procurement requirements to bid above designated dollar threshold
- Transparency of bid results, ensure results are public facing
- Vendor performance and compliance
- Avoiding vendor concentration
- Mitigate against incumbent bias

### **B. Change inclusion focus from programmatic (*compliance with MBE regulations*) to organizational (*commitment to inclusive procurement environment*)**

Much of the focus at Charleston County School District has been on MBE goals and direct negotiation for its race and gender-conscious efforts. While the efforts to include MBEs through direct negotiation is commendable and has led to some capacity building opportunities, these efforts must conform to recognized public sector procurement practices. As such, the effectiveness and sustainability of CCSD's programmatic efforts will not be maximized until underlying organizational issues impacting the inclusiveness of Charleston County School District's procurement operations are addressed. Without MBE direct negotiations, MBE participation will more than likely decrease, not simply due to MBE pipeline issues, but the procurement process that does not follow standard rules that the business community can easily follow.

Many of the recommendations below focus on District-wide organizational enhancements that can lead to the transformation of Charleston County School District's procurement system to become more inclusive, whether Charleston County School District employs race and gender-conscious or race and gender-neutral programmatic initiatives. Further, as we noted in Chapter IV: Statistical Methodology, under EEO requirements, employers must be able to "track" its decision-making points—applicants, promotions, terminations, etc. Similarly, Charleston County School District should be able to "track" its procurement and contracting-related decision-making points to more effectively determine if Charleston County School District's current practices in any way promote active, or passive, discrimination, or other exclusionary practices.

The importance of leadership's commitment and organization-wide implementation cannot be underestimated in either a race and gender-conscious or race and gender-neutral environment. Most Charleston County School District's major vendors perform work statewide, nationally and/or internationally and are intimately familiar with responding to various public sector inclusion efforts at the local, state, and federal levels. The degree of responsiveness often correlates to the public entity's degree of commitment to inclusion in which these firms are pursuing contracting opportunities with Charleston County School District.

### **C. Identify Inclusive Procurement Objectives**

To achieve the Vision, Mission and Goals as established by the Board, procurement plays a pivotal role, along with proper planning and budgeting, which starts the execution and implementation of the process that actualizes the Board's inclusive procurement objectives. The Contracts and Procurement Department must operate in a manner that is both consistent with the policy objectives established by the Board and programmatically sound. The District can do so through striving toward inclusive procurement, which focuses in an on-going manner on working to ensure that all vendors—regardless of race, ethnicity,

gender, national origin, sexual orientation, or disability—have the opportunity to bid and perform on the District’s procurement and contracting prime and subcontracting opportunities, thereby participating in the economic prosperity of the Charleston Area, as well as the MSA. An inclusive procurement environment will incorporate the following elements:

- **Mission Driven**—The Contracts and Procurement Department objectives are tied directly to the overall vision, mission and goals of the District.
- **Opportunity Driven**— The Contracts and Procurement Department is driven by the District’s opportunities—identifying them, understanding them, managing them, communicating them.
- **Relationship Driven**—With the foundation that being opportunity driven provides, the Contracts and Procurement Department and the District will be in the relationship development business. The Contracts and Procurement Department will know its businesses that can do the District’s work and ask the business community to share its goal of inclusive economic development and inclusive procurement.
- **Data Driven**—Sound data and fully integrated systems will provide senior management with the information it needs to report on successfully meeting its objectives and maximizing economic development, equity, organizational performance, along with the other objectives established by the Board.

### D. Training and Development

Many organizations engage their staff in diversity training and sensitivity training. However, skills-based training is needed to create an inclusive procurement environment. We must emphasize that inclusivity is an integral part of an efficient procurement process. As such, to create a baseline of knowledge, the following training should occur:

- All Contract and Procurement Department staff should be provided basic training on both public procurement operations, as well as MBE operations.
- All procurement staff and departmental staff engaged in procurement activity should attend a seminar on the components of an effective MBE program and establish strategies for achieving established objectives.
- Once Contracts and Procurement staff have baseline training, the Contracts and Procurement Director is then positioned to train on higher level negotiating strategies and tactics in the various procurement categories and for types of goods and services that can be deployed, consistent with the tenets of sound procurement laws and regulations at both the formal and informal levels.

### E. Address Data Capture Issues

Critical to creating an inclusive procurement operation at Charleston County School District is an efficient and integrated procurement data infrastructure. These data recommendations are necessary because:

- Poor data systems can mask discriminatory actions or disparate impact, even where race and gender-conscious goals are utilized. Immediately addressing data issues is critical to protecting against unfairly discontinuing Charleston County School District's MBE programs due to temporary or permanent injunctions or internal decisions based on incomplete data that may allow the organization to continue to discriminate. Sound, accurate and complete data supports the Board and Legal Department in fairly balancing all legal and regulatory implications, potential challenges, etc. arising from Charleston County School District's ability to sufficiently state, in this disparity study and any time thereafter, the level of MBE participation in its procurement and contracting activity.
  - We note that in the EEO environment, under 29 CFR Ch. XIV, Part 1607.4.D, a finding of an inference of adverse impact can be drawn from poorly maintained data system not in conformance with data tracking requirements of the regulations. While 49 CFR Part 26 does not have similar language, Section 26.47 covers Bad Faith Administration of the DBE Program.
- More refined and detailed procurement spend analysis cannot be performed without better data capture and tracking. This inability limits programmatic activity, including identification and expansion of the pool of available firms through outreach; setting project-based goals; determining participation and availability at the commodity code level; and tracking decision-making issues at bidding, evaluation, awards and commitments, and post-award utilization.
- To operate a race and gender-neutral procurement operation, Charleston County School District must be able to adequately monitor and track levels of SBE and MBE participation to anticipate necessary adjustments. Further, under a race and gender-conscious MBE program, tracking allows for proactive and real-time responses that allow Charleston County School District to utilize race/gender-conscious programs only when necessary, and to respond quickly when tracking reveals that participation is dropping in a race and gender-neutral environment.
- Data efficiency promotes Charleston County School District's ability to respond to MBE opportunities and challenges quickly and nimbly, such that it does not unnecessarily and perhaps

unintentionally perpetuate “government inertia” referenced by Justice Sandra Day O’Connor in the *Croson* decision.

M<sup>3</sup> Consulting recommends that Charleston County School District address the following data issues outlined below to support transparent monitoring, tracking, and reporting. Once these changes are implemented, M<sup>3</sup> Consulting recommends that Charleston County School District update the statistical portion of the disparity study to capture FY 2017 through FY 2021 data to provide both a more accurate reflection of MBE utilization at prime and subcontractor levels and as a test case for its MBE data capture process.

- 1. Expand data capture on vendor portal**—Charleston County School District should require all firms interested in doing business with Charleston County School District to register through an online vendor portal, including certified MBEs to which Charleston County School District has identified from outreach and matchmaking efforts. The vendor portal should capture both NIGP code and vendor contract size preference, as well as annual gross receipts and age of firm on all bidders and sub-bidders. By capturing both sets of information for all vendors Charleston County School District now has capacity data that can be utilized, as it solicits vendors for both quotes and bids. In other words, Charleston County School District has the *rudimentary* information need to transition vendors from simply “ready and willing” to “ready, willing, and able.”

Additionally, Charleston County School District should consider the best means of uploading certified MBEs into the vendor portal, such that project availability and project/contract-based goals can be established real-time and inclusive notifications and solicitations and outreach can easily occur.

- 2. Assign commodity codes to bids**—By assigning NIGP codes to bids or quotes, Charleston County School District will increase the accuracy of commodity code tracking, which is essential to reporting MBE participation in specific areas. Further, prime bidders should have the ability to assign NIGP codes to their sub-bids. M<sup>3</sup> Consulting further recommends that Charleston County School District pre-assign a Procurement Category to the commodity codes in one of five categories:

- Architectural, Engineering and Other Design-Related Professional Services
- Construction and Construction-Related Professional Services
- Professional Services
- Technical or Non-professional Services
- Goods, Commodities and Supplies

- 3. Consider utilizing e-procurement or online bid portal to capture bid and quote information—**

Several on-line programs allow for the on-line solicitation of quotes and bid (not simply filing pdfs). Proposals can also be uploaded. This process reduces workloads, while at the same time increasing detailed information available to Charleston County School District on both bids and quotes. These programs should integrate with ERP and Financial systems.

  - a. The Bid Portal should also allow prime vendor access to upload bids/bid tabulations for sub-bid opportunities the prime vendor is letting on a Charleston County School District contract. This will facilitate Good Faith Efforts determinations.
  - b. The Contracts and Procurement Department will need to determine the impact of using the online portal on small businesses who may not be familiar with the technology; training programs and access to technical assistance providers for assistance should be made available to the degree necessary to minimize any negative impact.
- 4. Consider utilizing an off-the-shelf MBE tracking system—**Charleston County School District should consider utilizing an off-the-shelf MBE tracking system. Several off-the-shelf software packages have been developed for MBE tracking, monitoring, and reporting. These systems should integrate with MUNIS, Charleston County School District’s vendor portal and Charleston County School District’s chosen bid portal—to the degree that current systems can be maximized. This tracking system should also have the capacity to track formal joint venture and mentor-protégé agreements. Further, this system should have the capacity to track awards, commitments at point of contract execution and payments at both the prime and subcontractor level.
- 5. Develop computerized formats for evaluation score sheets—** Charleston County School District should digitalize its evaluation score sheets, such that Charleston County School District is positioned to determine that these evaluations are scored in a fair and non-discriminatory manner and that the decision-making process is transparent. By digitalizing evaluation score sheets, Charleston County School District is also able to assess the fairness of its selection process over time.
- 6. Track awards, commitments, and payments separately—**Decisions made at the point of award can change before a contract is executed or after contract execution, due to change orders and other contractual adjustments. As such, Charleston County School District should ensure that it can track awards and commitments separately, as well as payments, at both the prime and subcontractor level. This detailed tracking also allows Charleston County School District to ensure that any changes to agreements between Charleston County School District and its prime and sub-contractors and vendors is executed in a non-discriminatory fashion.
  - a. In developing this tracking process, Charleston County School District should ensure that there are common identifiers, i.e., vendor numbers, vendor tax-ID, project numbers,

agreement numbers, that facilitate easy tracking of individual vendors, as well as projects from the point of requisition and solicitation to project close-out.

- b. As Charleston County School District determines project management systems that are part of a fully integrated data system, Charleston County School District should also consider requesting vendor invoices in both PDF and spreadsheet formats to allow Charleston County School District project managers and engineers to upload detailed commitment and payment information into any chosen software.

By being able to track these areas separately at the prime and subcontractor level, Charleston County School District is positioned to determine areas where closer scrutiny and deeper dives into its decision-making processes and those of its prime vendors are required to ensure that these decisions are being made in a non-discriminatory manner.

7. **Appropriate access**—As suggested by one Charleston County School District official, having a dashboard would be very useful in ensuring staff's ability to respond real-time to MBE participation. As Charleston County School District accesses appropriate systems and software packages to utilize, Charleston County School District decision makers should be sure that these systems accommodate appropriate access by staff in Procurement, Finance, Contracts and Procurement Department and User Departments.

### F. Budgeting, Forecasting and Scheduling

On an annual basis, Charleston County School District should develop a budgeting and forecasting process appropriate for each procurement category that provides project information necessary for planning its activities as it relates to MBE participation. Master design and construction schedules should also be available. From these sources, Charleston County School District can make transparent:

- Type of possible opportunities at prime and subcontractor levels, as well as formal and informal levels;
- Funding source; and,
- Timeframe that opportunity may be available.

With this information, Charleston County School District can begin to (a) provide maximum opportunities for outreach, matchmaking, partnering and bidding (b) project the impact of Charleston County School District's purchases on economic, business and employment growth in the Charleston area, and (c) identify areas where local capacity is needed among both MBEs and Non-SWMBE firms and begin pre-bid capacity building efforts.

## G. Monitor Contracts for Issue of Concentration

Charleston County School District should continuously review its contracts to ensure that (1) the same Non-SWMBEs are not securing a significant percentage of Charleston County School District contracts and that (2) the same MBEs are not accounting for a significant percent of Charleston County School District MBE participation.

Furthermore, Charleston County School District should monitor its contracts to ensure that MBEs are not overly concentrated in certain product areas as a means of Charleston County School District meeting its MBE goals.

Concentration can be addressed in the following ways:

- Ensure that there is no steering of contracts at the prime or subcontractor levels
- Expand pool of available firms
- Expand capacity of available firms and
- Ensure that firms repeatedly submitting low bids are not requesting change orders post award or providing substandard work

### E.4.3 LONG-TERM AVAILABILITY AND CAPACITY-BUILDING INITIATIVES

The recommendations in this section are focused on how CCSD can utilize both its resources and opportunities to contribute to the growth and development of MBEs. To increase opportunities for MBEs, CCSD must start with the consideration of available firms.

#### A. Increasing Pipeline of MBEs

##### 1. The Starting Point: Youth Entrepreneurship

Entrepreneurship requires a certain skill set that is cultivated over time. Young people with no access to education and training are less likely to obtain these skill sets on their own. And by the time that these young people may have an opportunity to obtain these skills, they are close to adulthood and well behind young people who have access to parents with entrepreneurial and/or managerial skill sets.



The District is in an invaluable position to impact values, behaviors and attitudes toward discrimination and bias, and cultivate a culture of youth entrepreneurship. By working to inculcate students early, it allows communities previously excluded based on race and gender to expand social capital and the Charleston community to begin to change the narrative of the historical, social, and economic factors that have ultimately stunted the natural growth and development of entrepreneurs in these communities.

Efforts can include:

- Youth entrepreneurship and financial literacy programs;
- Mentorship and apprenticeship programs with CCSD and other public and private sector vendors/contractors/consultants;
- Targeted entrepreneurship career tracks, in conjunction with local technical colleges;
- Expanded access to entrepreneurship and financial literacy programs to students' parents/family members;
- Ultimately, providing graduates of local school systems who become entrepreneurs with access to the District opportunities through Small/Micro programs, such as set-asides, sheltered markets and mentor/protégé. If they are available to all students, initiatives focused on students that have matriculated in CCSD schools would be considered race/gender-neutral, with a desired outcome of promoting economic and social development.

These initiatives should be combined with strong diversity initiatives. Focus should not simply be on anti-bias, but multi-culturalism efforts that build social capital.

## **2. Refocus Pre-Qualification and Certification Efforts to Identification of Qualified Firms**

Pre-qualification is used beyond the \$10 million state law requirement. These processes can be exclusive and limit the number of available firms. The District also relies on the State of South Carolina's OSMBE certified list. While an unintended consequence, certification can become an exclusive process and limit competition, particularly in jurisdictions that do not have unified certification.

Although a necessary part of the District initiatives, Contracts and Procurement Department should work to ensure that these processes are promoting inclusion. To do so, Contracts and Procurement should *start* by identifying all small-, minority- and women-owned firms in the MSA. The Disparity Study assists with this effort by its compilations in availability spreadsheets using data sources from the District, Data Axle, and Business Licenses, along with the Master SWMBE certification lists. While all these firms may not meet the RWA<sup>SM</sup> standard, the firms on these lists represent the starting point of the District's pipeline

of available firms. Before proceeding to other initiatives of certification and pre-qualification, Contracts and Procurement should:

- Review compiled list with community organizations, Chambers of Commerce and M&TA providers to determine whether firms of which they are aware are listed in this “phone book.” Organizations with private membership lists should also be encouraged to participate to construct the most exhaustive list of firms.
- For firms on the list that are not certified by the District or another certifying agency, conduct survey to obtain data on type of goods and services provided and interest in doing business with the District.
- Measure the District’s progress in increasing the number of firms certified and number of firms pre-qualified against this list of identified firms.
- For those available firms that do not meet MBE and pre-qualification requirements, work to include as many available firms as possible on the District vendor registry and in the District’s Small/Micro programs, and then, develop these race/gender-neutral goals and initiatives accordingly.

### **B. Expanding Competition**

The District may expand competition and potentially increase the award of contracts to MBEs in the following ways.

#### **1. Deeper Dive of Bid, RFP and Selection and Evaluation Process**

The District should consider a deeper dive into bid, RFP, selection and evaluation results to ensure that the outcomes shown in the Availability and Utilization chapter reflect a procurement process that is open, fair, transparent and inclusive. This deeper dive to review *actual practices* would include a review by an independent party of bid and award documents for individual opportunities, including vendor solicitation, bid tabulations, inclusiveness of persons chosen for selection committee, evaluation score sheets, GMP negotiation documents if utilized, prime contractor selection and evaluation score sheets for subcontractors, prime contractor solicitation list for subcontractors. This review should also address the anomalies between contract award data and purchase order data to determine whether formal contracts are being bid.

This deeper dive would also provide greater insight into the competitiveness of different race/gender/ethnic groups and provide the Contracts and Procurement department with additional information on which to target and customize its support efforts.

## 2. Goal Setting and Other MBE Tools Applied by Threshold

M<sup>3</sup> Consulting's threshold utilization analysis suggests that, where capacity is not an issue, certain race/ethnic/gender groups are still reflecting disparity. The threshold utilization analysis was based on PO data. We acknowledge that some POs that appear "small" may be part of a requirements contract awarded to one or more vendors. As such, a deeper spend analysis is required before goal setting is conducted.

In conducting this spend analysis, the District should obtain a greater understanding of the individual opportunities and the dollar values associated with them. The spend analysis allows the District to review these individual opportunities by size. This process is different from unbundling, where the organization starts with the larger contracts and attempts to unbundle them. For example, for projects under \$50,000, there is not a need to unbundle contracts, but to utilize other techniques, such as small business set-asides, to increase participation levels of SBEs and MBEs.

When individual opportunities are sorted by size, appropriate programmatic efforts by the Contracts and Procurement Department can be established. Furthermore, there is more transparency in contracts awarded, particularly on contracts where more firms are fully capable of competing.

## 3. Assess Performance of Personnel with Buying Authority

Increasing MBE participation in the District falls to the District personnel making the buy decision. When new e-procurement systems are implemented, the District should be able to track the performance of individuals with buying authority to determine the degree to which they are making inclusive purchasing decisions. The individual track record can be considered in annual or semi-annual performance evaluations.

### E.4.4 EXPANDED MBE INITIATIVES

Based on the outcomes of the Disparity Analysis, the Procurement Analysis and Anecdotal/Race Neutral Testimony, the Contracts and Procurement Department should consider the following:

#### A. Promoting MBE Participation at the Prime Contractor Level

To ensure that the responsibility for MBE participation is shared by **both** Charleston County School District and its prime vendors, Charleston County School District should take steps to ensure that MBEs are involved in Charleston County School District's procurement opportunities at the prime levels. Below is a listing of those efforts that Charleston County School District can undertake:

- Identify prime-level procurement opportunities where a significant pool of MBEs is available

- Establish prime-level participation targets to ensure that Charleston County School District is focused on securing participation at the prime level, as well as subcontracting level
- Improve procurement forecasting to allow for inclusive planning and outreach
- Utilize race/gender-conscious initiatives, such as goals, evaluation factors, joint venture incentives, price preferences, targeted solicitation
- Utilize SBE sheltered market opportunities, where SBE availability supports doing so
- Provide notice of small business opportunities (below \$50,000) and ensure that MBEs are included in pool of firms being solicited
- Consistently review pool of MBE sub-bidders and subcontractors to determine those that have done a significant level of subcontracting with Charleston County School District and/or other public agencies, thereby building a track record to support prime level awards
- Utilize bid rotation on IDIQs
- Unbundle contracts into commercially viable units
- Optimize joint ventures, develop, and encourage mentor/protégé program, recognize prime opportunities for distributors
- Review and revise all technical specifications to exclude proprietary language that discourage MBEs from bidding and
- Develop evaluation mechanisms for measuring Charleston County School District senior management commitment and staff's efforts toward MBE participation in Charleston County School District contracting opportunities.

### **B. Develop MBE Program Which Addresses Requirements of Large Construction and Development Projects**

Utilizing the Seven Phases of a Development Project<sup>SM</sup> defined by M<sup>3</sup> Consulting will allow Charleston County School District to meet its planning, procurement and MBE needs across the life cycle of the development project.

The Seven Phases of a Development Project<sup>SM</sup>, along with possible opportunities (list intended to provide examples, not be exhaustive) at each stage are:

- **Planning**—opportunities exist in the acquisition of right-a-way; acquisition of property; legal services; environmental studies; land use studies; geotechnical studies and feasibility studies.
- **Financing**—opportunities may include investment banking, lobbyists, grant proposers, and legal services.
- **Designing**—design services include both architectural and engineering services, with other additional services that may be required such as geotechnical services, and environmental services. Design services may also include the development of a bulk purchasing plan.
- **Constructing**—these services include prime contractor/subcontractor activities including construction managers, general contractors, tradespeople, and soil testing.
- **Equipping**—involves the furnishing of facilities and buildings.
- **Maintaining**—involves the maintenance of equipment, facilities, and buildings.
- **Operating**—covers the provision of those services that contribute to the overall continued function of the facility and buildings.

When MBE participation is viewed within the construct of the phases of a development project, unbundling becomes a natural part of the project planning process.

### C. Implement Local and Small Business Set-Asides and Sheltered Market Projects

To maximize utilization of and inclusion of MBEs in Local and Small Business Set-Asides and Sheltered Market Projects, Charleston County School District should:

- Consistently establish MBE goals, with anticipated race/neutral portion on federal projects and local and small business set-asides, goals, and sheltered market projects on non-federal projects
- Forecast and publish annually list of anticipated local and small business purchases on website, based on current and historical purchases to minimize local and small business need to consistently check for upcoming bids
- Ensure that local and small businesses are registering on the vendor portal. This should also facilitate buyers' ability to quickly connect with local and small vendors on informal purchase opportunities
- Ensure that Charleston County School District has strong relationships with MT&A providers who are in constant communication with MBEs

- Provide notice of small business opportunities on its website
- Allow for online submission of quotes and bids
- Work collaboratively with and provide incentive to (where allowable) prime vendors to refer local and small business capable of performing local prime contracting opportunities

### D. Bonding and Insurance Program Related to Project-Based Procurement Process

#### Bonding

Four approaches may be taken to remove the barrier that bonding requirements sometimes can represent. *The efficacy of these programs must be reviewed considering bonding requirements from the State of South Carolina.* The approaches include waiving bonding requirements, removing customary bonding stipulations at the subcontract level, reducing bonding, and phasing bonding. Each is described below:

- *Waiving bonding requirements.* While bonding may be required by local, state, or federal statute in particular instances, all governmental entities have some latitude in requiring a bond in the first place. Typically, small dollar value contracts are not required to have bonds. An honest assessment of the actual risk involved to the owner ought to be performed before deciding to always require a bond on every job. In addition, bonds can be required within a certain number of days after bid submittal, rather than with the bid submittal, so that only low bidders, and not unsuccessful bidders, must obtain them.
- *Removing bonding stipulations at subcontract level.* Typically, on larger construction jobs, the owner requires bonds of the prime contractor. This means, essentially, that the total job is bonded. The practice of requiring bonds of subcontractors is just that, a practice. It is not required by the owner. Therefore, the owner may develop a policy that does not permit a prime's requirement of a subcontract bond to constitute a barrier to MBE participation. Both the owner and the prime contractor should be willing to undertake special activities to monitor subcontractors' performance and lend technical assistance, if necessary.
- *Reducing bonding.* Rather than requiring a 100 percent payment and performance bond, consideration also can be given to reducing the dollar coverage of the bond. A 50 percent bond, for example, can be required, thus reducing the size and cost of bonding. In this way, a company's bonding capacity is not reached so quickly, and bonding is made more affordable. The owner

benefits by still being protected by a bond and in the form of lower bids since the cost of bonding is built into contractor's bids.

- *Phasing bonding.* This technique can be used in instances where bonding cannot be waived but where there are limitations of the low bidder to obtain a full bond. For example, the owner can divide the job into three phases, each requiring a separate notice to proceed. The successful bidder is then required to obtain a bond for each phase. Upon completion of the first phase of the work, the bond is released, and the contractor is required to provide a second bond in a like amount. This process is then repeated for a third time. The owner thereby accommodates an MBE or SBE that might not otherwise qualify, the owner is still protected from risks, and the contractor builds a track record of completing work under three bonds, thereby building bonding capacity and lowering the cost of bonding.

In addition to the above, several governmental bodies across the country have worked with local banking and other financial institutions to create bonding programs underwritten by the local government. A key to the success of such programs is establishing a contractor performance monitoring function to provide an early warning to any problems being encountered by covered contractors. The monitors are empowered to mobilize necessary assistance to ensure completion of the work and to minimize financial and other risk to the underwriter.

### **Wrap-Up Insurance**

This represents an approach to affording all contractors the necessary insurance to perform public work, while guaranteeing the owner that needed insurance coverage is in place in all critical areas of contracting. Under a wrap-up insurance plan, the owner establishes a subsidiary organization, usually made up of a consortium of insurance brokers. Insurers are normally eager to compete for this business and will offer competitive rates to secure it. The arrangement also represents an excellent opportunity to involve MBEs in this business. Once in place, the owner offers blanket insurance coverage to all its contractors through the wrap-up program.

### **E. Joint Ventures, Mentor-Protégé Programs, and Distributorships**

Charleston County School District should develop specific procedures for verifying, counting, and tracking the participation of MBEs in:

- Joint Ventures
- Mentor-Protégé
- Distributorships

The Contracts and Procurement Department should review and sign off on any teaming arrangements, where the team anticipates receiving MBE participation credit.

### F. Effective Matchmaking and Outreach Programs

#### 1. Matchmaking

Matchmaking is fundamental to a successful inclusive procurement program, whether race/gender-conscious or race/gender-neutral. Central to matchmaking is advance notice of the universe of upcoming contracting opportunities, as determined during forecasting, budgeting, and scheduling.

Matchmaking programs must be tailored to the dynamics of a particular procurement operation. We emphasize that the matchmaking session is not for the purpose of steering vendors to buyers. Charleston County School District Contracts and Procurement staff will be required to have detailed knowledge of the capabilities of certified MBEs to fully maximize the matchmaking process. The matching sessions should include the following:

- Coordinate matchmaking sessions with forecast release and/or solicitation schedule. In many instances, matchmaking sessions follow pre-bid conferences. Matchmaking sessions can also be utilized to identify available firms for projects in planning stages. While not called matching sessions, the federal government often allows vendors to provide qualification information in pre-bid research to determine the level of competitiveness it can expect once the bid is let.
- Focus on commodity areas in the five procurement categories, such that vendors specializing goods and services will have the opportunity to meet with buyers responsible for those commodities.
- Buyers and contract specialists should have the procurement projections such that they can discuss specific upcoming opportunities and the requirements and procurement mechanisms that will be utilized to procure the good or service. This specificity is the key factor that distinguishes matchmaking sessions from outreach and vendor fairs.
- Identify informal and formal opportunities during the matching session so that vendors can determine where they have the greatest likelihood of successfully marketing to Charleston County School District.

*Matchmaking at the subcontractor level.* Matchmaking takes on a team building dynamic at this level. Prime contractors/consultants can identify potential MBE team members on upcoming opportunities to be let by Charleston County School District. To be most effective, Charleston County School District personnel will be required to have an in-depth knowledge of the capabilities of the pool of certified MBEs. MBE staff also need to have strong business development skills. *The matchmaking session* should focus



on a particular project, either in planning or prior to bid. It is critical for success that matchmaking occur as early in the planning process as possible. Prime contractors, construction managers and large consultants’ planning process begin well in advance of the actual Invitation to Bid or Request for Proposal.<sup>7</sup> As such, at the time of bid letting, prime contractors and contract managers have often already identified team members to address commercially viable opportunities at the subcontractor level that build a firm’s capacity and portfolio. Conformance to MBE requirements often does not produce quality and high-level MBE participation, because these firms are an “appendage” to the team already developed.

In addition to establishing matchmaking initiatives planned around Charleston County School District’s Capital Budgets, Charleston County School District’s legal counsel should consider the legality of including responsiveness to matchmaking efforts as a factor of good faith. Often, prime vendors may attend a matchmaking session, but thereafter prime vendors do not communicate with or make themselves available to MBEs after the session, thus opportunities for these groups do not often materialize as a result.

**2. Outreach**

Charleston County School District should thus focus its outreach efforts on expanding the total vendor and bidder pools to include potentially available firms from sources, such as other agency certified lists and business lists such as Data Axle or Dun & Bradstreet. Furthermore, the inclusive outreach should pay special attention to ensuring that firms capable of bidding on informal contracts, small contracts and sheltered market opportunities are included in the vendor/bidder pool.

**G. Monitoring and Tracking Reports -- Overall and Project-by-Project**

As suggested previously under Recommendation B., Charleston County School District should always be able to determine that procurement and contracting decision-making is executed in a non-discriminatory manner. We believe it is useful to view RWA<sup>SM</sup> tracking from the standpoint of statistical data supporting applicant flow and compliant reporting:

<b>Table 5.6.</b>	
<b>Findings of Statistically Significant Disparity</b>	
<b>RWA<sup>SM</sup> Tracking</b>	
<b>EEO Applicant Flow</b>	<b>RWA<sup>SM</sup> and Disparity Analysis Equivalent</b>

<sup>7</sup>Some government online bid and marketing portals employ staff that is in constant contact with government procurement agents and planning departments to identify projects for its clients that may be in the initial planning stages and not yet included in procurement forecasts and budgets. Member in these portals can cost \$10,000 or more.

# Executive Summary

Labor Force	Potential Availability from Data Axle Firms, Firms Receiving Building Permits and/or Business License, certified MBE firms, non-certified MBE firms, trade organization membership; yellow pages
Potential Applicants	Registered Vendors, Plan Holders, Pre-Qualified Vendors
Actual Applicants	Bidders and Sub-bidders (inclusive of quotes)
Actual Hires	Awardees and Payees
Actual Promotions	Difference between prime and subcontracting opportunities; vendor performance
Actual Terminations	Contract terminations, for convenience and for cause; substitutions

Source: M<sup>2</sup> Consulting

In annual reporting on the achievement of MBE efforts to the Board, Contract and Procurement reports should also include the degree to which Charleston County School District’s efforts have:

- Promoted and strengthened economic prosperity in the Charleston area
- Enhanced competition
- Expanded business capacity and
- Removed barriers and reduced or eliminated disparities

## H. Post-Award Compliance Responsibilities

Charleston County School District should review the degree to which User Departments are performing contract compliance functions and reporting their efforts to the Contracts and Procurement Director. Post-award utilization responsibilities should minimally include:

- Confirming utilization of MBE subcontractors listed on prime contractor’s winning bid and executed contract through compliance monitoring, on-site monitoring, and reporting; and,
- While reviewing invoices, confirming that MBE subcontractors are receiving timely payments upload spreadsheet invoice data into appropriate tracking software.

## I. Partnerships with Technical Assistance Providers

Partnering with existing technical assistance providers for capacity building should not simply be focused on bonding and insurance. Charleston County School District should develop a process of referral to the appropriate technical assistance provider and follow-up for potential MBEs who could bid on Charleston County School District’s contracts with some assistance. A firm assessment tool should be developed to determine firms that are:

- Start- up
- Emerging
- Mature

By developing a full technical assistance program and utilizing existing service providers with expertise in different areas, Charleston County School District should be able to maximize its dollars, while providing technical assistance that can lead to increased contracts on Charleston County School District opportunities at the informal and formal prime levels, in SBE set-asides and sheltered market contracts and as subcontractors. Working collaboratively allows Charleston County School District to focus on its core strategic mission and objective, while providing MBEs the support that they need.

### **J. Working Capital Loans and Paymaster<sup>8</sup> Programs + Prompt Pay Requirements**

Charleston County School District should consider working with minority-owned banks and financial assistance providers to serve as paymasters for small qualifying firms. This should provide Charleston County School District with assurances that financial management issues will not negatively impact contractor performance. Charleston County School District may also work with these financial institutions to develop working capital loan programs on executed contracts. Working with a paymaster that is a banking institution may also strengthen the MBEs ability to obtain loans and lines of credit. When financial assistance providers serve as the paymaster, they often become a spoke persons/intermediary for the small businesses to work through discriminatory or exclusionary banking practices.

### **E.4.5 RACE/GENDER-CONSCIOUS GOAL SETTING**

The existence of established goals is an effective mechanism for establishing objectives for Charleston County School District and in achieving the desired outcome of increased MBE participation, when effectively implemented. If operations are inflexible, it falls into a quota.

The annual goal should be utilized to periodically evaluate the effectiveness of its program and its project-specific efforts, as well as to gauge whether it is appropriate to increase or decrease the mix of more aggressive remedies. To be legally defensible, the annual goal should be a *minimum achievable standard* for MBE inclusion and not a maximum barometer of exclusion.

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<sup>8</sup> A paymaster is authorized by the firm to handle the firm's receipts and payment of expenses, including payroll and subcontractor payments.

## **Executive Summary**

In certain categories and for certain groups, race/gender-conscious means are supportable activities toward the achievement of established goals, based on the findings of statistically significant disparity, reflected in Table E.8 below.

**Table 5.7.  
 Findings of Statistically Significant Disparity  
 Categories for Race/Ethnicity/Gender-Conscious and Race/Ethnicity/Gender-Neutral Means of  
 Addressing Disparity  
 By Procurement Type**

	<b>Race and gender-Conscious</b>	<b>Race and gender-Neutral</b>
Architecture and Engineering	<ul style="list-style-type: none"> <li>• African American</li> <li>• Asian American</li> <li>• Hispanic American</li> <li>• Native American</li> </ul>	<ul style="list-style-type: none"> <li>• WBEs</li> </ul>
Construction and Construction-Related Services	<ul style="list-style-type: none"> <li>• WBEs</li> </ul>	<ul style="list-style-type: none"> <li>• African American</li> <li>• Asian American</li> <li>• Hispanic American</li> <li>• Native American</li> </ul>
Non-Professional Services	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• African American</li> <li>• Asian American</li> <li>• Hispanic American</li> <li>• Native American</li> <li>• WBEs</li> </ul>
Professional Services	<ul style="list-style-type: none"> <li>• African American</li> <li>• Native American</li> <li>• WBEs</li> </ul>	<ul style="list-style-type: none"> <li>• Asian American</li> <li>• Hispanic American</li> </ul>
Goods and Supplies	<ul style="list-style-type: none"> <li>• African American</li> <li>• Asian American</li> <li>• Hispanic American</li> <li>• Native American</li> </ul>	<ul style="list-style-type: none"> <li>• WBEs</li> </ul>

Source: M<sup>3</sup> Consulting

**Goal-Setting Formulas and Techniques**

Charleston County School District has at its disposal a wide-array of goal-setting formulas and techniques, including:

- Bid Preferences
- MBE Goals
- SBE Set-Asides
- MBE evaluation factors

As stated previously, the actual setting of race and gender-conscious or race and gender-neutral goals is a policy decision that requires action by the Board. The Board can establish overall annual policy goals by industry. Project-by-project goals could then be established by staff based upon the relative MBE

availability for performance of the specific contract. This type of goal setting would probably be considered the most legally defensible flexible form of goal setting available to Charleston County School District.

M<sup>3</sup> Consulting adds to this list of offerings its own goal-setting formula, which is described below.

### A. ATM<sup>SM</sup> Formula

The Annual Target Method (ATM<sup>SM</sup>) formula, developed exclusively by M<sup>3</sup> Consulting, allows entities to develop goals based on both market conditions (availability) and actual levels of participation by Charleston County School District (utilization). The ATM<sup>SM</sup> formula also allows Charleston County School District to forecast the necessary MBE participation levels to achieve the desired outcome, correcting for stated disparity, by an established date. This methodology has been designed to assist Charleston County School District to determine its goals through a realistic and statistically valid model.<sup>9</sup>

To ensure that goals properly reflect the opportunity being bid and that goals do not appear to be set-asides because the same goal for a procurement category is applied to every trade or commodity area within that procurement category, M<sup>3</sup> Consulting recommends that Charleston County School District implement project-by-project goals. The ATM<sup>SM</sup> formula can still be used, but availability should be computed for each project type and then that availability measure used in the ATM<sup>SM</sup> formula. To calculate availability by project-type, Charleston County School District must have a well-functioning Central Bidder Registry or Vendor List.

In the ATM<sup>SM</sup> formula, *G<sub>p</sub>* or the target goal is either availability, weighted availability or a goal established above availability. When calculating the project goal using the ATM<sup>SM</sup> formula, the project goals become a function of correcting disparity and bringing overall utilization in line with overall availability for a particular procurement category. As such, the project goal will reflect the volume of dollars in a particular trade, commodity, or project area and, thus, calculate its appropriate weight in assisting in correcting overall disparity.

The calculation of ATM<sup>SM</sup> is a two-step process:

1. A weighted availability measure is developed by using Sum of the Year's Digits method which results in a higher amount of weight being given to an availability measure which is ranked higher or deemed more

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<sup>9</sup> ATM operates most realistically for an organization over time. The ATM is designed to correct for any disparity found. As such, established goals will be higher than availability, if disparity exists. Thus, if an organization attempts to correct for this disparity in a very short period of time, the goal calculations will result in very high numerical percentages. Actual calculations would be based on specific availability and utilization data from Charleston County School District.

reliable or important than other weighted availability used to calculate an average. The following formula:  $\{N*(N + 1)\}/2$ , will calculate the sum of the number of availability measures being averaged.

2. This weighted availability measure is then used in the computation process identified below to establish the actual target goal.

### ***ATM<sup>SM</sup> Formula***

For Computing Annual Targets for Minority and Female Participation

$$ATM = \frac{G_p(TCE_t) - TME_p}{TE_a}$$

T – P

Where

$G_p$  = target goal for MBE participation. When the policy goal is used to bring utilization in line with availability, then

$TCE_t$  = total cumulative expenditure at time frame

$TE_a$  = total annual Charleston County School District expenditure

$TME_p$  = total minority cumulative expenditure at present

T = time frame year

P = present year

### **B. Race-Neutral Means to Achieve Goals/Targets**

Charleston County School District should first exhaust all race/gender-neutral means to achieve any established target, goal, or benchmark. Race/gender-neutral means include (1) purchasing adjustments, (2) prohibition of discrimination in purchasing, and (3) matchmaking.

### **C. Race and Gender-Conscious Tools**

Again, to be legally defensible, race/gender-conscious contract goals should be subject to a variety of limitations:

- Race and gender-conscious goals, where allowable at Charleston County School District, should not be applied to every contract across all purchasing types.

## Executive Summary

- Race and gender-conscious goals should generally be “good faith efforts” subject to waivers.
- Race and gender-conscious goals should be reviewed by the Procurement Department to ensure that such goals do not disproportionately fall on one class Non-SWMBE contractors or subcontractors. For example, awards of all painting subcontracts to minority firms would impose an undue burden on non-minority-owned painting subcontractors.
- Race and gender-conscious goals (in purchasing) for subcontracting should apply to both Non-SWMBE and MBE prime contractors.
- Firms eligible to benefit from race and gender-conscious goals at Charleston County School District should be subject to graduation provisions and
- Charleston County School District race and gender-conscious elements should be subject to annual review and sunset provisions.



## E.5 SUMMARY

In summary, Miller<sup>3</sup> Consulting, Inc. found that CCSD's purchasing activities suggest that MBEs continue to have some difficulties obtaining significant contracts with CCSD. In submitting specific findings within the Study for CCSD, M<sup>3</sup> Consulting formulated recommendations that allow CCSD to rely upon race/gender-conscious means when necessary to address ongoing hindrances to eliminate disparities, while also addressing MBE participation through race/gender-neutral efforts. Our economic and statistical utilization analyses could serve as part of the policy- and procedure-making decisions needed to ensure enhanced and legally defensible MBE participation in CCSD's purchasing processes and opportunities.

## **CHAPTER 1: INTRODUCTION**

### **1.1 SCOPE OF THE DISPARITY STUDY**

On June 11, 2021, the Charleston County School District, or CCSD, commissioned Miller<sup>3</sup> Consulting, Inc. (M<sup>3</sup> Consulting) to conduct a Comprehensive Disparity Study (the Study). In conducting this Study, M<sup>3</sup> Consulting collected and developed data to determine disparities, if any, between the availability and utilization of minority-, and women-owned businesses for contracts awarded by CCSD. The Study involved the following areas of analysis:

- Collection and analysis of historical purchasing, contracting records and levels of MBEs participation in the procurement categories of Architecture & Engineering, Construction and Construction-Related Services, Professional Services, Non-Professional Services, and Goods & Supplies from July 1, 2016, through June 30, 2021 (FY 2017-FY 2021).
- Compilation of bidder, vendor, MBE certification and other lists to determine relative availability of contractors and vendors.
- A market survey analysis to determine capacity.
- An assessment of procurement and MBE policies and procedures that included the following: an analysis of the organizational structures of CCSD; a review of past and present purchasing, as well as MBE laws, policies, procedures, and practices; and interviews with Procurement personnel;
- Anecdotal interviews and surveying of minority, women and Non-SWMBE business owners.
- Examination of Non-SWMBE and MBE participation in the private sector in CCSD's market areas; and,
- Analysis of race and gender-neutral alternatives to minority and women business goal-based programs.

This Comprehensive Disparity Study contains the results of M<sup>3</sup> Consulting's research and provides conclusions based on our analyses.

## **1.2 ORGANIZATION OF THE DISPARITY STUDY**

This report consists of two volumes. Volume I includes the Executive Summary and twelve chapters. Volume II contains additional statistical tables and relevant appendices. A brief description of each chapter is outlined below.

- **Chapter I – Introduction** includes a synopsis of the contents of each chapter.

### **1.2.1 Industry Analysis**

- **Chapter II – Legal Analysis** presents a discussion of the *City of Richmond v. J.A. Croson* decision and lower court cases interpreting and applying the *Croson* decision, including a discussion of the United States Court of Appeals for the Fourth Circuit’s review of race and gender-conscious programs.
- **Chapter III – Procurement Analysis** reviews CCSD’s Procurement and MBE procedures, policies, and practices in relation to their effect on MBE participation.

### **1.2.2 Statistical Analysis**

- **Chapter IV – Statistical Methodology** provides a detailed discussion of the statistical methods used in the Study for determining availability and utilization of MBEs and in calculating disparity. The chapter begins with a brief review of (a) the relevant market; (b) definition of businesses’ *readiness, willingness, ability* and how they affect measurement of availability; (c) measures of utilization and disparity; and (d) statistical significance. This chapter also reviews the task of data collection and includes a summary of data sources relied upon for relevant market, availability, utilization, and capacity determinations.
- **Chapter V – Statistical Analysis of Relevant Market and MBE Availability** presents data on MBE availability in the relevant market based on the *Ready, Willing and Able (RWA<sup>SM</sup>) Model* and Data Axle data.
- **Chapter VI – Statistical Analysis of MBE Utilization** presents data on MBE utilization in awards and payments for FY 2017-FY 2021 based on contract awards, accounts payable and purchase order data.
- **Chapter VII – Statistical Analysis of MBE Disparity in Contracting** presents disparity ratios, which are a comparison of the availability measures in Chapter V and the utilization measures in Chapter VI.

- **Chapter VIII – Capacity and Regression** examines if firm capacity contributed in any way to the observed disparities. The purpose of this analysis is to determine if, after accounting for any differences in the capacity of firms, race and gender are contributing factors to any disparities found. In addition, access to financing is also analyzed in this chapter through survey data.

### **1.2.3 Market Analysis**

- **Chapter IX – Anecdotal Analysis** includes a description of anecdotal data collected and a synopsis of comments during interviews made by minority women and Non-SWMBE business owners. The interviews focus on personal experiences in conducting business within a specified industry or with CCSD.
- **Chapter X – Marketplace Analysis** examines MBE participation in public/private sector opportunities and factors impacting their growth and development. It includes U.S. Bureau of Census Self-Employment and Apprenticeship data, Census EEO data, and Dodge Data.
- **Chapter XI – Race-Neutral Alternatives** analyzes race and gender-neutral programs to determine if they stimulate the utilization of MBEs without reliance upon characteristics of race, ethnicity, or gender.

### **1.2.4 Recommendations**

- **Chapter XII – Recommendations** presents policy and program recommendations that flow from the findings presented in the report. These recommendations range from race and gender-conscious initiatives for CCSD to substantive suggestions that pertain to the enhancement of inclusive procurement operations and MBE programs.

The findings in each of the report’s chapters are interdependent. This statistical analysis, when viewed in totality, provides CCSD with a picture of MBE participation in contracting and procurement activity involving prime contracts and subcontracts for the period FY 2017-FY 2021.

## **CHAPTER 2: LEGAL ANALYSIS**

### **2.1 INTRODUCTION**

The purpose of this chapter is to review the legal construct governing Charleston County School District's (CCSD) efforts to include minority and women-owned firms in its procurement and contracting opportunities. The analysis is intended to be a comprehensive overview of the requirements of *City of Richmond v. J.A. Croson* and its progeny<sup>10</sup> and their application to CCSD.

The chapter is divided into three sections, with the following subsections.

#### **2.2. Constitutionality of Race and Gender-Conscious Programs**

##### 2.2.1 *City of Richmond v. J.A. Croson* Analysis

- *Adarand v. Peña*—Strict Scrutiny Applied to Federally Funded Requirements

##### 2.2.2 Judicial Review of *Croson* Cases in the Fourth Circuit

#### **2.3 Factual Predicate Standards (Conducting the Disparity Study)**

##### 2.3.1 Relevant Market vs. Jurisdictional Reach

##### 2.3.2 Availability

##### 2.3.3 Utilization

##### 2.3.4 Disparity Ratios

##### 2.3.5 Capacity and Regression

##### 2.3.6 Anecdotal

##### 2.3.7 Private Sector

##### 2.3.8 Race Neutral

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<sup>10</sup> Progeny are legal cases that follow an original opinion setting legal precedent.

### 2.4 Conclusions

#### 2.4.1 *Croson* Standards

#### 2.4.2 Fourth Circuit Standards

#### 2.4.3 Elements of Factual Predicate

This legal construct is instrumental in not only determining the parameters of a disparity study, but also in guiding the analysis of the constitutionality of the CCSD's current race and gender-conscious initiatives.

## **2.2 CONSTITUTIONALITY OF RACE AND GENDER-CONSCIOUS PROGRAMS**

### **2.2.1 CITY OF RICHMOND V. J. A. CROSON ANALYSIS**

The legal basis for adoption and application of a government race-conscious program was considered by the U.S. Supreme Court in the precedent-setting case *City of Richmond v. J.A. Croson Co.*<sup>11</sup> The following sections of this chapter discuss the *Croson* case and both the United States Court of Appeals for the Fourth Circuit's and the State of South Carolina courts' interpretation of the Supreme Court's constitutional analysis of government sponsored race and gender-conscious programs.

#### **A. Background**

In 1983, the City of Richmond, Virginia enacted an ordinance that established a minority business enterprise utilization plan (MBE plan) requiring non-minority-owned prime contractors awarded city contracts to subcontract at least 30 percent of the dollar amount to minority business enterprises. According to the MBE plan, minority business enterprises were defined broadly as companies with at least 51 percent ownership and control by U.S. citizens who were Black, Spanish-speaking, Asians, Indian, Eskimo, or Aleut. Under this definition, the MBE plan had no geographic boundaries, in that the MBEs eligible to participate in the plan could be located anywhere in the United States. The MBE plan was touted as a solution for promoting greater participation by minority business in construction contracting. The operation of the MBE plan included a waiver for contractors who demonstrated to the director of the Department of General Services that the plan's set-aside requirements could not be achieved. There was no administrative appeal of the director's denial of waiver.

The MBE plan was adopted after a public hearing at which no direct evidence was presented that: 1) the City had discriminated based on race in letting contracts, or that 2) prime contractors had discriminated against minority subcontractors. In the creation of its program, the City Council relied upon a statistical study indicating that, in a city where the population was 50 percent Black, less than one percent of the contracts had been awarded to minority businesses in recent years.

In 1983, the same year the MBE plan was adopted, *J.A. Croson* Company lost a contract to install plumbing fixtures in the city jail because of a failure to satisfy the 30 percent set-aside requirement. *Croson* determined that to meet the City's requirements, an MBE would have to supply fixtures that would account for 75 percent of its contract price. After contacting several MBEs on two separate occasions, only one MBE expressed interest, but was unable to submit a bid to *Croson* due to credit issues. Upon bid

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<sup>11</sup> 488 U.S. 469, 109 S.Ct. 706 (1989).

opening by the City of Richmond, *Croson* was the only bidder. Post bid-opening, *Croson* provided additional time for the MBE to submit a bid to no avail. *Croson* then requested a waiver from the City, which was denied.

*Croson* sued the City of Richmond in the U.S. District Court, alleging the plan was unconstitutional because it violated the Equal Protection Clause of the Fourteenth Amendment.<sup>12</sup> The court upheld the plan. In 1985, the Fourth Circuit Court of Appeals affirmed the decision. The U.S. Supreme Court, in an opinion in which Justice O'Connor was joined by four other Justices, held that the Fourteenth Amendment's Equal Protection Clause of the U.S. Constitution was violated by the City of Richmond's set-aside ordinance because:

- 1) Richmond had failed to demonstrate a compelling governmental interest in apportioning public contracting opportunities based on race; and,
- 2) The plan was not narrowly tailored to remedy the effects of prior or present discrimination.<sup>13</sup>

The Court stated there was no proof in the record upon which to base a *prima facie* case of a constitutional or statutory violation by any contractors in the Richmond construction industry. The Court further held that the inclusion of Spanish-speaking, Asians, American Indians, Alaskans, and Aleuts, where there was absolutely no evidence of past discrimination against such persons, demonstrated that the City's purposes were not, in fact, to remedy past discrimination. Finally, the Court held that the 30 percent set-aside was not narrowly tailored to remedy the past effects of any prior alleged discrimination.

### **B. Standard of Scrutiny Analysis**

The *Croson* case falls under the protection of the Equal Protection Clause. The Fourteenth Amendment, which prohibits states from denying any person within its jurisdiction the equal protection of the laws, is usually invoked when the state makes distinctions or classifications. There are three levels of scrutiny under which a state statute, regulation, policy, or practice can be examined: strict scrutiny, intermediate scrutiny, or rational basis.

- 1) The strict scrutiny standard is evoked if the classification is suspect, in particular one based on race, ethnic or alien distinctions or infringements upon fundamental rights. The

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<sup>12</sup> The district court upheld the plan which was affirmed by the Court of Appeals for the Fourth Circuit in reliance on *Fullilove v. Klutznick*, 448 U.S. 448, 100 S. Ct. 2758 (1980). The United States Supreme Court remanded the case for further consideration in light of the decision in *Wygant v. Jackson Board of Education*, 476 U.S. 267, 106 S.Ct. 1842 (1986) in which it applied the "strict scrutiny test" in invalidating the local school board's layoff policy.

<sup>13</sup> See *Croson*, at 488 U.S. 469, 109 S. Ct. 706 (1989).



strict scrutiny test is the most rigorous of the three, requiring the state to show compelling governmental interests for making such classifications.

- 2) **Intermediate scrutiny** is applied to gender and age distinctions and requires the state to prove there is a fair and substantial relationship between the classification and the objective of the legislation.<sup>14</sup>
- 3) The **rational basis** standard tests economic programs that do not make distinctions based on race, ethnic origin, or gender. Under this standard, the moving party is required to show that the classification is not rationally related to a valid state purpose.

### C. *Croson* and Strict Scrutiny

In reviewing the Richmond ordinance, the Supreme Court analyzed an affirmative action program that made distinctions based on race. Although the Court was deeply divided, the majority opinion in *Croson* interpreted the Equal Protection Clause as providing the same protection against discrimination and unequal treatment provided to Blacks and other minorities as to non-minority individuals.<sup>15</sup> The Court reasoned that protection of the individual rights guaranteed by the Equal Protection Clause requires strict judicial scrutiny of the facts and circumstances surrounding the adoption of race-based preferences to “smoke out” possible illegitimate motivations such as simple race politics or racial stereotyping.<sup>16</sup>

Justice O’Connor, writing the majority opinion, favored this heightened scrutiny of race-conscious programs, basing her opinion on Justice Powell’s opinions in *University of California Regents v. Bakke*<sup>17</sup> and *Wygant v. Jackson Board of Education*, in which he applied the strict scrutiny standard to race-based preferences related to student admissions and employment, respectively. The use of a heightened scrutiny was necessary, O’Connor reasoned, because the majority Black population in the City of Richmond raised the concern of the Court that a political majority will more easily act to the disadvantage of a minority based on “unwarranted assumptions or incomplete facts...”<sup>18</sup> Although Justice O’Connor relied on *Wygant* to define the strict scrutiny standard for *Croson*, it is important to note that her concurring opinion in *Wygant* acknowledges the lack of consensus among the members of the Court

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<sup>14</sup> Lower courts have not agreed upon the standard to be applied to physical and mental handicaps, however, intermediate and rational basis have been employed.

<sup>15</sup> *Croson*, at 721.

<sup>16</sup> *Id.*

<sup>17</sup> 438 U.S.265, 98 S. Ct. 2733 (1978).

<sup>18</sup> *Croson*, at 722.

regarding the appropriate interpretation of the strict scrutiny standard. Four members of the Court dissented on the standard set forth in the O'Connor opinion.

While the majority in *Croson* subjected race-based preferences adopted by state and local governments to the most stringent test of constitutionality, the Court apparently did not intend to sound a complete retreat from attempts by state and local governments to remedy racial injustice. In her opinion, Justice O'Connor stated:

"It would seem equally clear, however, that a state or local subdivision (if delegated the authority from the State) has the authority to eradicate the effects of private discrimination within its own legislative jurisdiction. This authority must, of course, be exercised within the constraints of the Fourteenth Amendment."<sup>19</sup>

Justice Kennedy, in his concurring opinion, went further, stating the City, upon intentionally causing wrongs, has an "absolute duty" to eradicate discrimination.<sup>20</sup> Even so, the Court concluded that, in the enactment and design of the plan, the City of Richmond failed both prongs of the strict scrutiny test.

### **1. *Compelling Governmental Interest***

In some instances, public entities have compelling reasons to remedy past discriminatory treatment of racial or ethnic groups. In *Croson*, the Court noted that a municipality has a compelling interest in redressing discrimination committed by the municipality or private parties within the municipality's legislative jurisdiction if the municipality in some way perpetuated the discrimination to be remedied by the program.<sup>21</sup> The Court makes clear that a state or local government may use its legislative authority in procurement to remedy private discrimination, if that discrimination is identified with the "particularity required by the Fourteenth Amendment."

In *Grutter v. Bollinger*,<sup>22</sup> the U.S. Supreme Court further expounded on the compelling governmental test, stating that, "[we] have never held that the only governmental use of race that can survive strict scrutiny is remedying past discrimination...Not every decision influenced by race is equally objectionable and strict

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<sup>19</sup> *Id.* at 720.

<sup>20</sup> *Id.* at 734.

<sup>21</sup> *Id.* at 720.

<sup>22</sup> 539 U.S. 306, 123 S. Ct. 2325 (2003)

scrutiny is designed to provide a framework for carefully examining the importance and the sincerity of the reasons advanced by the governmental decision-maker for the use of race in that particular context.”<sup>23</sup>

### ***Factual Predicate***

Thus, race-conscious measures can be adopted when a governmental entity establishes, through a factual predicate, identified instances of past discrimination which must be particularized to provide guidance for the “legislative body to determine the precise scope of the injury it seeks to remedy.”<sup>24</sup>

The City of Richmond justified its enactment of the plan based on five factors: (1) the plan declared its purpose to be “remedial”; (2) at public hearings in connection with enacting the plan, proponents stated there had been past discrimination in the construction industry locally, throughout the state and the country; (3) minority businesses received .67 percent of prime contracts from the City, while minorities constituted 50 percent of Richmond’s population; (4) minority contractors were grossly under-represented in local contractors’ associations; and (5) U.S. Congressional studies have concluded that minority participation in the construction industry nationally was stifled by the present effects of past discrimination.<sup>25</sup>

The *Croson* court rejected the foregoing factors as inadequate, either singularly or in concert, to establish a strong basis in evidence to justify Richmond’s plan for the following reasons:

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<sup>23</sup> *Sherbrooke* and *Hershell Gill* have concluded that the holdings of the *Gratz v. Bollinger*, 539 U.S. 244, 123 S. Ct. 2411 (2003) and *Grutter v. Bollinger*, 539 U.S. 306, 123 S. Ct. 2325 (2003) cases in no way disturbs the holdings of *Croson*. See *Sherbrooke Turf. Inv. V. Minnesota Department of Transportation*, 345 F. 3d 964 (8<sup>th</sup> Cir. 2003) and *Hershell Gill Consulting Engineers v. Miami-Dade County*, 333 F.Supp.2d 1305 (2004)

<sup>24</sup> *Croson* at 723.

<sup>25</sup> The City of Richmond attempted in part to predicate its program on the studies cited by the Supreme Court in *Fullilove v. Klutznick*, supra n. 1. The court noted that the Equal Protection component of the Fifth Amendment was not violated when Congress established a set-aside program since it was substantially related to the achievement of an important national goal of remedying the past acts of racial discrimination in the area of public contracts. The Congressional authority to establish a set-aside program is greater than that of a state and is subjected to less judicial scrutiny by the courts. However, the Court in *Adarand Contractors, Inc. v. Federica Pena* held that “all racial classifications, imposed by whatever federal, state, or local government actor, must be analyzed under strict scrutiny. 515 U.S. 200, 115 S. Ct. 2097, 2113 (1995)

- *Remedial Purpose Recitation*: The mere recitation of a “remedial” purpose for a racial classification is insufficient, particularly where an examination of the history of the legislation and its legislative scheme suggests that its goal was other than its asserted purpose.<sup>26</sup>
- *Statements Regarding Past Discrimination*: The generalized assertions of plan proponents’ that there had been past discrimination in the construction industry were highly conclusive in nature and of no sufficient evidence or probative value in establishing past discrimination by anyone in the construction industry in the City of Richmond.<sup>27</sup>
- *Disparity in Contracts Awarded*: Where special qualifications were required, the comparisons to the general population, rather than to the special smaller group of qualified individuals, may have little probative value. Thus, the relevant statistical pool for demonstrating discriminatory exclusion was the number of MBEs qualified to undertake the task, as opposed to the percentage of minority individuals in the general population. While the plan contemplated minority subcontractor participation, the City did not know how many MBEs in the local area were qualified to do the work or the percentage of MBE participation in city projects.<sup>28</sup>
- *Low Participation in Contractors’ Association*: A low percentage of minorities in the local contractors’ associations did not provide sufficient evidence without proof that this low percentage was due to discrimination against, as opposed to the free choice, of Blacks to pursue alternate employment or interests.<sup>29</sup>
- *Congressional Findings*: The finding by Congress that past discrimination accounted for the low number of minority contractors in the county had little or no probative value with respect to establishing discrimination in the City of Richmond. A more particularized showing of past discrimination by the City was required, such as a pattern of discrimination in the local industry that the City could act to eradicate, or discrimination in which the City was a “passive participant.”<sup>30</sup>

The Court concluded that a more specific inquiry and discovery would be required to support a constitutionally permissible set-aside program. The factual inquiry must be local in nature and the statistical analysis must address a relevant comparison. In *Croson*, Justice O’Connor relied heavily on her opinion and that of Justice Powell in *Wygant*, when specifying the requirement that “judicial, legislative

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<sup>26</sup> *Id.* at 720.

<sup>27</sup> *Id.* at 724.

<sup>28</sup> *Id.* at 726.

<sup>29</sup> *Id.* at 727.

<sup>30</sup> *Id.*

or administrative findings of constitutional or statutory violation” must be found before a government entity has a compelling interest in favoring one race over another.<sup>31</sup>

For example, in *Wygant*, the U.S. Supreme Court considered the validity of a collective bargaining agreement, which provided special protection for minority teachers in layoffs. The school board argued that the board’s interest in providing minority teacher role models for its minority students, as an attempt to alleviate societal discrimination, was sufficiently important to justify the use of a racial classification embodied in the layoff provision.<sup>32</sup> The Justices rejected the role model theory and held that it could not be used to support a remedial measure, such as a layoff provision. The disparity between teachers and students, according to the Court, had no probative value in demonstrating discrimination in hiring and promotion, which necessitated corrective action. Substantially, the same conclusion had been reached by the Supreme Court in 1979 in *Bakke*.<sup>33</sup>

In showing particularized instances of discrimination, the *Croson* Court decided that the factual predicate suffered the same flaws, as did *Wygant*’s. The factual predicate depended upon generalized assertions, which could lead to an attempt to match contract awards to MBEs to the minority population. In analyzing the *Croson* factual predicate, the Supreme Court did not “provide a set of standards or guidelines describing the kind of MBE plan that would pass constitutional muster. It simply provided a stringent burden of proof for proponents of MBE laws to meet...”<sup>34</sup> The Court also did not give legislatures much guidance on the parameters of a factual predicate that would show evidence of discrimination. There are some indications of the measures the Court will accept:

- 1) A pattern of discrimination shown through an appropriate disparity analysis can raise an inference of discrimination.
- 2) A relevant market in which the public entity conducts business must be established; and
- 3) Qualitative evidence of discrimination, such as anecdotal testimony, may also be acceptable.

The Court, however, leaves a great deal of room for interpretation in the development of models to satisfy these standards.

Because the *Croson* Court left the task of further establishing a factual predicate to the lower courts, the lower courts have been experiencing difficulties in navigating the complexities in this area of

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<sup>31</sup> *Id.* at 723.

<sup>32</sup> See *Wygant*, at 274.

<sup>33</sup> *Cone v. Hillsborough*, 905 F. 2d 908, 913 (1990)

<sup>34</sup> 488 U.S. at 507-508.

constitutional law. In response, state and local governmental entities use independent consultants to assess if they have the factual predicate or a statistically significant disparity necessary to justify remedial race and/or gender-conscious programs under *Croson*.

## **2. Narrowly Tailored**

The Court in *Croson* made it clear that the second prong of the “strict scrutiny” test demands that remedial action be “narrowly tailored” to identify past or present discrimination. At least three characteristics were identified by the Court as indicative of a narrowly tailored remedy:

- 1) The program should be instituted either after, or in conjunction with, race-neutral means of increasing minority business participation; a governmental entity does not have to enact race-neutral means if they are not feasible or conducive to remedying past discrimination.
- 2) The plan should avoid the use of rigid numerical quotas;<sup>35</sup> and
- 3) The program must be limited in its effective scope to the boundaries of the governmental entity.

*Croson* found the 30 percent quota in Richmond to be a rigid numerical quota without justification. Given that the city considered bids and waivers on a case-by-case basis, the Court found no need for the rigid quotas. In creating a plan, a public entity cannot employ quotas simply to avoid “the bureaucratic effort necessary to tailor remedial relief to those who truly have suffered the effects of prior discrimination.”<sup>36</sup>

Yet, based on the discovery of a significant statistical disparity, the public entity can then institute measures to “end the discriminatory exclusion.”<sup>37</sup> In fact, in some showings of discrimination, goals, quotas or set-asides could be employed: “in the extreme case, some form of narrowly tailored racial preference might be necessary to break down patterns of deliberate exclusion.”<sup>38</sup> Any plan of action containing racial preferences should be grounded in the statistical assessment of disparity.

Several lower courts have sought to expound upon the components of narrow tailoring dictated by the Supreme Court. In doing so, the following findings have been made:

- 1) Flexible and aspirational goals should be demonstrated by being tied to availability, set project-by-project and achieved through good faith efforts.<sup>39</sup> Goals can be set for small minority groups

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<sup>35</sup> *Id.*

<sup>36</sup> *Croson* at 729.

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

<sup>39</sup> *Cone v. Hillsborough County*, 905 F. 2d 908 (1990), *Associated General Contractors of Ohio v. Drabik*, 214 F. 3d 300 (6th Cir. 2000).

where discrimination may have negatively impacted their numbers causing the inability to reach statistical significance.<sup>40</sup> Race-conscious goals within federal contracts should be utilized to achieve the portion of DBE participation that cannot be achieved through race and gender-neutral means.<sup>41</sup>

- 2) Waivers and good faith efforts should be an integral component of the program. If MBEs are not available, or submit unreasonably high price quotes, the prime contractor should be granted a waiver.<sup>42</sup>
- 3) A sunset clause is also a component of a narrowly tailored MBE program. This can involve; a) a graduation program,<sup>43</sup> b) a definite date to end the program;<sup>44</sup> or c) an annual review of M/WBE program efficacy, goals, and utilization. M/WBE programs should not be designed as permanent fixtures in a purchasing system without regard to eradicating bias in standard purchasing operations or in private sector contracting.
- 4) Additionally, any race-conscious program or other remedial action should not extend its benefits to MBEs outside the political jurisdiction, unless the MBEs can show that they have suffered discrimination within the locale.<sup>45</sup> M/WBE programs should be limited in scope to group(s) and firms that suffer the ongoing effects of past or present discrimination.<sup>46</sup>
- 5) Race and gender-conscious M/WBE programs should be instituted only after, or in conjunction with, race and gender-neutral programs.
- 6) M/WBE programs should limit their impact on the rights and operations of third parties.

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<sup>40</sup> *Concrete Works v. County of Denver* (Concrete Works I), 823 F. Supp. 821, 843 (1993).

<sup>41</sup> *Western States Paving Co. v. Washington DOT*, 407 F.3d 983 (9th Cir. 2005).

<sup>42</sup> *Coral Construction Co. v. King County*, 941 F. 2d at 924, *Associated General Contractors of Ohio v. Drabik*, 214 F. 3d 300 (6th Cir. 2000), *Hershell Gill Consulting Engineers v. Miami-Dade County*, 333 F.Supp.2d 1305 (2004), *Western States Paving Co. v. Washington DOT*, 407 F.3d 983 (9th Cir. 2005)

<sup>43</sup> *AGC v. Coalition for Economic Equality*, 950 F.2d 1407,1417 (1991), *Associated General Contractors of Ohio v. Drabik*, 214 F. 3d 300 (6th Cir. 2000), *Hershell Gill Consulting Engineers v. Miami-Dade County*, 333 F.Supp.2d 1305 (2004) (August 24, 2004).

<sup>44</sup> *AGC v. San Francisco*, 748 F. Supp. 1443, 1454 (1990), *Associated General Contractors of Ohio v. Drabik*, 214 F. 3d 300 (6th Cir. 2000).

<sup>45</sup> *Concrete Works I*, 823 F. Supp. 821, 843 (1993). This was true even if the statistical evidence shows discrimination by contractors in cities in other locales, *Coral Construction v. King County*, 941 F. 2d 910, 925 (1991).

<sup>46</sup> In *Jana-Rock Const. v N.Y. State Dept of Econ. Dev.*, 438 F.3d 195 (2<sup>nd</sup> Cir. 2006), the 2<sup>nd</sup> Circuit considered the issue of under-inclusiveness—whether NYS' exclusion of Portuguese and other European Spanish speaking persons from its definition of Hispanic in its affirmative action programs. While the court found that strict scrutiny and narrowly tailoring required that programs not be over-inclusive, the Court of Appeals did not believe that Croson, intended to subject under-inclusiveness to the strict scrutiny standard.

## Chapter II Legal Analysis

In *Grutter v. Bollinger*<sup>47</sup> and *Gratz v. Bollinger*<sup>48</sup>, which addressed the standards for utilizing race-conscious measures in public education, the U.S. Supreme Court reviewed the utilization of goals in affirmative action cases. The utilization of race should allow for individualized consideration, and be applied in a flexible, non-mechanical way. The Court appears to conclude that race can be used as more of a “plus” factor, as opposed to a defining feature of the application.

In *Sherbrooke Turf, Inc. v. Minnesota Department of Transportation* and *Gross Seed Company v. Department of Transportation*,<sup>49</sup> the Eighth Circuit Court of Appeals has interpreted these two cases “in light of” the U.S. Supreme Court’s decision in *Croson*. The court found that the DOT’s goal programs were consistent with the requirements of *Gratz* and *Grutter*, as they were flexible and individualized and emphasized race-neutral means.

In *Western States Paving Co., Inc. v. Washington State Department of Transportation*,<sup>50</sup> the Ninth Circuit Court of Appeals reached a similar conclusion in finding that Washington DOT met the compelling governmental interest test but, failed the narrow tailoring test. The court found that Washington DOT did not present any evidence of discrimination within the transportation construction market. Missing the court stated was (1) a statistical analysis that considered capacity of firms within Washington DOT’s market, and (2) anecdotal testimony.<sup>51</sup>

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<sup>47</sup> 539 U.S. 306, 123 S. Ct. 2325 (2003)

<sup>48</sup> 539 U.S. 244, 123 S. Ct. 2411 (2003)

<sup>49</sup> 345 F.3d 964, 2003 U.S. App. LEXIS 20287 (8<sup>th</sup> Circuit, May 2004)

<sup>50</sup> 407 F.3d 983 (9<sup>th</sup> Cir. 2005)

<sup>51</sup> *Id.* at 1002-1003.



### A. Overconcentration

The District Court of Minnesota considered whether a DBE Program was narrowly tailored due to overconcentration in *Geyer Signal, Inc. v. Minnesota DOT*.<sup>52</sup> In this case, Geyer sought a permanent injunction of Minnesota DOT's DBE Program, declaring it unconstitutional on its faces and as applied. A major argument made by Geyer was that the DBE program was not narrowly tailored because DBE goals were only satisfied through a few areas of work on construction projects or over-concentrated, which burdens non-DBEs in those sectors and not addressing problems in other areas.<sup>53</sup> Under the federal requirements, DBE programs are required to monitor and address issues of overconcentration. The court first held that plaintiffs failed to establish that the DBE Program will always be fulfilled in a manner that creates overconcentration, as is required under a facial challenge. Goals are established based on DBEs that are ready, willing, and able to participate, thus accounting for work that DBEs are unable to perform. As such, the non-existent DBEs would not be overconcentration, MnDOT Program has established mechanisms to address through:

- Flexible contract goals that allow MnDOT to change focus from over-concentrated areas.
- Ability of prime contractors to subdivide projects that would typically require more capital and equipment than a DBE can acquire.
- Waivers; and
- Incentives, technical assistance, business development programs, mentor-protégé programs and other measures to assist DBEs to work in other areas, where there is not overconcentration.<sup>54</sup>

The as-applied challenge failed as well. On the issue of overconcentration, the district court held that there is “no authority for the proposition that the government must conform its implementation of the DBE Program to every individual business’ self-assessment of what industry group they fall into and what other businesses are similar.”<sup>55</sup> Because Geyer did not demonstrate that the NAICS code analysis was unreasonable or that overconcentration exists in its type of work, it did not show that MnDOT’s program was not narrowly tailored.

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<sup>52</sup> 2014 WL 1309092

<sup>53</sup> *Id.* at 11.

<sup>54</sup> *Id.* at 16-17.

<sup>55</sup> *Id.* at 20.

**B. Race-Neutral Alternatives**

The Court in *Croson* held that the MBE program should be instituted either after, or in conjunction with, race-neutral means of increasing minority business participation. The *Croson* Court stated that, in Richmond, there did “not appear to have been any consideration of the use of race-neutral means to increase minority participation in City contracting.”<sup>56</sup> The Court further stated that, in upholding the federal set-aside in *Fullilove*,<sup>57</sup> “Congress had carefully examined the rejected race-neutral alternatives before enacting the MBE set-aside.” This was because “by the time Congress enacted [the MBE set-aside] in 1977, it knew that other racial remedies had failed to ameliorate the effects of racial discrimination in the construction industry.”<sup>58</sup>

While *Croson* does not define race-neutral programs or what constitutes a consideration of race-neutral programs, other passages in *Croson* do shed some light on the Court’s opinion on these two issues. The Supreme Court noted that the City of Richmond had at its disposal a wide array of race-neutral measures that could “increase the accessibility of City contracting opportunities to small entrepreneurs of all races. Simplification of bidding procedures, relaxation of bonding requirements, and training and financial aid for disadvantaged entrepreneurs of all races would open the public contracting market to all those who have suffered the effects of past societal discrimination or neglect.”<sup>59</sup>

The Court also suggested that the City may “[a]ct to prohibit discrimination in the provision of credit or bonding by local suppliers and banks. Business as usual should not mean business pursuant to the unthinking exclusion of certain members of our society from its rewards.”<sup>60</sup> Thus, the cities can attempt to thwart discrimination in those private industries that can award city contracts to minority contractors.<sup>61</sup>

What constitutes an adequate consideration of race-neutral programs is vaguer. *Fullilove* held that Congress made a thorough investigation of the inadequacy of race-neutral measures to promote MBEs. While *Croson* held that Richmond could not rely on the congressional findings referred to in *Fullilove*, presumably, Richmond could have relied on a similar quantum of evidence that Congress relied upon in *Fullilove*. However, congressional findings in *Fullilove* were remarkably thin with no hearings held to document the discrimination that the statute in *Fullilove* set out to rectify. While *Fullilove* has been in

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<sup>56</sup> *Croson*, citing *U.S. v. Paradise*, 480 U.S. 49, 171 (1987).

<sup>57</sup> In *Fullilove v. Klutnick*, 448 U.S. 448 (1980), the U.S. Supreme Court found that the United States government could use its spending power to remedy past discrimination in the construction industry by establishing that 10 percent of federal funds could go to minority-owned firms under a set-aside program. *Fullilove v. Klutnick* was overruled by *Adarand Constructors, Inc. v. Peña*, 515 U.S. 200 (1995), bringing federal programs in line with *Richmond v. Croson*.

<sup>58</sup> *Croson*, at 732 (1989).

<sup>59</sup> *Id.* at 706-707.

<sup>60</sup> *Id.* at 729.

<sup>61</sup> However, the court did not say whether this influence should be exercised through legislative enactment.

large part superseded by *Adarand v. Peña*, *Adarand* was also largely silent on what constituted an adequate consideration of race-neutral alternatives.<sup>62</sup>

Subsequent federal case law has provided some illumination on the question of what constitutes adequate consideration of race-neutral measures.

- 1) As stated previously, a governmental entity does not have to enact race-neutral means if they are not feasible or conducive to remedying past discrimination.<sup>63</sup>
- 2) If race-neutral programs and legislation were in place prior to the establishment of a race-conscious program and had been attempted in good faith, and yet M/WBE participation in public procurement remains low relative to availability, then an inference is created that race-neutral programs were inadequate to relieve the impact of past discrimination.<sup>64</sup>

### **D. Scrutiny Applied to Federally Funded Programs**

#### **a. Background of *Adarand v. Peña***

In *Adarand Contractors, Inc. v. Peña*<sup>65</sup> the U.S. Supreme Court analyzed the constitutionality of a federally funded race-conscious DBE program. The facts of *Adarand III*<sup>66</sup> are as follows. The Central Federal Lands Highway Division (CFLHD), which is part of the United States Department of Transportation, in 1989, awarded the prime contract for a highway construction project in Colorado to Mountain Gravel & Construction Company. Mountain Gravel then solicited bids from subcontractors for the guardrail portion of the contract. Petitioner *Adarand*, a Colorado-based highway construction company that specialized in guardrail work, submitted the lowest bid. Gonzales Construction Company also submitted a bid to complete the guardrails.<sup>67</sup> Gonzales was a certified Disadvantaged Business Enterprise (DBE), however

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<sup>62</sup> See fn 45, as well as discussion below in 6. Scrutiny applied to Federally Funded Programs.

<sup>63</sup> *Coral Construction v. King County*, 941 F.2d 910, 923 (9th Cir. 1991), *AGC of California v. Coalition of Economic Equity*, 950 F. 2d 1401,1417 (9th Cir. 1991), *Engineering Contractors v. Dade County*, 122 F. 3d 895 (11th Cir. 1997), *Concrete Works of Colorado, Inc. v. City and County of Denver (Concrete Works I)*, 823 F. Supp. 821 (D Colo 1993), *Western States Paving Co., Inc. v. Washington State Department of Transportation*, 407 F.3d 983 (9th Cir. 2005).

<sup>64</sup> *Concrete Works I* at 841.

<sup>65</sup> 515 U.S. 200; 115 S. Ct. 2097 (2005).

<sup>66</sup> *Id.*

<sup>67</sup> *Id.* at 205.

*Adarand* was not. Mountain Gravel awarded the subcontract to Gonzales, even though *Adarand* had the lowest bid.<sup>68</sup>

Federal law requires a subcontracting clause “be inserted which states that [the] contractor shall presume that socially and economically disadvantaged individuals include Blacks, Hispanics, American Indians, Asians, and other minorities, or any other individual found to be disadvantaged by the [Small Business] Administration pursuant to section 8(a) of the Small Business Act.”<sup>69</sup> *Adarand* filed suit in the United States District Court for the District of Colorado against various federal officials, claiming that the race-based presumptions involved in the use of subcontracting compensation clauses violated *Adarand’s* right to equal protection. In addition to its general prayer for “such other and further relief as to the court seems just and equitable,” *Adarand* specifically sought declaratory and injunctive relief against any *future* use of subcontractor compensation clauses.<sup>70</sup> The District Court ruled against *Adarand*, (*Adarand I*) granting the government’s motion for summary judgment. The Court of Appeals affirmed. (*Adarand II*)<sup>71</sup>

### **b. Discussion of U.S. Supreme Court Ruling**

Before the U.S. Supreme Court could decide on the merits of the case, it had to determine if *Adarand* had standing to seek forward-looking relief. For *Adarand* to have standing, it would have to allege that the use of subcontractor compensation clauses in the future constitutes “an invasion of a legally protected interest which is (a) concrete and particularized and (b) actual or imminent, not conjectural or hypothetical.”<sup>72</sup> The Court determined that *Adarand’s* claim met this test. The Court further stated that *Adarand* need not demonstrate that it has been, or will be, the low bidder on a government contract. The injury in cases of this kind is that a “discriminating classification prevent[s] the plaintiff from competing on an equal footing...” The aggrieved party “need not allege that he would have obtained the benefit but for the barrier in order to establish standing.”<sup>73</sup>

The next issue the Court addressed was the standard of review for federal racial classifications in determining the viability of programs to address discrimination. The Court concluded “that any person, of whatever race, has the right to demand that any governmental actor subject to the Constitution justify

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<sup>68</sup> *Id.* Note that in *Western States Paving*, the Ninth Circuit concluded that a DBE program is not rendered unconstitutional because it sometimes results in bids by non-DBE firms being rejected in favor of higher bids from DBEs. “Although this places a very real burden on non-DBE firms, this fact alone does not invalidate TEA 21. If it did, all affirmative action programs would be unconstitutional because of the burden on non-minorities.” 407 F.3d at 995.

<sup>69</sup> *Id.* at 205.

<sup>70</sup> *Id.* at 210.

<sup>71</sup> *Id.*

<sup>72</sup> *Id.* at 211.

<sup>73</sup> *Id.* at 211.

any racial classification subjecting that person to unequal treatment under the strictest judicial scrutiny,”<sup>74</sup> thereby holding “that all racial classifications, imposed by whatever federal, state, or local governmental actor, must be analyzed by a reviewing court under strict scrutiny.” Such classifications are constitutional only if they have narrowly tailored measures that further compel governmental interests. The Court, in its decision, recognized the persistence of the practice and lingering effects of racial discrimination against minority groups and the government’s ability to act in response to it. Further, the Court wanted to dispel the notion that strict scrutiny is “strict in theory, but fatal in fact.”<sup>75</sup>

### c. *Adarand* on Remand to the Lower Courts

The Court remanded the case to the United States Tenth Circuit Court of Appeals to address several issues:

- To determine if the interests served using subcontractor compensation clauses are properly described as “compelling.”
- To address narrow tailoring in terms of strict scrutiny cases by exploring the use of race-neutral means to increase minority business participation in government contracting.
- To determine if the program is appropriately limited, so it will not outlive the discriminatory effects it was designed to eliminate.
- To review the discrepancy between the definitions of which socially disadvantaged individuals qualify as economically disadvantaged for the 8(a) and 8(d) programs.
- To determine if 8(d) subcontractors must make individualized showings, or if the race-based presumption applies to both socially and economically disadvantaged businesses.

The Tenth Circuit Court of Appeals remanded the case to the district court for action on the issues raised by the U.S. Supreme Court.<sup>76</sup> The federal district court in *Adarand* (“*Adarand IV*”) accepted the federal government’s evidence of compelling interest, but rejected the DBE program in Colorado as not being narrowly tailored.<sup>77</sup> The court, although acknowledging the U.S. Supreme Court’s pronouncement that

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<sup>74</sup> *Adarand*, 515 U.S. at 224.

<sup>75</sup> *Fullilove*, supra at 519.

<sup>76</sup> *Adarand Constructors, Inc. v. Peña*, 965 F.Supp. 1556 (D.Colo. 1997).

<sup>77</sup> Similarly, a Texas District court, in *Rothe Development Corp v. U.S. Department of Defense*, Civ. Act No. SA-98-CV-1011-EP (1999), upheld the federal government benchmark study as an adequate factual predicate for the small, disadvantaged business program of the U.S. Department of Defense. See also *Concrete Works of Colorado, Inc. v. City and County of Denver, Co.* Civil Action No: 92-M-21 Mar. 7, 2000.

strict scrutiny is not “fatal in fact”, found it “difficult to envisage a race-based classification” that would ever be narrowly tailored, thereby effectively pronouncing strict scrutiny fatal in fact.<sup>78</sup>

Following *Adarand IV*, the Tenth Circuit Court of Appeals, in *Adarand V*, considered subsequent events that the court deemed to have rendered the case moot.<sup>79</sup> During the course of the litigation, *Adarand* applied for and was granted DBE certification by the Colorado Department of Transportation. The appellate court concluded that *Adarand* could no longer demonstrate an injury stemming from the Subcontractors Compensation Clause (a federal subcontracting program), and therefore, the case was moot.<sup>80</sup>

In the U.S. Supreme Court’s review of the court of appeals decision in *Adarand VI*, the Court reversed the lower court, holding that “it was ‘far from clear’ that DOT would not initiate proceedings to revoke *Adarand’s* status and because ‘it is impossible to conclude that respondents have borne their burden of establishing that it is ‘absolutely clear that the allegedly wrongful behavior could not reasonably be expected to recur, petitioner’s cause of action remains alive.’”<sup>81</sup> The Supreme Court remanded the case back to the Appellate Court for consideration on the merits.

On remand, in *Adarand VI*, the Appeals Court found that the government’s evidence more than satisfied the compelling interest prong of the strict scrutiny test, thus reversing the district court’s holding in *Adarand IV*. The Court then considered if the programs currently before the Court were narrowly tailored using the following factors: (1) the availability of race-neutral alternative remedies, (2) limits on the duration of the subcontractors’ compensation clause program and the DBE certification program, (3) flexibility, (4) numerical proportionality, (5) the burden on third parties, and (6) over- or under-inclusiveness. Taking all these factors into consideration, the Court found the amended and revised subcontracting program and DBE certification programs to be narrowly tailored.<sup>82</sup> On November 27, 2001, in *Adarand Constructors v. Mineta*, (*Adarand VII*) the U.S. Supreme Court dismissed the writ of certiorari on the Tenth Circuit’s decision as improvidently granted.<sup>83</sup>

### D. Intermediate Scrutiny

The courts examine programs that give preference to women-owned businesses under a different standard than racially-based programs. A gender-conscious program created by a governmental entity is

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<sup>78</sup> See *Adarand Constructors, Inc. v. Peña* 965 F. Supp. 1556, 1580 (D. Colo. 1997) (“*Adarand IV*”)

<sup>79</sup> See *Adarand Constructors, Inc. v. Slater*, 169 F.3d 1292 (10<sup>th</sup> Cir. 1999) (“*Adarand V*”)

<sup>80</sup> *Id.* at 1296-1297

<sup>81</sup> *Adarand Constructors, Inc. v. Slater*, 120 S.Ct. 722, 726-27 (2000) (“*Adarand VI*”)

<sup>82</sup> *Adarand Constructors, Inc. v. Slater*, docket no. 90-K-1413 (D. Colo.) (Sep 25, 2000)

<sup>83</sup> 534 U.S. 103, 122 S. Ct. 511 (2001). See also *Gratz v. Bollinger*, 539 U.S. 244, 123 S. Ct. 2411 (2003) and *Grutter v. Bollinger*, 539 U.S. 306 123 S. Ct. 2325 (2003)

examined under the intermediate scrutiny test, rather than the strict scrutiny test employed for racial classifications.<sup>84</sup> Under intermediate scrutiny review, the actions of the state are valid if they are “substantially related” to important governmental objectives, supported by sufficiently probative evidence or exceeding persuasive justification.<sup>85</sup>

In *Coral Construction Co. v. King County*,<sup>86</sup> the Ninth Circuit employed the intermediate scrutiny test to review King County’s WBE program by examining the validity of a sex-based preference.<sup>87</sup> Under the test, the Court noted that the gender classification must serve an important governmental objective, and there must be a “direct, substantial relationship” between the objective and the means chosen to accomplish that objective.<sup>88</sup> A governmental entity may use gender-based preferences “only if members of the gender benefited by the classification actually suffered a disadvantage related to the classification.”<sup>89</sup>

According to the court of appeals, unlike the strict standard of review applied to race-based programs, intermediate scrutiny does not require any showing of governmental involvement, active or passive, in the discrimination it seeks to remedy.<sup>90</sup> The Court would uphold the ten percent gender preference if the County could establish a sufficient factual predicate for the claim that women-owned construction businesses have suffered economic discrimination.

The Court concluded that King County had legitimate and important interests in remedying the many disadvantages that confronted women business owners. Further, the means chosen was substantially related to the objective. The Court determined there was adequate information to show discrimination against women in King County<sup>91</sup> after reviewing an affidavit from a woman business owner detailing that less than seven percent of her firm’s business came from private contracts with the majority coming from gender-based set-aside programs.

The Ninth Circuit revisited this issue in *Western Paving*, where it essentially applied the intermediate scrutiny standard to gender discrimination. The Court determined that conducting a separate analysis for

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<sup>84</sup> See e.g. *City of Cleburne*, supra no.6.

<sup>85</sup> *Id.* at 441. See also *Caltrans*, 713 F.3d at 1195; *Western States Paving*, 407 F.3d at 990 n. 6; *Coral Constr. Co.*, 941 F.2d at 931-932 (9th Cir. 1991); *Eng’g Contractors Ass’n*, 122 F.3d at 905, 908, 910; *U.S. v. Virginia*, 518 U.S. 515, 532 and n. 6 (1996)(“exceedingly persuasive justification.”)

<sup>86</sup> 941 F.2d 910 (9<sup>th</sup> Cir. 1991)

<sup>87</sup> See *Coral Construction Co. v. King County*, 941 F.2d 910,931 (9<sup>th</sup> Cir. 1991); *Contractors Ass’n. Eastern Pennsylvania, Inc. v. City of Philadelphia*, 6 F.3d 990 (3<sup>rd</sup> Cir. 1993). The Sixth Circuit Court of Appeals employed the intermediate scrutiny review in *Michigan Road Builders Ass’n. v. Milliken*, 834 F. 2d 583 (6<sup>th</sup> Cir. 1987), aff’d 49 U.S. 1061 (1989). However, after *Croson*, the Sixth Circuit seemingly applied a strict scrutiny test when considering a gender-based affirmative action program.

<sup>88</sup> *Id.* at 921.

<sup>89</sup> *Id.* at 931.

<sup>90</sup> *Id.* at 932.

<sup>91</sup> *Id.* at 932-33. In *Construction Association of Eastern Pennsylvania, Inc. v. City of Philadelphia*, supra n. 76, the Court of Appeals for the Third Circuit also applied the intermediate standard to a gender-based preference program.

sex discrimination under intermediate scrutiny was not necessary, “in this case, intermediate scrutiny would not yield a different result than that obtained under strict scrutiny’s more stringent standard.”<sup>92</sup>

The Court of Appeals for the Third Circuit in the City of Philadelphia noted that the Supreme Court’s gender discrimination cases are inconclusive, and the Court has never squarely ruled on the necessity of statistical evidence in gender discrimination cases. However, the court of appeals found that the City must be able to rely on less evidence in enacting a gender preference than a racial preference, because the intermediate scrutiny standard is less stringent than the strict scrutiny test applied in *Croson*.<sup>93</sup>

In support of its program, Philadelphia relied only on general statistics and one affidavit from a woman in the catering business. Since there was not a disparity index for women-owned construction businesses and given the absence of anecdotal evidence establishing discrimination in the construction industry, the court of appeals affirmed the grant of summary judgment, invalidating the gender preference for construction contracts.

In *Engineering Contractors Association of South Florida Inc. v. Metropolitan Dade County*, the Eleventh Circuit Court of Appeals held that the intermediate scrutiny remains the applicable constitutional standard in gender discrimination cases.<sup>94</sup> The level of evidence that is sufficient to meet the intermediate scrutiny test is “one of degree, not of kind.”<sup>95</sup> This test requires less evidence than a race-conscious constitutional review. The Court, however, noted that the difficulty in determining the adequacy of evidence in gender-conscious cases is determining how much evidence is permissible. To resolve this issue, the Court looked to the Third Circuit Court of Appeals’ review of the City of Philadelphia for guidance and applied the same analysis to its review of the Dade County WBE program.

### **E. Rationally Related Standard of Scrutiny**

Race-neutral economic development and local business programs would be evaluated under the rationally related test. That is, a legitimate state interest must exist, and the means employed to further the interest must be rationally related to the legislation’s purpose.

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<sup>92</sup> *Western Paving* at 407 F.3<sup>rd</sup> 990, fn 6.

<sup>93</sup> *Id.* at 1010. Another example of this double standard was in *RGW Construction v. San Francisco BART*, Case No. C92-2938 TEH (N.D. CA). In this case, an injunction was issued against the race-conscious but not the gender-conscious program area of BART’s DBE program for non-federally funded contracts because of the lack of a factual predicate for the program. The injunction was later partially lifted based on evidence in two disparity studies in counties where BART operated.

<sup>94</sup> 122 F.2d 895 (11<sup>th</sup> Cir. 1997).

<sup>95</sup> *Id.*



In the 1987 case of *Associated General Contractors of California v. City and County of San Francisco*,<sup>96</sup> the Court held that the City had a legitimate state interest in encouraging businesses to locate and remain in the city. Two factors were used to substantiate the City's interest. First, the Court noted the higher administrative costs of doing business within the City, such as higher rents, taxes, and wages, incurred by disadvantaged businesses. Second, the Court noted that the public interest was best served by encouraging businesses to be located in the city. The Court also noted that foreign businesses could be locally-owned business enterprises (LBEs) by acquiring offices within the City and paying permit and license fees from a city address.

In *Gary Concrete Products, Inc. v. Riley*<sup>97</sup> the Court held that an LBE bid preference was constitutional, as the State has a legitimate interest in directing the benefits of its purchases to its citizens. The Court concluded that bid preferences for residents encourage local industry, which increases the tax base and helps the state economy. The statute was rationally related, even though non-residents could qualify for the preference. Non-residents qualified only when they maintained an office and inventory in the state and paid certain taxes.

In *CS-360, LLC v. U.S. Department of Veterans Affairs*,<sup>98</sup> 101 F. Supp. 3d 29 (Dist. Court, DC 2015), the District Court for the District of Columbia upheld the Veteran Administration's denial of CS-360's application for verification as a Service-Disabled Veteran Owned Businesses. The court found that the standard of law was very "deferential" and that the decision was not "arbitrary or capricious, unsupported by substantial evidence or otherwise contrary to law." The court further found that, using the established legal standard, there was a "rational connection between the facts found and the choice made."

### F. Burden of Proof

Under the *Croson* strict scrutiny analysis, the governmental entity has the initial burden of showing that there was a "strong basis in evidence" supporting its race and gender-conscious program. This evidentiary burden is met by satisfying *Croson's* two-pronged test of showing both a compelling governmental interest and narrow tailoring. *Croson* established that a factual predicate consisting of statistically significant disparity and anecdotal interviews was important to showing compelling governmental interest.<sup>99</sup> Several courts have since held that disparity studies are important to establishing the factual predicate that supports *Croson's* two-pronged test.<sup>100</sup>

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<sup>96</sup> 813 F. 2d 922, 943 (9<sup>th</sup> Cir 1987)

<sup>97</sup> 285 S.C. 498, 331 S.E. 2d 335 (1985)

<sup>98</sup> 101 F. Supp. 3d 29, 32-33 (D.Ct. DC, 2015)

<sup>99</sup> See *Croson* discussion supra, at pp.5-9.

<sup>100</sup> See *Caltrans*, 713 F.3d at 1195-1200; *Concrete Works of Colo. Inc. v. City and County of Denver*, 36 F.3d 1513, 1522 (10<sup>th</sup> Cir. 1994).

Once the governmental entity has met the *Croson* two-pronged test, the burden of proof shifts to the plaintiff to rebut the showing. The plaintiff cannot simply state that the evidence submitted by the governmental entity is insufficient or flawed. According to the Eleventh Circuit, the plaintiff has the ultimate burden of persuading the court that the defendant's evidence "did not support an inference of prior discrimination and thus a remedial purpose, or that the plan instituted on the basis of this evidence was not sufficiently "narrowly tailored."<sup>101</sup> The court stated that the plaintiff could rebut the inference of discrimination with a neutral explanation by showing that the statistics were flawed, that the disparities are not significant or actionable or by presenting contrasting data.

In *Rowe v. Tippett*, the Fourth Circuit held that:

Those challenging race-based remedial measures must "introduce credible, particularized evidence to rebut" the state's showing of a strong basis in evidence for the necessity for remedial action. See *Concrete Works*, 321 F.3d at 959 (internal quotation marks omitted). Challengers may offer a neutral explanation for the state's evidence, present contrasting statistical data, or demonstrate that the evidence is flawed, insignificant, or not actionable. See *Eng'g Contractors*, 122 F.3d at 916; *Contractors Ass'n of E. Pa, Inc. v. City of Philadelphia*, 6 F.3d 990, 1007 (3d Cir. 1993) (*Contractors Ass'n I*); *Coral Constr. Co. v. King County*, 941 F.2d 910, 921 (9<sup>th</sup> Cir. 1991). However, mere speculation that the state's evidence is insufficient or methodologically flawed does not suffice to rebut a state's showing. See *Concrete Works*, 321 F.3d at 991.<sup>102</sup>

### **2.2.2 JUDICIAL REVIEW OF *CROSON* CASES IN THE FOURTH CIRCUIT**

The following is a summary of cases in the Fourth Circuit that have considered the constitutional permissibility of MWBE programs.

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<sup>101</sup> *Engineering Contractors*. at 916.

<sup>102</sup> *Rowe v. Tippett*, 615 F.3d 233, 241-242, (4<sup>th</sup> Cir. 2010).

***Maryland Highways Contractors Association, Inc. v. State of Maryland***

In *Maryland Highways Contractors Association, Inc. v. State of Maryland*,<sup>103</sup> the Maryland Highway Contractors' Association sought declaratory and injunctive relief against the State of Maryland, alleging that Maryland's Minority Business Enterprise statute violated the constitutional rights of its membership.

The history of the Maryland statute is as follows. In 1978, the State legislature adopted an MBE statute designed to provide certified MBEs with a "fair share of contracts". In 1988, the State established a ten percent goal for the Interagency Committee on School Construction, the Maryland Food Center Authority, the Maryland Stadium Authority, and the University of Maryland System. The Maryland Department of Transportation was to achieve the same goal on contracts of \$100,000 or more. In July 1990, in response to a district court ruling and *Richmond v. Croson*, the State commissioned a Minority Business Utilization Study. As a result, the legislature repealed the old MBE statute and replaced it with a new statute covering American Indians, Asians, Blacks, Hispanics, women and physically or mentally disabled individuals.<sup>104</sup>

As a consequence of the repeal of the old statute, the case brought by the Maryland Highways Contractors' Association was rendered moot by the Fourth Circuit.<sup>105</sup> Because the court of appeals believed that another case would probably ensue, it addressed the issue of standing, finding that the Association had no standing to sue in its own right, as the Association had not alleged a sufficient personal stake in the outcome of the matter to warrant its invocation of federal court jurisdiction. The Court went on to determine whether the Association had representational standing, which is determined by a three-pronged test established in *Hunt v. Washington State Apple Advertising Commission*:<sup>106</sup>

- Its own members would have standing to sue in their own right;
- The interests the organization seeks to protect are germane to the organization's purpose; and,
- Neither the claim, nor the relief sought, requires the participation of individual members in the lawsuit.<sup>107</sup>

The Court found that the Association did not meet the first prong of the test, as the mere passing mention of economic harm in a letter of questionable reliability was not enough evidence that any member suffered an injury. The Court also found that the Association did not meet the third prong of the test, as

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<sup>103</sup> 933 F.2d 1246 (4<sup>th</sup> Cir. 1991).

<sup>104</sup> *Id.* at 1249-1250.

<sup>105</sup> *Id.*

<sup>106</sup> 432 U.S. 333(1977).

<sup>107</sup> Maryland Contractors at 1252.

the membership, which included some MBEs, had conflicting interests which would require individual members to enter the lawsuit to protect their interests. This was buttressed by the secrecy under which the Board of the Association, which included no MBEs, determined to bring this lawsuit, announcing the intent to litigate after the suit had already been filed.<sup>108</sup>

### **Concrete General, Inc., v. Washington Suburban Sanitary Commission**

Concrete General, Inc. challenged the constitutionality of the Washington Suburban Sanitary Commission's (WSSC) Minority Procurement Policy (MPP) in *Concrete General, Inc. v. Washington Suburban Sanitary Commission*.<sup>109</sup> WSSC is a state agency that regulates the construction, maintenance and operation of the water supply, sewer, and drainage systems for the Washington Suburban Sanitary District, which is located in Prince George's County and Montgomery County. WSSC adopted a resolution in 1978 pledging to support the increased participation of MBEs in contracting opportunities. This was in response to a fact-finding mission that concluded that MBEs were not winning many contracts. In 1985, the WSSC established goals for MBEs at 25 percent of total dollar value of all procurements awarded each year, based on additional evidence not outlined in this case. In 1987, the MPP was revised to set out six different procedures that could be used to include MBE participation:

- Require ten percent subcontractor participation;
- Require the award of the contract to an MBE within ten percent of the lowest bid;
- Require a procurement be restricted to MBEs only (restricted bidding procedure);
- Require that contracts be negotiated directly with one or more MBE firms;
- Waive or reduce bonding and/or insurance requirements for MBEs; and,
- Waive corporate experience requirement for MBEs if the firm has at least one year's relevant corporate experience and the firm's principals have corporate experience.<sup>110</sup>

MBEs were defined as an entity at least 51 percent owned and controlled by a Black, Hispanic, American Indian, Alaskan Native, Asian or Pacific Islander, female or the physically or mentally disabled. Furthermore, the MPP had no geographical limitation.

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<sup>108</sup> *Id.* at 1253-1254.

<sup>109</sup> 779 F. Supp. 370 (D.Ct. Md. 1991).

<sup>110</sup> *Id.* at 372-373.

Two roadway paving contracts came under question in this case. On Contract A, WSSC had determined to award the contract to an MBE within ten percent of the lowest bid. Contract B would be restricted to MBEs only. Under Contract A, after internal disagreement on the award, the contract ultimately went to the lowest bidder. Under Contract B, the bid was awarded to the lowest bidding MBE. Concrete General filed a bid protest, challenging the restricted bidding procedure.

Upon considering all of the evidence, the district court held that “WSSC exceeded the scope of its legislative authority when it enacted the MPP’s restricted bidding provision.”<sup>111</sup> The district court explained that the establishment of the MPP was not “proper and necessary” for the WSSC to carry out its duties of regulating the construction, operation and maintenance of the water supply.<sup>112</sup> Further, the Court found that no evidence presented suggested that the Maryland General Assembly had ever anticipated that WSSC would assess MBE participation in its contracting opportunities. Such a delegation generally has been done by the legislature through a grant of specific legislative authority. A suggestion of implied authority goes too far, according to the Court.<sup>113</sup>

The district court also held that the program was unconstitutional under the *Croson* framework. First, under the compelling governmental interest test, the Court held WSSC had submitted the type of evidence anticipated by *Croson*. WSSC provided Procurement Department Activity Reports that showed a comparison of bidders on its bid list to firms that actually received contracts. However, because Concrete General challenged the statistical findings, the Court found “the issue to be a disputed question of fact, which cannot be resolved within the summary judgment context.”<sup>114</sup>

Furthermore, the Court held that, even if WSSC did meet the compelling governmental interest test, it did not meet the narrow tailoring test. Under the narrow tailoring test, the district court found that the MPP was over inclusive, as it applied to racial and ethnic groups for which it had no evidence of discrimination. Based on data collected by WSSC, it could only justify supporting African Americans. Further, the MPP lacked a geographical limitation, allowing firms coverage from outside of Prince George’s and Montgomery Counties.<sup>115</sup>

Lastly, the Court found that WSSC had not considered race-neutral alternatives. The Court outlined the following:

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<sup>111</sup> *Id.* at 374.

<sup>112</sup> *Id.* at 376.

<sup>113</sup> *Id.*

<sup>114</sup> *Id.* at 378.

<sup>115</sup> *Id.* at 380-381.

- The program permitted less drastic alternatives than the restricted bidding procedure that were not utilized or considered. “While the provisions relating to bonding, insurance, and corporate experience requirements are less intrusive than the restricted bidding procedure, no evidence exists to indicate whether, in this instance, WSSC considered using those provisions, or the less intrusive price-preference or subcontractor goal provisions of the MPP, before resorting to the most drastic method, the restrict bidding provision.”
- The MPP does not contain individualized waiver provisions or graduation and termination provisions. As such, the Court considered the MPP not to be sufficiently flexible or temporary.
- The goal appears to relate to the overall population (20-25 percent), as opposed to the labor market (6.54 percent).<sup>116</sup>

The Court also noted that programs that focused on waiving bonding, insurance and corporate experience are considered race-conscious activity, if directed only to MBEs.

### **Maryland Minority Contractors Association, Inc. v. Maryland Stadium Authority**

In *Maryland Minority Contractors Association, Inc. v. Maryland Stadium Authority*,<sup>117</sup> the Maryland Minority Contractors Association, Inc. (MMCA) and three of its members alleged civil rights violations under the Fourteenth Amendment as it relates to the Maryland Stadium Authorities’ (MSA) procurement practices. Of the six claims alleged by MMCA, the district court dismissed three of the claims for lack of standing and three for failure to state a claim upon which relief could be granted. On the issue of failure to state a claim, the court found the following:

- MMCA failed to state a claim of intentional discrimination in alleging that MSA’s prequalification requirements were discriminatory because they applied to particularly large MSA construction contracts for which many of its members may have been too small to comply and thus were discouraged from bidding. The MSA’s desire to determine those factors that ensure a contractor’s ability to perform are not, standing alone, a pretext for discrimination;<sup>118</sup>
- MMCA’s claim that the Maryland MBE statute is unconstitutional is without merit. MMCA alleged that the statute was over inclusive and used as a pretext for discrimination against African-American and Hispanic contractors by granting contracts to firms owned by White women to meet the goals;

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<sup>116</sup> *Id.* at 381-383.

<sup>117</sup> 70 F.Supp. 2d 580 (D.Ct. MD 1998)

<sup>118</sup> *Id.* at 591-592.

further, the MMCA appears to be arguing that while the statute benefits them, MMCA should not have to share the benefits with women and other minorities;<sup>119</sup> and

- The claim that the statute has been administered as a pretext for discrimination by allowing White males to create fronts for their wives is not supported by any facts.<sup>120</sup>

### ***Maryland Minority Contractors Association, Inc. v. Columbia Construction Company and Lynch, Cullen and Cook***

The Maryland Department of General Services let a contract for construction with a goal of 20 percent on an \$11.8 million renovation contract at Morgan State University. Two members of the MMCA, Colon and Jones, bid on the subcontracting opportunities, but were not the low bidders. Colon's bid was \$108,430 higher than the non-minority low bidder on the first subcontract and Jones' bid was \$40,000 higher than the low bidder on the second subcontract. The case did not identify the race or gender of the low bidder in the second subcontract. However, the Maryland Department of General Services found that Columbia Construction Company had met the 20 percent goal.

The Maryland Minority Contractors Association, Inc. challenged Columbia Construction Company and three officials, Lynch, Cullen and Cook, of the Maryland Department of General Services in *Maryland Minority Contractors Association, Inc. v. Columbia Construction Company and Lynch, Cullen and Cook*.<sup>121</sup> The MMCA alleged violation of its civil rights. It argued that there was no compelling interest to include other minorities beyond African-Americans and Hispanics in the State's goal program. Further MMCA argued that the goal program was erroneously enforced, as MBEs that "were not bona fide and legitimate MBEs" were used to meet the MBE goal. Columbia moved to dismiss, stating that it was not a state actor under Section 1983 or the Fourteenth Amendment and that the plaintiffs had failed to state a viable claim.

Based on these facts, the court of appeals made the following findings:

- MMCA failed to show that Columbia was a state actor. No facts were submitted that show that Columbia was "under extensive state regulation or control or that Columbia had a sufficiently symbiotic relationship with Maryland to convert it into a state actor."<sup>122</sup>

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<sup>119</sup> *Id.* at 594-597.

<sup>120</sup> *Id.*

<sup>121</sup> 2000 U.S. App. LEXIS 1636 (4<sup>th</sup> Cir. 2000)

<sup>122</sup> *Id.* at 8.

- The complaint did not have sufficient facts to support a claim under Section 1981, given that Jones and Colon could not show that they were “equivalent to, or relatively close to, the lowest bid.”<sup>123</sup>
- Jones and Colon did not state an injury that could be redressed. Jones and Colon conceded that they had no right to be awarded the subcontract, but simply the right to bid. According to the Court, they were permitted that right and they were not the low bidder.<sup>124</sup>
- Even if they did show injury in fact, they have not shown sufficient facts to establish causation or the likelihood that the relief they requested would redress their injuries. In fact, the MBE goals made it easier for them to compete “by eliminating an entire class of potential bidders from competition for at least 20 percent of the value of the contract.”<sup>125</sup>
- Given that Jones and Colon did not have standing, neither did MMCA.<sup>126</sup>

### **Associated Utility Contractors of Maryland, Inc. v. The City of Baltimore**

In 1986, the City implemented its first MBE Ordinance, which established goals of 20 percent for MBEs and 3 percent for WBEs. In response to *Croson*, the City Council sought to determine whether there was support for race- and gender-based remedial action. Based on the findings of the City Council, a new Ordinance was developed in 1990 which required the establishment of yearly set-asides by procurement type to be determined by the Chief of Equal Opportunity Compliance and Contract Authorities. The yearly goals were to be based on the following:

- Existence and extent of past discrimination against MWBEs in City contracting and the likelihood of continuing discrimination without a goal;
- The level of participation of MWBEs on City contracts which contained MWBE requirements;
- The level of participation of MWBEs with other governmental agencies in the Baltimore area, which utilized MWBE requirements; and
- The availability and capacity of MWBEs.

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<sup>123</sup> *Id.* at 9.

<sup>124</sup> *Id.* at 10.

<sup>125</sup> *Id.* at 11.

<sup>126</sup> *Id.* at 13.



The City then established “across-the-board set-aside goals of 20 percent MBE and 3 percent WBE for all City contracts with no variation by market. Thus, the record shows, without dispute, that the city simply readopted the 20 percent MBE and 3 percent WBE subcontractor participation goals from the prior law.” The City did not dispute that (1) it had not undertaken any disparity studies until the lawsuit, (2) it had not undertaken annual studies to support the implementation of its program, and (3) it had not collected data to permit any findings to support its goal program.

The Associated Utility Contractors of Maryland, Inc. challenged the constitutionality of the City of Baltimore’s 1990 MBE Ordinance in *Associated Utility Contractors of Maryland, Inc. v. The City of Baltimore*.<sup>127</sup> In 1999, the district court granted, in part, the motion for summary judgment resulting in an enjoinder of the program. The district court denied, in part, as to the constitutionality of the Ordinance, finding that there was a dispute of material fact as to whether the Ordinance was supported by a factual record of discrimination warranting race- and gender-based remedial action. It made the following findings:

- *Croson* allows governments to eradicate and remedy private discrimination in private subcontracting “inherent in the letting of City construction contracts.”<sup>128</sup>
- The Fourth Circuit interprets the compelling government test by a standard of a strong basis in evidence for its conclusion that remedial action is necessary.<sup>129</sup>
- The strong basis in evidence test must be satisfied by pre-enactment evidence; post-enactment evidence can be considered in determining whether a program is narrowly tailored.<sup>130</sup>

Accordingly, the district court further held that the City had considered no evidence in 1999 to support its set-aside goals of 20 percent and 3 percent. Any information considered in 1990 would not serve to justify goals 10 years later. Even though the City was in the process of conducting a disparity study, the City provided no precedent that stated that the court should wait until that study was completed prior to making a ruling. As such, the injunction remained in full effect.<sup>131</sup>

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<sup>127</sup> 83 F.Supp. 2d 613 (D.Ct. MD 2000).

<sup>128</sup> *Id.* at 619.

<sup>129</sup> *Id.*

<sup>130</sup> *Id.* at 620-621.

<sup>131</sup> *Id.* at 621-622.

### **Associated Utility Contractors of Maryland, Inc. v. The City of Baltimore**

Two years after the first case, AUC file an action challenging the implementation of the new City of Baltimore affirmative action plan in Baltimore City Ordinance 00-98. The City then filed a motion to dismiss AUC’s amended complaint, on the grounds that AUC did not have representational standing to challenge Ordinance 00-98.<sup>132</sup>

The district court judge, the same as in the earlier case, found that Ordinance 00-98 “differs in significant respects from the City’s prior affirmative action plan. Whereas under the prior ordinance, the City simply declared across-the-board set aside percentages for all City public works contracts, the present affirmative action plan strives for a far more nuanced approach.”<sup>133</sup> In the first plan, the City set 20 percent MBE and 3 percent WBE goals across the board. Under Ordinance 00-98, the City establishes goals on a contract-by-contract basis and takes into consideration the following factors:

1. The availability in various industry classifications and professions of MBEs and WBEs that are qualified and willing to provide goods, expertise, and services on the particular contract;
2. The level of utilization of those firms in past contracts awarded by the City;
3. The contract specifications;
4. The adverse impact on non-MBEs and -WBEs; and
5. Any other relevant factors.<sup>134</sup>

The judge found that because of the structure of Ordinance 00-98, any constitutional challenge would involve a very fact-intensive inquiry, as such, AUC could not demonstrate that its membership would be injured, particularly given that no specific company was joined with AUC.<sup>135</sup> The judge did find that the City’s Executive Order requiring 35 percent participation on development projects suffered the same flaws as the first affirmative action plan, despite having no enforcement mechanisms.<sup>136</sup> However, since AUC would have to demonstrate that the City had actually applied the Order as it alleged, the judge determine that the motion to dismiss was not the appropriate manner to resolve this issue.<sup>137</sup>

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<sup>132</sup> 218 F. Supp. 2d 749 (D. Md. 2002)

<sup>133</sup> Id. at 751.

<sup>134</sup> Id. at 752.

<sup>135</sup> Id. at 755.

<sup>136</sup> Id. at 757.

<sup>137</sup> Id. at 758.

### H.B. Rowe Co. v. Tippett<sup>138</sup>

MGT, commissioned by the North Carolina General Assembly, performed a disparity study in 1998 that concluded that minority and women subcontractors were underutilized in state funded road construction

In 2002, HB Rowe submitted the lowest bid for a road relocation project in Iredell County, NC.<sup>139</sup> Its bid included 6.6 percent WBE subcontractor participation and 0 percent participation for MBEs. This bid was rejected in favor of a bidder whose higher bid included 9.3 percent WBE subcontractor participation and 3.3 percent participation for MBE subcontractor participation.<sup>140</sup> The DOT found HB Rowe failed to demonstrate ‘good faith’ efforts to achieve the minority participation goals as it had discrepancies as to the number of MBEs solicited, inadequate solicitation of MBEs, inadequate description of the subcontractor work for the project and no discernible strategy to meet the participation goals. HB Rowe’s appeal to the State Highway Administrator was denied, and the litigation followed.<sup>141</sup>

In 2003, HB Rowe sought declaratory relief that the program at issue was invalid, injunctive relief against the continued use of the program, and damages. The District Court found the program to be valid in all regards and denied HB Rowe’s requests for relief.<sup>142</sup>

By 2004, the State had commissioned its third study from MGT as to its utilization of subcontractors in the NC highway construction industry. That study highlighted continued underutilization of MBEs or “disparities”. As a result of the study, the General Assembly modified its relevant MWBE statute, and this was codified in 2006.<sup>143</sup> The new law modified the previous law by:

1. Conditioning the implementation of any goals on the findings of the 2004 study,
2. Eliminating the 5 and 10 percent annual participation goals of the previous statute,
3. Narrowing the definition of ‘minority’ to include only those found to have suffered discrimination as per the study,
4. Requiring the DOT to re-evaluate the program over time and respond as necessary, and,

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<sup>138</sup> 615 F.3d 233 (4<sup>th</sup> Cir. 2010)

<sup>139</sup> Id. at 237.

<sup>140</sup> Id.

<sup>141</sup> Id. at 238.

<sup>142</sup> Id.

<sup>143</sup> Id.

5. Including a sunset provision that expired in 2009.<sup>144</sup>

The State argued that no relief was appropriate as the amended law mooted many of HB Rowe's arguments.<sup>145</sup> The trial court disagreed, stating that the amended law did not moot the issue of "the use of remedial race- and gender-based preferences without valid evidence of past racial and gender discrimination."<sup>146</sup> The trial court dismissed many of the claims against individual defendants and after much discovery and a four-day bench trial found that the program was constitutional in all regards.<sup>147</sup>

The 2004 MGT study found that African Americans and Native Americans were markedly underutilized in state funded construction contracts.<sup>148</sup> Women subcontractors were found to be overutilized. The study also found that non-minority male subcontractors won more valuable subcontracts than minority and women subcontractors and that minority or women ownership had the largest negative effect on that firm's gross revenues out of factors such as company age, number of full-time employees, the owner's years of experience, level of education, race, ethnicity, and gender.<sup>149</sup>

HB Rowe argued that the use of vendor data, as opposed to bidder data, weakened the study's findings and that prime contractors should assess the subcontractor qualifications. The trial court found this argument lacking, equaling it to 'conjecture and unsupported criticism'.<sup>150</sup> HB Rowe also argued that as the study showed African American subcontractors were 16.45 percent of the available pool and represented 14.9 percent of the firms participating in DOT subcontracts, this was evidence disproving discrimination.<sup>151</sup> The State argued that this was not reflective of discrimination as to dollars spent. The State also rebutted by arguing that MBEs had the capacity to perform higher value work (by dollar). The State also argued that during a suspension of the program, from 1991 to 1993, M/WBE subcontractors were awarded "substantially fewer subcontracting dollars" while the share of subcontracting dollars awarded to non-minority male subcontractors increased".<sup>152</sup> The trial court found that State's arguments compelling, particularly the 38 percent decline during the program's suspension.<sup>153</sup>

The trial court also considered anecdotal evidence presented by the State, including a telephone survey, personal interviews and focus groups that discussed, inter alia, a 'good old boy' network (corroborated by

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<sup>144</sup> Id. at 238-239.

<sup>145</sup> Id. at 240.

<sup>146</sup> Id.

<sup>147</sup> Id.

<sup>148</sup> Id. at 245.

<sup>149</sup> Id. at 245-246.

<sup>150</sup> Id. at 246.

<sup>151</sup> Id. at 247.

<sup>152</sup> Id.

<sup>153</sup> Id. at 248.

almost half of the non-minority male respondents); double standards as to qualification and performance; a view of M/WBE firms being less competent; non-minority firms changing their bids when M/WBE participation is not required; M/WBE firms being dropped after contract awards; and unfair treatment by prime contractors.<sup>154</sup> HB Rowe argued that this anecdotal information was not verified, that the anecdotal information oversampled the MBE community, and that many MBEs reported positive experiences with prime contractors.<sup>155</sup>

The trial court found the program to be valid, finding that the 2004 study identified underutilization of MBEs by prime contractors on state funded highway projects; the General Assembly relied on the evidence of 38 percent decline in utilization of MBE's during the program suspension; anecdotal information supported the data based conclusions of the study; and the average contracts awarded to WBEs are significantly smaller than those awarded other subcontractors.<sup>156</sup> HB Rowe appealed to the 4<sup>th</sup> Circuit.

Upon review, the 4<sup>th</sup> Circuit (Judges), affirmed in part, reversed in part, and remanded the case for further review.

In its 'strict scrutiny' analysis, the court found that the State presented a 'strong basis in evidence' for its conclusion that minority participation goals were necessary to remedy discrimination against African American and Native American subcontractors.<sup>157</sup>

The court found the MGT study-based disparities for these groups to be statistically significant and that this was bolstered by regression analysis that demonstrated African American ownership correlated with a significant and negative impact on firm revenue. The court also noted the decline in utilization of MBEs during the program suspension.<sup>158</sup>

The court also noted that anecdotal evidence supplements the data or statistical information necessary for relief.<sup>159</sup> As to the anecdotal evidence presented, the court found that the various concerns expressed by MBE's, supra, indicated that "racial discrimination is a critical factor underlying the gross statistical disparities presented by the 2004 study".<sup>160</sup> In finding a compelling government interest, the court said

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<sup>154</sup> Id. at 248-249.

<sup>155</sup> Id. at 249.

<sup>156</sup> Id.

<sup>157</sup> Id. at 250.

<sup>158</sup> Id.

<sup>159</sup> Id. at 251.

<sup>160</sup> Id.

that “the State... presented substantial statistical evidence of gross disparity, corroborated by disturbing anecdotal evidence”.<sup>161</sup>

As to ‘narrow tailoring’, the court found that the 2004 study detailed numerous alternative race neutral measures aimed to aid small and otherwise disadvantaged businesses in NC, including the Small Business Enterprise program, which provides for waiver of bonding and licensing requirements for contracts of \$500,000 or less and assistance provided to small businesses, in the areas of bookkeeping and accounting, taxes, marketing, bidding, negotiation and other aspects of business development.<sup>162</sup> The court found that in spite of the race neutral measures, disparities persisted in the NC market.<sup>163</sup> The court also found the program was ‘narrowly tailored’ because it had a sunset provision and because it required a new disparity study every 5 years.<sup>164</sup> The court also noted that the goals are determined on a case-by-case basis (and that there were certain contracts let with 0 percent MBE participation and that the program provides for waiver of participation requirements with demonstrated good faith efforts (as of July 2003, only 13 of 878 good faith submissions failed to demonstrate good faith efforts)).<sup>165</sup>

The court found the program to be narrowly tailored as to African American and Native American subcontractors.<sup>166</sup>

Turning to the intermediate scrutiny analysis required for review of gender-based preferences, the court found that the overutilization of WBE’s determined by the study and the anecdotal evidence suggesting most WBE’s in NC did not experience discrimination, and thus, that the State failed to present sufficient evidence to support any WBE preferences as to goal setting.<sup>167</sup>

The trial court thus upheld the program on its face; upheld the program as to its application to African American and Native American subcontractors; reversed the District Court as to its application to WBE’s, Asian American and Hispanic American subcontractors; and remanded the case to the District Court to fashion a remedy consistent with its opinion.<sup>168</sup>

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<sup>161</sup> Id.

<sup>162</sup> Id. at 252.

<sup>163</sup> Id.

<sup>164</sup> Id. at 253.

<sup>165</sup> Id. at 253-254.

<sup>166</sup> Id. at 254.

<sup>167</sup> Id. at 254-256.

<sup>168</sup> Id. at 258.

## **2.3 FACTUAL PREDICATE STANDARDS (CONDUCTING THE DISPARITY STUDY)**

The factual predicate is utilized to determine if a compelling governmental interest exists to support the utilization of race and gender-conscious remedies. The disparity study is utilized to develop the factual predicate. Below is a discussion of the courts' review of the sufficiency of several components of the disparity study in establishing a factual predicate.

### **2.3.1 RELEVANT MARKET VS. JURISDICTIONAL REACH**

Relevant market establishes geographical limits to the calculation of M/WBE availability and utilization. Most courts and disparity study consultants characterize the relevant market as the geographical area encompassing most of a public entity's commercial activity. Relevant market can be different from jurisdictional reach, which defines the reach of the race and gender-conscious program implemented. Relevant market has not been litigated much.

In *Croson*, the Supreme Court did not provide specific guidance on the estimation of relevant market for the purposes of conducting a factual predicate study. While *Croson* did not provide particularized guidance on the estimation of the relevant market, the *Croson* Court did require that an M/WBE program cover only those groups that have been affected by discrimination within the public entity's jurisdiction.<sup>169</sup> This position was also taken by both the Ninth and Tenth Circuits. In *Concrete Works I*, the consultant found that over eighty percent of Denver's construction and design contracts were awarded to vendors in the Denver MSA.<sup>170</sup> The district court found the Denver MSA to be relevant to determining the jurisdiction of Denver's contract awards. The district court cited the Ninth Circuit opinion in *Coral Construction v. Kings County*:

Concrete Works also overlooks the fact that the Court of Appeals found even the ultimately rejected Pierce County evidence to be probative, even though it was from a separate jurisdiction, because:

"It is, however, immediately adjacent to King County and is part of the same metropolitan area. Likewise, the world of contracting does not conform itself neatly to jurisdictional boundaries. In this regard, contracting differs markedly from a school system, which conducts its business in relative isolation from other school systems. *Id.*"

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<sup>169</sup> Richmond v. Croson, at 725.

<sup>170</sup> 823 F.Supp. 821, 836 (1993).

We conclude that Denver is not acting outside its jurisdiction but is applying a policy to those contractors who have been found to choose to enter Denver's boundaries to seek work and win Denver's tax dollars.<sup>171</sup>

### **2.3.2 AVAILABILITY**

Availability calculations determine the number of firms who are ready, willing, and able to do business with a public entity. Disparity ratios are determined by comparing availability to actual utilization. Availability measures are the most questioned and litigated portions of a disparity study, given the challenges in developing an accurate head count of firms in the marketplace, accounting for issues of capacity, qualification, willingness, and ability. As such, this section explores the evolution of judicial opinions on availability.

We note that the judiciary's view of availability within a jurisdiction is heavily influenced by the disparity methodology utilized to justify the DBE or M/WBE program under review. In many cases, the judge determines the validity of a particular methodology without declaring it as the only acceptable availability methodology.

The *Croson* decision did not turn on the evaluation of data in a disparity study. Consequently, *Croson* did not provide a detailed discussion of permissible data sources. Instead, the Court admonished local agencies to compare contract awards to M/WBEs to the number of "available" minority firms seeking public sector work, and not to the minority population. The source of this availability data was never addressed. Early case law following *Croson* did not cover the issue of competing measures of M/WBE availability. Several cases did not cite the sources of availability data.<sup>172</sup>

In the mid-1990s, cases applying *Croson* began to address the use of Census data as a measure of M/WBE availability. The basic criticism the courts had of Census data is that Survey of Minority-owned Business Enterprises (SMOBE) and Survey of Women-owned Business Enterprises (SWOB) data did not indicate which firms were seeking public sector work.<sup>173</sup> For example, in *Engineering Contractors Association of*

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<sup>171</sup> *Id.* The district court also cited *AGC v. City of San Francisco*. See *Associated General Contractors of California v. City and County of San Francisco*, 813 F.2d 922, 934 (9th Cir.1987) ("*AGCC I*") (noting that any plan that extends race-conscious remedies beyond territorial boundaries must be based on very specific findings that actions the city has taken in the past have visited racial discrimination on such individuals).

<sup>172</sup> See, e.g., *Cone Corp. v. Hillsborough*, 908 F.2d 908 (11th Cir. 1990).

<sup>173</sup> Census no longer produces these sources of data.



*South Florida v. Metropolitan Dade County*,<sup>174</sup> the district court stated:

“The census [SMOBE] data used in both [disparity] studies simply represent individuals or firms located in Dade County, which list themselves as being in the business of construction. The census data do not identify whether these entities have ever done work specifically for the county, or to what degree their reported sales or income stems from private sources versus public sources, much less whether the earnings are primarily the result of work done for Dade County versus Broward County, Palm Beach County or some other Florida locale, or even sites outside of Florida. This lack of specificity makes it difficult, if not impossible, to draw accurate conclusions concerning whether Dade County is itself a participant in gender, racial or ethnic discrimination to the extent that it justified its use of race, ethnicity, and gender-conscious remedies.”<sup>175</sup>

The Census Bureau’s Public Use Micro Sample (PUMS) data has been criticized for similar reasons. One of Miami’s disparity studies used PUMS data to study business formation amongst minorities. The district court concluded that, because PUMS did not look at public sector contracting, the PUMS “is not the type of particularized evidence that is required to provide a strong basis in evidence for the County’s race- and ethnicity-conscious contract award process, which is aimed at M/WBEs which are already in business and qualified to perform work.”<sup>176</sup>

The District Court for the Southern District of Ohio had similar criticisms of the use of Census data. The court stated, “it is apparent, however, that not all construction firms in the Columbus MSA are qualified, willing and able to bid on City construction contracts.”<sup>177</sup> The court went on to state that “census data probably overstate the proportions of available [M/WBEs] . . .”<sup>178</sup> Nevertheless, the court still preferred Census data to study disparity among subcontractors. The court concluded that, “[w]hile the Census total industry data have limitations, it appears to be the best data considered by [the disparity study consultant] for use in determining availability of M/WBEs as subcontractors.”<sup>179</sup> In fact, the Ohio district court rejected the use of the bidder registration file list because it was not consistent with the SMOBE data.

The District Court for the Eastern District of Pennsylvania in Philadelphia also had similar criticisms of SMOBE and SWOB data. In its review of the evidence of disparity presented, the court, stated:

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<sup>174</sup>943 F.Supp. 1546 (1996).

<sup>175</sup>*Id.* at 1572-1573.

<sup>176</sup>*Id.* at 1574.

<sup>177</sup>*AGC v. City of Columbus*, 1996 U.S. Dist. Lexis 12519 (SD Ohio 1996), at 22. This case was overturned on jurisdictional grounds.

<sup>178</sup>*Id.* at 22.

<sup>179</sup>*Id.* at 26.

[The evidence of disparity] never measured the number of contractors actually engaged by the City to perform particular services...Without measuring the number of contractors actually engaged by the City to perform particular services, it is impossible to determine whether Black firms were excluded from performing these services. In addition, it is impossible to determine whether Black companies even existed to perform these services required by the City. Without examining this information, it is impossible to draw any conclusions about discrimination in City public works contracting. In sum, the court finds that [the disparity study consultant] failed to measure the “relevant statistical pool” necessary to perform an accurate disparity study in accordance with the standards set forth in *Croson*.<sup>180</sup>

Upon review of the lower court decision, the Third Circuit Court of Appeals was more lenient on the use of SMOBE and SWOB data. The court rejected the argument that census data did not measure those willing to undertake public sector contracting. The court stated, “in the absence of some reason to believe otherwise, one can normally assume that participants in a market with the ability to undertake gainful work will be ‘willing’ to undertake it.”<sup>181</sup> The court went so far as to state “the census data offer a reasonable approximation of the total number of firms that might vie for City contracts.”<sup>182</sup> The court further suggested that census data might *understate* MBE availability, because “past discrimination in a marketplace may provide reason to believe the minorities who would otherwise be willing are discouraged from trying to secure this work.”<sup>183</sup>

The general criticism of SMOBE and SWOB data is the lack of detail and specificity in qualifications. For example, in criticizing the disparity study in Miami, the District Court for the Southern District of Florida stated “[t]he major drawback of this analysis [disparity ratios] is that the SMOBE data relied upon do not include information such as firm size, number of employees, etc., thus the Brimmer Study does not contain regression analyses to control for neutral variables that could account for these disparities.”<sup>184</sup> The district court did not suggest an alternative data source to provide the specificity it was seeking. This omission was not unusual because courts generally did not provide guidance in determining valid or invalid sources of M/WBE availability data.

Similarly, geographical mismatching of the data sets raised concern for some courts about the use of SMOBE data. The district court in Ohio, for example, criticized mixing SMOBE data with *County Business*

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<sup>180</sup>Contractors Assn. of Eastern Pennsylvania v. City of Philadelphia, 1995 WL 11900 (ED Pa 1995), at 13.

<sup>181</sup>Contractors Assn. of Eastern Pennsylvania v. City of Philadelphia, No. 89-cv-02737 (3d Cir 1996), at 36.

<sup>182</sup>*Id.* at 39.

<sup>183</sup>*Id.* at 36.

<sup>184</sup>Engineering Contractors Association of South Florida v. Metropolitan Dade County, *supra* n. 5, at 31.

*Patterns* because of the different geographical scopes,<sup>185</sup> ignoring the fact that one is a measure of firms and the other is a measure of establishments.<sup>186</sup>

Other courts have not been concerned with the absence of such detail in Census data. For example, the Third Circuit Court also was not concerned by the lack of qualification data in the SMOBE data set. The court noted that “[t]he issue of qualifications can be approached at different levels of specificity, however, and some consideration of the practicality of various approaches is required. An analysis is not devoid of probative value simply because it may theoretically be possible to adopt a more refined approach.”<sup>187</sup> The court accepted the mixture of census data with city purchasing data, although they differed in geographical scope. Similarly, a federal court of appeals sitting in Denver stated, “[w]e agree with other circuits which have interpreted [that] *Croson* implied to permit a municipality to rely, as does Denver, on general data reflecting the number of MBEs and WBEs in the marketplace to defeat the challenger’s Summary Judgment motion or request for a preliminary injunction.”<sup>188</sup>

The principal alternative to using Census data to measure M/WBE availability in *Croson* factual predicate studies is using lists of marketplace participants, primarily, vendor, bidders, pre-qualification, and certification lists. The *Ready, Willing and Able* (RWA) approach is a list-based approach to the estimation of M/WBE availability. In the late 1990s, partly in response to the *Engineering v. Dade County* case, list-based approaches were utilized.<sup>189</sup> As such, courts began to focus on these types of availability analysis.

In 2005, in *Northern Contracting, Inc. v. Illinois Department of Transportation*,<sup>190</sup> the district court found that a valid statistical methodology was presented to justify that the DBE program was narrowly tailored. This methodology included six steps: (1) identified the geographic market for contracting as the State of Illinois; (2) identified the product markets (i.e. highways, transportation, engineering, housing, etc.); (3) identified all available contractors in each product market regardless of race, using Dun & Bradstreet; (4) identified the number of DBE contractors in each product market and broke the numbers down by geographical location; (5) corrected errors by updating the qualified DBE firm list to eliminate firms that are no longer qualified; and (6) correct errors by accounting for DBE firms that were not listed on the qualified directory.<sup>191</sup>

The availability analysis in *Northern Contracting* represented what is commonly called “custom census”

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<sup>185</sup> *AGC v. City of Columbus*, supra n. 8, at 18, vacated on jurisdictional grounds.

<sup>186</sup> An enterprise (firm) may have several establishments at various locations.

<sup>187</sup> *Contractors Assn. of Eastern Pennsylvania v. City of Philadelphia*, supra n. 12, at 36.

<sup>188</sup> *Concrete Works v. City and County of Denver (Concrete Works II)*, 36 F.3d 1513, 1529 (10th Cir. 1994).

<sup>189</sup> *D.J. Miller & Associates, Inc. (now Miller<sup>3</sup> Consulting, Inc.)* used a *Ready, Willing and Able* list-based approach from its inception in 1988.)

<sup>190</sup> 473 F.3d 715 (7th Cir. 2007)

<sup>191</sup> *Id.* at 719.

availability. A similar methodology was employed in the Caltrans' disparity study. In *Caltrans*, the Ninth Circuit citing *Northern Contracting*, held that federal guidelines state the availability analysis should not separate contracts by construction and engineering and by prime and subcontractor because there was already substantial overlapping in these areas.<sup>192</sup> Furthermore, the court found the consultant had adjusted availability for the capacity of firms to do the work.<sup>193</sup>

Conversely, the court in *Rothe Development Co. v. U.S. Department of Defense* found the appropriate measure of availability is to determine those firms "ready, willing, and able" to do business with the government. The court found the following sources as tending to establish a business' qualifications—awardees, bidders, and certification lists. The reliance on lists compiled by local business associations, by community outreach, from vendor lists and from self-affirmation of qualification and ability is more questionable.<sup>194</sup>

In *H.B. Rowe Co. v. Tippett*,<sup>195</sup> the 4<sup>th</sup> Circuit found acceptable an availability analysis that depended on the following variables: "a vendor list comprising (1) subcontractors approved by the Department to perform subcontract work on state-funded projects, (2) sub-contractors that performed such work during the study period, and (3) contractors qualified to perform prime construction work on state-funded contracts."<sup>196</sup> The court agreed with the consultant's explanation why prime and subcontractors were not separated.

### 2.3.3 UTILIZATION

Utilization analysis measures the actual dollars awarded and paid to firms doing business with the public entity, by race and gender. The utilization analysis is rather straight-forward, thus there is limited discussion in case law on standards for utilization. The *Croson* decision specifically mentions the number of firms "qualified, willing and able to perform... and the number of such contractors actually engaged."

In *Concrete Works III*, the court stated that the presentation of both goal and non-goal contracts provided a clearer picture of MBE participation. In fact, the court found that "non-goal projects were a better indicator of discrimination in City contracting."<sup>197</sup>

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<sup>192</sup> See also *Mountain West Holding v. State of Montana and Geyer Signal, Inc. v. MnDOT*.

<sup>193</sup> *Caltrans* at 1199.

<sup>194</sup> *Rothe Development Corp v. U.S. Department of Defense*, 545 F.3d 1023, 1042 (2008)

<sup>195</sup> 615 F.3d 233 (2010).

<sup>196</sup> *Id.* at 245.

<sup>197</sup> *Concrete Works III* at 988.

Illinois Department of Transportation (IDOT), in *Northern Contracting*, tried to test for the impact of race-conscious programs on DBE participation with its Zero-Goal Program. This program dropped the DBE goal from select construction contracts to see if there would be a decrease in the number of DBE participants compared to those projects with a DBE goal. However, the court found the experiment flawed because the State did not provide the number of DBEs that bid on these projects or the dates during which these experiments took place. As such, the court was unable to conclude that the drop in DBE participation was due to the lack of an affirmative action program.<sup>198</sup>

In *Caltrans*, the Ninth Circuit noted that the disparity consultant utilized state-funded contracts, which did not have goals, to determine if the affirmative action program for federally funded contracts skewed the data. The court further found that the consultant appropriately accounted for women, by combining minority women with the requisite minority group, thus the women category only included white women.<sup>199</sup>

### 2.3.4 DISPARITY RATIOS

The most important part of the statistical analysis is the disparity ratio, which is a comparison of availability to utilization. An inference of discrimination can be drawn from statistically significant disparity. The courts agree on the calculation of disparity and statistical significance, as discussed below.

In *Adarand VII*, the Tenth Circuit noted that “the disparity between minority DBE availability and market utilization in the subcontracting industry raises an inference that the various discriminatory factors the government cites have created that disparity... Of course, it would be "sheer speculation" to even attempt to attach a figure to the hypothetical number of minority enterprises that would exist without discriminatory barriers to minority DBE formation. *Crosen*, 488 U.S. at 499. However, the existence of evidence indicating that the number of minority DBEs would be significantly (but unquantifiable) higher, but for such barriers is nevertheless relevant to the assessment of whether a disparity is sufficiently significant to give rise to an inference of discriminatory exclusion.”<sup>200</sup>

In *Rowe*, the court there noted that several courts have followed a similar methodology:

After *Crosen*, a number of our sister circuits have recognized the utility of the disparity index in determining statistical disparities in the utilization of minority- and women-owned businesses. See, e.g., *Rothe II*, 545 F.3d at 1037-38; *Concrete Works*, 321 F.3d

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<sup>198</sup> *Northern Contracting* at 719.

<sup>199</sup> *Caltrans* at 1198.

<sup>200</sup> *Adarand v. Slater*, 228 F.3d 1147 (10th Cir. 2000).

at 962-63; *W.H. Scott*, 199 F.3d at 218; *Eng'g Contractors*, 122 F.3d at 914; *Contractors Ass'n I*, 6 F.3d at 1005; *Associated Gen. Contractors of Cal., Inc. v. Coal. for Econ. Equity*, 950 F.2d 1401, 1413-14 (9th Cir. 1991). Generally, courts consider a disparity index lower than 80 as an indication of discrimination. See *Rothe II*, 545 F.3d at 1041; *Eng'g Contractors*, 122 F.3d at 914; see also 29 C.F.R. § 1607.4(D) (2010) (directing federal agencies to regard a "selection rate" of lower than 80 percent as evidence of disparate impact employment discrimination).<sup>201</sup>

Further, the court found that the application of t-test<sup>202</sup> was appropriate, as standard deviation test allows a determination of if any disparity found is merely due to chance or due to some other reason. The court supported its argument by citing a mid-90s case, *Engineering Contractors*, 122 F.3d at 914.<sup>203</sup>

In finding the disparity study sufficient in *Caltrans*, the court noted that disparities were assessed across a variety of contracts based on funding source (state or federal), type of contract (prime or subcontract) and type of project (engineering or construction).

### **2.3.5 CAPACITY AND REGRESSION**

Parties seeking to explain what the U.S. Supreme Court meant in *Croson* usually raise the capacity issue of qualified minorities. The Capacity and Regression analysis seeks to determine the factors, including size, race, and gender among others, that are contributing to any disparity found because of comparing availability and utilization.

In *Concrete Works I*, the district court reviewed the challenged availability/utilization analysis submitted by the City and County of Denver. The Concrete Works Company challenged the use of availability measures and suggested that the appropriate standard was capacity. The court provided a lengthy discussion of the capacity arguments:

Capacity, as Concrete Works' expert economist points out, is ideally measured by the total amount of business that could be handled by MBEs. There are typically three measures used to predict the amount of business that W/MBEs can handle: the number of W/MBE companies relative to the total number in the industry (also known as 'availability'), W/MBE revenue as a percent of industry revenue, and the number of W/MBE employees

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<sup>201</sup> *Id.* at 244.

<sup>202</sup> T-test determines statistical significance of any disparity found. The t-test assesses whether two groups are statistically different from each other.

<sup>203</sup> *Id.*

as a percent of the industry total . . . [A]s evidenced both by Concrete Works' failure to suggest an alternative way to measure capacity and the admission of its expert that availability is more often used in actual practice, the ability of a firm to handle any given amount of business is exceedingly difficult to define and even more difficult to quantify. Capacity is a function of many subjective, variable factors. Second, while one might assume size reflects capacity, it does not follow that smaller firms have less capacity; most firms have the ability and desire to expand to meet demand. A firm's ability to break up a contract and subcontract its parts make capacity virtually meaningless . . . Finally, Concrete Works can cite no authority for its assertion that its amorphous, ambiguous conception of capacity is required. No court to date has required a comparison of a firm's 'ability to handle work'.<sup>204</sup>

In *Concrete Works III*, the Tenth Circuit reviewed those variables that CWC alleged the disparity studies had not controlled for and made the following findings:

- a. **Size and experience:** CWC did not conduct its own disparity study that controlled for firm size and experience. "Denver is permitted to make assumptions about capacity and qualification of M/WBEs to perform construction services if it can support those assumptions. The assumptions made in this case are consistent with the evidence presented at trial and support the City's position that 1) a firm's size does not affect its qualifications, willingness, or ability to perform construction services and 2) that the smaller size and lesser experience of M/WBEs are, themselves, the result of industry discrimination."<sup>205</sup>
- b. **Specialization:** CWC offered no support for its view that M/WBEs are clustered in certain construction specialties and did not demonstrate that disparities are eliminated when there is control for firm specialization. On the other hand, the disparity study consultant controlled for SIC code subspecialty and still showed disparities.<sup>206</sup>
- c. **Bidding:** Disparity studies must make the same assumptions about availability for *all* firms. It is unnecessary to consider only those firms bidding on Denver's projects because it does not indicate qualification.<sup>207</sup>

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<sup>204</sup>Concrete Works I at 838-39.

<sup>205</sup>Concrete Works III at 982.

<sup>206</sup>*Id.* at 983.

<sup>207</sup>*Id.*

The Ninth Circuit has also discussed the issue of capacity. In *Western Paving*, the Court found Washington DOT's capacity analysis to be flawed because:

- 1) It considered contracts that had affirmative action components and thus, did not reflect "the performance capacity of DBEs in a race-neutral market.'
- 2) While Washington DOT could only rely on a comparison of the proportion of State DBE firms/percentage of awards to DBEs on race-neutral contracts, this "oversimplified statistical evidence is entitled to little weight, however, because it does not account for factors that may affect the relative capacity of DBEs to undertake contracting work.
- 3) The State's analysis does not control for any capacity factors, such as size and experience.

The court noted that under 49 CFR Part 26, the U.S. DOT has established that availability can be adjusted upward or downward, based on the capacity of DBEs to perform work, as measured by the volume of work allocated to DBEs in recent years. While it disagreed with the way Washington DOT relied on capacity information to defend its DBE program, the court did find that Washington DOT had closely tracked U.S. DOT regulations.<sup>208</sup>

The Ninth Circuit contrasted the analysis performed by the Washington DOT and that performed by Caltrans. In *Caltrans*, the Court found the statistical analysis valid, as *Caltrans* had adjusted availability for capacity and controlled for previously administered affirmative action programs.

As discussed earlier, in *Engineering Contractors*, the Eleventh Circuit found acceptable as a valid explanation for disparities found, Census data showing that, on average, non-MBE/WBE firms were larger than MBE/WBE firms. It found unreliable the data submitted by the County to explain disparities found. The County presented an analysis of a sample of 568 firms out of 10,462 that had filed a certificate of competency with Dade County as of January 1995. The County's expert collected data on these firms related to race, ethnicity, gender, as well as total sales and receipts and sought to determine if there was a meaningful relationship between the two pools of data. The expert conducted a regression analysis, using number of employees as a proxy for size.

The Eleventh Circuit found the statistical pool of firms relied upon by the County was significantly larger than the actual number of firms willing, able and qualified to do the work, particularly given that these firms represented those firms simply licensed as construction contractors.<sup>209</sup> Further, the court held that,

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<sup>208</sup> *Id.* at 989.

<sup>209</sup> *Engineering Contractors* at 921.



after controlling for firm size, neither BBE nor WBE data revealed statistically significant disparities and that the district court was not required to assign any disparities controlling weight.<sup>210</sup>

In *Rothe*, the court found the most reliable way for accounting for firm size, without changing the disparity-ratio methodologies, was to employ “regression analysis to determine whether there was a statistically significant correlation between the size of a firm and the share of contract dollars awarded to it.”<sup>211</sup>

In *Rowe*, the court also found the State’s regression analysis useful. In that study, the State studied the impact of certain business characteristics on a firm’s gross revenues. These characteristics included company age, number of full-time employees, owner’s years of experience, level of education, race, ethnicity, and gender. The State supported the capacity analysis by reviewing the participation of minorities at different contract thresholds.<sup>212</sup>

### **2.3.6 ANECDOTAL**

*Croson* indicated that some measure of anecdotal evidence could be supportive in a determination of discrimination. However, it did not provide a clear picture on the type and quantum of anecdotal evidence required. Many lower courts have reviewed and assessed the quality and quantity of anecdotal evidence submitted. In *Concrete Works I*, the District Court accepted the testimony of twenty-one people at a public hearing and the interview results of 38 M/WBEs as enough anecdotal evidence for *Croson* purposes.<sup>213</sup>

In *Caltrans*, the consultant included twelve public hearings, received letters from business owners and trade associations and interviewed seventy-nine owners/managers of transportation firms. The Ninth Circuit found that “the statistical evidence from the disparity study is bolstered by anecdotal evidence supporting an inference of discrimination.”<sup>214</sup>

*Rothe* criticized the disparity analysis because it did not include direct testimony from MBEs regarding their experience with the U.S. Department of Defense (DOD) or its prime contractors.<sup>215</sup> The court sought

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<sup>210</sup> *Id.*

<sup>211</sup> *Rothe* at 1045.

<sup>212</sup> *Rowe* at 247.

<sup>213</sup> *Concrete Works I* at 833-834.

<sup>214</sup> *Caltrans* at 1192.

<sup>215</sup> *Rothe* at 1048.

anecdotal testimony that demonstrated some link between the DOD's spending practices and discrimination.

Opponents have long argued that anecdotal testimony should be verified. However, more and more circuits are concluding as *Concrete Works* did:

“Anecdotal evidence is nothing more than a witness’ narrative of an incident told from the witness’ perspective and including the witness’ perceptions. In this case, the anecdotal evidence was not subject to rigorous cross-examination...Denver was not required to present corroborating evidence and CWC was free to present its own witnesses to either refute the incidents described by Denver’s witnesses or to relate their own perceptions on discrimination in the Denver construction industry.”<sup>216</sup>

In *Caltrans*, the Ninth Circuit made it clear that anecdotal testimony did not need to be verified, particularly considering case law in the Fourth and Tenth Circuits. Additionally, the court rejected the AGC’s argument that Caltrans needed to show that every minority-owned business is discriminated against; “[i]t is enough that the anecdotal evidence supports Caltrans’ statistical data showing a pervasive pattern of discrimination.”<sup>217</sup>

In *Engineering Contractors*, the Eleventh Circuit considered the sufficiency of the anecdotal evidence submitted, which consisted of interviews with two county employees responsible for the M/WBE program, twenty-three M/WBE prime and subcontractors and a survey of black owned construction firms. While the Court found “the picture painted by the anecdotal evidence is not a good one,” the anecdotal evidence could not overcome the deficiencies of the statistical analysis and cannot alone support findings of discrimination sufficient to support the implementation of race and gender-conscious programs. “While such evidence can doubtless show the perception and, on occasion, the existence of discrimination, it needs statistical underpinnings or comparable proof to show that substantial amounts of business were actually lost to minority or female contractors as the result of the discrimination.”<sup>218</sup>

The District Court for the Northern District of Georgia, in *Webster v. Fulton County*,<sup>219</sup> examined anecdotal evidence presented by Fulton County. In that case, consultants for Fulton County conducted seventy-six one-on-one interviews, public hearings, and a random survey of 183 M/WBEs. Like *Engineering Contractors*, the District Court found that while the anecdotal evidence “reflects the honest and

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<sup>216</sup> *Concrete Works III* at 898. See also *Rowe* at 249, *Caltrans* at 1197.

<sup>217</sup> *Caltrans* at 1192.

<sup>218</sup> *Engineering Contractors*, at. 925.

<sup>219</sup> 51 F.Supp.2d 1354 (1999).

concerned beliefs of many in the Atlanta and Fulton County area that they have been or are the victims of discriminatory practices,” anecdotal evidence was “insufficient to offset the weaknesses of Fulton County's statistical evidence.” Furthermore, much of the anecdotes referred to the firms’ experiences in the private sector, and not with Fulton County.

### **2.3.7 MARKETPLACE AND PRIVATE SECTOR ANALYSIS**

The Marketplace and Private Sector Analysis seeks to determine if there are discriminatory practices or disparity in the private marketplace and if the public entity is a passive participant in any discrimination found. *Croson* speaks to the importance of the effects of private sector disparities for justifying M/WBE programs. In *Croson*, the Court suggested several ways that a public entity might be involved in private sector discrimination:

1. **Discrimination in subcontracting opportunities:** “If the City of Richmond had evidence before it that non-minority contractors were systematically excluding minority business from subcontracting opportunities, it could take action to end the discriminatory exclusion.”<sup>220</sup>
2. **Discrimination in the construction industry:** “[I]f 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.”<sup>221</sup>
3. **Discrimination in professional trade organizations:** “In such a case, the city would have a compelling interest in preventing tax dollars from assisting those organizations in maintaining a racially segregated construction market.”<sup>222</sup>
4. **Discrimination in the provision of credit or bonding by local suppliers and banks:** “[a]ct to prohibit discrimination in the provision of credit or bonding by local suppliers and banks. Business as usual should not mean business pursuant to the unthinking exclusion of certain members of our society from its rewards.”<sup>223</sup>

*Croson* also implied that evidence in employment discrimination or discrimination in subcontracting would also strengthen the argument for an MBE program: [“The city points to no evidence that its prime

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<sup>220</sup>*Croson* at 729.

<sup>221</sup>*Id.* at 720.

<sup>222</sup>*Id.*, at 726.

<sup>223</sup>*Id.* at 729.

contractors have been violating the [city race discrimination] ordinance in either their employment or subcontracting practices.”<sup>224</sup>

*Webster v. Fulton County*<sup>225</sup> suggests, however, that a nexus must exist between private sector discrimination and the public agency. The Eleventh Circuit rejected the consultant’s definition of passive participant as a public entity operating in a marketplace where there is discrimination. Per the court, “[i]t does not show that the County’s spending practices are exacerbating identified discrimination in the private sector. The County may rely upon a showing of discrimination in the private sector if it provides a linkage between private sector discrimination and the County’s contracting policies. *Concrete Works*, 36 F.3d at 1529. No such linkage is provided by the data in the Brimmer-Marshall Study.”<sup>226</sup>

In *Concrete Works III*, the Tenth Circuit found that Denver could meet its burden by showing marketplace or private sector discrimination and linking its spending practices to the private discrimination. This could be done through:

- 1) Anecdotal evidence of City contractors subject to Denver’s goals who are not using M/WBEs on private sector contracts.
- 2) Evidence of discriminatory barriers to business formation by M/WBEs and fair competition.
- 3) Evidence of lending discrimination.<sup>227</sup>

In *Rowe*, the Fourth Circuit found that the State failed to establish any correlation between public road construction subcontracting and private general construction subcontracting, thereby severely limiting the private data’s probative value.<sup>228</sup>

Standards for demonstrating private sector discrimination must be viewed considering the U.S Supreme Court’s ruling in *Texas Department of Housing and Community Affairs v. Inclusive Communities Project*.<sup>229</sup> The U.S. Supreme Court indicated that private developers should be given “leeway to state and explain the valid interest served by their policies” and that disparate impact liability must be sure not to “displace

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<sup>224</sup> *Id.* at 726, n.3.

<sup>225</sup> 51 F.Supp.2d 1354 (1999) United States District Court, N.D. Georgia, Atlanta Division.

<sup>226</sup> *Id.* at 1370.

<sup>227</sup> *Concrete Works III* at 976-978.

<sup>228</sup> *Rowe* at 257.

<sup>229</sup> No. 13-1371, 576 U. S. \_\_\_\_\_ (2015)

valid governmental and private priorities, rather than solely “remov[ing]...artificial, arbitrary, and unnecessary barriers.”<sup>230</sup>

### **2.3.8 RACE NEUTRAL**

As part of narrow tailoring, public entities are required to consider the efficacy of race neutral measures in addressing any disparity or discrimination. The race neutral analysis seeks to determine the ability of existing race neutral efforts in eliminating disparity in the marketplace.

Lower courts have considered what constitutes adequate consideration of race-neutral measures. For example, in *Coral Construction v. King County*, the Ninth Circuit considered race-neutral measures, but found them not to be feasible. The Court stated that, “*Associated General Contractors* requires only that a state exhaust race-neutral measures that the state is authorized to enact, and that it have a reasonable possibility of being effective. Here, the record reveals that King’s County considered alternatives, but determined that they were not available as a matter of law...King’s County cannot be required to engage in conduct that may be illegal; nor can it be compelled to expend U.S. precious tax dollars on projects where potential for success is marginal at best.”<sup>231</sup>

In *Concrete Works I*, the City had already enacted several race-neutral measures, including breaking down projects to facilitate small business participation; outreach; a prompt payment ordinance; good faith measures; seminars on procurement procedures and bond guarantee, contractor mentor and pre-apprenticeship programs. Certain race-neutral measures could not be implemented because of requirements for state bonds, lowest bidder, and prevailing wages. The court noted, however, “strict scrutiny requires only good faith, not exhaustion of all alternatives.”<sup>232</sup>

In *Coalition for Economic Equity*, the Ninth Circuit found that race-neutral alternatives had been sufficiently considered, since San Francisco passed and enforced an ordinance prohibiting City contractors from discriminating against their employees. It noted that, in *Hillsborough County*, the MBE law was adopted when the MBE program failed to remedy the discrimination and the law included “all of the race-neutral measures suggested in *Croson*.”<sup>233</sup> In summary, the case law suggests:

- 1) If race-neutral programs and legislation were in place prior to the establishment of a race-conscious program, and yet M/WBE participation in public procurement remains low relative to

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<sup>230</sup> Inclusive Communities Project, slip op., at 22.

<sup>231</sup> *Coral Construction v. King County*, 941 F. 2d 910, 923 (1991).

<sup>232</sup> *Concrete Works I*, 823 F. Supp. 821 (D Colo 1993).

<sup>233</sup> See also *AGC of California v. Coalition*, 950 F. 2d 1401, 1417 (1991).

availability, then an inference is created that race-neutral programs were inadequate to relieve the impact of past discrimination.

- 2) All race-neutral programs do not have to be considered.
- 3) Low participation by M/WBEs in race-neutral programs is evidence that the race-neutral programs do not provide an adequate remedy for past discrimination.

These standards have been buttressed in cases, such as *Western Paving v. Washington State Department of Transportation*, *Concrete Works of Colorado v. City and County of Denver*, and *AGC v. Caltrans*.

Important in California, the Ninth Circuit in *Caltrans*, for the purposes of narrowly tailoring, only requires “serious, good faith consideration of workable race-neutral alternatives[.]” *Grutter v. Bollinger*, 539 U.S. 306, 339 (2003). The court found that Caltrans program has considered an increasing number of race-neutral alternatives, starting at forty-five in 2008 and reaching 150 in 2010.”<sup>234</sup>

In contrast, in *Engineering Contractors*, the Eleventh Circuit expressed concern that the County had not considered race-neutral alternatives. The types of initiatives that the Court believed that the County was obligated to attempt included:

- a) Adjusting its procurement processes and ferreting out instances of discrimination within its own contracting process; Take steps to “inform, educate, discipline, or penalize its own officials and employees responsible for the misconduct.”
- b) Passage of ordinances outlawing discrimination by local contractors, subcontractors, suppliers, bankers, or insurers.
- c) Serious efforts at management, financial and technical assistance programs and evaluations of their effectiveness.

According to the Court, “The first measure every government ought to undertake to eradicate discrimination is to clean its own house and to ensure that its own operations are run on a strictly race- and ethnicity-neutral basis... Instead of turning to race and ethnicity-conscious remedies as a last resort, the County has turned to them as a first resort.”<sup>235</sup>

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<sup>234</sup> *Caltrans* at 1199.

<sup>235</sup> *Id.* at 929.

## **2.4 SUMMARY OF FINDINGS**

### **2.4.1 CROSON STANDARDS**

If CCSD chooses to continue to utilize race and gender-conscious techniques, it will need to meet the U.S. Supreme Court requirements of *Richmond v. Croson*. The U.S. Supreme Court established a two-pronged test: (1) that a governmental entity had to show a compelling governmental interest to utilize race and gender-conscious remedies and (2) that any such remedies must be narrowly tailored. A factual predicate or disparity study is utilized to show if there is a compelling governmental interest. Narrow tailoring is the crucial element in crafting appropriate *Croson* remedies.

Courts, for failure of local jurisdictions to narrowly tailor their remedies, have struck down many MBE programs. Once a factual predicate has been established, post-*Croson* case law presents several broad guidelines for crafting recommendations for MBE programs by a public entity, based on the factual predicate findings:

- Race and gender-conscious MBE programs should be instituted only after, or in conjunction with, race and gender-neutral programs.
- MBE programs should not be designed as permanent fixtures in a procurement system without regard to eradicating bias in standard procurement operations or in private sector contracting. Consequently, each MBE program should have a sunset provision, as well as provisions for regular review. Additionally, there is the implication that reform of procurement systems should be undertaken.
- MBE programs should have graduation provisions for the M/WBEs themselves.
- Rigid numerical quotas run a greater risk of being overturned by judicial review than flexible goals.
- Race and gender-conscious goals, if any, should be tied to M/WBE availability and to addressing identified discrimination.
- MBE programs should limit their impact on the rights and operations of third parties.
- MBE programs should be limited in scope to only that group(s) that has suffered from discrimination in the jurisdiction enacting the program.

*Croson* requirements were extended to federal programs in *Adarand v. Peña*.

### **2.4.2 FOURTH CIRCUIT STANDARDS**

The Fourth Circuit has developed several distinctive standards, as discussed above. Key findings that have evolved from *Croson* case law in the Fourth Circuit are:

- There must be a strong basis in evidence that race-conscious remedial action is necessary,
- The strong basis in evidence must be satisfied by pre-enactment evidence; post-enactment evidence can be used to show that the race-conscious program is narrowly tailored,
- Public entities cannot establish across the board goals with no regard for specific race/gender and industry variables,
- Acceptable variables in calculating availability include vendors lists with approved subcontractors, subcontractors that performed on a contract and contractors who have been qualified to perform on an entity's contracts, and,
- Challengers of race-based remedial measures must provide credible, particularized evidence to rebut the public entity's showing of a strong basis in evidence for the necessity for remedial action.

### **2.4.3 ELEMENTS OF A FACTUAL PREDICATE**

While *Croson* did not speak directly to the requirements of the factual predicate, lower courts interpreting *Croson* have suggested the following elements should be included:

- Relevant Market
- Availability
- Utilization
- Disparity with Statistical Significance
- Capacity and Regression
- Anecdotal
- Private Sector Nexus
- Consideration of Race Neutral Efforts

As CCSD considers the findings of this disparity study and develops race and gender-conscious and race and gender-neutral programmatic initiatives in response to these findings, CCSD should ensure that the above legal parameters established by *Richmond v. Croson* and its progeny are fully considered.



## **CHAPTER 3: PROCUREMENT ANALYSIS**

### **3.1 INTRODUCTION**

This procurement analysis will determine if there are any systemic barriers within Charleston County School District's (CCSD) procurement policies, procedures, and processes, based on the business owner's race, ethnicity and/or gender that impact a qualified vendor's access to opportunities at CCSD. This assessment will assist in determining if there is inherent, unintended, or purposeful discrimination resulting from the manner which CCSD procures goods and services.

M<sup>3</sup> Consulting's analysis is a broad view that considers the impact of CCSD's procurement practices on all contracting opportunities. In support of this effort, M<sup>3</sup> Consulting carried out a two-pronged analysis and review:

- A review of CCSD's procurement policies, procedures, and practices, including organizational structure analysis and interviews with personnel in Contracts and Procurement, Capital Programs and Facilities Management; and,
- A review of the impact of CCSD's procurement structure, policies, procedures, and practices on the ability of minority business enterprises (MBE) to do business with CCSD.

This procurement analysis is organized into the following sections:

3.2 Best Industry Practices Review

3.3 Review of CCSD's Organizational Structure and Procurement Process

3.4 Review of CCSD's MBE Programs

3.5 Impact of CCSD's Procurement Process and MBE Programs on MBE Participation

3.6 Conclusion

Operational characteristics within the procurement process that hinder the involvement of MBEs in CCSD procurement opportunities may necessitate fundamental changes to the overall procurement and contracting activities at CCSD to ensure inclusiveness, transparency, accountability, and efficiency, as it relates to MBE participation and consistent with CCSD's strategic mission and vision. M<sup>3</sup> Consulting may recommend changes in Chapter 12: Conclusions and Recommendations.

## **3.2 BEST PRACTICES IN PUBLIC SECTOR PROCUREMENT**

### **3.2.1 INCLUSIVE AND SUSTAINABLE PROCUREMENT**

Public procurement represents anywhere between 10-45 percent of a nation’s GDP, with the average percentage in developed countries around 15-20 percent. This percentage only represents public sector procurement. When private sector procurement is added to the equation, institutional purchasing accounts for over 30-60 percent of a nation’s GDP. That means that our economies are significantly driven by the decisions made by purchasing agents.<sup>236</sup>

Public sector procurement systems are responsible to the citizens within its jurisdiction. Prier, McCue, and Bevis<sup>237</sup> states that the public entity, through its procurement process, is responding to the “Triple Bottom Line – the simultaneous delivery of economic, environmental, and social policies that facilitate an integrated community development strategy.”<sup>238</sup> Within this focus, the procurement team is also responsible for the efficient and cost-effective procurement of goods and services. However, cost-effectiveness should not be achieved to the detriment of certain groups within a public entity’s jurisdiction. Prier, McCue, and Bevis states “continued participation by these targeted groups [small and historically underutilized business] is a necessary precursor to a robust community economic development strategy that leads to prosperity.”<sup>239</sup>

The objective of the procurement operation therefore is one of inclusive and sustainable procurement and economic development (SPED).<sup>240</sup> The execution and implementation of a public entity’s community economic development objectives commences with the procurement process. M<sup>3</sup> Consulting asserts that the degree to which the public entity achieves its community economic development objectives through procurement depends on whether the public entity starts with a public policy approach, supported by project execution.

### **3.2.2 COMPREHENSIVE PROCUREMENT SYSTEMS**

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<sup>236</sup> “Playing the Game”, Sherry J. Williams, Esq., MBE Magazine, July/August 2013.

<sup>237</sup> “Making It Happen: Public Procurement’s Role In Integrating Economic Development And Sustainability Strategies For Local Governments In The U.S.A.” Eric Prier, Clifford P. McCue and Michael E. Bevis\*, 3rd International Public Procurement Conference Proceedings, 28-30 August 2008; Eric Prier, Ph.D., is an Associate Professor, Department of Political Science, Florida Atlantic University. Clifford P. McCue, Ph.D., is Associate Professor, and Director, Public Procurement Research Center, School of Public Administration, Florida Atlantic University. Michael E. Bevis, CPPO, C.P.M., PMP, is Chief Procurement Officer, City of Naperville, Illinois, USA.

<sup>238</sup> *Ibid.* at 639.

<sup>239</sup> *Ibid.*

<sup>240</sup> *Ibid.* at 642.

M<sup>3</sup> Consulting has reviewed numerous public sector procurement operations and developed an overview of best practices as it relates to creating an inclusive and sustainable procurement environment that promotes MBE participation. A comprehensive procurement system includes the ten components listed below. M<sup>3</sup> Consulting measured CCSD’s procurement environment against these ten features.

**Figure 3.1  
Ten Components of an Inclusive and Sustainable Procurement System**

<p><b>1. Organizational Structure</b></p>	<p>Effective Organizational Structure provides for checks and balances and encourages collaboration and broad input from a variety of perspectives. An organizational analysis provides an assessment of the open and competitive nature of the procurement system. To make this determination, M<sup>3</sup> Consulting gauges the degree of centralization or decentralization of the procurement process, the sufficiency and interrelationship of the written policies and procedures, and the transparency of the procurement process.</p>
<p><b>2. Planning, Budgeting and Forecasting</b></p>	<p>Effective planning, budgeting, and forecasting are essential elements in the development of successful procurement programs that enhance bidder participation and utilization of MBEs. Budgeting and forecasting allow greater and more in-depth planning for inclusion of MBEs in a public entity’s opportunities at the prime and subcontractor levels. M<sup>3</sup> Consulting reviews the degree to which an agency engages in procurement forecasting and determines how forecasting is utilized to promote inclusion.</p>
<p><b>3. Informal Purchasing</b></p>	<p>Informal purchases provide the greatest opportunity for procurement personnel to impact the choice of vendors selected. These purchases are below a certain dollar threshold and are not subject to a formal contracting process or an advertised competitive bid process. M<sup>3</sup> Consulting reviews the way buyers or procurement agents utilize their discretion in the identification of those vendors from whom they will solicit quotes and who will be selected to receive the final award.</p>
<p><b>4. Formal Purchasing</b></p>	<p>Formal purchases usually allow procurement personnel less discretion in vendor selection, particularly in jurisdictions that must select the lowest bidder. Some discretion, however, typically does exist in formal purchasing, such as-when a selection criterion, like the “lowest bidder,”</p>

	can be modified to include terms such as the “lowest responsive and responsible” bidder. M <sup>3</sup> Consulting reviews the formal procurement process to determine how available discretion is exercised.
<b>5. Bid Opening and Evaluation</b>	Objective and thorough bid opening and evaluation procedures ensure the fair and fully vetted consideration of bid and proposal submittals. Analysis of these procedures allows M <sup>3</sup> Consulting to determine whether there is any subjectivity in the selection of contractors and vendors.
<b>6. Contract Administration</b>	Effective Contract administration includes comprehensive and consistent management of the contract, payment practices and reviews of contractor performance. A considerable amount of vendor contact occurs at this phase of the procurement process. A review of contract administration procedures allows M <sup>3</sup> Consulting to determine overall fairness and consistency in contract execution and project management consistent with the terms and conditions of the contract.
<b>7. Non-competitive Purchases</b>	In some instances, non-competitive purchases are warranted for very specialized goods or services. However, in an effectual Procurement System, these instances are limited. M <sup>3</sup> Consulting reviews sole source, emergency purchases, change orders and contract amendment policies to determine whether this component of the purchasing process is being used appropriately or competitive bidding procedures are being avoided inadvertently or intentionally.
<b>8. Bonding and Insurance</b>	Bonding and insurance are contract requirements that protect the interest of the owner. These contract requirements ensure that the Owner can complete the project regardless of nonperformance by a contractor and provide protection against site accidents and other mishaps that may occur during construction and/or during provision of services. M <sup>3</sup> Consulting reviews rules and regulations regarding bonding and insurance to ensure that they are not overly burdensome to MBEs.
<b>9. Comprehensive and Efficient Enterprise Systems</b>	Enterprise systems are critical to monitoring and tracking organizational performance. Without effective enterprise systems, the public entity cannot effectively monitor and evaluate organization procurement operations and decision-making, particularly in a decentralized

	procurement environment. M <sup>3</sup> Consulting reviews these enterprise systems to ensure that procurement systems capture data to the degree necessary to not only track levels of participation, but also to determine areas of disparity real time.
10. MBE Program	See Figure 3.2

Source: M<sup>3</sup> Consulting

### **3.2.3 SMALL, MINORITY-OWNED BUSINESS PROGRAMS**

In addition to the above-mentioned components of an inclusive and sustainable procurement system, M<sup>3</sup> Consulting has identified six essential program elements of successful and comprehensive SBE and MBE programs. These program elements should be fully integrated and work in collaboration with the overall procurement system while supporting the tenants of the organization’s Mission and Strategic Plan and its community economic development objectives.

When these six essential program elements are consistently utilized, these elements tend to increase the opportunity for SBE and MBE success to participate in business and sustainable community economic development opportunities:

<b>Figure 3.2 M<sup>3</sup> Consulting Six Essential SBE and MBE Program Elements</b>	
<b>1. Outreach and Matchmaking</b>	Efforts to increase the business community’s awareness of an entity’s procurement and contract opportunities and match SBEs and MBEs to specific contract opportunities at prime and subcontracting levels.
<b>2. Certification</b>	Eligibility criteria for SBE and MBE participants.
<b>3. Technical Assistance</b>	Informational and strategic support of businesses to meet the entity’s SBE and MBE plan objectives.
<b>4. MBE Inclusion in Bid Opportunities</b>	The mechanism by which the entity assures that material consideration of SBE and MBE participation is given in the award of a contract.
<b>5. Contract Compliance</b>	Ensuring adherence to SBE and MBE plan goals on all contracts after execution of the contract.
<b>6. Organizational Performance Evaluation</b>	A comparison of performance results to the entity’s goals to determine policy successes, strengths and weaknesses, and performance improvement areas.

Source: M<sup>3</sup> Consulting

### **3.3 CCSD'S ORGANIZATIONAL STRUCTURE AND PROCUREMENT PROCESS**

Below is M<sup>3</sup> Consulting's review of the organizational structure, procurement policies, procedures, and practices for CCSD, as well as the laws and regulations of the State of South Carolina that apply to CCSD.

To conduct this analysis, M<sup>3</sup> Consulting reviewed the following procurement policies, procedures, laws, and regulations:

- CCSD Consolidated Procurement Code, Version 1.5, 1/7/2011
- CCSD Procurement Regulations, Version 1.5, 1/7/2011
- CCSD Procurement Examinations for FY 2016 – FY 2020
- CCSD Procurement Card Program, Cardholders Manual, 7/1/2016
- Organizational Charts
- A Pathway to Improvement: MBE Performance Goals based on Current Policy

In addition to reviewing the organizational structure and written policies and procedures, M<sup>3</sup> Consulting conducted interviews with 8 staff members in Contracts and Procurement and Facilities Management.

These interviews assist M<sup>3</sup> Consulting in determining the clarity of written policies and procedures and consistent execution in practice. This review of policies, procedures and practices provides an understanding of procurement operations to determine the impact of those operations on the inclusion of MBEs. This analysis is not intended to be a procurement audit or personnel performance review. The following analysis reflects the results of the review of CCSD's procurement policies, procedures and practices as compared to the ten components outlined above.

#### **3.3.1 ORGANIZATIONAL ANALYSIS**

##### **A. Organizational Structure**

Charleston County School District is the second largest school system in South Carolina and educates 49,000 students in 88 schools.<sup>241</sup> Demographically, the district represents urban, suburban, and rural areas and has a diverse mixture of children. Whites represent 48.8 percent, African Americans, 35.5 percent,

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<sup>241</sup> <https://www.ccsdschools.com/domain/6>

Hispanic Americans, 11.2 percent, Asian Americans, 1.6 percent and Other, 2.9 percent. Teacher ethnicity is majority White, at 83 percent and majority female at 83 percent.<sup>242</sup>

### **Contracts and Procurement**

The School District's procurement process is governed by South Carolina Code of law, South Carolina Consolidated Procurement Code and School Board Policy. The Superintendent is responsible for the procurement function but may delegate this responsibility to the Chief Procurement Officer. The Chief Procurement Officer is responsible for monitoring and implementing the provisions of the Procurement Code and oversees the procurement of supplies, services, and information technology and to the management, control, warehousing<sup>243</sup>, sale, and disposal of supplies, construction, information technology, and services.<sup>244</sup> The Chief Procurement Officer reports directly to the Chief Financial Officer. There are 15 employees, which includes one Director of Contracts and Procurement, one Procurement Services Officer, one Construction Procurement Officer, one Procurement Services Supervisor, one FF&E Construction Procurement Supervisor, one Technology Procurement Coordinator, two Procurement Agents, one P-Card Administrator, five technicians and one secretary.

### **Construction Procurement**

The Construction Procurement Officer (capital construction) and the Procurement Services Supervisor (maintenance) are responsible for construction bidding activity. These positions are supported by a contracted Program Manager, which has supported CCSD since 1999. The Program Manager also works with Facilities Management and Capital Programs in the post-award management of construction and construction-related activities. During interviews, the Construction Procurement Officer noted the difference between his responsibilities and that of Capital Programs and Facilities Management—Construction Procurement Officer manages the contract process from bid to project close-out; Capital Programs and Facilities Management manage the project activity.

Based on interviews, the Program Manager has an incumbent preference because of the number of years of experience with CCSD, the closeness and firmly established relationships with staff and access to CCSD budget and financial systems.

Interviewees further stated that the closeness and longevity of the relationship may also have a chilling effect on other bidders. Even so, an MBE Program Manager partnered with the current Program Manager

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<sup>242</sup> CCSD Fast Facts Brochure

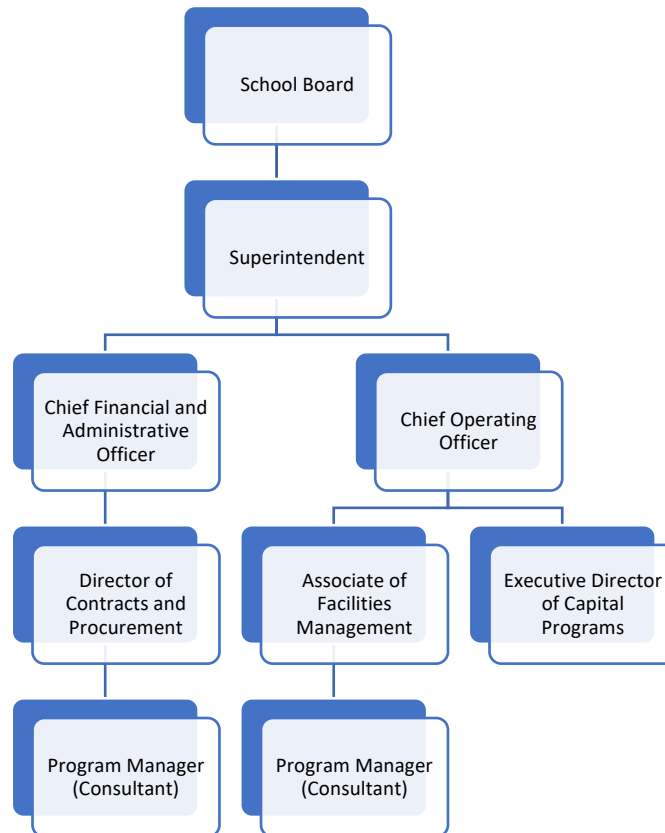
<sup>243</sup> Once the warehouse bid is let, the Facilities Management becomes responsible for oversight of the warehouse contract.

<sup>244</sup> CCSD Consolidated Procurement Code (CCSD CPC), Article 3, Procurement Organization, §510, p. 7



over a period of time and now has been able to secure its own Program Management contract with the District through direct negotiation<sup>245</sup>.

**Figure 3.3  
CCSD Organization Hierarchy Outline**



Source: M<sup>3</sup> Consulting; All functions are not reflected on table; only those most relevant to purchasing and contracting, and MBE program operations.

**B. Procurement Function**

The procurement function for construction and construction-related professional services, goods, professional services, non-professional services and maintenance and maintenance-related professional services are procured mostly in a centralized manner, through Contracts and Procurement.

<sup>245</sup> CCSD discontinued the use of MBE direct negotiation during this study.

## **Chapter III Procurement Analysis**

Procurement functions are provided below in Figure 3.4 for Contracts and Procurement and User Departments.

<b>Figure 3.4 CCSD Procurement Functions</b>	
<b>Contracts and Procurement Responsibilities</b>	<ul style="list-style-type: none"> <li>• Review scope of work</li> <li>• Draft, issue, and process solicitations</li> <li>• Create bid and RFP packages</li> <li>• Solicitation of Design and Construction firms</li> <li>• Bid tabulation and review of bids for responsiveness</li> <li>• Vendor set up</li> <li>• Process purchase requisition</li> <li>• Issue purchase order/contract</li> <li>• Contract administration/closeout</li> </ul>
<b>User Department Responsibilities</b>	<ul style="list-style-type: none"> <li>• Prepare technical specifications and scope of work</li> <li>• Submit purchase requisition</li> <li>• Request non-formal quotes/proposals</li> </ul>
<b>Facilities Management</b>	<ul style="list-style-type: none"> <li>• Determine construction delivery method—CMR, CM, Design-Build, ITB</li> <li>• Prepare technical specifications and scope of work, identifying specific work elements</li> <li>• Establish evaluation criteria and evaluation points for bids and RFPs</li> <li>• Determine most responsive and responsive bidder</li> <li>• Contract administration</li> </ul>

Source: CCSD CPC, M<sup>3</sup> Consulting

We note that, based on interviews, CCSD has received positive audits in the five years of annual procurement audits provided. “This is a well-run organization. It's very well-run. It's the best capital program in the state, hands down. We've been told that by auditors when they come in. We get audited every year procurement-wise.”

### **3.3.2 PLANNING, BUDGETING AND FORECASTING**

#### **A. Procurement Budgeting and Forecasting**

Procurement budgeting and forecasting is not addressed in the CCSD Consolidated Procurement Code (CCSD CPC). Based on senior management statements, “Capital Program construction and Facilities Management (FM) maintenance projects are programmed and prioritized for execution by facility need, not by method of procurement. During the annual budget process for maintenance projects, the Procurement Officer is brought into discussion as the budget takes shape and when funds become available, the execution method is determined by the Procurement Officer, FM staff and project management firm. Nearly all the projects are executed as planned with no "last minute purchases." Emerging needs do arise on occasion and may be rushed to prevent a facility from becoming unsafe and/or negatively impacting the learning environment. For capital projects, a six-year timeline for execution was developed after the sales tax referendum passed. The budgets were also established before the start of the six-year plan and approved by the board. The procurement method for each project is established well in advance of execution by the Procurement Officer, Capital Programs staff and project management firm with timeline changes made based on board direction or emerging needs. We are not aware of any of these projects being "last minute purchases." Meetings between both Capital and FM with Procurement to discuss execution method occur on a regular basis, not annually.”

Based on staff interviews, the departmental budgeting process is not focused on effective procurement planning and efficiencies that lead toward greater organizational transparency as it relates to the District’s procurement opportunities. “So, there's no thought process, no nothing toward putting that budget together and focusing on minority participation. That's not even a consideration even during the budget process.” Contracts and Procurement is not involved in Departmental procurement planning and budgeting. The lack of planning has promoted an environment of rushed and last-minute purchasing, according to interviewees. In terms of forecasting procurement opportunities, because of the lack of planning and budgeting, procurement staff on average receive less than six months lead time on departmental procurement needs, many times, less than two months.

#### **B. Construction Planning, Budgeting and Forecasting**

Facilities and Capital Programs are principally responsible for construction planning and budgeting. Based on interviews, budgeting is done for each project, with a detailed breakdown of trade categories within

the project. Because of the detailed planning process, the Construction Procurement Officer and Program Manager regularly conduct outreach session to provide information on project opportunities and to meet potential contractors.

### **3.3.3 VENDOR REGISTRATION, NOTIFICATION, SOLICITATION AND BID OPENING**

#### **A. Vendor Registration**

Vendor registration and vendor management is not addressed in the CCSD CPC. Based on interviews and review of vendor applications, we have determined that CCSD does not have a formal vendor registry—a vendor list consisting of those firms who have registered to receive notices of CCSD opportunities in the vendors’ areas of interest and expertise, usually identified by commodity code<sup>246</sup>. Only vendors that have won a contract are registered with CCSD.

To identify a potential pool of interested vendors on both formal and informal bid opportunities, procurement staff, based on interviews, depend on Google searches, user department referrals, incumbents and previously used vendors, state contracts, and the state’s OSMBA website. One procurement staff said that he reaches out to procurement officials from Charleston County and other public entities.

#### **B. Notification and Solicitation**

After the principal or department submits a requisition, the procurement process commences with the development of a solicitation and vendor registration lists/mechanisms. These mechanisms determine how the organization determines the pool of potential bidders to which it will provide specific notification of its opportunities.

Based on the CCSD Model Procurement Code, “adequate notice” must be provided before the bid opening date. The code requires CCSD to use three mechanisms for notifying vendors of its opportunities:

- Publication in “South Carolina Business Opportunities;”

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<sup>246</sup> SC system used to verify contractor licenses.

- Newspaper of general statewide circulation;
- A means of central electronic advertising as approved by the board; or,
- For procurements with a total potential value more than two-hundred and fifty thousand dollars (\$250,000), notice of the solicitation must be published in SCBO.<sup>247</sup>

Procurement staff also has begun to send solicitations to Carolina-Virginia MSDC and sometimes, the Mt. Pleasant Chronicle, a local minority-owned newspaper.

### **3.3.4 SMALL PURCHASES<sup>248</sup>**

Small purchases are purchases valued at less than \$50,000. There are three levels of small purchases at CCSD: Purchases less than \$2,500, Purchases over \$2,500 to \$10,000, Purchases over \$10,000 to \$50,000.

#### **A. Purchases Less than \$2,500**

Purchases less than \$2,500 can be made without securing competitive quotations if the prices are reasonable. These purchases can be made via P-Card by authorized personnel. Based on the P-Card Manual, the following staff have the authority to approve use of a P-Card:

- Cardholder is a School Level Employee – Principal is the Approving Official
- Cardholder is a Principal – Associate Superintendent is the Approving Official
- Cardholder is an Office Employee – Department Head is the Approving Official
- Cardholder is a Department Head – Director is the Approving Official
- Cardholder is a Director/Associate Superintendent – Superintendent is the Approving Official<sup>249</sup>

Many small purchases, according to interviews, are purchased on state contracts, or through Amazon, large supply firms, such as Staples or Grainger.

#### **B. Purchases Over \$2,500 to \$10,000**

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<sup>247</sup> CCSD CPC, p. 11

<sup>248</sup> CCSD CPC, p. 22-23

<sup>249</sup> CCSD Procurement Card Program, Cardholders Manual, 7/2016,

On purchases over \$2,500 to \$10,000, three written quotations must be secured. The award will be made to the lowest responsible and responsive source.

**C. Purchases over \$10,000 to \$50,000**

For purchases over \$10,000 to \$50,000, written quotes, bids or proposals must be secured. The opportunity must be advertised at least once in the South Carolina Business Opportunities, newspaper of general circulation in the District, or electronic advertising approved by the Board. The written solicitation and the written quotes should be attached to the purchase requisition. The award must be made to the lowest responsive and responsible source for bids or highest-ranking offeror for proposals.

Figure 3.5 summarizes the contract thresholds for Informal Purchases.<sup>250</sup>

<sup>250</sup> During the study, CCSD updated its procurement thresholds. While this change reflects procurement operations outside of our study period, we note the changes here:

New Procurement Threshold:

1. General

	NEW
No Competition Required	\$0 - \$10,000
3 Informal Quotes, Advertising not required	>\$10,000 - \$25,000
3 Formal Quotes, Must be advertised & must include written clauses	>\$25,000 - \$100,000

2. COTS (Commercially Available Off the Shelf)

	NEW
No Competition Required	\$0 - \$10,000
3 Informal Quotes, Advertising not required	>\$10,000 - \$50,000
3 Formal Quotes, Advertising not required, must include written clauses	>\$50,000 - \$100,000

COTS are supplies, other than printing or information resources, that are sold in substantial quantities in the commercial marketplace and are offered to the State without modification, in the same form in which they are sold in the commercial marketplace. COTS do not include agricultural products, petroleum products, and other items customarily sold in bulk.

3. Minor Construction

	NEW
No Competition Required	\$0 - \$10,000
3 Informal Quotes, Advertising not required	>\$10,000 - \$50,000
3 Formal Quotes, Advertising not required, must include written clauses	>\$50,000 - \$100,000

SEALED SOLICITATIONS:

Sealed Solicitations required for non-exempt, competitive procurements > \$100,000

**Chapter III  
Procurement Analysis**

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SOLE SOURCE PROCUREMENTS:

Sole Sources > \$50,000 - \$250,000	An Intent to Sole Source must be advertised for a minimum of 5 business days prior to contracting Is protestable
Sole Sources > \$250,000	An Intent to Sole Source must be advertised for a minimum of 10 business days prior to contracting Is protestable



<b>Figure 3.5 Informal Purchases</b>				
<b>Contract Amount</b>	<b>Solicitation Method Options</b>	<b># of Quotes Required</b>	<b>Advertisement or Web Ad Required (Yes/No)</b>	<b>Purchasing Responsibility</b>
Under \$2,500	None required	1	No	Authorized District Staff
\$2,500--\$10,000	Written	3	No	Contracts and Procurement
\$10,000--\$50,000	Written, telephone or electronic	3	Yes	Contracts and Procurement

Source: CCSD CPC; M<sup>3</sup> Consulting

Figure 3.6 summarizes signature authorities. Neither CCSD’s policies nor the Consolidated Procurement Manual addresses signatory authority. Because of the absence of an official policy, the Director of Contracts and Procurement established the following signatory authority for his staff:

<b>Figure 3.6 Signatory Authority on Purchase Orders</b>	
<b>Signatory</b>	<b>Amount</b>
Buyer	• Up to \$500,000
Procurement Officers	• Up to \$1,000,000
Director	• \$1,000,000 to \$3,000,000
Chief Financial Officer	• Over \$3,000,000
Superintendent	• Over \$5,000,000

Source: CCSD Interviews; M<sup>3</sup> Consulting

#### **D. Blanket Purchase Orders**

Blanket Purchase Orders (BPOs) is “a simplified method of filling anticipated repetitive needs for small quantities of supplies or services by establishing ‘charge accounts’ with qualified sources of supply.” Awards will be made to suppliers based on price of items.<sup>251</sup> All competitive sources will be provided the opportunity to provide the identified services and supplies. The agreement with suppliers will include a

<sup>251</sup> Ibid. at p.23.

statement that the supplier(s) will provide the supplies or services if and when requested by the Procurement Officer during a specified period and within a stipulated aggregate amount. The statement will also note that the District is only obligated to the extent of calls placed against the BPO. The District will identify the names, titles and departments of those persons who are authorized to place calls under the agreement and the dollar limitation per call for each individual. Calls against established agreements should be equitably distributed.

### **E. Warehouse**

CCSD does purchase goods and supplies through its warehouse. According to interviews, Procurement will let the contract with the major vendor. However, once the major supplier is selected, Contracts and Procurement has no further input on warehouse supply operations. Facilities Management is responsible for the oversight and execution of the warehouse contract.

### **3.3.5 FORMAL PURCHASING**

Formal purchasing or competitive purchasing is required for purchase contracts of \$50,000 and over. Formal purchasing at CCSD is done using:

- Invitations for Bid
- Competitive Fixed Price Bidding
- Competitive Best Value Bidding
- Competitive On-line Bidding
- Competitive Sealed Proposals
- Cooperative Purchases/Piggybacking
- Emergency Purchases
- Sole Sources
- Source Selection for Design and Construction

Based on interviews, staff primarily utilizes Invitation for Bid, Competitive Sealed Proposals, and Cooperative Purchases.

## **A. Invitations for Bid (IFB)**

### **Definition and Responsibility**

Invitation for Bid is defined in the procurement code as “... a written or published solicitation issued by an authorized procurement officer for bids to contract for the procurement or disposal of District supplies, services, information technology, or construction, which will ordinarily result in the award of the contract to the responsible bidder making the lowest responsive bid.”<sup>252</sup>

A responsible bidder is defined as “a person who has the capability in all respects to perform fully the contract requirements and the integrity and reliability which will assure good faith performance which may be substantiated by past performance.”<sup>253</sup> A responsible bidder determination includes the following factors:

- Have or be able to obtain appropriate financial, material, equipment, facility and personnel resources and expertise to indicate capability to meet contractual requirements,
- Satisfactory record of performance,
- Satisfactory record of integrity,
- Qualified legally to contract with the District and State, and
- Supplied all necessary information in connection with the inquiry concerning responsibility<sup>254</sup>

Responsibility can be demonstrated by showing bidder possesses necessary items, a subcontracting plan, or a documented commitment form, that bidder can obtain necessary items.

A responsive bidder is defined as “a person who has submitted a bid or offer which conforms in all material aspects to the invitation for bids or request for proposals.”<sup>255</sup>

Contracts and Procurement is responsible for issuing the Invitation for Bid and evaluating bids submitted.

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<sup>252</sup> Ibid. at 6.

<sup>253</sup> Ibid. at 9.

<sup>254</sup> Ibid. at 27.

<sup>255</sup> Ibid. at 9.

### **Solicitation and Notice**

IFBs must be advertised in the South Carolina Business Opportunities, newspaper of general circulation in the District, and/or electronic advertising approved by the Board. For bids over \$250,000, the IFB must be advertised in the South Carolina Business Opportunities.

### **Specifications**

The originating department should provide Contracts and Procurement Management Services with specifications. Specifications should be developed in a manner that permits “maximum practicable competition” and “written in a non-restrictive manner” that allows requirements to be met.<sup>256</sup> This includes relying upon accepted commercial standards and avoiding unique requirements, to the degree possible.

### **Request for Qualification**

Prior to solicitation, a Request for Qualification can be issued. The RFQ must include scope of work, deadline for submission, and how bidder may apply. It must also require bidder’s product specifications, qualifications, experience, and ability to performed requirements of contract.<sup>257</sup> Adequate notice must be provided. Once responses are received, they should be ranked in writing from most qualified to least qualified. Bids must then be solicited from the top two prospective bidders.

### **Bid Tabulation and Award**

Bid openings are public and in the presence of at least one witness. The Procurement Officer or designee must be present at all bid openings, record, and tabulate bids. Bid tabulations are to include the name of bidders, the prices submitted, and another other pertinent data. IFBs will be awarded to the lowest responsive and responsible bidder. Corrections or withdrawal of inadvertently erroneous bids can be made after award, but before performance.<sup>258</sup>

If there is a tie bid based on price, award will be made in this order of priority:

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<sup>256</sup> Ibid. at 33.

<sup>257</sup> Ibid. at 17.

<sup>258</sup> Ibid. at 15.

- In-state over out-of-state firm,
- In-state over out-of-state product,
- Certified MBE by South Carolina Office of Minority Business Assistance,
- In-district over In-state,
- Quickest delivery time,
- Flip of the coin.<sup>259</sup> (p.16, 1520.9)

### **B. Competitive Fixed Price Bidding**

Competitive fixed price bidding allows the District to obtain specific services, supplies and information technology from multiple sources. Prior to issuing the bid, the District will provide the maximum amount the District will pay. The award will be made to all responsive and responsible bidders.<sup>260</sup>

### **C. Competitive Best Value Bidding**

Best value bidding allows factors other than price to be considered in the determination of awarding specific supplies, services or information technology based on pre-determined criteria identified by the District.<sup>261</sup> Evaluation factors must be identified, and numerical weighting provided for each factor. Selection will be made based upon ranking of bidders based on weighting and scoring of evaluation factors and award to the most responsive and responsible bidder. Cost must be a factor and cannot be weighted less than 60 percent. Evaluation factors, determined by the Procurement Officer, may include, but are not limited to:

- Operational costs that the District would incur if the bid is accepted,
- Quality of the product or service, or its technical competency,
- Reliability of delivery and implementation schedules,
- Maximum facilitation of data exchange and systems integration,

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<sup>259</sup> Ibid. at 16.

<sup>260</sup> Ibid. at 18.

<sup>261</sup> Ibid. at 18-20.

- Warranties, guarantees, and return policy,
- Vendor financial stability,
- Consistency of the proposed solution with the District’s planning documents and announced strategic program direction,
- Industry and program experience,
- Prior record of vendor performance,
- Extent and quality of the proposed participation and acceptance by all user groups,
- Proven development methodologies and tools, and
- Innovative use of current technologies and quality results.

#### **D. Competitive On-line Bidding**

For competitive on-line bidding, the District must designate an opening and closing date and time for receipt of real-time electronic bids.<sup>262</sup> After the opening date and time, once the first bidder submits a bid on-line, the bidder’s price is revealed and the next bidder may submit a price lower than the first bidder. The lowest bid will change until the closing time and date. At any time before the closing date and time, bidders may lower their price, but it must be lower than the then lowest price. Bid prices may not be increased after opening date and time. If a bidder withdraws its bid, the bidder cannot resubmit with a higher bid.

#### **E. Competitive Sealed Proposals**

Like the prior sourcing methods, competitive sealed proposals may be utilized if competitive sealed bidding is considered not practicable or not advantageous to the District. Contracts for design-build, design-build-operate-maintain, or design-build-finance-operate-maintain project delivery methods must be entered into by competitive sealed proposals.<sup>263</sup>

#### **Request for Qualifications**

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<sup>262</sup> Ibid. at 20.

<sup>263</sup> Ibid. at 20-22.

Before soliciting proposals, the Procurement Officer may issue a request for qualifications from prospective offerors. The request must contain the following elements:

- Description of scope of work,
- Deadline for submission,
- How prospective offerors may apply for consideration, and
- Information required to be submitted by the offeror must include only their qualifications, experience, and ability to perform the requirements of the contract.

After receipt, responses must be ranked in writing from least qualified to most qualified. Proposals will then be solicited from at least two of the highest-ranking prospective offerors. The number of proposals to be requested is not addressed by the governing code, Article 17.

#### **Request for Proposals**

In request for proposals (RFP), evaluation factors and the weighting for those factors must be identified. Price may be a factor but is not required. Additionally, discussions may be conducted with offerors who submit proposals, but is not required.

Once evaluation is complete, responsive offerors will be ranked from most advantageous to least advantageous. The Procurement Officer may negotiate with the highest-ranking officer based on:

- Price,
- Matters affecting the scope of the contract, so long as changes are within the general scope of the RFP, or
- Both.

If the Procurement Officer cannot negotiate a satisfactory contract, the Procurement Officer can proceed to negotiations with the second ranked proposer, then the third and so forth. Contract award will be made to the responsible Offeror whose proposal is determined in writing to be the most advantageous to the District.

#### **G. Construction**

The Construction Procurement Officer and Facilities Management are responsible for the procurement of construction and construction-related professional services. These services include construction,

construction managers, construction managers at risk, program managers, design-build firms, architects, engineers, building code consultants and geotechnical consultants. A myriad of other construction trade specialty firm services is obtained at the subcontractor level. Except under maintenance and maintenance-related services, these specialty construction trade services are not procured directly. Furthermore, maintenance and maintenance-related services are procured by the Procurement Services Supervisor, utilizing the procedures discussed previously.

### **Sourcing Methods**

Listed below are the procurement delivery methods that are authorized for CCSD:

- design-bid-build;
- construction management at-risk;
- operations and maintenance;
- design-build;
- design-build-operate-maintain; and
- design-build-finance-operate-maintain.<sup>264</sup>

### **Bidding Process**

CCSD is responsible for issuing bid documents. In consultation with the Architect/Engineer, the District will identify in the IFB all specialties for all subcontractors who are expected to perform work for the prime contractor and whose subcontractors' contracts is expected to exceed three percent of the prime contractor's total base bid. The District may also identify specialties that are vital to the project. A bidder must provide, in its bid, the names of only those subcontractors to perform the work as identified in the IFB. CCSD is required to send all responsive bidders a copy of the bid tabulation within ten working days after bid opening. Notice of an intended award should be made to the lowest responsive and responsible bidder. The notice should be posted, and a copy sent to all responsive bidders, along with the bid

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<sup>264</sup> Ibid. at 37.



tabulation. At 10 days, the District may enter into a contract with bidder named in the notice, even if only one bid was received.<sup>265</sup>

### **Subcontractor Substitution**

After notice of award or intended award has been issued, the contractor may not substitute a listed subcontractor, except for one or more of the following reasons:<sup>266</sup>

- Upon a showing satisfactory to the District by the prospective contractor that:
  - the listed subcontractor is not financially responsible,
  - the listed subcontractor's scope of work did not include a portion of the work required in the plans and specifications, and the exclusion is not clearly set forth in the subcontractor's original bid,
  - the listed subcontractor was listed because of an inadvertent clerical error, but only if that request is made within four working days of opening,
  - the listed subcontractor failed or refused to submit a performance and payment bond when requested by the prospective contractor after the subcontractor had represented to the prospective contractor that the subcontractor could obtain a performance and payment bond, and
  - the listed subcontractor must be licensed and did not have the license at the time required by law,
- If the listed subcontractor fails or refuses to perform his subcontract,
- If the work of the listed subcontractor is found by the District to be substantially unsatisfactory,
- Upon mutual agreement of the contractor and subcontractor, and
- With the consent of the District for good cause shown.

If the substitution is allowed, the District must attempt in good faith to negotiate with at least one

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<sup>265</sup> Ibid. at 39.

<sup>266</sup> Ibid. at 40.

subcontractor whose bid was received before the submission of the contractor's offer, before obtaining prices from another subcontractor.

### **Prequalification**

The District may limit solicitation at the prime and subcontractor level to pre-qualified firms through a request for qualifications. The Superintendent must approve the pre-qualification. The request must provide adequate notice and minimally include a description of the general scope of work, the deadline for submission and how businesses may apply.<sup>267</sup>

Evaluation criteria must include, but is not limited to:

- prior performance,
- recent past references on all aspects of performance,
- financial stability, and
- experience on similar construction projects.

Based upon the above criteria, businesses must be ranked from the most qualified to the least qualified. If fewer than two businesses are prequalified, the prequalification process must be canceled. If design-bid-build procurement is utilized, the prequalification process may be used only if the construction is unique in nature, over \$10 million in value or involves special circumstances, as determined by the board.

On request for proposals for design-build, design-build-operate-maintain, or design-build-finance-operate-maintain the District may select a short list of proposers from those who submitted. The RFP should include the following evaluation factors:

- demonstrated compliance with the design requirements,
- offeror qualifications,
- financial capacity,

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<sup>267</sup> Ibid. at 40.

- project schedule,
- price, or life-cycle price for design-build-operate-maintain and design-build-finance-operate-maintain procurements, and
- other factors

One interviewed noted that “... when I went back and looked at all of our procurements last year that used the prequalification process, clearly eliminates minorities. And if you look at the capital maintenance compared to the capital construction, capital maintenance only used the prequalification process one time. Capital construction used it 95% of the time.” He noted that this impacted their ability to obtain MBE participation. “It definitely eliminated minorities.” Another noted that “But we open bid anything under \$10 [million]... Normally the big guys don't go after it anyway, and that gives us more open competition, and again, we would hope that there would be some minority firms in the-- but we really don't have them here... We have the option, we don't have to pre-qualify anybody, theoretically... The state allows us to do \$10 [million] or above, and it's prudent to do that. I mean, we just did a \$60 million high school. I mean, you really, really want to make sure you're getting a firm fully insured, good past experience, knowledgeable in that type of construction.”

### **Bid Security**

Bid Security is required for all competitive sealed bids on construction contracts over \$50,000 in a design-bid-build procurement. The bid security amounts must be in the amount of five percent of the bid at a minimum. When required, a performance bond in the amount of 100 percent of the portion of the contract price that does not include the cost of operation, maintenance, and finance and a payment bond in the same amount must be provided. The payment bond is for the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the construction work provided for in the contract. Bid security requirements can be waived on contracts less than \$50,000 or by the construction manager at risk during the pre-construction and design phase.<sup>268</sup>

For construction projects, bid security in the form of a cashier's check or bond must be obtained from an “A” rated surety company, with financial strength in the amount of five (5) times the portion of the contract price that does not include operations, maintenance, and finance. For contracts under \$100,000, a “B” rated surety firm can be utilized.

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<sup>268</sup> Ibid. at 43.

Contract performance and payment bonds must be presented in the form of a cashier’s check for the full amount of the Performance and Payment bonds from an “A” rated surety company. A “B” rate surety firm can be utilized for contracts under \$50,000.<sup>269</sup>

According to interviewees, CCSD eliminates bonds on contracts below \$100,000. For MBE subcontractors, “the general contractor will carry the bond for them. Particularly if [the subcontractor has] worked for them before.”

### **Architecture & Engineering, Construction Management, Surveying**

The CCSD CPC do not indicate specific insurance amounts, but that errors and omissions insurance can be secured at the amount deemed appropriate by the Chief Procurement Officer for architecture & engineering, construction management and surveying firms. E&O Insurance is not required for construction managers at risk.<sup>270</sup>

An operations bond may be required to ensure timely, faithful, and uninterrupted provision of operations and maintenance. If required, the amount of the bond would be 100 percent of that portion of the contract price that includes the cost of such operation and maintenance services during the period covered by the bond. Letters of credit and guarantees can also be utilized in the same amounts.<sup>271</sup>

### **Selection Committee**

CCSD must establish a selection committee for all architect-engineer, construction management and land surveying services. The committee should be composed of individuals that the Superintendent determines can make informed decisions regarding the most competent and qualified firm for the proposed project. The Superintendent or his/her designee will sit as a permanent member of the selection committee to coordinate and account for the committee’s work.

In advertisement of the project, the selection committee has the following responsibilities:

- Developing a description of the proposed project,
- Enumerating all required professional services for the project, and

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<sup>269</sup> Ibid. at 72.

<sup>270</sup> Ibid. at 74.

<sup>271</sup> Ibid. at 76.

- Preparing a formal invitation to firms for submission of information.

The invitation must be advertised formally in South Carolina Business Opportunities and should include:

- The project title,
- The general scope of work,
- A description of all professional services required for that project,
- The submission deadline, and
- How interested firms may apply for consideration.

The date of submission must not be less than fifteen days after publication of the invitation. Interested firms must submit Federal Standard Form 254, Architect-Engineer and Related Services Questionnaire, and Federal Standard Form 255, Architect-Engineer, and Related Services Questionnaire for Specific Project.

Once responses are received, the selection committee will hold interviews with at least three persons or firms who are considered most qualified based on information available. The list of interviewees must be sent to all firms who responded before the date selected for interviews. If less than three firms submitted, the committee will hold interviews with those that did respond.

To rank the three most qualified firms, the following evaluation criteria will be utilized:

- Past performance,
- The ability of professional personnel,
- The demonstrated ability to meet time and budget requirements,
- Location and knowledge of the locality of the project if the application of this criterion leaves an appropriate number of qualified firms, given the nature and size of the project,
- Recent, current, and projected workloads of the firms,
- Creativity and insight related to the project,
- Related experience on similar projects,

- Volume of work awarded by the District to the person or firm during the previous five years to ensure equitable distribution of contracts by the District among qualified firms, including MBEs, and
- Any other special qualification required by the District.

Based on these criteria, the three proposers will be ranked as best qualified. The selection committee will provide a written report substantiating its determination. Notification of the highest ranked person or firm is to be sent immediately to all firms interviewed. The Superintendent or his/her designee will negotiate a contract with the most qualified person or firm for a compensation that is fair and reasonable to the District.<sup>272</sup>

For small architect-engineer and land surveying under \$25,000, the District may award contracts by direct negotiation and selection, taking into account:

- The nature of the project,
- The proximity of the architect-engineer or land surveying services to the project; the capability of the architect, engineer, or land surveyor to produce the required service within a reasonable time,
- Past performance, and
- Ability to meet project budget requirements.

Firms selected in this manner may not exceed \$75,000 in contracts in a 24-month period.<sup>273</sup>

### **Indefinite Quantity Contracts**

The District may award indefinite quantity contracts on an as needed basis. On construction contracts, the total expenditure under the IDQ must not exceed \$750,000, and \$150,000 for individual project expenditures in a two-year period. For Architecture and Engineering and Land Surveying services, the IDQ must not exceed \$350,000, and \$150,000 for individual project expenditures in a two-year period. Small IDQs are subject to requirements of Section 3230.<sup>274</sup>

### **3.3.6 NON-COMPETITIVE PURCHASING**

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<sup>272</sup> Ibid. at 47-49

<sup>273</sup> Ibid. at 49.

<sup>274</sup> Ibid. at 50.

### **A. Cooperative Purchases/Piggybacking**

CCSD may purchase from contracts awarded by other governmental entities within the State of South Carolina that complies with the State of South Carolina's procurement requirements.<sup>275</sup>

Interviewees stated that they do utilize state contracts. However, the Director of Contracts and Procurement has been trying to reduce reliance on these contracts to increase competition, particularly in the IT area.

### **B. Emergency Purchases**

Emergency purchases are necessary when there exists an immediate threat to public health, welfare, critical economy and efficiency, or safety under emergency conditions provided that such emergency procurements shall be made with as much competition as is practicable under the circumstances. The Superintendent, Chief Financial and Operations Officer, Chief Procurement Officer are authorized to make emergency procurements. An emergency condition is defined as a situation which creates a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures, fire, loss, or other reason proclaimed to be an emergency by the Superintendent, Chief Financial and Operations Officer, Chief Procurement Officer, or their designee. An emergency purchase is one that is responding to a need for supplies, services, information technology or construction services that cannot be procured through normal procurement methods and that threatens the functioning of the District, preservation or protection of property, or the health or safety of any person. Emergency purchases should be made with as much competition as practicable.<sup>276</sup>

### **C. Sole Source**

Sole source purchases may only be used if the Superintendent, Chief Financial and Operations Officer or Chief Procurement Officer determines in writing that there is only one source for the required supply, service, information technology or construction item. The written justification must include an explanation as to why no other will be suitable or acceptable to meet the need. Reasons for sole source may include:

- Where the compatibility of the equipment, accessories, or replacement parts is the paramount consideration,

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<sup>275</sup> Ibid. at 63.

<sup>276</sup> Ibid. at 26.

- Where a sole supplier’s item is needed for trial use or testing, and,
- Where the item is one of a kind.

Most staff stated that they do very limited sole source and emergency purchasing. However, one interviewee stated, we “don’t do a lot of emergency, but about 80 percent is rushed.”

#### **D. Exemptions**

The goods and services listed below are exempted from the competitive bidding process:<sup>277</sup>

- 1) Copyrighted Educational Materials to include, but not be limited to:
  - a) Books, dictionaries, textbooks, newspapers, diplomas
  - b) Professional journals, technical pamphlets, periodicals, subscriptions
  - c) Educational films, filmstrips, slides, and transparencies
  - d) Video tapes, cassettes, DVDs
- 2) Copyrighted Technology Materials to include, but not be limited to:
  - a) Computer assisted instructional materials, interactive video programs
  - b) CD-ROM documents, data bases
  - c) Site Licenses, maintenance contracts, upgrades, and related information/materials for District-adopted software only available or provided by the software company
- 3) Medical and/or Psychological Services to include, but not be limited to:
  - a) Hospitals, health maintenance organizations (HMOs), medical clinics and clinical services
  - b) Licensed medical doctors, physicians, surgeons, dentists, optometrists, doctors of osteopathy, pathologists, etc.

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<sup>277</sup> Ibid. at 91-94.



- c) Licensed/registered/certified physician assistants, nurses, occupational and physical therapists
  - d) Mental health organizations and services
  - e) Psychiatrists, psychologists, behaviorists, counselors, etc.
  - f) Speech, language, audiology, orientation, mobility, occupational and physical therapy services
  - g) Long-term care medical or educational organizations and treatment programs
  - h) Hepatitis B and other vaccines
- 4) Governmental Services to include, but not be limited to:
- a) Services and supplies provided by the Federal government, State agencies, county, city or town governments, and special purpose districts
  - b) Leasing of public parking lots, lecture halls, theatres, coliseums, convention centers, athletic facilities, recreation areas for District-sponsored events
  - c) Purchasing of goods and services under cooperative and piggyback arrangements with other governmental entities provided the contract established under the bidding or RFP process establishes such right.
  - d) Purchase of goods and services provided by MMO and ITMO generated contracts
  - e) Purchase of grant specified and approved equipment, subcontracts and consultants required for the successful completion of the grant funded project and where competitive bidding is not required or practical (subject to Procurement Officer approval)
  - f) Payments of taxes, social security, annuities, etc.
  - g) School Resource Officer services
- 5) Educational Services to include, but not be limited to:
- a) Contractual and cooperative agreements for provision of services to students
  - b) Consultants for evaluation of academic programs
  - c) Evaluation services and expenses of visiting committees such as the Southern Association of Colleges and Schools

- d) Tuitions paid to institutions of higher education
  - e) Professional artists utilized by S.C. Arts Commission
  - f) Other professional artist services, including dancers, writers, poets, theatre groups, craftsmen, folk artists, or other such services
- 6) Policy and Legal Services to include, but not be limited to:
- a) Attorney services (subject to Board approval), court recorders, expert witness services
  - b) Investment management and advisory, debt service, and brokerage services and professionals (subject to Board approval)
  - c) Legislative consultant (subject to Board approval)
  - d) Certified public accountants, actuarial auditing services and providers
  - e) Employment services, employee services and consultant services as defined in § 310 (Definitions) and professional services where the person employed is customarily employed on a fee basis rather than by competitive bidding.
  - f) Payment of bond rating services, and costs associated with issuance or refinancing of bonds, public accountants, and banking services
  - g) Insurance coverage (primary and reinsurance)
  - h) Appraisals, land utilization and condemnation services
  - i) Advertising in professional and technical publications, newspapers, radio and television
  - j) Goods and services of a confidential/sensitive nature that would cause injury to students, staff and/or District if procured through public solicitation (subject to Superintendent approval)
- 7) Staff Development to include, but not be limited to:
- a) Training provided by consultants, certified teachers/trainers, or District personnel
  - b) Training materials secured or prepared for instructional purposes
  - c) Workshop, conference, seminar registrations

- d) Travel expenses, such as airfare, hotels, and registrations
- 8) Student Services to include, but not be limited to:
- a) Local school funds from booster clubs, canteens, fund raising events, donations, etc. except when used to procure capital equipment site improvements and facilities, construction, architect, engineering, construction management and land surveying services
  - b) Electronic and printed exams, tests, testing materials, including scoring services and materials
  - c) Canine drug and/or weapon detection services and related support services
  - d) Homebound services, home visits and home health services
  - e) Instruction provided by certified teachers, English tutors, interpreters, or interpreter services
  - f) Professional dues and membership fees, but only for the benefit of students
  - g) Clergy services
  - h) Travel expenses
- 9) Public Service and Utilities, Telecommunication and Energy Expenses to include, but not be limited to:
- a) Fuel, propane, natural gas, electric, oil company credit card purchases of gas, oil, or fluids
  - b) Local and long-distance telecommunication services; telecommunications equipment, upgrades, additions, maintenance and repair contracts, and purchase or continued lease of imbedded telephone systems, except when competitive bidding is required for E-rate reimbursement
  - c) Water/sewer services and installation costs and fees
- 10) Refunds to include, but not be limited to:
- a) Refunds of health insurance, earnest monies, bid securities, or other funds temporarily entrusted to the District
- 11) One-of-a-Kind Items to include, but not be limited to:
- a) Paintings, sculptures, antiques, art reproductions, historical artifacts, or other rare items

b) Scientific specimens, skeletal and taxidermy mounts, models, fossils, rocks, and minerals, etc.

12) Emergency Repairs to include, but not be limited to:

- a) Repairs to life safety, fire, and security systems to prevent disruption to the educational process
- b) Repairs to buses or other vehicles while transporting students or required to transport students where alternative transportation is not available or practical
- c) Environmental remediation services where the issues giving rise to remedial services disrupt the educational process

13) Items Purchased for Resale

14) Livestock, Feed and Veterinary Supplies and Services

15) Mailing and Delivery Services and Postage

16) Perishable Foods

17) Travel reimbursement to district employees only

18) Diplomas

19) Testing Materials & Scoring

20) Food items for nutritional instructional classes, after school programs and community schools

21) Security officers at school level

22) Immunization vaccines

23) Educational kits and replacement parts

24) Pilot programs

25) Training Facilities to include food, materials, and equipment

26) Items listed as exempt in the South Carolina Consolidated Procurement Code

One interviewee stated that about 40 percent of her purchasing items are exempt. Additionally, while some food items are exempt, others are bid. CCSD's vendor, a large food services firm, has minority

vendors as part of their supply chain. However, interviewees did not know whether any MBEs suppliers were part of this vendor's contract with CCSD<sup>278</sup>, nor has the District requested any MBE utilization reports.

### **3.3.9 CONTRACT ADMINISTRATION**

CCSD CPC does not address contract administration, which covers the following areas relevant to this analysis:

- Responsibilities
- Progress and Advanced Payments
- Change Orders, Contract Amendments and Work Directives/Task Orders
- Substitutions
- Contract Close-Out

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<sup>278</sup> M<sup>3</sup> Consulting notes that CCSD inserts in each solicitation an MBE section which outlines CCSD's MBE requirements (Attachment C, Minority Participation Affidavit.)

## **3.4 ANALYSIS OF CCSD MINORITY BUSINESS PROGRAMS**

### **3.4.1 DESCRIPTION OF MINORITY BUSINESS PROGRAMS**

#### **A. Basis of CCSD Minority Business Program**

Under SC Code § 11-35-5210, the State of South Carolina recognizes that “business firms owned and operated by minority persons have been historically restricted from full participation in the free enterprise system to a degree disproportionate to other businesses.”<sup>279</sup> The District has addressed the inclusion of Minority Business Enterprises (MBEs) in the CPC to ensure that MBEs are afforded the opportunity to fully participate in the District’s procurement process. Through its efforts, the Board seeks to “enhance minority capital ownership, overall District and state economic development and reduce dependency on the part of minorities.” A Minority Business Enterprise is defined as “a business holding a Certificate of Eligibility issued by the South Carolina Small and Minority Business Assistance Office (OSMBA).”

In the Minority Business Enterprise (MBE) Utilization Plan, it is thus established that the Superintendent is to develop regulations that will increase contract opportunities for Small, Minority and Women-owned businesses. These regulations are to include annual goals to measure performance.<sup>280</sup>

#### **B. Roles and Responsibilities**

Under the MBE Utilization Plan, the Director of Contracts and Procurement serves as the MBE liaison Officer and overall MBE Coordinator for CCSD. The Construction and Facilities Procurement Officer is the MBE Coordinator for A&E, Construction, and land surveying services.<sup>281</sup>

According to the CCSD Model Procurement Code, the Chief Procurement Officer has the following responsibilities:

- Provide staff to assist MBEs with the District’s procurement procedures and interpretation of this code;
- May provide supplementary publications that assist MBEs with the District’s procurement procedures;

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<sup>279</sup> Ibid. at 63.

<sup>280</sup> Minority Business Enterprise Utilization Plan, p. 1.

<sup>281</sup> Ibid. at p.2.

- Maintain MBE Source list reflecting goods and services offered by certified MBEs;
- Identify and include certified South Carolina based MBEs on the bidders list and ensure that these firms are solicited on an equal basis;
- Upon request of the MBE and OSMBA, the District may waive user subscription fees for services provided by the Chief Procurement Officer.<sup>282</sup>

The MBE Utilization Plan adds to this list:

- The requirement of bi-annual seminars on how to do business with CCSD;
- Recording of the number of ITBs, RFPs and RFQs sent to MBEs, the number of responses received and contracts awards; and,
- Maintain records of the number of small dollar purchases made from certified and non-certified MBEs.<sup>283</sup>

### **3.4.2 REVIEW OF CCSD MBE PROGRAMS**

Within the current organizational and legislative construct, M<sup>3</sup> Consulting sought to analyze CCSD's current MBE programmatic initiatives. As discussed previously, M<sup>3</sup> Consulting reviewed CCSD's MBE efforts to determine its effectiveness in the context of the Six Essential MBE Program Elements.

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<sup>282</sup> CPC, p. 63.

<sup>283</sup> MBE Plan at p.3.

<b>Figure 3.7 M<sup>3</sup> Consulting Six Essential MBE Program Elements</b>	
<b>1. Outreach and Matchmaking</b>	Efforts to increase the business community’s awareness of an entity’s procurement and contract opportunities and match MBEs to specific contract opportunities.
<b>2. Certification</b>	Eligibility criteria for MBE participants.
<b>3. Technical Assistance</b>	Informational and strategic support of businesses to meet the entity’s MBE plan objectives.
<b>4. MBE Inclusion in Bid Opportunities</b>	The mechanism by which the entity assures that material consideration of MBE participation is given in the award of a contract.
<b>5. Contract Compliance</b>	Ensuring adherence to MBE plan goals on all contracts after execution of the contract.
<b>6. Organizational Performance Evaluation</b>	A comparison of performance results to the entity’s goals to determine policy successes, strengths and weaknesses, and performance improvement areas.

Source: M<sup>3</sup> Consulting

### **A. Outreach and Matchmaking**

#### **Outreach and Matchmaking**

Outreach and matchmaking are not addressed in the procurement code; however, the MBE Utilization Plan does require bi-annual “How to Do Business with CCSD” sessions. Interviewees stated that they participate in outreach sessions at least twice a year. “At least twice a year. Sometimes the city in North Charleston, they’ll do one and we’ll go to that one and have a table. But at least twice a year, we’ll usually have one in Columbia, and then we’ll have one here. And that’s usually through-- well, the MBE office does one and then the South Carolina Association of Governmental Purchasing Officials.” One procurement official described the outreach meeting. “And so, we have people come. I get cards. I check references, talk to them, and we try to work with them, figure out where they are, where they want to be.” Another described outreach as “a daily thing for me” ... “I like to say we do a lot of outreach on a daily basis, just allowing vendors to cold call us, and I meet with them—almost weekly.”

#### **Matchmaking**

Matchmaking is not addressed in model procurement code and is not conducted by CCSD.



**B. Certification**

CCSD does not conduct certification. It accepts certifications from the State of South Carolina OSMBE. Also, CCSD utilizes the County of Charleston, City of Charleston, and South Carolina Department of Transportation certification process. Procurement staff find that many of the non-certified minority-owned firms are not interested in becoming certified, because of the “red tape” and “paperwork.” One buyer noted that “I think [the state has] tried to streamline it a little bit because I think they realized that that was kind of a deterrent for anybody to want to go through that process.” Some firms, noted an interviewee, do not even want to be identified as an MBE, regardless of certification.

The lack of certification impacts CCSD’s reporting of MBE spend. Unless they are certified they are not shown in CCSD’s data as an MBE firm, even though they may be reflected as a non-certified MBE and counted toward the 10 percent non-certified MBE goal. “...they’re not being captured as minority. They may be captured as a non-certified. We may address it that way.” Furthermore, non-certified MBEs are not eligible for direct negotiation<sup>284</sup>, a key tool used by procurement staff to increase MBE participation. “So, I’m like, ‘Well, that’s what we used to use you for to go direct negotiate with you.’ And they’re like, ‘No, we don’t want to go through that again.’ They said if we get it through low bid, they’re okay. But to go through that process, they don’t want to.”

On the other hand, a couple of interviewees noted that WBEs were becoming certified because “a White male contractor...sees advantage of putting his business in his wife’s name. So yes, you do have the females get in this because they’re backed by their husband or partner.”

<b>Table 3.1. State of South Carolina OSMBE Certified Firms</b>				
	<b>Female</b>	<b>Male</b>	<b>Unknown Gender</b>	<b>Total</b>
African American	168	264	21	453
Asian American	0	0	25	25
Hispanic American	0	0	43	43
Native American	0	0	14	14
MBE	0	0	1	1
WBE	195	0	0	195
<b>Total</b>	<b>363</b>	<b>264</b>	<b>104</b>	<b>731</b>

Source: M<sup>3</sup> Consulting; SC OSMBE

<sup>284</sup> CCSD discontinued the use of MBE direct negotiation during this study.

### **C. Technical Assistance**

Technical assistance offered by CCSD is not addressed in the procurement code. However, several interviewees noted the technical assistance they provide to MBEs. The main form of assistance is the award of small contracts to build capacity and history with CCSD. Over time, because of direct negotiation<sup>285</sup>, procurement staff are positioned to award increasingly larger contracts.

This assistance is important to increasing MBE utilization, as several procurement staff noted the limited number of available MBEs locally and within the state, along with limited capacity. Most procurement staff prefer to do business with firms located locally. With MBEs, this is often a challenge. According to interviews, for construction, there are two MBE general contracting firms in the state, and both are doing business with CCSD. This assistance also supports firms on bonding. "...these small, minority firms came in, did work, and had experience, and were able, down the road, to get bonding."

### **D. MBE Inclusion in Bid Opportunities**

#### **Good Faith Efforts**

All contractors are required to make good faith efforts, by documenting their efforts to contact both certified and non-certified MBEs. Non-compliance may result in a bid or proposal being deemed unresponsive.<sup>286</sup>

Contractor efforts include:

- Send notices of bids in newspapers, trade papers, minority focused papers and to all certified construction related firms by
- Show work items made available to MBE firms and the information furnished to them, such as plans, specifications, and requirements for the work.
- Provide the names of MBEs who submitted bids, but were not accepted, a summary of the bidder's discussions and/or negotiations with them and the name of the firm selected for that portion of the work and the reasons for the bidder's choice of firm.

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<sup>285</sup> CCSD discontinued the use of MBE direct negotiation during this study.

<sup>286</sup> Ibid. at p. 4.

- Provide either an affidavit with a description of the work to be executed by minority businesses, equal to or more than the applicable goal or documentation of its good faith efforts to meet the goal.<sup>287</sup>

### **MBE Goal**

According to the MBE Utilization Plan, CCSD has established goals in the amount of 10 percent of CCSD total procurements to certified MBEs and 10 percent of CCSD total procurements non-certified MBEs, for an overall goal of 20 percent.<sup>288</sup> The basis of these goal determinations is not established in the plan.

When asked whether the goal function like a goal or a target, interviewees reflected different responses:

- It's a, well, it's a goal, but let me put it this way. When we evaluate, pre-qualify, contractors, part of it is your SWMB participation. Show us what you've done in the past, on the projects you list as past experience, show us what you'll do for us, show us who these folks are, and show us what percentage you're going to get. So, when that qualification comes in, even though it's a goal, when that qualification comes in, and if we look at that criteria, that point, that factor, and you haven't submitted what we consider appropriate, if you left anything out, you're not going to score an excellent.
- I don't use preferences. When I used to work for [deleted] we used to use preferences, but here, they don't make us use it and I really haven't been using... I think more of them as a target to encourage more minority participation.
- It's a target. No consequence for not meeting it; no recognition for meeting it.

### **Small Purchases**

Purchases under \$2,500 are procured through P-Card and do not require quotes. However, User Departments and Procurement staff are encouraged to utilize MBEs on P-Card purchases. On quotes between \$2,501 and \$10,000, where three quotes are required, at least one of the quotes should be secured from an MBE/SWMBE.<sup>289</sup>

### **Dividing Larger Projects into Smaller Units**

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<sup>287</sup> Ibid. at p. 7.

<sup>288</sup> Ibid. at p. 4.

<sup>289</sup> Ibid.

Procurement staff is to review all ITBs, RFPs and RFQs to ensure that the scope/specifications do not restrict MBE/SWMBE participation. For goods and services where many classes are being procurement in one bid, to the degree practical, bids should be broken into smaller groups to encourage MBE participation. For construction, contractors are required to submit MBE Utilization Plans showing the MBE subcontractors they will utilize to meet the 20 percent goal or a showing of good faith efforts. Joint ventures are also encouraged.<sup>290</sup>

**Direct Negotiation<sup>291</sup>**

Under SC Code §11-35-5230(A), the District may identify procurement contracts it deems appropriate to negotiate with OSMB certified firms. This is called direct negotiation by staff. It was also distinguished from the state's resident vendor preference program.

Criteria to be considered for making this determination included the following:

- Total dollar value of procurements in the District.
- The availability of South Carolina-based minority firms.
- The potential for breaking the contracts into smaller units, where necessary, to accommodate such firms.
- Ensuring that the District shall not be required to sacrifice quality of goods or services.
- Ensuring that the price has been determined to be fair and reasonable, and competitive both to the District and to the contractor.<sup>292</sup>

Based on interviews, to implement the above code, procurement staff:

- Unbundles and breaks up contracts into smaller units,
- Phases purchases,
- Shelters contracts for competition among MBEs by trade category, i.e., painting.

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<sup>290</sup> Ibid. at p. 5

<sup>291</sup> CCSD discontinued the use of MBE direct negotiation during this study.

<sup>292</sup> Ibid.

However, the most utilized component is the direct negotiation itself. Procurement staff noted that, without direct negotiation, MBE participation would not be at current levels. “Not to the level we do, no, nowhere near, because then you’d go through the bid process...Could some certainly win? Yeah...” Direct negotiation is not considered a preference, but “an exemption that we can use to directly negotiate with MBEs, which I love because I’ve got some really good vendors that are on that list that I just keep going back to.” A procurement manager stated that “I try to go with the lowest bid.”

When asked why non-MBEs do not protest, one procurement staff said “Some of those firms are working with the SWMB firms. You know what I’m saying? They’re contracting, and if it’s HVAC, I need an HVAC guy, some of those firms are actually working with some of those firms behind the scene. And that was a big concern of mine, especially with the amount of numbers that we’re dealing with. It was my concern that smaller firms here would complain. But it has not happened. It has not happened. The bigger guys that I use, these are not projects they’d look at anyway. So, they could care less, so. But we would never get the numbers. Without using that exemption, we’d never get the numbers that we’re getting.”

Direct negotiation has been utilized to increase construction MBE utilization. Most of the participation, according to interviews, has been through capital maintenance, as opposed to capital construction, as these projects are smaller, “ranging from \$100,000 to probably \$4 to \$5 million.”

## **F. Contract Compliance**

### **Quarterly Reports**

Construction Managers are required to show evidence of implementation of the MBE utilization plan by maintaining records on the number of ITBs, RFPs and RFQs sent to MBEs, the number of responses received, and the number of awards made. This report is to be submitted to the MBE Liaison Officer every quarter.<sup>293</sup>

### **Progress Payments**

The District may make progress payments and provide letters of credit support to assist minority vendors to carry out the terms of a contract. Upon request, when an MBE receives a contract from the District, the MBE may request the Chief Procurement Officer to furnish a letter stating:

- The dollar value of the contract;

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<sup>293</sup> Ibid. at p. 6

- The during of the contract;
- The payment schedule;
- And other information which may be used by the certified MBE to negotiate lines of credit with lending institutions.<sup>294</sup>

According to one interviewee, “We pay on time...That’s the main thing. We even pay before time...We tell them two weeks, but the get paid even earlier...”

#### **F. Organizational Performance Evaluation**

The District is to develop an annual Minority Business Utilization Plan, which is to include the following:

- A policy statement expressing a commitment by the Board of Trustees to use MBEs in all aspects of procurement;
- The name of the MBE Liaison Officer responsible for monitoring the MBE Utilization Plan;
- Goals that include expending with Minority Business Enterprises certified by the Office of Small and Minority Business Assistance an amount equal to ten percent (10%) of the District’s total procurements. Upon petition by the District, the Board may authorize an MBE utilization plan that establishes a goal of less than ten percent.
- Solicitation of certified minority vendors listed by the South Carolina Office of Small and Minority Business Assistance, in each commodity category for which the minority vendor is qualified.
- Procedures to be used when it is necessary to divide total project requirements into smaller tasks which will permit increased MBE participation;
- Procedures to be used when the governmental body subcontracts the scope of service to another governmental body.<sup>295</sup>

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<sup>294</sup> CPC at 65.

<sup>295</sup> Ibid. at 64.

## **Chapter III Procurement Analysis**

Additionally, to assist in the evaluation of the progress of this program, the Superintendent will report on an annual basis in writing to the Board the number and dollar value of contracts awarded to eligible certified South Carolina-based MBEs during the preceding fiscal year.<sup>296</sup>

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<sup>296</sup> Ibid.

### **3.5 IMPACT OF CCSD POLICIES, PROCEDURES, AND PRACTICES ON SBES AND MBES**

Based on the foregoing discussion and findings, below are the Procurement, and MWBE Program policies, procedures and practices that may impact the ability of MBEs to participate in CCSD's procurement and contracting opportunities.

#### **A. Program Manager Incumbent Preference**

CCSD's Program Manager has been in place since 1999. This long-term relationship could have a chilling effect on competition and the willingness of other firms to bid on the Program Management contract. MBE participation as part of the evaluation could distinguish one Program Manager from another.

#### **B. Difference in Viewpoint on Budgeting And Forecasting**

Based on interviews and statements from CCSD senior management and procurement staff, there is a disconnect on the degree to which CCSD engages in budgeting and forecasting as it relates to procurement needs of departments and the District overall. Senior management articulated a detailed budgeting process, while staff stated a lack of budgeting and forecasting that leads to the practice of "rushed" procurement. Limited to no budgeting and forecasting limits the visibility and transparency of CCSD's procurement opportunities, reduces the opportunity for matchmaking and outreach and reduces time frames for response.

#### **C. Rushed and Last-Minute Purchasing**

As discussed previously, CCSD buyers acknowledge that, based on the lateness of departmental identification of need, many procurements are rushed. While emergency purchases are rarely used officially, these rushed purchases have a similar effect. We note that this is not the case for Facilities and Capital Programs, which allows these departments to engage in more widespread outreach efforts.

#### **D. Identifying Pools of Potential Vendors**

CCSD does not maintain a vendor registry which limits its ability to systematically build a pool of firms, including MBEs that can bid on its opportunities. The lack of a vendor registry leads to dependence on incumbents and previously used vendors, as well state contracts. CCSD is expanding its notification of opportunities to Mt. Pleasant Chronicle, minority newspaper and it searches the OSMBE website.

#### **E. Small Purchase Requirements Satisfied by Large Firms and State Contracts**

CCSD utilizes Amazon and large supply firms to provide a significant amount of its small purchases. Small purchases are the area where MBEs and other small firms have the greatest capacity to satisfy CCSD's



requirements. Further, Procurement staff is trying to reduce the District's dependency on State contracts in order to increase competition.

#### **F. Impact of Pre-qualification on MBEs**

Pre-qualification can be a useful tool for public entities. But it can also have the result of disqualifying firms. In the State of South Carolina, pre-qualification is required on contracts greater than \$10 million. Interviews suggested that pre-qualification is utilized on virtually all capital construction projects, thereby excluding MBEs from prime opportunities, as MBEs are mainly small contractors.

#### **G. Bid Security Required on Projects Over \$50,000**

Bonding is typically a requirement where MBEs struggle to meet because of the strict requirements. CCSD requires bonding on construction projects over \$50,000, although there is the possibility of bond waivers on projects below \$100,000.

#### **H. Architect Direct Negotiation**

CCSD can use direct negotiation for A&E projects less than \$25,000. This provides CCSD an opportunity to include MBEs and other small A&E firms at this level.

#### **I. Large Vendors Have Minority Vendors as Part of Their Supply Chain**

CCSD relies on several large vendors to meet its IDIQ and warehouse needs. While the Procurement staff is aware that these firms have minority vendors as part of their supply chain, CCSD has not determined whether there are any minority vendors working with these large vendors on CCSD opportunities.

#### **J. Lack of interest in MBE certification**

Procurement staff reported that several MBEs did not want to become certified due to the strict and detailed requirements. They also reported that white males are transferring ownership to their spouses to obtain the benefit of WBE goals.

#### **K. Use of direct negotiation with MBEs**

CCSD utilized direct negotiation<sup>297</sup> to select MBEs without competition and to build capacity. This practice was discontinued during this study. Several procurement staff recognized that CCSD would not have achieved current levels of MBE participation, but for direct negotiation.

**L. Limited Number of MBEs Locally and Within the State**

There are 731 OSMBE certified firms. However, many of these firms are not located in the Charleston area.

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<sup>297</sup> CCSD discontinued the use of MBE direct negotiation during this study.

### **3.6 SUMMARY OF FINDINGS**

M<sup>3</sup> Consulting reiterates the execution and implementation of a public entity's community economic development objectives commences with the procurement process. Public entity achievement of its community economic development objectives through procurement begins with a public policy approach to procurement and community economic development, supported by project execution, as opposed to purely employing a cost, schedule, and project efficiency-based approach.

Charleston County Public Schools (CCSD) has a reasonable overall organizational structure and numerous clearly written policies and procedures in place. However, CCSD has areas in its policies, procedures and practices that may create barriers to the ability of MBEs to participate in CCSD's contracting and procurement opportunities. If these areas are not appropriately addressed, CCSD risks exposure to claims of inherent, unintentional/intentional, exclusionary, and/or discriminatory practices in its procurement program.

## **CHAPTER 4: STATISTICAL METHODOLOGY**

### **4.1 INTRODUCTION**

This chapter discusses the statistical methodology employed by M<sup>3</sup> Consulting in the Charleston County School District's (CCSD) Disparity Study in two parts:

- 4.2 Statistical Methodology**—The first part is a conceptual discussion of the statistical methodology for analysis of Minority Business Enterprise (MBEs).
- 4.3 Data Sources Utilized in Statistical Analysis for CCSD**—The second part is a discussion of data sources, data collection procedures, data gaps and implications of the gaps on the statistical analysis for CCSD.

### **4.2 STATISTICAL METHODOLOGY**

The statistical methodology discusses availability, utilization, and disparity. It includes a presentation of the two types of availability: “*actual availability*” and “*potential availability*”; various definitions of availability; and M<sup>3</sup> Consulting’s “*Ready, Willing, and Able*” (RWA<sup>SM</sup>) model. M<sup>3</sup> Consulting has adapted this model to the specific CCSD data sources available for this study. Also discussed are the types of utilization analysis that will be performed. The statistical methodology section concludes by defining the disparity ratio and significance tests, crucial for drawing conclusions regarding any disparity in CCSD’s recent history of contracting with MBEs.

#### **4.2.1 Disparate Impact Analysis**

The statistical analysis conducted in this Disparity Study is a key component of the Disparate Impact Analysis to determine if there is any discrimination against MBEs by a public entity. Under a *Croson* Disparate Impact Analysis, a public entity may be involved in “active discrimination”, which is caused by its own direct action, or “passive discrimination” which involves participating in the discriminatory or exclusive actions of other agents in the public and private sector.

Disparate Impact is defined as a policy or practice that, although neutral on its face, falls more harshly on a protected group. This impact may be viewed as discriminatory behavior in certain instances. The statistical analysis seeks to determine if there is any disparate impact of an agency’s policy(ies) or practice(s), intended or unintended, on protected classes.

In response to *Croson*, statistical methodologies related to the analysis of procurement and contracting policies and practices continue to evolve as litigation occurs. Because the legal cases are fact-specific and the courts can only review evidence put before them, it is useful to review *Croson* statistical methodologies against the well-tested and even more extensively litigated disparate impact analysis

established under EEO law, from which the disparate impact and disparate treatment tests and analysis evolved. The comparison will reveal the course that the two-disparate impact analysis have taken.

- EEO Disparate Impact Analysis requires a deeper analysis and testing of an institution's specific EEO policies, procedures, and practices, with emphasis on active participation in discrimination.
- *Croscon* Disparate Impact Analysis is moving toward broader analysis, with ever increased focus on passive participation, as opposed to active participation in discrimination, therefore with a lesser focus on the actual decision-making policies, procedures and practices of the public entity itself and its vendors.

M<sup>3</sup> Consulting's statistical methodology includes an analysis of active and passive participation, and the methodology is compared to the more evolved active participation requirements of EEO analysis.

#### A. Brief Overview of EEO Disparate Impact Analysis

A disparate impact analysis under EEO involves three distinct analyses. Below is a brief overview of the analysis, as stated in "The Role of Two Statistical Approaches in EEO Cases," and a comparison to methodologies deployed under *Croscon* disparate impact analysis.

In the first burden of a disparate impact analysis, up to three tests are performed to determine adverse impact:

1. The "threshold" analysis (also called the initial inquiry) to see if gender and racial composition (i.e., percentages) of the at-issue job is underutilized compared to the composition of the qualified population in the relevant labor market;
2. A "barriers" analysis to see if there are barriers or practices which disproportionately deter gender or racial group members from applying; and,
3. The "selection" analysis to see if a practice, procedure, or test is disproportionately impacting a gender or racial group, unless the practices, procedures or tests are not capable of separation for analysis, then the entire decision-making process can be evaluated as one practice.

If a practice, procedure, or test is found to be a "barrier" as defined above, an adverse impact finding could be expected on the cause of the barrier. However, even if the cause of the "barrier" to an at-issue job is not involved in the action, it still can be a "barrier" for statistical purposes. If a barrier is found, a binomial statistical test will be needed in the "selection" analysis and a "proxy" group will be needed in the "selection" analysis. If a

barrier is not found (i.e., applicant flow is very similar to availability), then actual applicants can be used in the "selection" analysis and a hypergeometric statistic is used.<sup>298</sup>

## **B. Threshold Analysis**

Under a *Croson* Analysis, the EEO threshold analysis is akin to a disparity analysis in contracting. A disparity ratio is computed by comparing available firms, as determined by ready, willing, and able firms, to firms utilized by a public entity. This is an important inquiry that sets the stage to determine if there is cause for additional disparate impact analysis to determine if the inference of discrimination resulting from this analysis is remedial. As such, the methodology utilized for the computation of the pool of ready, willing, and able firms takes on significant importance in disparity analysis. Under U.S. DOT 49 CFR Part 26, this threshold analysis could be considered Step 1: Baseline Availability.

While relying on a threshold-type analysis appears straight-forward, under *Croson* analysis, it is not, principally due to the issues of willingness and qualifications of the firms in question. Firms in the marketplace may be ready, but not willing and/or able.

As it relates to Marketplace availability, firms may not be "able", despite efforts to refine the Marketplace or Custom Census availability to firms in NAICS or NIGP codes representing goods and services procured by the public entity. Regressions and capacity analysis not conducted on the pool of firms bidding with or awarded contracts by the public entity indirectly provides some indication of capacity but does not directly relate to the individual firm's qualifications or to the determinations of firm's qualification by the public entity during the bidding process. Relying solely on Marketplace availability does not adequately reveal a pool of firms that are "ready, willing, and able" to do business with CCSD. Thus, a comparison of Marketplace availability to CCSD utilization does not conclusively reveal if CCSD and its prime vendors' "policies or practices" are impacting prime and subcontractor selection.

In *Croson* disparity analysis, many consultants forego any consideration of bidder data and simply establish a basis for race- and gender-conscious goals on disparity from Marketplace or Custom Census Availability (for DBE programs, adjusted under Step 2 of the U.S. DOT's availability analysis).

The U.S. Supreme Court has shown increasing impatience with this lack of specificity in disparate impact analysis. It is worth repeating here, from the legal chapter, the Court's opinion regarding disparate impact claims in the June 2015 U.S. Supreme Court case, *Texas Department of Housing and Community Affairs v. Inclusive Communities Project*.<sup>299</sup> In upholding the applicability of the disparate impact liability to the Fair Housing Act,

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<sup>298</sup> Richard E. Biddle, "The Role of Two Statistical Approaches in EEO Cases", 1995. See also 29 CFR Ch. XIV, Part 1607, §1607.17(2)

<sup>299</sup> No. 13-1371, 576 U. S. \_\_\_\_\_ (2015)

In a similar vein, a disparate-impact claim that relies on a statistical disparity must fail if the plaintiff cannot point to a defendant’s policy or policies causing that disparity. A robust causality requirement ensures that “[r]acial imbalance . . . does not, without more, establish a prima facie case of disparate impact” and thus protects defendants from being held liable for racial disparities they did not create. *Wards Cove Packing Co. v. Antonio*, 490 U. S. 642, 653 (1989), superseded by statute on other grounds, 42 U. S. C. §2000e–2(k).<sup>300</sup>

...Were standards for proceeding with disparate-impact suits not to incorporate at least the safeguards discussed here, then disparate-impact liability might displace valid governmental and private priorities, rather than solely “remov[ing] . . . artificial, arbitrary, and unnecessary barriers.” *Griggs*, 401 U. S., at 431. And that, in turn, would set our Nation back in its quest to reduce the salience of race in our social and economic system.<sup>301</sup>

The U.S. Supreme Court’s analysis is applicable to the current state of most disparity analysis. However, under EEO, this type of analysis is not normally used for the establishment of race- and gender-conscious EEO goals. The barrier analysis and selection analysis are usually performed prior to that determination.

### **C. Barrier Analysis**

A barrier analysis, using the EEO definition, would result in a comparison between M<sup>3</sup> Consulting’s Marketplace Analysis and M<sup>3</sup> Consulting’s RWA<sup>SM</sup> analysis. This analysis may also be akin to the elusive “but-for discrimination” analysis pursued and attempted under *Croson* analysis. While the barrier analysis computation is simple, interpreting the causes of any differences is quite complex.

For example, RWA<sup>SM</sup> Availability often yields higher percentages or proportions of availability than a Marketplace or Custom Census analysis. The differences may be caused simply by the differences in the two sample sizes. For example, for a public entity that used Dun & Bradstreet for Marketplace Analysis, the pool contained 6.88 percent DBEs of a total of 28,701 firms after refining the sample to extract relevant NAICS codes and limiting it to the relevant market, while the public entity’s bidder pool (inclusive of awardees for which bid data was not available) consisted of 14.82 percent of DBEs in comparison.

Some argue that the cause for larger RWA<sup>SM</sup> availability measures could be the impact of race- and gender-conscious programs on the bidder pool. However, in some instances, public entities with mature race- and gender-conscious programs have discouraged MBE bidders due to the continuous and repeated use of the same vendors or continued discriminatory policies and practices, even considering the existence of

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<sup>300</sup> Slip Op., at 19-20.

<sup>301</sup> Slip Op., at 22.

race- and gender-conscious goals.<sup>302</sup> Bidders often view this type of procurement environment as a “closed-shop.”

Alternatively, MBEs often pursue opportunities in the public sector because public entities are often seen as more inclusive, based on their mission and their diverse make-up of political representatives, and not simply the presence of race- and gender-conscious goals. For example, in reviewing building permits data for a particular public entity, we found that only 8.96 percent of building permits were obtained by DBEs in the private sector, as opposed to 19.59 percent of the public sector firms for the study period.

Additionally, after the Recession of 2008, many large private sector firms around the country, including those who rarely worked in the public sector, turned to the public sector for opportunities, pushing many MBEs out of contention for opportunities in the competitive bidding process. The marketplace is now responding to the economic impact of COVID-19.

As such, findings from a barrier analysis under *Croson* would necessitate a **deep dive** into the public entity’s procurement operation and selection processes to determine whether the barriers are caused by internal or external factors or active vs. passive discrimination. This deep dive also encompasses the public entity’s prime vendors who select sub-vendors to participate on the public entity’s opportunities. This deep dive into the procurement and contracting activity of prime vendors is a direct means of measuring “passive participation” in private sector discrimination. Under 49 CFR Part 26, a barrier analysis is somewhat anticipated under Step 2: Adjusted Baseline Availability.

### D. Selection Analysis

M<sup>3</sup> Consulting’s RWA<sup>SM</sup> Availability analysis, a primarily bidder-based analysis, is most akin to the Selection Analysis under EEO, established to determine if the public entity’s policies and procedures are producing any noted disparity. M<sup>3</sup> Consulting draws conclusions of disparity that the public entity may need to address through race- and gender-conscious goals from this analysis, not its Marketplace Analysis. In the EEO environment, if disparity is found under the Selection Analysis and an employer:

“...has reason to believe that its selection procedures have the exclusionary effect described in paragraph 2 above, it should initiate affirmative steps to remedy the situation. Such steps, which in design and execution may be race, color, sex, or ethnic “conscious,” include, but are not limited to, the following: (a) the establishment of a long-term, and short-range, interim goals and timetables for specific job-classifications, all of

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<sup>302</sup> In response to the *Western Paving* case, DOT appears to have addressed this concern by stating that “the study should not rely on numbers that may have been inflated by race-conscious programs that *may not have been narrowly tailored*.” Emphasis added.



which should take into account the availability of basically qualified persons in the relevant job market...”

While some would argue that Marketplace or Custom Census represents a proxy group under a Selection Analysis for incomplete bidder data or bidder data impacted by discrimination, these firms do not meet the ready, willing, and able definition. Furthermore, Marketplace Availability can also be impacted by discrimination and exclusion, particularly in the construction industry. M<sup>3</sup> Consulting’s RWA<sup>SM</sup> Availability Model, discussed supra, is a cascading model, designed to be extended beyond ready, willing, and able firms (actual availability) only when necessary. If earlier levels were deemed completely unreliable, prior to moving to Public Sector or Marketplace Availability augmented by MWDBE lists (firms that are “ready”), M<sup>3</sup> Consulting would focus on a public entity’s vendor registration list augmented by its MBE lists (firms that are “ready and willing.”). U.S. DOT seeks to address this issue through Step 2: Adjusted Baseline Availability.

Further, when calculating a disparity ratio using RWA<sup>SM</sup> Availability, M<sup>3</sup> Consulting is using Actual Utilization compared to Actual Availability. If Potential Availability is utilized instead of Actual Availability, the resulting disparity ratio assumes that, if outreach was done, more available firms would be included in Actual Availability. This could be akin to “but-for-discrimination”, but it could also be “but-for-outreach” and have nothing to do with discrimination. Furthermore, it is possible that they were not included purely due to random chance, which is the essence of the significance tests.

Given that M<sup>3</sup> Consulting computes disparity based on RWA<sup>SM</sup> Availability (actual availability reflecting CCSD’s selection process), if disparity is found using RWA<sup>SM</sup> Availability, CCSD’s legal staff would then determine if CCSD **may or must** utilize race- and gender-conscious goals to remedy this disparity.

#### **4.2.2 RELEVANT MARKET MEASUREMENTS**

The *Croson* statistical analysis begins with the identification of the relevant market. The relevant market establishes geographical limits to the calculation of MBE availability and utilization. Most courts and disparity study consultants characterize the relevant market as the geographical area encompassing most of a public entity’s commercial activity. The *Croson* Court required that an MBE program cover only those groups that have been affected by discrimination within the public entity’s jurisdiction.<sup>303</sup>

Two methods of establishing the relevant market area have been used in disparity studies. The first utilizes vendor and contract awardee location of dollars expended by an entity in the relevant industry categories.

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<sup>303</sup> Richmond v. Croson, at 725.

In the second method, vendors and contractors from an entity's vendor or bidder list are surveyed to determine their location. The former is based on approaches implemented under the U.S. Justice Department guidelines for defining relevant geographic markets in antitrust and merger cases. M<sup>3</sup> Consulting has developed an alternative method for determining an entity's relevant market by combining the above methods and using an entity's bidder lists, vendor lists, and awardee lists as the basic foundation for market definition.

By examining the locations of bidders, vendors, and winners of contract awards, M<sup>3</sup> Consulting seeks to determine the area containing a preponderance of commercial activity pertaining to an entity's contracting activity. While case law does not indicate a specific minimum percentage of vendors, bidders, or contract awardees that a relevant market must contain, M<sup>3</sup> Consulting has determined a reasonable threshold is somewhere around 70 percent, each, for bidders, vendors, and contract award winners. Further analysis may be necessary if there are "large" differences in the percentages of these three measures.

### 4.2.3 AVAILABILITY ANALYSIS

The fundamental comparison to be made in disparity studies is between firms owned by minorities and/or women ("MBEs") and other firms ("Non-SWMBEs") *ready, willing, and able* to perform a specific service (i.e., are "available"), and the number of such businesses being utilized by the locality or its prime contractors. This section presents a discussion of the availability estimates for MBEs who are *ready, willing, and able* to perform work on contracts for CCSD.

Availability is the most problematic aspect of the statistical analysis of disparity. It is intrinsically difficult to estimate the number of businesses in the marketplace that are ready, willing, and able to perform contracts for or provide services to a specific public entity. In addition to determining an accurate head count of firms, the concomitant issues of capacity, qualification, willingness, and ability complicate the production of accurate availability estimates.

#### A. Miller<sup>3</sup> Consulting, Inc. Availability Model

M<sup>3</sup> Consulting employs two general approaches to measuring availability: the Ready, Willing and Able (RWA<sup>SM</sup>) Model, and Marketplace Availability. In summary, the Availability measures can fall into the following categories:

- **RWA<sup>SM</sup>**—Those firms who are ready, willing and able to do business with CCSD;

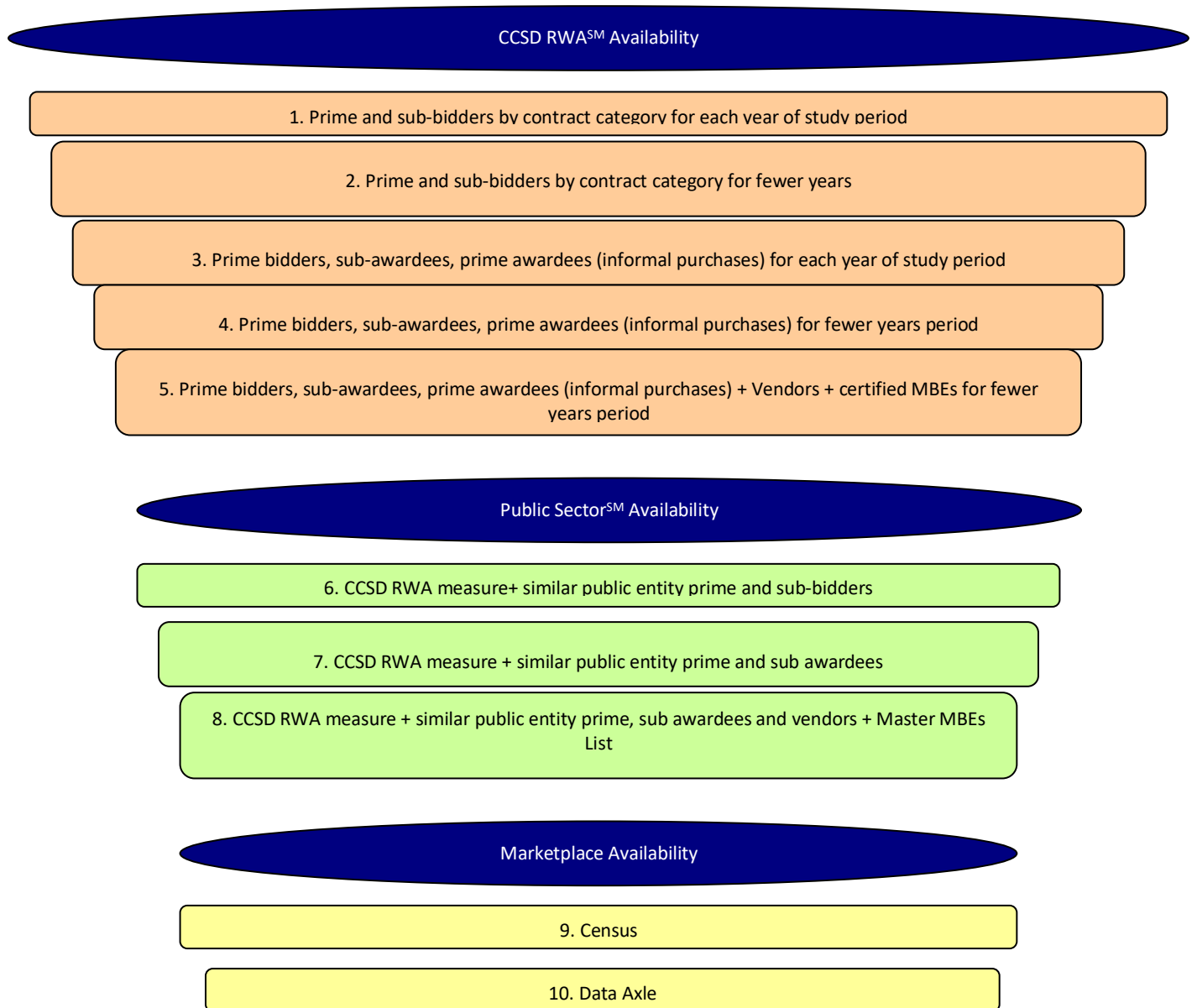
- **Public Sector Availability**—Those firms who are ready, willing, and able to do business with similar public sector agencies within CCSD’ marketplace<sup>304</sup>; and,
- **Marketplace Availability**—All firms’ available in CCSD’ marketplace, as measured by data sources such as U.S. Census Annual Survey of Entrepreneurs, Data Axle, Dun & Bradstreet, Business License, Building Permits.

The Availability matrix below in Figure 4.1 outlines M<sup>3</sup> Consulting’s Availability Model. The matrix starts with the optimum availability measure of those firms “ready, willing and able” to do business with CCSD and cascades down to less optimum measures. Factors that determine which level of availability best suits CCSD’s environment include quality of available data, legal environment, and previous levels of inclusion of MBE in bidding and contracting activity.

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<sup>304</sup> This analysis requires inter-governmental cooperation between public entities providing bidder, vendor and awardee data, thus is not performed, unless such agreement is developed for individual agencies or a consortium of agencies conducted a consortium disparity study.

**Figure 4.1**  
**RWA<sup>SM</sup> Availability Model**



Source: M<sup>3</sup> Consulting, Inc.

When refined to CCSD’s data, the RWA<sup>SM</sup> Availability Model levels are defined as follows:

<b>Table 4.1 CCSD Specific RWA<sup>SM</sup> Availability Levels</b>	
<b>RWA<sup>SM</sup> Availability Level</b>	<b>RWA<sup>SM</sup> Availability Definition</b>
Level 1	CCSD Bidders and Sub-bidders
Level 2	CCSD Bidders and Sub-bidders + AP/PO Firms
Level 3	CCSD Bidders and Sub-bidders + AP/PO Firms + Vendor List*

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, CCSD Munis Data, \*List with requisite data elements was not available for analysis

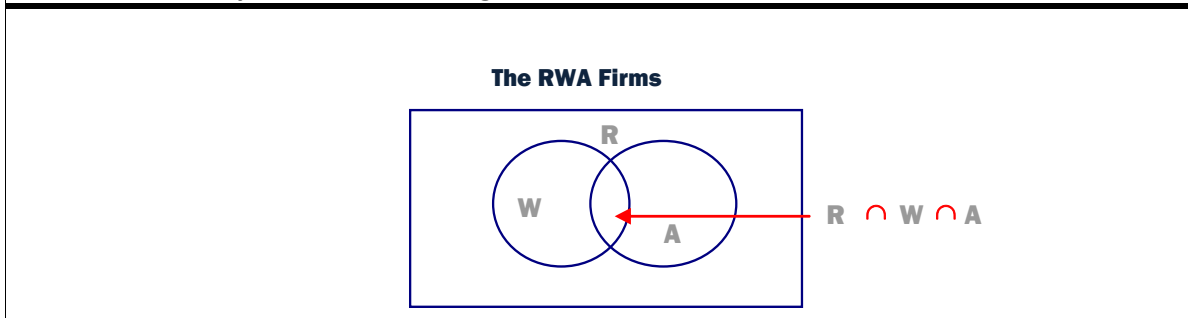
**B. Ready, Willing, and Able (RWA<sup>SM</sup>) Model<sup>305</sup>**

The concept of the “Ready, Willing, and Able” (RWA<sup>SM</sup>) estimate model is derived from the U.S. Supreme Court’s statement that:

Where 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 engaged by the locality or the locality’s prime contractors, an inference of discriminatory exclusion could arise.<sup>306</sup>

The basic assumption underpinning RWA<sup>SM</sup> estimates is that a business must exist and actively seek to do business with a specific entity and have the capacity to perform contracts of the types that CCSD awards, to be included in the pool of businesses “actually available” to perform on the entity’s contracts. The M<sup>3</sup> Consulting RWA<sup>SM</sup> estimate is illustrated in Figure 4.2.

**Figure 4.2  
RWA<sup>SM</sup> Availability Estimate Venn Diagram**



Source: M<sup>3</sup> Consulting, Inc.

<sup>305</sup> M<sup>3</sup> Consulting developed the RWA<sup>SM</sup> model in 1992.

<sup>306</sup> *City of Richmond v. J.A. Croson*, 109 S.Ct. 706, at 729 (1989).

The first component of the model, “*ready*”, simply means a business exists in the market area. The second component, “*willing*”, suggests a business understands the requirements of the work being requested, and wants to perform the work. The third component, “*able*”, defines the group of firms with capacity to do the job.

### ***Readiness***

“*Readiness*”, as used in CCSD’s Disparity Study, is an indication that a firm is present in the market area studied. M<sup>3</sup> Consulting uses Census Annual Survey of Entrepreneurs (ASE) and Data Axle estimates of the number of firms in a specific area to measure firms “*ready*” to do business with CCSD.

### ***Willingness***

“*Willingness*” to engage in procurement opportunities with a public entity, as understood for purposes of this study, is a concept that cannot be observed directly, but must be inferred through volitional behavior on the part of a firm. It is possible that not all existing (ready) firms want to contract in the public sector, in general and with CCSD, specifically. The “*willing*” requirement reduces the Census ASE and Data Axle estimate to the number of firms interested in doing business with CCSD, as discussed later in this chapter. Willingness can be affected greatly by the type of service area under which a potential project may be classified, the general level of market demand, previous contracting and management practices utilized by a contracting entity, legal and other administrative requirements that must be adhered to, as well as other factors.

### ***Ability***

The third component, “*able*”, defines the group of firms with the capacity to perform the tasks necessary to complete the job. The “*able*” requirement further reduces the number of firms available to do business with an entity. “*Ability*”, as used in this study, is synonymous with “*capacity*,” and refers to the measure of additional work a firm can take on at a given point in time.<sup>307</sup> Ability is only imperfectly observable directly and must also largely be inferred through external proxies such as number of employees, size of past revenues, and number of years in business. A firm may have the “*ability*” to perform a contract:

- Either because it already has the staff and resources to perform the work,

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<sup>307</sup> The appropriate definition of capacity should be closely related to objective criteria used to determine qualifications, as discussed above. Ideally, one wants to identify and use “discrimination-free” measures of capacity in determining the pool of available firms.

- Or because it can readily hire sufficient staff and acquire sufficient resources for that purpose.

Parties who are seeking to explain what the Supreme Court meant usually raise the capacity issue of qualified minorities. In *Concrete Works v. Denver Fd.* 823 F. Supp. 821 (D.Colo.1993), the Colorado district court reviewed the challenged availability/utilization analysis submitted by the City and County of Denver. The Concrete Works Company challenged the use of availability measures and suggested that the appropriate standard was capacity. The court provided a lengthy discussion of the capacity arguments, stating that:

“Capacity is a function of many subjective, variable factors. Second, while one might assume size reflects capacity, it does not follow that smaller firms have less capacity; most firms have the ability and desire to expand to meet demand. A firm’s ability to break up a contract and subcontract its parts make capacity virtually meaningless.”<sup>308</sup>

- In *Rothe Development Co. v. U.S. Department of Defense and the U.S. Department of the Air Force*, the Federal District Court found the most reliable way for accounting for firm size, without changing the disparity-ratio methodologies was to employ “regression analysis to determine whether there was a statistically significant correlation between the size of a firm and the share of contract dollars awarded to it.”<sup>309</sup> Utilizing survey data, M<sup>3</sup> Consulting conducts regression analysis to buttress its RWA<sup>SM</sup> Availability and Disparity findings.

M<sup>3</sup> Consulting’s RWA<sup>SM</sup> model focuses on firms “actually available” to do business with CCSD. The overriding consideration for specifying availability estimates for CCSD’s disparity analysis is to include firms that have actively sought to contract or provide goods and services to CCSD. “Actual availability” refers to firms that have affirmatively shown interest in doing business with CCSD in one or more of the following ways: bidding for a CCSD contract; being awarded a CCSD contract; or, being included on CCSD’s vendor or plan holder’s list. Additionally, M<sup>3</sup> Consulting’s RWA<sup>SM</sup> methodology seeks to define similarly those MBEs and Non-SWMBEs to be included in the availability analysis.

The RWA<sup>SM</sup> estimates define availability conservatively and include only those firms that have presented themselves to CCSD as *ready*, *willing*, and *able* to conduct the work requested by CCSD.

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<sup>308</sup> *Concrete Works v. Denver*, 823 F. Supp. 821 (D.Colo.1993)

<sup>309</sup> 2008-1017, Federal Circuit at 36.

In the arena of CCSD contracting, based on available data, M<sup>3</sup> Consulting conducted an RWA<sup>SM</sup> availability analysis (*i.e.*, an analysis of “actual availability”) using lists of prime bidders, prime awardees, sub bidders and sub-awardees for FY 2013 - FY 2018.

### C. Potential Availability Calculations

In contrast to “actually available” firms, M<sup>3</sup> Consulting also defines firms that may exist in the relevant market and may in the future express an interest in doing business with CCSD. Hence, we treat these firms as “potentially available.”

“Potential availability” refers to firms present in CCSD’s market beyond those “actually available,” to include those that have not bid on CCSD work or taken other affirmative steps toward doing business specifically with CCSD (as opposed to other public and private sector clients) during the study period.

M<sup>3</sup> Consulting discusses two types of “potential availability”—“public sector availability”<sup>310</sup> and “marketplace availability.” These measures may be used as benchmarks in setting targets or in developing outreach initiatives to encourage firms to come forward and express an interest in CCSD contracting opportunities. M<sup>3</sup> Consulting primarily focuses on Marketplace Availability because of the limitations of Public Sector Availability.<sup>311</sup>

4. **Public Sector Availability<sup>SM</sup>** – Includes lists of available firms known to various public sector agencies, including, but not limited to, CCSD in the relevant market region. These firms are closer to RWA<sup>SM</sup>, having expressed an interest in contracting opportunities with other public sector agencies with similar standards and limitations as CCSD. This availability measure includes a compilation of:
  - a. Lists of public agencies’ bidders, vendors, and awardees; and,
  - b. List of MBEs certified by other public agencies.
5. **Marketplace Availability** – Including these firms in the availability measure expresses the ‘universe’ of all firms in the relevant market. These firms may or may not be considered RWA<sup>SM</sup>. The lists that represent this availability measure are:
  - a. Census Data

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<sup>310</sup> M<sup>3</sup> Consulting developed the “Public Sector Availability” Model in 2006.

<sup>311</sup> Public Sector Availability requires intergovernmental cooperation; thus, M<sup>3</sup> Consulting performs this analysis only upon the request of the client and the proper implementation of appropriate agreements among affected public entities.



- b. Data Axle Data
- c. Dodge Data

### 1. U.S. Census Bureau Potential Availability Data

Measures of “potential availability” may be found in data provided by the Bureau of the Census. The standard source of evidence for firms owned by minorities and women is the 2016 Economic Census – Annual Survey of Entrepreneurs (ASE).

M<sup>3</sup> Consulting typically develops census-based availability estimates using data provided by the Bureau of the Census (U.S. Census Bureau). The U.S. Census Bureau estimates are determined by firms with paid employees, which are a more conservative estimate of availability than the set of total firms (*i.e.*, including firms without employees) and ensures a better baseline level of firm capacity in comparison to an analysis based upon a total of all U.S. Census Bureau firms. The Census database usually utilized is the ASE Survey that is broken down by category descriptions into the appropriate industry.<sup>312</sup> The ASE survey has been discontinued by U.S. Census Bureau and is only available for the top 50 Metropolitan Statistical Areas within the United States. This does not include the Charleston-North Charleston, SC MSA. The Annual Business Survey (ABS) replaces the five-year Survey of Business Owners (SBO) for employer businesses, the Annual Survey of Entrepreneurs (ASE), and the Business R&D and Innovation for Microbusinesses (BRDI-M) surveys. The new ABS was not utilized for this study because it does not breakdown the data to a detailed level like the ASE does. In lieu of both the ASE and ABS data for the Charleston-North Charleston MSA, M<sup>3</sup> Consulting utilized only Data Axle and Dodge Data for potential availability analysis.

### 2. Data Axle Availability Data

In lieu of Census ASE data, Data Axle is a good alternate source that reports on micro-business data. M<sup>3</sup> Consulting analyzes this data set as a potential availability measure that reflects all businesses, inclusive of micro-businesses in the Charleston-North Charleston, SC (CBSA). The Data Axle data includes capacity data, such as average sales revenues and average full-time employees. We will discuss the availability of firms in Chapter V and the capacity data in Chapter VIII.

We note that, small and micro home-based are difficult to identify and are thus somewhat less likely than other businesses to be included in Data Axle listings. A large number of small and micro, home-based businesses are more likely than large businesses to be minority- or women-owned, which suggests that MBEs might be underrepresented in the availability database.

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<sup>312</sup> M<sup>3</sup> Consulting has utilized Census Survey of Business Owners in the past for the Census Availability Analysis. However, this database has been discontinued and the most recent data available is 2012.

Both the U.S. Census Bureau and Data Axle lists include the “universe” of firms in the Charleston-North Charleston, SC (CBSA). potentially available to do business with CCSD.

### 3. Dodge Availability Data

In addition to the above two sources, Dodge maintains a database of construction activity across the country that includes construction projects in the planning phase, with the information on the owner of the project, description, value, and location of the project. If the project goes to fruition, the general contractor, subcontractors, and the architect and engineer that bid are listed with the projects, thus creating an additional list of ‘potentially available’ firms. This analysis is included in Chapter 10, Marketplace Analysis.

### 4. Other Lists

Other lists, such as certification lists, chamber of commerce lists, and licensing lists are often not compiled by any statistical technique and are not reliable in the accuracy of the information presented. Therefore, M<sup>3</sup> Consulting does not rely upon these lists for availability measurement. The information provided, however, can be used to identify the race and gender of available firms.

#### D. “Actual Availability” vs. “Potential Availability”

In summary, the difference between “*actual availability*” and “*potential availability*” may help identify and narrow down the area of availability that may be affected by discrimination, lack of outreach, lack of interest, lack of specific expertise required by the public entity, and lack of capacity. See also Barriers Analysis above.

## 4.2.4 UTILIZATION ANALYSIS

### A. Numbers of Contracts, Dollar Value of Contracts or Numbers of Firms

Utilization represents the contracting and subcontracting history of Non-SWMBEs and MBEs with CCSD. In developing the contract database to be used as the basis for determining utilization, there are three alternative measures of utilization that can be taken in each procurement category. These are:

1. The numbers of contracts awarded;
2. The dollar value of contracts received; and,
3. The raw numbers of firms receiving contracts.

The current report presents two of the three measures of utilization: the number of contracts awarded and the dollar value of the contract awards. Both dollars and counts are reported to determine if there are any outliers or large single contracts that cause utilization dollar values to be at reported levels. These were preferred over the third measure<sup>3</sup>the number of firms, which is less exact and more sensitive to errors in measurement.

For instance, if a single firm, owned by a Non-SWMBE, received thirty contracts for \$5 million, and ten African American-owned firms received one contract each worth \$100,000, measured by the number of firms, African American-owned firms would appear to be over utilized, and Non-SWMBEs underutilized. Using the number of contracts and the dollar value of contracts awarded, the aforementioned result would reverse (depending on relative availability).

M<sup>3</sup> Consulting's position regarding percentage estimates of utilization, by the dollar value of contracts, and number of contracts, is that discrimination would be more likely to affect the dollars awarded than the number of contracts awarded to MBEs, or the number of MBEs utilized, particularly if there are stereotypical attitudes that MBEs cannot handle larger contracts, and the largest volume of contracts awarded are smaller contracts.

### **B. Prime Contracting and Subcontracting**

Because prime contractors, especially in Construction and Construction-Related Services and Architecture and Engineering, often subcontract work to other contractors/consultants and because the utilization of MBEs in the absence of a set-aside or goal provision usually occurs at the subcontract level, assembling data on subcontract work is critical to utilization analysis.

In the area of Construction and Construction-Related Services and Architecture and Engineering contracting, the standard presentation of utilization data by M<sup>3</sup> Consulting is to show Total "Pure Prime + Subcontractor" utilization and Subcontractor utilization in separate tables, if data allows. "Pure prime utilization" based on dollar value of contracts is defined here differently from "prime contract award value" due to the necessity to avoid double-counting of subcontract awards when examining subcontractor utilization. "Pure prime utilization" is correctly defined as the value of prime contracts *net of subcontract value*. This magnitude, when added to the value of subcontractor utilization, results in a correct measurement of "total" utilization, by the MBEs category. The results of the "Pure Prime + Subcontractor" utilization is highly contingent upon the completeness of contracts data provided to M<sup>3</sup> Consulting. In a situation where the data is not fully available, M<sup>3</sup> Consulting tries to capture this data through a data collection process. Completeness of this data collection process is also dependent on hardcopy data available to be collected.

We note that, for this Comprehensive Disparity Study, subcontracting data, is relevant to the procurement categories Architectural & Engineering and Construction and Construction-Related Services. There is

limited subcontracting data for the procurement types of Goods & Supplies, Professional Services, and Non-Professional Services.

#### **4.2.5 DISPARITY ANALYSIS**

##### **A. The Notion of Disparity: The Concept and Its Measurement**

A straightforward approach to establishing statistical evidence of disparity between the availability of MBEs and the utilization of MBEs by CCSD is to compare the utilization *percentage* of MBEs with their availability *percentage* in the pool of total businesses in the relevant market area. M<sup>3</sup> Consulting’s specific approach, the “Disparity Ratio,” consists of a ratio of the percentage of dollars spent with MBEs (utilization), to the percentage of those businesses in the market (availability).<sup>313</sup>

Disparity ratios are calculated by actual availability measures. The following definitions are utilized in the M<sup>3</sup> Consulting ratio:

A	=	Availability proportion or percentage
U	=	Utilization proportion or percentage
D	=	Disparity ratio
N <sub>w</sub>	=	Number of women-owned firms
N <sub>m</sub>	=	Number of minority-owned firms
N <sub>t</sub>	=	Total number of firms

Availability (A) is calculated by dividing the number of minority and/or women-owned firms by the total number of firms. Utilization (U) is calculated by dividing total dollars expended with minority and women-owned firms by the total expenditures.<sup>314</sup>

$$A_w = N_w / N_t$$
$$A_m = N_m / N_t$$
$$D = U / A$$

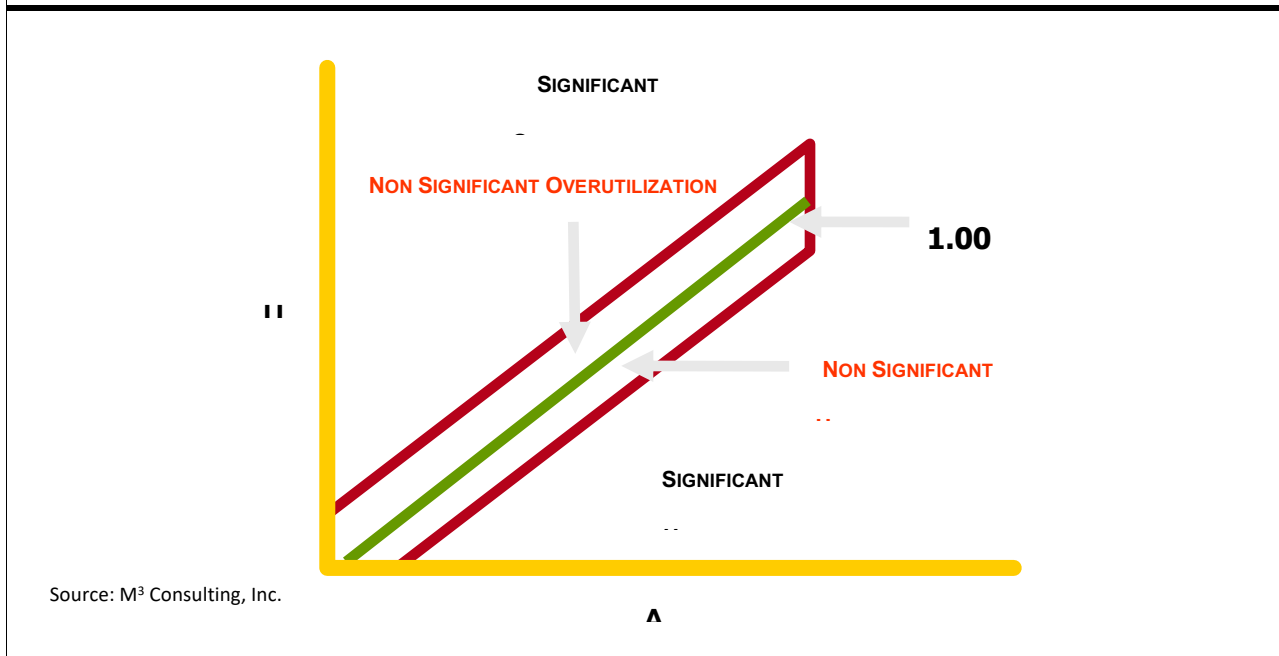
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<sup>313</sup>See DJMA, A Fact Finding Study Prepared for the New York Metropolitan Transit Authority (January 1990).

<sup>314</sup>Alternative utilization measures based on numbers of firms and numbers of contracts can be calculated in a similar fashion.

When  $D=1$ , there is no disparity, (*i.e.*, utilization equals availability). As  $D$  approaches zero, the implication is that utilization is disproportionately low compared to availability. As  $D$  gets larger (and greater than one), utilization becomes disproportionately higher compared to availability. Statistical tests are used to determine whether the difference between the actual value of  $D$  and 1 are statistically significant, (*i.e.*, whether it can be stated with confidence that the difference in values is not due to chance (see Figure 4.3).

**Figure 4.3**  
**Disparity Ratio Indicating Areas of Significant and Non-Significant Disparity and Overutilization**



The statistical disparity ratio used in this study measures the difference between the proportion of available firms and the proportion of dollars those firms received. Therefore, as the proportion of contract dollars received becomes increasingly different than the proportion of available MBEs, an inference of discrimination can be made.

**1. Statistical Significance**

The concept of statistical significance as applied to disparity analysis is used to determine if the difference between the utilization and availability of MBEs could be attributed to chance. Significance testing often employs the t-distribution to measure the differences between the two proportions. The number of data points and the magnitude of the disparity affect the robustness of this test. The customary approach is to treat any variation greater than two standard deviations from what is expected as statistically significant.

A statistically significant outcome or result is one that is unlikely to have occurred as the result of random chance alone. The greater the statistical significance, the smaller the probability that it resulted from random chance alone. P-value is a standard measure used to represent the level of statistical significance. It states the numerical probability that the stated relationship is due to chance alone. For example, a p-value of 0.05 or five percent indicates that the chance a given statistical difference is due purely to chance is one in twenty.

### ***2. Practical Significance***

The concept of statistical significance should not be confused with practical significance. According to Mansfield, even if there is a statistically significant difference between a sample value and a postulated value of a parameter, the difference may not really matter.<sup>315</sup> This means disparities not statistically significant are not necessarily caused by chance. It also means that chance cannot be ruled out as a cause.

The most commonly used practical significance measure in the EEO context is the 4/5th or eighty percent rule, which indicates how large or small a given disparity is. An index less than one hundred percent indicates that a given group is being utilized less than would be expected based on its availability, and courts have adopted the Equal Employment Opportunity Commission's "80 percent" rule, that is, that a ratio less than eighty percent presents a prima facie case of discrimination<sup>316</sup>.

Under the EEOC's "four-fifths" rule, a disparity ratio is substantively significant if it is 0.8 or less on a scale of zero to one or eighty or less on a scale of one to one hundred (i.e., Group A selection rate divided by Group B selection rate). Codified in the Uniform Guidelines on Employee Selection Procedures (UGESP, section 4D), the rule is described as follows:

"A selection rate for any race, sex, or ethnic group which is less than four-fifths (4/5) (or eighty percent) of the rate for the group with the highest rate will generally be regarded by the Federal enforcement agencies as evidence of adverse impact, while a greater than four-fifths rate will generally not be regarded by Federal enforcement agencies as evidence of adverse impact. Smaller differences in selection rate may nevertheless constitute adverse impact, where they are significant in both statistical and practical terms and where a user's actions have discouraged applicants disproportionately on grounds of race, sex, or ethnic group. Greater differences in selection rate may not

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<sup>315</sup> Mansfield, Edwin, Statistics for Business and Economics, p. 322. Two standard deviations imply 95 percent confidence level which is the norm of the courts.

<sup>316</sup> *Engineering Contractors II*, 122 F3d at 914; see 29 C.F.R. § 1607.4(D) ("A selection rate for any race, sex, or ethnic group which is less than four-fifths (4/5) (or eighty percent) of the rate for the group with the highest rate will generally be regarded by the Federal enforcement agencies as evidence of adverse impact, while a greater than four-fifths rate will generally not be regarded by Federal enforcement agencies as evidence of adverse impact.")

constitute adverse impact where the differences are based on small numbers and are not statistically significant.”

Thus, the 4/5th rule is a measure of the size of the disparity but may need to be interpreted considering context (e.g., sample size, in combination with statistical significance testing). However, case law suggests that the 4/5th rule can be interpreted as adequate stand-alone evidence in some situations, although it is unclear exactly what circumstances warrant such interpretation. The eighty percent rule is a general rule, and other factors such as statistical significance, sample size, discouraged applicants, etc., should be analyzed. The rationale for combining practical and statistical significance results is an intuitive one. In situations where the measures come to identical conclusions, the analyst can usually feel very confident in a finding of meaningful impact or no impact. In other situations, context may play an important role when statistical and practical significance measures produce different conclusions (i.e., when a standard deviation analysis is greater than 2.0 but the 4/5th rule is not violated)<sup>317</sup>.

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<sup>317</sup> See Tables 1 and 2 that explain this in, “A Consideration of Practical Significance in Adverse Impact Analysis,” Eric M. Dunleavy, July 2010, <http://dciconsult.com/whitepapers/PracSig.pdf>

### **4.3 DATA SOURCES UTILIZED FOR STATISTICAL ANALYSIS FOR CCSD**

To conduct the statistical analysis, M<sup>3</sup> Consulting collected and analyzed data from CCSD for the period covering FY 2017 through FY 2021. CCSD's fiscal extends from July 1 to June 30, so, for example, FY 2017 covers a period of July 1, 2016, to June 30, 2017, and FY 2021 covers from July 1, 2020, to June 30, 2021. M3 Consulting received Purchase Order data from CCSD on August 13th. The purchase order data covered FY 2016 – FY 2021. The District and M3 Consulting agreed that the study period would reflect the most recent fiscal years, therefore FY 2016, was not a part of this analysis.

This section discusses the degree of completeness of the data source, data sources used, and the data collection process, including the issues, if any, M<sup>3</sup> Consulting encountered with these data sources. For this disparity study, M<sup>3</sup> Consulting collected and analyzed electronic and hard-copy files.

M<sup>3</sup> Consulting sought to verify data provided, to the degree possible, within the time constraints of the study. Under employment discrimination law, a finding of adverse impact and inference of discrimination may be issued, if data is not maintained in formats that allow for on-going analysis of decisions made that may be impacted by race, gender, or ethnicity.<sup>318</sup> The question remains if a similar holding of adverse impact and inference of discrimination, based on poor data tracking systems or lack of data required for disparity analysis, may be issued under a *Croson* analysis.

#### **4.3.1 DATA SOURCES FOR RELEVANT MARKET**

In calculating relevant market, M<sup>3</sup> Consulting sought to determine where approximately 70 percent of firms were located. We utilized the following market areas by procurement type to determine inclusively where the bulk of commercial activity by CCSD occurs.

- The City of Charleston
- Charleston- North Charleston MSA - consists of the following three counties: Berkeley County, Charleston County and Dorchester County
- State of South Carolina
- Nationwide.

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<sup>318</sup> 29 CFR §1607.4.D.—“Where the user has not maintained data on adverse impact as required by the documentation section of applicable guidelines, the Federal enforcement agencies may draw an inference of adverse impact of the selection process from the failure of the user to maintain such data, if the user has an underutilization of a group in the job category, as compared to the group's representation in the relevant labor market or, in the case of jobs filled from within, the applicable work force.”



Within these market areas, M<sup>3</sup> Consulting determine the percentage of firms meeting the 70 percent threshold based on:

- Bidder and Awardees—Number of bidders, sub-bidders, awardees, and sub-awardees; and,
- PO and AP data—Dollar values and counts of PO and Payments.

### 4.3.2 DATA SOURCES FOR AVAILABILITY

#### A. RWA<sup>SM</sup> Data Sources

##### 1. Bidders

By bidding, firms demonstrate that they are “ready”, “willing”, and assert that they are “able.” CCSD, in its bid review, ranking and decision-making process of responsive and responsible bidders determines “ability.”

In order to identify projects bid by CCSD, M<sup>3</sup> Consulting queried CCSD regarding two potential sources of bidder data:

- Bidders and Sub-bidders on Formal Purchases; and,
- Quotes on Informal Purchases.

CCSD’s Contracts and Procurement Department provided a log of formal solicitations, which was compiled from CCSD’s hard copy files. CCSD provided M<sup>3</sup> Consulting access to the shared folder on August 13th, 2021, that contained the bid/solicitation lists for FY 2017 – FY 2021. The solicitation shared folder contained 182 solicitations for the study period that fall within the procurement types included in the Disparity Study scope. Each fiscal year was presented individually in the shared folder. The bid list provided a description of the goods or services being awarded. Using this file, M<sup>3</sup> Consulting was able to segregate activity into the procurement categories included in the Disparity Study, except for construction.

For capital construction and some architectural and engineering services activities, M<sup>3</sup> Consulting used the list provided by Capital Construction team and the Program Manager as the base contract log.

M<sup>3</sup> Consulting combined the bid list and the capital construction list to form the entire universe of solicitations for the study period. Based on the combined bid/solicitation list, 207 contracts were let during the study period. M<sup>3</sup> Consulting utilized the solicitation list as our contract log, or log of the total number of formal contracts that were reviewed for bidder and award data at the prime and subcontractor levels.

Using the combined solicitation lists, M<sup>3</sup> Consulting searched and collected data on bidder activity and award activity from contents of the shared folder and from hardcopy files on site from the District’s Capital Construction team and the Program Manager’s (PM) office. The bid tabulations contained details of bid solicitation, prime bidders and proposed sub-bidder, along with the identification of the winning bidder (awardee). Some solicitations during this period were rejected. Other solicitations had no prime bidder or award information. Data on these bids, where the information was available, was captured to ensure bidder availability robustness.

<b>Table 4.2.</b>		
<b>Summary of Bid Activity on Charleston County School District Solicitations</b>		
<b>FY 2017 to FY 2021</b>		
	<b>#</b>	<b>%</b>
Bids Awarded	166	80.19
Bids Canceled/Re-bid	30	14.49
Blank Bids*	11	5.31
<b>Total Bids</b>	<b>207</b>	<b>100.00</b>

\*Bids that did not have any bidder information

M<sup>3</sup> Consulting assigned procurement categories using the project’s title. Bidder and award activity was defined in the procurement categories of Architecture and Engineering, Goods and Supplies, Construction & Construction-Related Services, Professional Services and Non-Professional Services. The bidders and sub-bidders were cross matched against CCSD’s M/W/SBE Vendor Data Report and the Master M/W/SBE file,<sup>319</sup> to identify the race, gender, or ethnicity of firms. In a situation where the bidder or sub-bidder is not available as an MBE firm on these lists, M<sup>3</sup> Consulting defaulted to assigning such as Non- MBEs.

**2. Awardees**

Awardees satisfy the same RWA<sup>SM</sup> criteria as bidders. However, the availability pool is smaller because it only includes bidders who received an award. The awardees availability pool was determined using the awarded bidder in the contract awards data, as well as purchase order and accounts payable data. All firms listed on the bid tabulations as the winning bidder were considered awardees.

All vendors to whom a purchase order is issued, and a payment is made against formal or informal contracts are also awardees. All firms paid by CCSD were captured in MUNIS, the financial management

<sup>319</sup> See discussion of Master S/MBE List below.

system, which tracks purchase order commitments and payments. MUNIS data includes both informal awardees and formal awardees based on contracts let during the study period of FY 2017–FY 2021. M<sup>3</sup> Consulting removed all activity related to non-commercial vendors (i.e., non-profits, governmental entities) from the purchase order and accounts payable data uploaded. M<sup>3</sup> Consulting also reviewed the contracts let by CCSD to ensure all non-commercial activity was excluded from the analysis.

M<sup>3</sup> Consulting deemed the Purchase Order data in the financial management system as the most comprehensive source of firm award/commitment data at the formal and informal level. While Payments data is accurate based on actual disbursements, it may not include all firms under contract during the study period if they have yet to be paid and may include firms contracted outside of the study period.

### 3. Vendors

Enrollment as a vendor is an additional criterion that may be used to measure availability. Companies included on the vendor list (“vendors”) are a broader measure of availability of firms than bidders and awardees. While vendors meet the “*ready*” and “*willing*” test, they may not have the capability to perform. While vendors are a less desired dataset to measure RWA<sup>SM</sup> availability, capacity proxies could be established if CCSD captured relevant data on its vendor registration application, which may be useful for future analysis.<sup>320</sup>

CCSD utilizes and maintains its own vendor directory, “All Vendors from Munis”, which consist of active vendors in MUNIS that have been paid. The vendor list has 24,965 records and contains information on vendors such as name, address, and class. However, the vendor list does not indicate the goods or services the vendor would like to provide to CCSD. This information would have been useful in allocating the vendors into the various procurement category. As a result of the absence of this information, M<sup>3</sup> Consulting was unable to conduct a vendor level availability analysis.

### 4. CCSD’s List of Certified MBEs Firms

CCSD maintains a list of recognized certified firms who have sought to work for CCSD and have taken the additional step to be certified as an MBEs firm. The list uploaded to the shared folder contains 2,001 records. The District does not carry out its own certification but relies on certification done by the City of Charleston, the State of South Carolina and other public agencies. While firms on the certification list meet the “*ready, willing and able*” criteria, the problem lies in the fact that only MBEs are subject to the certification process. There is no such equivalent listing of Non-SWMBEs. Using the certification list alone to measure availability would cause bias in the availability measurement.

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<sup>320</sup> DOT requires capacity proxies to be captured on bidder and sub-bidder data. We do note, that, firms, unless required as part of the bid evaluation process, do not tend to voluntarily provide financial data.

**Chapter IV**  
**Statistical Methodology**



### 5. Master MBE/SBE List

M<sup>3</sup> Consulting sought useable certified lists from public agencies in the South Carolina and North Carolina business area. M<sup>3</sup> Consulting created the Master MBE/SBE List for this study by combining agency certified lists from the following directories:

- Charleston Minority & Women-Owned Business Enterprise (M&WBE) Registry
- Charleston County SBE Directory
- City of Columbia CDBE Directory
- City of Columbia DBE Directory
- NCDOT Prequalified Consultants Directory - Only those identified as having a minority certification were included
- NCDOT Prequalified Bidders, Prime Contractors & Subcontractors Directory - Only those identified as having a minority certification were included
- NCDOT\_DBE Directory
- NCDOT\_SBE Directory
- SC Min Business Contracting & Certification
- SCDOT\_DBE Directory
- SCDOT\_SBE Directory
- University of South Carolina Small & Minority Business Directory

When using the Master MBE/SBE list to identify the race, ethnicity, or gender of a business owner, for firms with multiple agency certifications, Charleston Minority & Women-Owned Business Enterprise (M&WBE) Registry took precedence.

The following lists the information that was generated from the collected directories:

- Company Name
- Company Address (and City, State, Zip Code)
- Contact Name (when available)

- Company Telephone and Fax Numbers
- Certification Type & Number (when available)
- Ethnicity and gender of ownership (when available)
- Procurement Type (when available)
- Certifying Agency
- NAICS code

This Master MBE/SBE List was then used to identify the race or gender of firm owners in other databases where such information was missing.

### **B. Potential Availability Data Sources**

#### **1. Data Axle**

Data Axle provided a list of firms from its database for the Charleston-North Charleston, SC (CBSA). The database consisted of 13,560 registered discrete firms by SIC and NAICS code, ethnicity, and gender, when available. All 13,560 firms were classified into procurement categories using the primary NAICS code provided by Data Axle. M<sup>3</sup> Consulting sorted the SIC and NAICS codes into the categories of Architecture and Engineering, Construction and Construction-Related Services, Goods and Supplies, Non-Professional Services and Professional Services to calculate Marketplace availability. The Data Axle's database also provided data for these same firms on sales volumes and employees. M<sup>3</sup> Consulting utilized this data as a measure of firm capacity.

#### **2. Dodge Construction Data**

Dodge maintains a database of construction activity across the country. The data includes construction projects for publicly owned and privately owned projects:

- Owner of Project with Address
- Description of Project
- Value of Project
- Location of Project

It also includes information on the general contractor, subcontractors, and the architect and engineer that bid on each project. M<sup>3</sup> Consulting collected five years of data covering construction activity captured by

Dodge in bid activity for the State of South Carolina. In terms of the value of the work, the only available information was the overall value of the project. The specific value of work performed by subcontractors was not available.

The project description, prime contractor, subcontractor, bidder, and architect/engineer, *when available*, were all provided in Microsoft Excel spreadsheets, with the common link being a unique Dodge-assigned number for each project in their database. Since Dodge does not track the race or gender of the contractors, such information had to be created into the database by manual comparison of names to the Master MBE list.

### 4.3.3 DATA SOURCES FOR UTILIZATION

Utilization measures the distribution of dollars and contracts to commercial MBEs and Non-SWMBEs by CCSD. The sources of data sought from CCSD on MBE utilization for this report were Contract Awards Prime & Subcontractor Data, Purchase Orders (PO), and Accounts Payables (AP) data. The following are descriptions of utilization databases.

#### A. Contract Awards and Subcontractor Data

M<sup>3</sup> Consulting obtained CCSD's contract awards data from CCSD's bid list and bid tabulations for the study period of FY 2017 – FY 2021. The bid list represents the universe of formal competitive contracts permitted by CCSD. Any contract valued greater than \$50,000 is required to be procured using formal competitive procurement methods. This list served as the contract log for non-construction related activities for this effort and a guide to data collection efforts.

The bid list only included information regarding the proposal number, contract title and awarded firm (when available). The value of contract award was not provided for FY 2017 through FY 2019. For FY 2020 through FY 2021, the initial quoted amount and the final negotiated amounts were included as maximum and minimum amounts. Using the solicitations list, M<sup>3</sup> Consulting searched bid tabulations and manually entered in relevant information such as contract amount, prime bidders' information, awarded prime bidder and sub-bidder information where available.

Based on the solicitation name, M<sup>3</sup> Consulting classified the non-construction solicitations into the procurement types of Goods & Supplies, Professional Services, and Non-Professional Services and construction solicitations into Architect & Engineering and Construction. The classifications determined the allocation of the contract awards dollars within each procurement category. In addition, some of the awarded contracts were awarded to more than one prime bidder. In such a case, each awarded contract was counted as one.

For construction solicitations, M<sup>3</sup> Consulting used the MWSBE report to create a list to capture each bidder for the solicitation and where available any subcontract award data contained in files maintained by the capital construction team and by CCSD’s Program Manager (Cummins Management). For the design-build construction type, information on the overall cost breakdown between the awarded firms was obtained and used in the cost distribution. In a situation where the breakdown was not available, M<sup>3</sup> Consulting split the cost equally between the awarded firms.

<b>Table 4.3.</b>						
<b>Commercial Activities/Contract Awards</b>						
	<b>Amount</b>		<b>Solicitations</b>		<b>Contract Awards</b>	
	<b>\$</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Awarded</b>	<b>519,551,335</b>	<b>100.00</b>	<b>166</b>	<b>80.19</b>	<b>226</b>	<b>99.60</b>
Architecture & Engineering	3,342,188	0.64	4	2.41	7	3.10
Construction & Construction-Related Services	274,727,011	52.88	30	18.07	36	15.93
Goods & Supplies	59,746,957	11.50	73	43.98	81	35.84
Non-Professional Services	181,358,077	34.91	55	33.13	88	38.94
Professional Services	377,102	0.07	3	1.81	14	6.19
<b>Canceled</b>	<b>0</b>	<b>0.00</b>	<b>30</b>	<b>14.49</b>	<b>0</b>	<b>0.00</b>
<b>Blank Bids</b>	<b>0</b>	<b>0.00</b>	<b>11</b>	<b>5.31</b>	<b>0</b>	<b>0.00</b>
<b>Grand Total</b>	<b>519,551,335</b>	<b>100.00</b>	<b>207</b>	<b>100.00</b>	<b>226</b>	<b>100.00</b>

The contract awarded firm would subsequently have a purchase order issued for the contracted amount. M<sup>3</sup> Consulting collected purchase order data from the District for the study period FY 2017 – FY 2021. A discussion of the purchase order is below. It is important to note that contract amount, awarded prime bidder information, and sub-bidder information were not available in all cases and thus not included in the contract awards analysis. This is especially true for itemized contracts. As such, dollars for contract awards may be understated. Therefore, the contract analysis for CCSD can only be considered as a best effort analysis based on data that was available to be captured. Contract award information is most robust for the category of Construction and Construction-Related Services.

**B. Purchase Orders**

Purchase Orders (POs) represent, in certain terms, the total value of a specific good or service for which payments may be made against. These are contract commitments representing the actual firm with which CCSD executed a contract, as compared to contract award, which represents vendors identified as the winning bidder, resulting from the bid and evaluation process. Unless there is a justifiable and legitimate business reason (i.e., negotiations with winning bidder that may have caused changes in scope and final cost), the winning bidder and winning bid amount, and contracted firm and contracted amount, should be the same. Differences may necessitate a deeper dive and further analysis to ensure that these differences are not due to discriminatory reasons. M<sup>3</sup> Consulting leaned toward relying upon PO data



commitments, as it included all change orders, informal purchases commitments and other procurement opportunities not competitively bid.

M<sup>3</sup> Consulting collected purchase order data from CCSD for the study period FY 2017 – FY 2021. The purchase order data contained general commodity codes that were used in assigning procurement categories. Of the 21,026 Purchase Orders issued between FY 2017 through FY 2017, 4,937 did not have a general commodity code assigned. After extensive discussions with CCSD, M<sup>3</sup> Consulting provided a list of all purchase orders with missing commodity codes and their amounts. The list was sorted by vendors with the highest dollar amount of purchase orders and included the purchase order number, vendor name and amount. Using the list, CCSD provided commodity codes for some of the vendors on the list. The commodity codes provided per vendor, in many cases, were more than one and sometimes spanned across various procurement types. This led to two results:

1. The assumption that for vendors with single commodity codes, every outstanding purchase order was in the provided commodity code even though this may not always be the case
2. For vendors who had multiple commodity codes provided, M<sup>3</sup> Consulting had to go through a manual process of using the general comments field to assign the best suited commodity code.

M<sup>3</sup> Consulting used the above process for assigning the defined procurement categories as the basis for allocating bidder and award activity into the procurement types of Architecture and Engineering, Goods and Supplies, Construction & Construction-Related Services, Professional Services and Non-Professional Services. The vendors were then cross matched against CCSD's MBE list, and the Master MBE list to identify the race, gender, or ethnicity of firms. In a situation where the bidder or sub-bidder was not available as a MBE firm on these lists, M<sup>3</sup> Consulting defaulted to assigning such as Non- MBE firms. This allocation served as the basis of purchase order distribution presented in the statistical chapters.

### C. Accounts Payable

Accounts Payable data, provided by CCSD, permitted utilization analysis based on actual payments to CCSD's vendors. M<sup>3</sup> Consulting historically allocates payments using commodity codes or object codes. Given that the payments data provided by the District did not have commodity codes, M<sup>3</sup> Consulting matched the purchase order numbers in the purchase order and payments datasets to allocate procurement types already allocated in the purchase order dataset. In the cases where a purchase order number was not available in both datasets, M<sup>3</sup> Consulting relied on description for classification of procurement types.

M<sup>3</sup> Consulting requested that all non-commercial payments to vendors be excluded from the analysis. To ensure that the non-commercial transactions were not included, M<sup>3</sup> Consulting randomly selected vendors to ensure they were not governmental entities, non-profit entities, or employees to the degree possible. In cases where some non-profits or governmental entities were included in the accounts payable

data, M<sup>3</sup> Consulting labeled those vendors as non-commercial entities and did not include them in the analysis.

#### **4.3.4 DATA SOURCES FOR CAPACITY**

##### **A. U.S. Census Bureau**

The U.S. Census Bureau conducts the Annual Survey of Entrepreneurs, which replaced the Survey of Business Owners. The most recently published data are the results of the 2016 survey. A measure of capacity, M<sup>3</sup> Consulting calculated number of employees and sales receipts for firms by race/gender.

##### **B. Data Axle**

Data Axle provided firm sales and employee data by MBE and WBE status. Both sales and employees were broken down into different thresholds.

##### **C. Survey**

M<sup>3</sup> Consulting conducted a survey of firms on the CCSD vendor registry and Master MBE/SBE list, with a focus on gathering capacity data for the regression analysis. The process involved creating a questionnaire, sample design, data collection and coding, analysis, and interpretation. Questions were designed with the specific purpose of collecting information about the availability of firms seeking to do business with CCSD and the private sector and their capacity.

Typically, a sampling frame is defined by vendors registered to do business with CCSD and a random sample drawn enabling M<sup>3</sup> Consulting to obtain information to make inferences about capacity of vendors in the analyzed population. M<sup>3</sup> Consulting relied primarily on the combined vendor lists and the Master MBE/SBE list to run the survey. Due to the cost-effectiveness and implementation of online surveys, M<sup>3</sup> Consulting emailed the survey link to the entire population of firms in these two aforementioned lists to maximize sample size. 193 surveys were received.

### 4.4 SUMMARY OF FINDINGS

This statistical methodology and data collection discussion provides the foundation for subsequent statistical chapters. It details the types of analysis used in disparate impact studies, as well as disparity analysis in contracting.

The basic comparison to be made in disparity studies is between firms owned by minorities and/or women (“MBEs”) and other firms (“Non-SWMBEs”) ready, willing and able to perform a specific service (or, available firms) and the actual utilization of such businesses within the geographic parameters of both its prime contractors and the political and legal jurisdiction for CCSD. The chapter details the method of defining the geographic market area for CCSD, outlines the availability model used by m<sup>3</sup> consulting, and provides a detailed explanation of alternate measures of utilization of firms in contracting by CCSD.

Following the model, a thorough discussion of the data sources used in the study, starting with the data collection process, the issues encountered in the process and the caveats that presented itself due to data limitations are laid out. This section discusses the degree of completeness of the data source and the limitation in analysis that result from the same.

## **CHAPTER 5: STATISTICAL ANALYSIS OF RELEVANT MARKET AND MBE AVAILABILITY**

### **5.1 INTRODUCTION**

This chapter presents data on MBE availability in the Charleston County School District (hereafter, CCSD) relevant market. The conceptual issues in measuring availability are discussed in detail in Chapter IV, Statistical Methodology. The accurate calculation of availability is critical in disparity analysis. “*Actual availability*,” as defined by M<sup>3</sup> Consulting for purposes of this study, provides the measure of the number of MBEs who are *ready, willing, and able* to do business with CCSD. An overcount or undercount of the pool of available MBEs can significantly alter findings of disparity. As such, M<sup>3</sup> Consulting has developed an availability model that best captures those MBEs who are available to CCSD.

The first section of this chapter discusses the determination of the relevant market for CCSD. The second section presents the estimates of MBE availability for five procurement categories: Architecture and Engineering; Construction and Construction-Related Services; Professional Services; Non-Professional Services and Goods & Supplies. The following availability measures are presented for each procurement category:

- **Ready, Willing, and Able Availability (*RWA<sup>SM</sup>*)**
  - Level 1: Bidders and Sub-bidders
  - Level 2: Bidders, Sub-bidders, Formal and Informal Awards from MUNIS Data
- **Marketplace Availability**
  - Data Axle

The chapter summarizes availability findings in the conclusions section.

## **5.2 RELEVANT MARKET**

In the context of disparity studies, the relevant market establishes the geographical boundaries where a bulk of commercial transactions by the agency is conducted. The analysis of MBE availability and utilization are examined within this defined geographical market area. Based on the U.S. Supreme Court requirement that an MBE program covers only those groups that have been affected by discrimination within the public entity's jurisdiction,<sup>322</sup> most courts and disparity study consultants characterize the relevant market as the geographical area encompassing the majority of a public entity's commercial activity, commonly determined by a representation of over seventy percent of an entity's contract dollars.

The Supreme Court's *Croson* decision did not provide specific guidance on the estimation of relevant market for the purposes of constructing a factual predicate study. Based upon lower court rulings, however, there are two requirements for determining the relevant market that have emerged:

1. the boundaries of the relevant market must be geographically close to that of the political jurisdiction enacting the program; and,
2. the relevant market must include the bulk of the commercial activity of the said political jurisdiction.

Consequently, many disparity studies of local areas have identified the metropolitan statistical area as the relevant market.<sup>323</sup> Certain other entities, however, (*e.g.*, Dallas and Los Angeles) have restricted the relevant market to those firms within their jurisdictional boundaries.

### **Relevant Market for CCSD**

To estimate availability, the marketplace in which CCSD purchases from vendors needs to be defined. This enables a practical count of "available" firms and facilitates policy implementation.

Based on the data provided for this study, four relevant markets were defined and are presented below in Tables 5.1 and 5.2. M<sup>3</sup> Consulting examined the City of Charleston, Charleston-North Charleston MSA, the State of South Carolina, and Nationwide.

- City of Charleston

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<sup>322</sup> *Richmond v. Croson*, 488 U.S. 469, 109 S.Ct. 706, 725 (1989).

<sup>323</sup> See, for example, *Concrete Works v. Denver*, 823 F Supp 821, at 836, n. 11; *rev'd on other grounds*, 36 F3d 1513 (10th Cir. 1994). Some earlier studies followed antitrust precedent in using an 85 percent benchmark as the relevant market. See, *e.g.*, DJMA, *Disparity Study for the Orange County Consortium* (1993). The 2nd circuit has not provided any substantive guidance on the calculation of the relevant market for disparity studies.

- Charleston-North Charleston MSA;
- State of South Carolina
- Nationwide

The relevant market for each industry category is summarized in Table 5.1, for each procurement type by location because of the commercial activity that CCSD conducts with its vendors in different procurement areas. The summary table represents the percentage of bidders, vendors, and awardees for each industry category by the relevant market determinations outlined in Tables 5.2 through 5.6.

### **1. Architecture and Engineering Relevant Market—State of South Carolina**

For A&E, as shown in Table 5.1, M<sup>3</sup> Consulting concluded that, when all measures are viewed in totality, the data pointed to the State as the relevant market, except for the count of bidders/sub-bidders. The majority of bidders and awardees do appear to be from within the State and the dollars are largely awarded and paid within the State.

### **2. Construction and Construction-Related Services, Professional Services, Non-Professional Services and Goods and Supplies Relevant Market—Nationwide**

Although the count of POs and payments point to the State for the relevant market, given that the majority of bidders/sub-bidders and awardees, as well as the dollars awarded and paid are beyond the State limits, the relevant market for Construction and Construction-Related services is Nationwide. In Professional Services with less than 22 percent of dollars awarded within the State and no more than 65 percent of bidders/sub-bidders and awardees within the State, the relevant market is distinctly beyond State lines to include the entire nation.

The number of bidders/sub-bidders and awardees who seek Non-Professional Service contracts with CCSD that extend beyond State lines defines the relevant market to be Nationwide, which is further reinforced by the fact that only about 50 percent of dollars are invoiced and paid within the State.

Goods and Supplies for CCSD are procured from bidders and sub-bidders across the nation. Awards in both counts and dollars invoiced and paid extend beyond the State, with only 35.46 percent of bidders/sub-bidders from within the State and a maximum of 38.17 percent of dollars paid out to contractors within the State. The relevant market for Goods and Supplies is defined as the Nation for this study period.

**Chapter V**  
**Statistical Analysis of Relevant**  
**Market and MBE Availability**

<b>Table 5.1.</b>				
<b>Summary of Relevant Market Determination</b>				
	<b>City</b>	<b>MSA</b>	<b>State</b>	<b>Nationwide</b>
Architecture and Engineering			✓	
Construction and Construction-Related Services				✓
Professional Services				✓
Non-Professional Services				✓
Goods and Supplies				✓

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; P-Card data

<b>Table 5.2.</b>				
<b>Relevant Market Summary: Architecture and Engineering</b>				
<b>FY 2017 - FY 2021</b>				
	<b>City</b>	<b>MSA</b>	<b>State</b>	<b>Nationwide</b>
	<b>%</b>	<b>%</b>	<b>%</b>	
<b>Bidders/Sub-Bidders</b>	29.63	48.15	68.52	54
<b>Bidders/Awardees</b>	32.63	52.63	74.74	956
<b>PO Dollars</b>	32.89	48.51	81.14	\$40,019,159
<b>PO Counts</b>	27.52	64.99	80.33	854
<b>Payment Dollars</b>	38.27	51.22	82.13	\$39,303,097
<b>Payment Counts</b>	30.36	59.31	80.99	2,777

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; P-Card data

<b>Table 5.3.</b>				
<b>Relevant Market Summary: Construction and Construction-Related Services</b>				
<b>FY 2017 - FY 2021</b>				
	<b>City</b>	<b>MSA</b>	<b>State</b>	<b>Nationwide</b>
	<b>%</b>	<b>%</b>	<b>%</b>	
<b>Bidders/Sub-Bidders</b>	23.66	32.26	52.15	186
<b>Bidders/Awardees</b>	27.34	40.23	60.55	256
<b>PO Dollars</b>	15.41	17.46	64.11	\$499,103,586
<b>PO Counts</b>	38.60	57.20	88.20	500
<b>Payment Dollars</b>	16.03	18.56	62.13	\$460,232,865
<b>Payment Counts</b>	26.75	39.3257	82.93	1,910

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; P-Card data

<b>Table 5.4.</b>				
<b>Relevant Market Summary: Professional Services</b>				
<b>FY 2017 - FY 2021</b>				
	<b>City</b>	<b>MSA</b>	<b>State</b>	<b>Nationwide</b>
	<b>%</b>	<b>%</b>	<b>%</b>	
<b>Bidders/Sub-Bidders</b>	17.65	41.18	64.71	17
<b>Bidders/Awardees</b>	17.27	34.91	47.44	527
<b>PO Dollars</b>	9.69	13.59	21.38	\$48,142,909
<b>PO Counts</b>	16.63	31.79	42.31	1,359
<b>Payment Dollars</b>	7.65	11.79	19.29	\$41,533,178
<b>Payment Counts</b>	19.27	37.00	49.22	3,446

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; P-Card data



<b>Table 5.5.</b>				
<b>Relevant Market Summary: Non-Professional Services</b>				
<b>FY 2017 - FY 2021</b>				
	<b>City</b>	<b>MSA</b>	<b>State</b>	<b>Nationwide</b>
	<b>%</b>	<b>%</b>	<b>%</b>	
<b>Bidders/Sub-Bidders</b>	33.33	47.62	65.08	126
<b>Bidders/Awardees</b>	28.41	44.28	58.48	725
<b>PO Dollars</b>	20.09	30.09	50.26	\$265,446,267
<b>PO Counts</b>	32.04	53.63	68.50	6,825
<b>Payment Dollars</b>	17.47	26.78	52.88	\$257,781,193
<b>Payment Counts</b>	38.35	50.67	59.36	29,312

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; P-Card data

<b>Table 5.6.</b>				
<b>Relevant Market Summary: Goods &amp; Supplies</b>				
<b>FY 2017 - FY 2021</b>				
	<b>City</b>	<b>MSA</b>	<b>State</b>	<b>Nationwide</b>
	<b>%</b>	<b>%</b>	<b>%</b>	
<b>Bidders/Sub-Bidders</b>	16.76	20.00	35.46	185
<b>Bidders/Awardees</b>	13.11	19.66	31.19	885
<b>PO Dollars</b>	17.47	19.27	37.47	\$292,028,716
<b>PO Counts</b>	27.41	31.35	45.00	9,128
<b>Payment Dollars</b>	18.31	20.42	38.17	\$267,333,356
<b>Payment Counts</b>	30.05	34.59	47.16	16,746

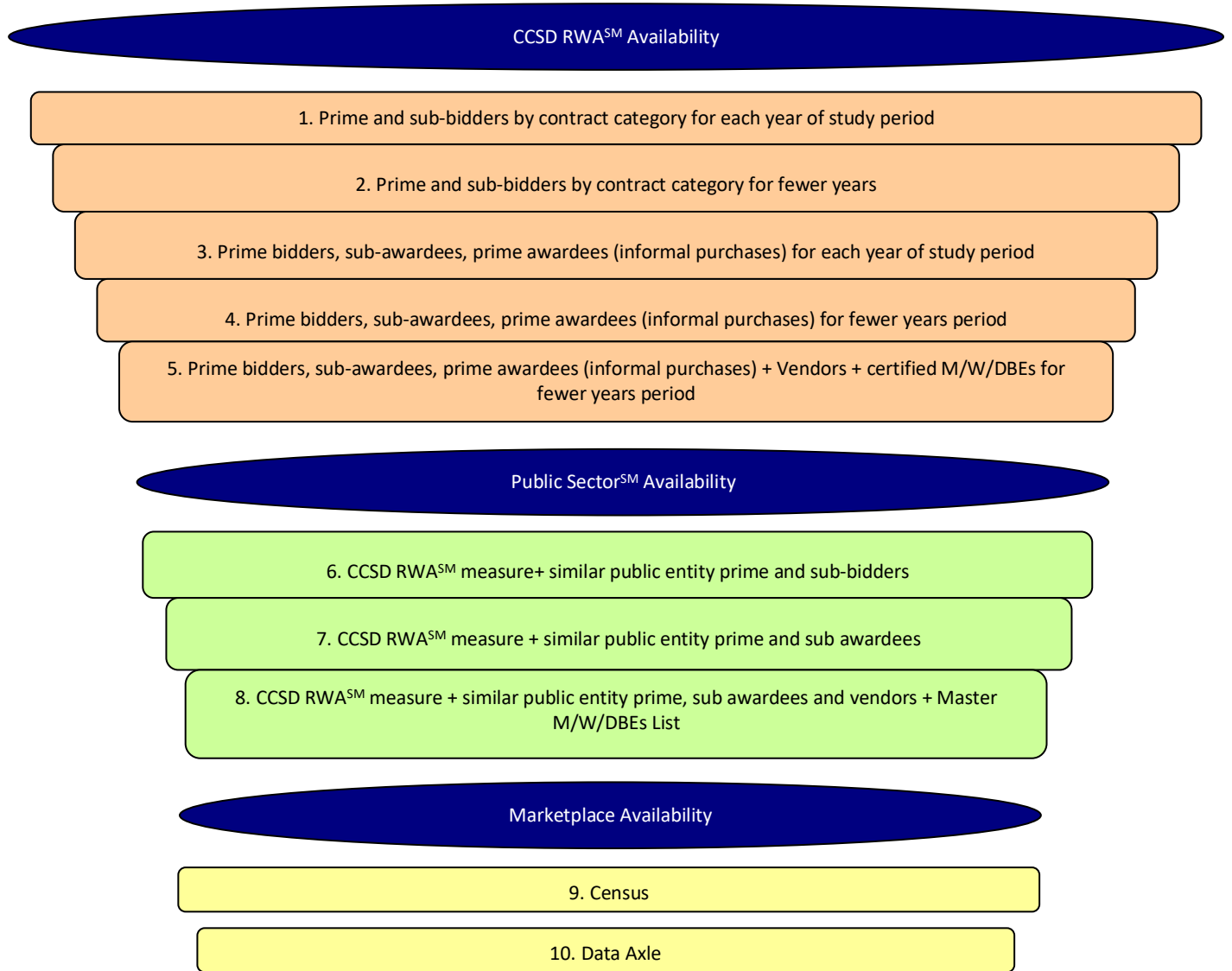
Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; P-Card data

### **5.3 AVAILABILITY DEFINITION**

The availability measure is often in dispute and critical to defining disparity. One must be careful not to include all businesses as *ready, willing, and able*, as such a calculation could produce a very broad pool of available firms, including those who are not interested or able to provide goods or services purchased by CCSD. Similarly, a very narrowly tailored measure of availability may exclude some potential bidders, by falsely classifying them as unable to perform the requirements of contracts. A detailed discussion about the availability model and measurement of Availability are provided in Chapter 4: Statistical Methodology.

The Ready, Willing and Able (RWA<sup>SM</sup>) Availability Model levels are defined as follows:

**Figure 5.1**  
**RWA<sup>SM</sup> Availability Model**



Source: M<sup>3</sup> Consulting, Inc.

M<sup>3</sup> Consulting’s RWA<sup>SM</sup> Availability Model is further tailored to the robustness of CCSD’s specific databases available for analysis. RWA<sup>SM</sup> availability is defined at Level 2 for the FY 2017 – FY 2021 period that includes prime and sub-bidders, informal and non-competitive awardees, and prime and sub awardees to comprise this availability pool. Level 2 RWA<sup>SM</sup> Availability will be compared to utilization when determining disparity in Chapter 7, Statistical Analysis of MBE Disparity in Contracting.

Levels 1 and 2 are presented independently and cumulatively in Figure 5.2, as two measures of RWA<sup>SM</sup> availability, with Level 2 being a broader measure that combines various lists to compile the pool of discrete available firms across different measures. Below, we also present, Total Available Firms by procurement type.

<b>Figure 5.2.</b>	
<b>CCSD Specific RWA<sup>SM</sup> Availability Levels</b>	
<b>RWA<sup>SM</sup> Availability Level</b>	<b>RWA<sup>SM</sup> Availability Definition</b>
Level 1	CCSD Bidders and Sub-bidders
Level 2	CCSD Bidders and Sub-bidders + AP/PO Firms

Source: M<sup>3</sup> Consulting; Level 3 availability was not calculated as the vendor list provided by CCSD did not include commodity codes to allow allocation types.

**5.4 TOTAL AVAILABILITY**

**5.4.1 TOTAL RWA<sup>SM</sup> AVAILABILITY**

RWA<sup>SM</sup> availability measures are presented in Table 5.7 for the study period. There is a total pool of 540 available firms with CCSD that include bidders and sub-bidders (Level 1). When the pool of prime and sub-bidders is expanded to include informal and non-competitive awardees and prime and sub awardees (Level 2), there are a total of 1,893 firms. A total of 443 (23.40 percent) of these firms are MBEs and 401 (21.18 percent) and 5 (0.26 percent) are SBE and VBE firms respectively. The pool includes 257 (13.58 percent) WBEs, while there are 123 (6.50 percent) firms that are African American-owned. Firms owned by other race/ethnic groups are less than 1 percent each (0.48 percent Asian/Pacific Islander, 0.63 percent Hispanic American-owned firms and 0.11 percent Native American-owned firms). About even proportion of MBEs bid via the formal and informal process given that the percent of MBEs are almost even across Level 1 and Level 2. This however changes for African American-owned and Hispanic American-owned firms who have a much larger number of firms when the pool includes informal bids. For African American-owned firms this is substantial as their availability increases to 123 firms (6.5 percent) of the total pool of available firms compared to 28 (5.19 percent) of firms in Level 1.

<b>Table 5.7.</b>				
<b>RWA<sup>SM</sup> Availability: Levels 1-2</b>				
<b>Total Availability</b>				
<b>Charleston County School District</b>				
<b>Nationwide, FY 2017 - FY 2021</b>				
	<b>Level 1</b>		<b>Level 2</b>	
<b>Race/Ethnicity/Gender</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>288</b>	<b>53.33</b>	<b>1,044</b>	<b>55.15</b>
Black or African American	28	5.19	123	6.50
Asian/Pacific Islander	4	0.74	9	0.48
Hispanic or Latino	9	1.67	12	0.63
Native American or American Indian	1	0.19	2	0.11
Other Minorities	22	4.07	25	1.32
<i>Total Minority</i>	<i>64</i>	<i>11.85</i>	<i>171</i>	<i>9.03</i>
Woman-Owned (WBEs)	61	11.30	257	13.58
Unknown MBE	2	0.37	15	0.79
<b>Total MBE</b>	<b>127</b>	<b>23.52</b>	<b>443</b>	<b>23.40</b>
SBE	120	22.22	401	21.18
VBE	5	0.93	5	0.26
<b>Grand Total</b>	<b>540</b>	<b>100.00</b>	<b>1,893</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; Other Minority is a firm identified as Minority, with no specific race/ethnicity identified; Unknown MBE is a firm identified as MBE or MWBE, with no specific race/ethnicity/gender identified.

**5.4.2 MARKETPLACE AVAILABILITY—TOTAL AVAILABILITY**

As a benchmark to RWA<sup>SM</sup> availability in the relevant market and the broadest measure of availability, we present marketplace availability using Data Axle data. The limitation of this dataset is that firms in the Data Axle data do not reflect those that may have necessarily expressed interest in bidding with CCSD. However, these firms could potentially be available to bid on CCSD contracts. Based on the marketplace list, as presented in Table 5.8, less than 5 percent of firms that are available in the marketplace are Minority-owned firms. These include African American-owned firms (1.34 percent), Hispanic American-owned firms (2.52 percent) and Asian American-owned firms (1.03 percent). While the data includes 4 Native American-owned firms, there were no SBE or VBE firms. About 64 percent are Non-SWMBEs. Next highest in participation was WBEs at 2,466 (30.91 percent.)

<b>Table 5.8.</b>		
<b>Data Axle Availability</b>		
<b>Total Availability</b>		
<b>Charleston-North Charleston, SC, 2021</b>		
<b>Ethnicity</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>5,118</b>	<b>64.15</b>
Black or African American	107	1.34
Asian/Pacific Islander	82	1.03
Hispanic or Latino	201	2.52
Native American or American Indian	4	0.05
Other Minorities	-	0.00
<i>Total Minority</i>	<i>394</i>	<i>4.94</i>
Woman-Owned (WBEs)	2,466	30.91
Unknown MBE	-	0.00
<b>Total MBE</b>	<b>2,860</b>	<b>35.85</b>
SBE	-	0.00
VBE	-	0.00
<b>Grand Total</b>	<b>7,978</b>	<b>100.00</b>

Source: Data Axle, 2021; M<sup>3</sup> Consulting;

## 5.5 AVAILABILITY IN ARCHITECTURE AND ENGINEERING

### 5.5.1 RWA<sup>SM</sup> AVAILABILITY IN ARCHITECTURE AND ENGINEERING

A total of 71 firms are available in Architecture and Engineering specialization at Level 2. These include a total of about 37 prime and sub-bidders alone, with one Minority-owned firm and seven WBEs (Level 1). Expanding availability to include formal and informal awardees, the count of available Minority firms increases to three that includes one (1.41 percent) African American-owned firms, 1 Hispanic American-owned firm (1.41 percent) and one Other Minority (1.41) percent each respectively). Additionally, twelve (16.90 percent) WBE firms are available. Non-SWMBEs are 22 (30.99 percent) while SBEs are 34 (47.89 percent) of all available firms in A&E firms in the relevant market.

<b>Table 5.9.</b>				
<b>RWA<sup>SM</sup> Availability: Levels 1-2</b>				
<b>Architecture and Engineering</b>				
<b>Charleston County School District</b>				
<b>State of South Carolina, FY 2017-FY 2021</b>				
	<b>Level 1</b>		<b>Level 2</b>	
<b>Race/Ethnicity/ Gender</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>12</b>	<b>32.43</b>	<b>22</b>	<b>30.99</b>
Black or African American	-	0.00	1	1.41
Asian/Pacific Islander	-	0.00	-	0.00
Hispanic or Latino	-	0.00	1	1.41
Native American or American Indian	-	0.00	-	0.00
<i>Other Minorities</i>	<i>1</i>	<i>2.70</i>	<i>1</i>	<i>1.41</i>
<i>Total Minority</i>	<i>1</i>	<i>2.70</i>	<i>3</i>	<i>4.23</i>
Woman-Owned (WBEs)	7	18.92	12	16.90
Unknown MBE	-	0.00	-	0.00
<b>Total MBE</b>	<b>8</b>	<b>21.62</b>	<b>15</b>	<b>21.13</b>
SBE	17	45.95	34	47.89
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>37</b>	<b>100.00</b>	<b>71</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; Relevant Market—State of South Carolina ; Other Minority is a firm identified as Minority, with no specific race/ethnicity identified; Unknown MBE is a firm identified as MBE or MWBE, with no specific race/ethnicity/gender identified.

**5.6.2 MARKETPLACE AVAILABILITY—ARCHITECTURE AND ENGINEERING**

In contrast to the RWA<sup>SM</sup> availability, about 69 percent of A&E firms are Non-SWMBEs. Only 2.63 percent of firms in the marketplace are Minority-owned, which includes three African American-owned firms, one Asian American-owned firms and one Hispanic American-owned firm. There were 54 WBEs (28.42 percent), the highest among MBE groups. No participation was reflected for A&E firms among SBEs or VBEs.

<b>Table 5.10.</b>		
<b>Data Axle Availability</b>		
<b>Architecture and Engineering</b>		
<b>Charleston-North Charleston, SC, 2021</b>		
<b>Ethnicity</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>131</b>	<b>68.95</b>
Black or African American	3	1.58
Asian/Pacific Islander	1	0.53
Hispanic or Latino	1	0.53
Native American or American Indian	-	0.00
Other Minorities	-	0.00
<i>Total Minority</i>	<i>5</i>	<i>2.63</i>
Woman-Owned (WBEs)	54	28.42
Unknown MBE	-	0.00
<b>Total MBE</b>	<b>59</b>	<b>31.05</b>
SBE	-	0.00
VBE	-	0.00
<b>Grand Total</b>	<b>190</b>	<b>100.00</b>

Source Data Axle, 2021; M<sup>3</sup> Consulting;



**5.6 AVAILABILITY IN CONSTRUCTION**

**5.6.1 RWA<sup>SM</sup> AVAILABILITY IN CONSTRUCTION AND CONSTRUCTION-RELATED SERVICES**

There are 256 firms that are in Construction and Construction-Related Services and available to the Charleston County School District for the study period at Level 2. Seventy-five of these firms (29.30 percent) are MBEs, dominated by 8.20 percent (21 firms) that are African American-owned and 13.67 percent (35 firms) that are WBEs. Total Minority-owned firms include 3 (1.17 percent) Asian American-owned firms, 1 (0.39 percent) Hispanic American-owned firm, 1 (0.39 percent) Native American-owned firm, and 14 (5.47 percent) Other Minority-owned firms. Almost 18 percent (46 firms) is SBE and one firm is VBE.

<b>Table 5.11.</b>				
<b>RWA<sup>SM</sup> Availability: Levels 1-2</b>				
<b>Construction and Construction-Related Services</b>				
<b>Charleston County School District</b>				
<b>Nationwide, FY 2017 - FY 2021</b>				
	<b>Level 1</b>		<b>Level 2</b>	
<b>Race/Ethnicity/ Gender</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>101</b>	<b>54.03</b>	<b>134</b>	<b>52.34</b>
Black or African American	10	5.38	21	8.20
Asian/Pacific Islander	1	0.54	3	1.17
Hispanic or Latino	1	0.54	1	0.39
Native American or American Indian	-	0.00	1	0.39
Other Minorities	14	7.53	14	5.47
<i>Total Minority</i>	<i>26</i>	<i>13.98</i>	<i>40</i>	<i>15.63</i>
Woman-Owned (WBEs)	31	16.67	35	13.67
Unknown MBE	0	0.00	0	0.00
<b>Total MBE</b>	<b>57</b>	<b>30.65</b>	<b>75</b>	<b>29.30</b>
SBE	27	14.52	46	17.97
VBE	1	0.54	1	0.39
<b>Grand Total</b>	<b>186</b>	<b>100.00</b>	<b>256</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; Relevant Market—Nationwide; Other Minority is a firm identified as Minority, with no specific race/ethnicity identified; Unknown MBE is a firm identified as MBE or MWBE, with no specific race/ethnicity/gender identified.

**5.6.2 MARKETPLACE AVAILABILITY— CONSTRUCTION AND CONSTRUCTION-RELATED SERVICES**

Unlike the RWA<sup>SM</sup> availability measure with 52.34 percent Non-SWMBE firms, Marketplace Availability shows over 83 percent of firms as Non-SWMBEs in Construction and Construction-Related Services. Only 10 firms are African American-owned and 20 Hispanic American-owned in addition to 3 Asian American-owned firms. Conversely, there were 90 WBEs in Construction and Construction-Related Services, at 12.43 percent.

<b>Table 5.12.</b>		
<b>Data Axle Availability</b>		
<b>Construction</b>		
<b>Charleston-North Charleston, SC, 2021</b>		
<b>Ethnicity</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>601</b>	<b>83.01</b>
Black or African American	10	1.38
Asian/Pacific Islander	3	0.41
Hispanic or Latino	20	2.76
Native American or American Indian	-	0.00
Other Minorities	-	0.00
<i>Total Minority</i>	<i>33</i>	<i>4.56</i>
Woman-Owned (WBEs)	90	12.43
Unknown MBE	-	0.00
<b>Total MBE</b>	<b>123</b>	<b>16.99</b>
SBE	-	0.00
VBE/DVOBE	-	0.00
<b>Grand Total</b>	<b>724</b>	<b>100.00</b>

Source: Data Axle, 2021; M<sup>3</sup> Consulting

**5.7 AVAILABILITY IN PROFESSIONAL SERVICES**

**5.7.1 RWA<sup>SM</sup> AVAILABILITY IN PROFESSIONAL SERVICES**

Most Professional Service firms are available as formal and informal awardees. This makes Level 2 availability reflect the RWA<sup>SM</sup> measure of availability with 527 firms in the study period. The available firms include 124 (23.53 percent) WBEs and 52 (9.87 percent) African American-owned firms, along with 97 (18.41 percent) SBE firms. Other Minority-owned firms account for less than 1 percent and 8 Unknown MBEs account for 1.52 percent.

<b>Table 5.13.</b>				
<b>RWA<sup>SM</sup> Availability: Levels 1-2</b>				
<b>Professional Services</b>				
<b>Charleston County School District</b>				
<b>Nationwide, FY 2017 - FY 2021</b>				
	<b>Level 1</b>		<b>Level 2</b>	
<b>Race/Ethnicity/ Gender</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>8</b>	<b>47.06</b>	<b>241</b>	<b>45.73</b>
Black or African American	4	23.53	52	9.87
Asian/Pacific Islander	-	0.00	1	0.19
Hispanic or Latino	-	0.00	1	0.19
Native American or American Indian	-	0.00	-	0.00
Other Minorities	1	5.88	3	0.57
<i>Total Minority</i>	5	29.41	57	10.82
Woman-Owned (WBEs)	1	5.88	124	23.53
Unknown MBE	-	0.00	8	1.52
<b>Total MBE</b>	<b>6</b>	<b>35.29</b>	<b>189</b>	<b>35.86</b>
<i>SBE</i>	3	17.65	97	18.41
<i>VBE</i>	-	0.00	-	0.00
<b>Grand Total</b>	<b>17</b>	<b>100.00</b>	<b>527</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; Relevant Market—Nationwide; Other Minority is a firm identified as Minority, with no specific race/ethnicity identified; Unknown MBE is a firm identified as MBE or MWBE, with no specific race/ethnicity/gender identified.

**5.7.2 MARKETPLACE AVAILABILITY—PROFESSIONAL SERVICES**

The Marketplace includes a total of 2,013 Professional Service firms that include about 39 percent MBEs overall. Hispanic American-, Asian American- and African American-owned firms account for 2.33 percent (47 firms), 1.04 percent (21 firms) and 1.49 percent (30 firms) respectively among the Minority-owned Professional Service firms. WBEs accounted for 34.13 percent (687 firms) of Professional Services firms.

<b>Table 5.14.</b>		
<b>Data Axle Availability</b>		
<b>Professional Services</b>		
<b>Charleston-North Charleston, SC, 2021</b>		
<b>Ethnicity</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>1,227</b>	<b>60.95</b>
Black or African American	30	1.49
Asian/Pacific Islander	21	1.04
Hispanic or Latino	47	2.33
Native American or American Indian	1	0.05
Other Minorities	-	0.00
<i>Total Minority</i>	<i>99</i>	<i>4.92</i>
Woman-Owned (WBEs)	687	34.13
Unknown MBE	-	0.00
<b>Total MBE</b>	<b>786</b>	<b>39.05</b>
SBE	-	0.00
VBE/DVOBE	-	0.00
<b>Grand Total</b>	<b>2,013</b>	<b>100.00</b>

Source: Data Axle, 2021; M<sup>3</sup> Consulting

**5.8 AVAILABILITY IN NON-PROFESSIONAL SERVICES**

**5.8.1 RWA<sup>SM</sup> AVAILABILITY IN NON-PROFESSIONAL SERVICES**

Beyond the 126 bidder and sub-bidder Non-Professional firms (Level 1), 725 additional formal and informal awardees are available for the Charleston County School District (Level 2). A little over half of these firms are Non-SWMBEs while 10.48 percent (76 firms) are Minority-owned firms, 11.03 percent (80 firms) are WBEs and 23.72 percent (172 firms) are SBEs. Minority-owned firms include 63 (8.69 percent) African American owned-, 2 (0.28 percent) Asian American owned-, 3 (0.41 percent) Hispanic American owned- and 2 (0.28 percent) Native American owned-firms. Other Minorities and Unknown MBEs account for 6 (0.83 percent) and 5 (0.69) of the available Non-Professional service firms.

<b>Table 5.15.</b>				
<b>RWA<sup>SM</sup> Availability: Levels 1-2</b>				
<b>Non-Professional Services</b>				
<b>Charleston County School District</b>				
<b>Nationwide, FY 2017-FY 2021</b>				
	<b>Level 1</b>		<b>Level 2</b>	
<b>Race/Ethnicity/ Gender</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>57</b>	<b>45.24</b>	<b>389</b>	<b>53.66</b>
Black or African American	12	9.52	63	8.69
Asian/Pacific Islander	-	0.00	2	0.28
Hispanic or Latino	1	0.79	3	0.41
Native American or American Indian	1	0.79	2	0.28
Other Minorities	3	2.38	6	0.83
<i>Total Minority</i>	<i>17</i>	<i>13.49</i>	<i>76</i>	<i>10.48</i>
Woman-Owned (WBEs)	11	8.73	80	11.03
Unknown MBE	-	0.00	5	0.69
<b>Total MBE</b>	<b>28</b>	<b>22.22</b>	<b>161</b>	<b>22.21</b>
SBE	38	30.16	172	23.72
VBE	3	2.38	3	0.41
<b>Grand Total</b>	<b>126</b>	<b>100.00</b>	<b>725</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; Relevant Market—Nationwide; Other Minority is a firm identified as Minority, with no specific race/ethnicity identified; Unknown MBE is a firm identified as MBE or MWBE, with no specific race/ethnicity/gender identified.

**5.8.2 MARKETPLACE AVAILABILITY— NON-PROFESSIONAL SERVICES**

As in the case of other procurement types, the Marketplace presents a majority (62.46 percent) of the Non-Professional firms as Non-SWMBEs. 37.54 percent (1,328 firms) are MBEs, which are dominated by WBEs at 1,169 firms or 33.04 percent.

<b>Table 5.16.</b>		
<b>Data Axle Availability</b>		
<b>Non-Professional Services</b>		
<b>Charleston-North Charleston, SC, 2021</b>		
<b>Ethnicity</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>2,210</b>	<b>62.46</b>
Black or African American	49	1.38
Asian/Pacific Islander	21	0.59
Hispanic or Latino	87	2.46
Native American or American Indian	2	0.06
Other Minorities	-	0.00
<i>Total Minority</i>	<i>159</i>	<i>4.49</i>
Woman-Owned (WBEs)	1,169	33.04
Unknown MBE	-	0.00
<b>Total MBE</b>	<b>1,328</b>	<b>37.54</b>
SBE	-	0.00
VBE	-	0.00
<b>Grand Total</b>	<b>3,538</b>	<b>100.00</b>

Source: Data Axle, 2021; M<sup>3</sup> Consulting

**5.9 AVAILABILITY IN GOODS & SUPPLIES**

**5.9.1 RWA<sup>SM</sup> AVAILABILITY IN GOODS & SUPPLIES**

Based on Level 2 RWA<sup>SM</sup> availability measure, there are 885 firms that are available to offer goods & supplies to the Charleston County School District in the study period. A little over two third of these firms are Non-SWMBEs and 5.20 percent (46 firms) are Minority-owned and 6.89 percent (61 firms) are WBEs. Among Minority-owned firms, 28 (3.16 percent) are African American-owned, 5 (0.56 percent) are Asian-American owned, 7 (0.79 percent) are Hispanic American-owned, with 5 (0.56 percent) owned by Other Minorities. SBEs that offered goods & supplies services comprise 19.44 percent (172 firms) and there are two firms that are VBEs.

<b>Table 5.17.</b>				
<b>RWA<sup>SM</sup> Availability: Levels 1-2</b>				
<b>Goods &amp; Supplies</b>				
<b>Charleston County School District</b>				
<b>Nationwide, FY 2017 - FY 2021</b>				
	<b>Level 1</b>		<b>Level 2</b>	
<b>Race/Ethnicity/Gender</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>109</b>	<b>58.92</b>	<b>598</b>	<b>67.57</b>
Black or African American	4	2.16	28	3.16
Asian/Pacific Islander	3	1.62	5	0.56
Hispanic or Latino	6	3.24	7	0.79
Native American or American Indian	-	0.00	1	0.11
Other Minorities	3	1.62	5	0.56
<i>Total Minority</i>	<i>16</i>	<i>8.65</i>	<i>46</i>	<i>5.20</i>
Woman-Owned (WBEs)	16	8.65	61	6.89
Unknown MBE	2	1.08	6	0.68
<b>Total MBE</b>	<b>34</b>	<b>18.38</b>	<b>113</b>	<b>12.77</b>
SBE	40	21.62	172	19.44
VBE	2	1.08	2	0.23
<b>Grand Total</b>	<b>185</b>	<b>100.00</b>	<b>885</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; Relevant Market—Nationwide; Other Minority is a firm identified as Minority, with no specific race/ethnicity identified; Unknown MBE is a firm identified as MBE or MWBE, with no specific race/ethnicity/gender identified.

**5.9.2 MARKETPLACE AVAILABILITY – GOODS & SUPPLIES**

Using Data Axle as a measure of availability, over 62 percent of firms in Goods & Supplies are Non-SWMBEs, with 98 (6.48 percent) Minority-owned firms which include 15 (0.99 percent) African American-owned firms, 36 (2.38 percent) Asian American-owned firms and 46 (3.04 percent) Hispanic American-owned firms and one Native American-owned firm.

<b>Table 5.18.</b>		
<b>Data Axle Availability</b>		
<b>Goods &amp; Supplies</b>		
<b>Charleston-North Charleston, SC, 2021</b>		
<b>Ethnicity</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>949</b>	<b>62.72</b>
Black or African American	15	0.99
Asian/Pacific Islander	36	2.38
Hispanic or Latino	46	3.04
Native American or American Indian	1	0.07
Other Minorities	-	0.00
<i>Total Minority</i>	<i>98</i>	<i>6.48</i>
Woman-Owned (WBEs)	466	30.80
Unknown MBE	-	0.00
<b>Total MBE</b>	<b>564</b>	<b>37.28</b>
SBE	-	0.00
VBE	-	0.00
<b>Grand Total</b>	<b>1,513</b>	<b>100.00</b>

Source: Data Axle, 2021; M<sup>3</sup> Consulting



## **5.10 SUMMARY OF FINDINGS**

Table 5.19 below summarizes the availability estimates for MBEs within the relevant market for CCSD. It provides the estimates, along with the source of the information. M<sup>3</sup> Consulting places emphasis on the availability estimates, based on bidders, sub-bidders, and awardees data at Level 2 of the RWA<sup>SM</sup> model. The tables and the discussion are presented for the relevant markets by procurement type for all industries.

M<sup>3</sup> Consulting's typically places credence on RWA<sup>SM</sup> estimates derived from bidders, sub-bidders, and awardees in that order of importance. Marketplace availability measures, based on Data Axle, are presented as a benchmark of minority- and women-owned firm availability and for CCSD to consider potentially available firms for outreach purposes.

For A&E, the RWA<sup>SM</sup> availability is dominated by WBEs and SBEs. Minority-owned firms account for less than 5 percent of A&E firms. Marketplace availability for A&E was significantly lower in proportion for Minority-owned firms at less than 3 percent of the total available firms.

Construction and Construction-Related Services RWA<sup>SM</sup> availability is a little less than a third (29.30 percent) MBEs and 17.97 percent SBEs. WBEs and Minority-owned firms are available at 13.67 percent and 15.63 percent respectively. African American-owned firms and Other Minorities account for most of the available Minority-owned firms. Unlike RWA<sup>SM</sup>, Marketplace availability shows less than 5 percent of Minority-owned firms available in construction. The Marketplace shows fewer Minority-owned firms but the distribution by race/ethnic groups shows a greater number of Hispanic American-owned firms and fewer African American-owned firms in the marketplace compared to RWA<sup>SM</sup> availability.

Professional Services RWA<sup>SM</sup> availability notes 10.82 percent Minority-owned firms, 23.53 percent WBEs and 18.41 percent SBEs with African American-owned firms comprising the largest proportion of Minority-owned firms available. As in the case of Construction and Construction-Related Services, Marketplace availability shows a little less than 5 percent Minority-owned firms available in Professional Services. There are a greater number of Minority-owned firms in their marketplace (99 firms) compared to only 57 that meet the RWA<sup>SM</sup> criteria. In addition, the Marketplace includes a greater proportion of Asian American-owned and Hispanic American-owned firms in the Marketplace, whereas RWA<sup>SM</sup> shows only one firm in each of these race/ethnic groups.

Non-Professional services show about even proportion of available MBEs and SBEs and non-SWMBEs. There are 76 (10.48 percent) Minority-owned firms, 80 (11.03 percent) WBEs and 172 (23.72 percent) SBEs available for CCSD that meet the RWA<sup>SM</sup> criteria for availability. On a broader basis, 1,328 (37.54) of MBEs are available based on the Marketplace measure of which 33.04 is represented by WBEs. While the Marketplace measure shows about the same number of African American-owned firms in Non-

Professional services, there are considerably larger number of Hispanic American-owned and Asian American-owned firms in the Marketplace measure compared to the RWA<sup>SM</sup> measure.

About a third of MBEs are available in Goods & Supplies procurement based on the RWA<sup>SM</sup> measure that include 46 (5.20 percent) Minority-owned firms, 61 (6.89 percent) WBEs and 172 (19.44 percent) SBEs. African American-owned firms comprise a majority of Minority-owned firms available. The Marketplace shows 564 MBEs, of which WBEs represented 466 firms, followed by 15 African American-owned firms, which is fewer than the RWA<sup>SM</sup> measure and 36 and 46 Asian American-owned and Hispanic American-owned firms, which is greater than RWA<sup>SM</sup> for these two race/ethnic groups in Goods & Supplies.

The presence of MBEs in CCSD procurement process is higher as noted in the RWA<sup>SM</sup> measure for A&E, Construction and Construction-Related Services, Professional and Non-Professional Services compared to Marketplace availability. The Marketplace however shows a greater number of Minority-owned firms that do not participate in CCSD procurement process, especially among Hispanic American-owned and Asian American-owned firms that may potentially be available to do business. It is worth exploring whether these potentially available firms meet the RWA<sup>SM</sup> availability criteria and may be encouraged to participate in the School district's contracting process.

**Chapter V**  
**Statistical Analysis of Relevant Market and MBE**  
**Availability**

**Table 5.19.**  
**Summary Table - RWA<sup>SM</sup> Level 2 Availability Percentage Participation**  
**Charleston County School District**  
**Relevant Market; FY 2017 – FY 2021**

Ethnicity	Architecture and Engineering <sup>3</sup>		Construction and Construction-Related Services <sup>1</sup>		Professional Services <sup>1</sup>		Non-Professional Services <sup>1</sup>		Goods & Supplies <sup>1</sup>		Total Firms <sup>1</sup>	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>22</b>	<b>30.99</b>	<b>134</b>	<b>52.34</b>	<b>241</b>	<b>45.73</b>	<b>389</b>	<b>53.66</b>	<b>598</b>	<b>67.57</b>	<b>1,044</b>	<b>55.15</b>
Black or African American	1	1.41	21	8.20	52	9.87	63	8.69	28	3.16	123	6.50
Asian/Pacific Islander	-	0.00	3	1.17	1	0.19	2	0.28	5	0.56	9	0.48
Hispanic or Latino	1	1.41	1	0.39	1	0.19	3	0.41	7	0.79	12	0.63
Native American or American Indian	-	0.00	1	0.39	-	0.00	2	0.28	1	0.11	2	0.11
Other Minorities	1	1.41	14	5.47	3	0.57	6	0.83	5	0.56	25	1.32
<i>Total Minority</i>	<i>3</i>	<i>4.23</i>	<i>40</i>	<i>15.63</i>	<i>57</i>	<i>10.82</i>	<i>76</i>	<i>10.48</i>	<i>46</i>	<i>5.20</i>	<i>171</i>	<i>9.03</i>
Woman-Owned (WBEs)	12	16.90	35	13.67	124	23.53	80	11.03	61	6.89	257	13.58
Unknown MBE	-	0.00	0	0.00	8	1.52	5	0.69	6	0.68	15	0.79
<b>Total MBE</b>	<b>15</b>	<b>21.13</b>	<b>75</b>	<b>29.30</b>	<b>189</b>	<b>35.86</b>	<b>161</b>	<b>22.21</b>	<b>113</b>	<b>12.77</b>	<b>443</b>	<b>23.40</b>
SBE	34	47.89	46	17.97	97	18.41	172	23.72	172	19.44	401	21.18
VBE	-	0.00	1	0.39	-	0.00	3	0.41	2	0.23	5	0.26
<b>Grand Total</b>	<b>71</b>	<b>100.00</b>	<b>256</b>	<b>100.00</b>	<b>527</b>	<b>100.00</b>	<b>725</b>	<b>100.00</b>	<b>885</b>	<b>100.00</b>	<b>1,893</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data; Other Minority is a firm identified as Minority, with no specific race/ethnicity identified; Unknown MBE is a firm identified as MBE or MWBE, with no specific race/ethnicity/gender identified.

<sup>1</sup>Nationwide

<sup>2</sup>Charleston-North Charleston Area

<sup>3</sup>State of South Carolina

**Chapter V**  
**Statistical Analysis of Relevant Market and MBE**  
**Availability**

**Table 5.20.**  
**Data Axle Availability**  
**Charleston-North Charleston, SC, 2021**

	Architecture and Engineering		Construction and Construction-Related Services		Professional Services		Non-Professional Services		Goods & Supplies		Total Firms	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>131</b>	<b>68.95</b>	<b>601</b>	<b>83.01</b>	<b>1,227</b>	<b>60.95</b>	<b>2,210</b>	<b>62.46</b>	<b>949</b>	<b>62.72</b>	<b>5,118</b>	<b>64.15</b>
Black or African American	3	1.58	10	1.38	30	1.49	49	1.38	15	0.99	107	1.34
Asian/Pacific Islander	1	0.53	3	0.41	21	1.04	21	0.59	36	2.38	82	1.03
Hispanic or Latino	1	0.53	20	2.76	47	2.33	87	2.46	46	3.04	201	2.52
Native American or American Indian	-	0.00	-	0.00	1	0.05	2	0.06	1	0.07	4	0.05
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	<i>5</i>	<i>2.63</i>	<i>33</i>	<i>4.56</i>	<i>99</i>	<i>4.92</i>	<i>159</i>	<i>4.49</i>	<i>98</i>	<i>6.48</i>	<i>394</i>	<i>4.94</i>
Woman-Owned (WBEs)	54	28.42	90	12.43	687	34.13	1,169	33.04	466	30.80	2,466	30.91
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>59</b>	<b>31.05</b>	<b>123</b>	<b>16.99</b>	<b>786</b>	<b>39.05</b>	<b>1,328</b>	<b>37.54</b>	<b>564</b>	<b>37.28</b>	<b>2,860</b>	<b>35.85</b>
SBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>190</b>	<b>100.00</b>	<b>724</b>	<b>100.00</b>	<b>2,013</b>	<b>100.00</b>	<b>3,538</b>	<b>100.00</b>	<b>1,513</b>	<b>100.00</b>	<b>7,978</b>	<b>100.00</b>

Source: Data Axle, 2021; M<sup>3</sup> Consulting

## **CHAPTER 6: STATISTICAL ANALYSIS OF MBE UTILIZATION**

### **6.1 INTRODUCTION**

This chapter presents the utilization of Minority Business Enterprises (MBEs) by the Charleston County School District (CCSD) in the procurement categories of Architecture and Engineering; Construction and Construction-Related Services; Professional Services; Non-Professional Services; and Goods & Supplies. Utilization is measured and analyzed using contract awards, purchase order awards, and payments to Minority Business Enterprises (MBEs) from CCSD for the period FY 2017—FY 2021.<sup>323</sup> This covers the universe of all dollars and contracts awarded by CCSD.

MBE utilization in each of the major procurement categories listed above are discussed separately. Utilization tables are presented for the relevant market in each procurement category. The overall tables are presented in the Appendix A. Within each procurement category section, tables and discussions are presented to cover the data source, upon which M<sup>3</sup> Consulting relies for conclusions and recommendations; tables representing other data sources considered are reflected in Appendix A. Minority-owned business utilization is also broken down by specific race, ethnicity and gender and is hereinafter referred to in text and tables as Minority-owned businesses when discussing overall levels of participation for Small Woman Minority Business Enterprises (MBEs), consistent with CCSD’s reporting terminology.

Contract awards data reflects both prime and subcontractor award dollars, to the degree available.<sup>324</sup> Accounts payable and purchase order data reflect prime vendor/contractor commitments and payments.

The final section of this chapter covers threshold analysis and top ten awardees to further decipher any patterns in utilization of Small Woman Minority Business Enterprises (MBEs).

The following are some salient features of the overall chapter presentation:

- Utilization will be presented using the data collected from Capital Projects & Construction Manager (Cumming) and the Contracts and Procurement Department.
- The tables and discussions within the body of the chapter cover data pertaining to firms located within the relevant market for each procurement type.

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<sup>323</sup> CCSD’s fiscal years run from July 1 to June 30, so FY 2017 runs from July 1, 2017, to June 30, 2021.

<sup>324</sup> The calculation of “prime + subcontractor awards data” reflects a reduction of the Prime Contractor award dollars by any subcontractor dollars. Subcontractor dollars are placed into the appropriate race/ethnicity/gender category.

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## **6.2 TOTAL UTILIZATION BASED ON CONTRACT AWARDS, PURCHASE ORDERS AND PAYMENTS**

This section provides a summary of total contract awards (Table 6.1), purchase orders (POs) (Table 6.2) and payments (AP) (Table 6.3) by race/ethnic/gender group for the period FY 2017—FY 2021, regardless of procurement category. This view provides an overall picture of utilization of Minority Business Enterprises (MBEs) by CCSD. The analysis is then detailed by each procurement type.

### **Architecture & Engineering**

Over the study period, FY 2017—FY 2021, despite over \$3 million awarded in A&E contracts by the Charleston County School District, none were awarded to MBEs. Over 52 percent of these contracts were awarded to WBEs. SBEs and Non-SWMBEs share the remainder of the dollars in A&E.

Purchase orders and Payments reflect a similar picture with about \$40 million in A&E being paid to Non-SWMBEs, WBEs and SBEs. Given that CCSD can directly negotiate with any firm for A&E projects under \$25,000, this does not appear to be the case for contracts among any of the Minority groups given they only receive 0.04 percent in POs and 0.02 in Payments.

### **Construction and Construction-Related Services**

Of a total of over \$338 million in Construction and Construction-Related Services' contracts, Minority-owned firms received 6.78 percent, WBEs 6.78 percent and SBEs 9.53 percent. African American-owned firms receiving 3.70 percent (over \$12 million) Hispanic American-owned firms received 1.87 percent (over \$6 million) and Other Minority-owned firms received 1.20 percent (\$4 million) in Construction contracts. Given that the State has pre-qualification requirements for contracts greater than \$10 million and bonding requirements for construction contracts over \$50,000, this may limit contracts for small, minority and women businesses with CCSD.

In comparison to contract dollars, Minority-owned firms invoiced 10.88 percent of total POs valued at \$499 million and received 8 percent of the total in payments, valued at \$460 million. WBEs received only 2.71 percent in payments which is similar to POs but much lower than the 7.75 percent of contract award dollars to WBEs. PO amounts from SBEs at about 10 percent of the total dollars were close to that noted in contract awards in Construction and Construction-Related Services, but their payments were slightly lower in percent at 8.66 percent.

### **Professional Services**

Professional Services is the smallest procurement activity for CCSD with about \$377,000 for the 5-year period based on Contract Awards. Over 83 percent of these dollars were awarded to African American-owned firms and the remaining to SBEs. Most Professional Services dollars are reflected in POs and

Account Payables at about \$48 million and \$41 million, respectively. Unlike contract dollars, almost three-fourths of POs and Payments dollars goes to Non-SWMBEs. In contrast to Contract Awards, African American-owned firms purchase dollars and payment account for a little over 4 percent of the total. The remaining Minority groups account for less than 1 percent of the total dollars. WBEs received no contracting dollars but POs for WBEs are over \$5 million (10.46 percent of total) and Payments show over \$4 million (9.83 percent of total).

### **Non-Professional Services**

Over 90 percent of Non-Professional contract dollars were awarded to Non-SWMBEs. African American-owned firms received 8.29 percent or \$15 million of the total of about \$181 million, while Asian American-owned firms, Native American-owned firms and Other Minorities received less than 1 percent of the dollars in the five-year period. WBEs received \$265,098 or 0.15 percent of the total and SBEs a little over \$2 million or 1.16 percent.

For POs, African American-owned firms billed over 13.97 percent of the \$265 million in total PO dollars and received 11.17 percent of the \$257 million in total payments. Like in Professional Services, while WBEs received few contract awards, their POs accounted for 11.20 percent of the dollars and 18.30 percent of the payments. Similarly, SBEs accounted for close to 10 percent of POs and payments.

### **Goods & Supplies**

CCSD awarded over \$59 million in Goods & Supplies awards and Minority-owned firms received 1.14 percent with 1.02 percent to African American-owned firms and 0.12 percent to Hispanic American-owned firms. While SBEs only received 1.69 percent, WBEs received 18.22 percent in contract dollars. The remaining dollars went to Non-SWMBEs. CCSD utilizes large supply firms which limits its ability to be inclusive in awarding MBEs and SBEs large contract dollars. Given that MBEs and SBEs generally have the greatest capacity to participate in small purchases, this limits their contracting activity with CCSD.

Consistent with contract awards, Minority-owned business utilization was slightly over 1 percent of the \$292 million total PO dollars and \$267 million, paid. WBEs utilization based on POs was 9.40 percent and they received 10.31 percent of the payments in Goods and Supplies. Non-SWMBEs had over 82 percent of PO dollars and payments.



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**Table 6.1.**  
**Total Utilization**  
**Contract Awards—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	Architecture & Engineering		Construction and Construction-Related Services		Professional Services		Non-Professional Services		Goods & Supplies		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>703,155</b>	<b>21.04</b>	<b>257,043,412</b>	<b>75.93</b>	-	<b>0.00</b>	<b>163,776,768</b>	<b>90.31</b>	<b>47,160,527</b>	<b>78.93</b>	<b>468,683,862</b>	<b>80.34</b>
Black or African American	-	0.00	12,541,174	3.70	314,827	83.49	15,033,219	8.29	608,585	1.02	28,497,805	4.89
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	128,333	0.07	-	0.00	128,333	0.02
Hispanic or Latino	-	0.00	6,337,959	1.87	-	0.00	-	0.00	69,704	0.12	6,407,663	1.10
Native American or American Indian	-	0.00	-	0.00	-	0.00	25,265	0.01	-	0.00	25,265	0.00
Other Minorities	-	0.00	4,069,654	1.20	-	0.00	15,000	0.01	-	0.00	4,084,654	0.70
<i>Total Minority</i>	-	<i>0.00</i>	<i>22,948,788</i>	<i>6.78</i>	<i>314,827</i>	<i>83.49</i>	<i>15,201,817</i>	<i>8.38</i>	<i>678,289</i>	<i>1.14</i>	<i>39,143,721</i>	<i>6.71</i>
Woman-Owned (WBEs)	1,769,338	52.94	26,250,108	7.75	-	0.00	265,098	0.15	10,885,382	18.22	39,169,927	6.71
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	2,639	0.00	2,639	0.00
<b>Total MBE</b>	<b>1,769,338</b>	<b>52.94</b>	<b>49,198,896</b>	<b>14.53</b>	<b>314,827</b>	<b>83.49</b>	<b>15,466,915</b>	<b>8.53</b>	<b>11,566,310</b>	<b>19.36</b>	<b>78,316,287</b>	<b>13.43</b>
SBE	869,695	26.02	32,272,646	9.53	62,275	16.51	2,099,394	1.16	1,008,476	1.69	36,312,486	6.22
VBE	-	0.00	-	0.00	-	0.00	15,000	0.01	11,643	0.02	26,643	0.00
<b>Grand Total</b>	<b>3,342,188</b>	<b>100.00</b>	<b>338,514,954</b>	<b>100.00</b>	<b>377,102</b>	<b>100.00</b>	<b>181,358,077</b>	<b>100.00</b>	<b>59,746,957</b>	<b>100.00</b>	<b>583,339,278</b>	<b>100.00</b>

Source: CCSD Contracts Data, M<sup>3</sup> Consulting; Other Minority is a firm identified as Minority, with no specific race/ethnicity identified; Unknown MBE is a firm identified as MBE or MWBE, with no specific race/ethnicity/gender identified.

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**MBE Utilization**

**Table 6.2.**  
**Total Utilization**  
**Purchase Orders—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	Architecture & Engineering		Construction and Construction-Related Services		Professional Services		Non-Professional Services		Goods & Supplies		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>8,014,186</b>	<b>20.03</b>	<b>380,670,154</b>	<b>76.27</b>	<b>35,211,615</b>	<b>73.14</b>	<b>166,745,556</b>	<b>62.82</b>	<b>244,075,760</b>	<b>83.58</b>	<b>834,717,272</b>	<b>72.92</b>
Black or African American	8,866	0.02	41,617,883	8.34	1,929,697	4.01	37,095,225	13.97	3,025,485	1.04	83,677,088	7.31
Asian/Pacific Islander	-	0.00	6,058,610	1.21	24,000	0.05	875,923	0.33	54,597	0.02	7,013,130	0.61
Hispanic or Latino	8,509	0.02	6,363,149	1.27	10,000	0.02	1,085,102	0.41	14,629	0.01	7,481,389	0.65
Native American or American Indian	-	0.00	255,987	0.05	-	0.00	2,791,853	1.05	71,010	0.02	3,118,851	0.27
Other Minorities	-	0.00	-	0.00	282,668	0.59	35,847	0.01	15,621	0.01	334,137	0.03
<i>Total Minority</i>	<i>17,374</i>	<i>0.04</i>	<i>54,295,629</i>	<i>10.88</i>	<i>2,246,365</i>	<i>4.67</i>	<i>41,883,950</i>	<i>15.78</i>	<i>3,181,276</i>	<i>1.09</i>	<i>101,624,594</i>	<i>8.88</i>
Woman-Owned (WBEs)	12,128,133	30.31	14,561,273	2.92	5,034,043	10.46	29,732,335	11.20	27,450,366	9.40	88,906,150	7.77
<i>Unknown MBE</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>39,864</i>	<i>0.08</i>	<i>162,817</i>	<i>0.06</i>	<i>226,302</i>	<i>0.08</i>	<i>428,983</i>	<i>0.04</i>
<b>Total MBE</b>	<b>12,145,507</b>	<b>30.35</b>	<b>68,856,902</b>	<b>13.80</b>	<b>7,320,272</b>	<b>15.21</b>	<b>71,779,102</b>	<b>27.04</b>	<b>30,857,944</b>	<b>10.57</b>	<b>190,959,727</b>	<b>16.68</b>
<i>SBE</i>	<i>19,859,465</i>	<i>49.62</i>	<i>49,576,529</i>	<i>9.93</i>	<i>5,611,021</i>	<i>11.65</i>	<i>26,921,609</i>	<i>10.14</i>	<i>17,095,012</i>	<i>5.85</i>	<i>119,063,637</i>	<i>10.40</i>
<i>VBE</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>
<b>Grand Total</b>	<b>40,019,159</b>	<b>100.00</b>	<b>499,103,586</b>	<b>100.00</b>	<b>48,142,909</b>	<b>100.00</b>	<b>265,446,267</b>	<b>100.00</b>	<b>292,028,716</b>	<b>100.00</b>	<b>1,144,740,636</b>	<b>100.00</b>

Source: CCSD Contracts Data, M<sup>3</sup> Consulting

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**Statistical Analysis of**  
**MBE Utilization**

**Table 6.3.**  
**Total Utilization**  
**Accounts Payable—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	Architecture & Engineering		Construction and Construction-Related Services		Professional Services		Non-Professional Services		Goods & Supplies		Total	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>7,481,957</b>	<b>19.04</b>	<b>370,557,995</b>	<b>80.52</b>	<b>30,497,498</b>	<b>73.43</b>	<b>152,503,743</b>	<b>59.16</b>	<b>220,953,752</b>	<b>82.65</b>	<b>781,994,945</b>	<b>73.35</b>
Black or African American	8,866	0.02	26,965,700	5.86	1,754,526	4.22	28,800,787	11.17	3,033,263	1.13	60,562,955	5.68
Asian/Pacific Islander	-	0.00	5,452,161	1.18	24,000	0.06	875,043	0.34	80,239	0.03	6,431,443	0.60
Hispanic or Latino	1,500	0.00	4,863,016	1.06	10,000	0.02	1,085,102	0.42	14,629	0.01	5,974,247	0.56
Native American or American Indian	-	0.00	72,310	0.02	-	0.00	2,521,652	0.98	71,010	0.03	2,664,972	0.25
Other Minorities	-	0.00	-	0.00	239,828	0.58	32,564	0.01	15,621	0.01	288,013	0.03
<i>Total Minority</i>	<i>10,366</i>	<i>0.02</i>	<i>37,353,188</i>	<i>8.12</i>	<i>2,028,355</i>	<i>4.88</i>	<i>33,315,147</i>	<i>12.92</i>	<i>3,214,763</i>	<i>1.18</i>	<i>75,921,818</i>	<i>7.12</i>
Woman-Owned (WBEs)	7,812,762	19.88	12,462,213	2.71	4,081,402	9.83	47,164,606	18.30	27,571,786	10.31	99,092,768	9.29
Unknown MBE	-	0.00	-	0.00	56,203	0.14	122,251	0.05	235,235	0.11	413,690	0.04
<b>Total MBE</b>	<b>7,823,127</b>	<b>19.90</b>	<b>49,815,400</b>	<b>10.82</b>	<b>6,165,959</b>	<b>14.85</b>	<b>80,602,005</b>	<b>31.27</b>	<b>31,021,784</b>	<b>11.61</b>	<b>175,428,276</b>	<b>16.45</b>
<i>SBE</i>	<i>23,998,014</i>	<i>61.06</i>	<i>39,859,469</i>	<i>8.66</i>	<i>4,869,721</i>	<i>11.72</i>	<i>24,675,445</i>	<i>9.57</i>	<i>15,357,819</i>	<i>5.74</i>	<i>108,760,468</i>	<i>10.20</i>
<i>VBE</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>
<b>Grand Total</b>	<b>39,303,097</b>	<b>100.00</b>	<b>460,232,865</b>	<b>100.00</b>	<b>41,533,178</b>	<b>100.00</b>	<b>257,781,193</b>	<b>100.00</b>	<b>267,333,356</b>	<b>100.00</b>	<b>1,066,183,-689</b>	<b>100.00</b>

Source: CCSD Contracts Data, M<sup>3</sup> Consulting

**6.3 UTILIZATION BY PROCUREMENT TYPE**

The tables on the following pages summarize the relevant contract award, purchase order and payments data by procurement type within the relevant market. The relevant market or the geographic area where CCSD vendors are located is the Charleston-North Charleston MSA and the State of South Carolina and Nationwide (All Counties). The relevant market, as was discussed in the Availability Section and shown below in Table 6.4, is the State of South Carolina for Architecture and Engineering, and Nationwide for Construction and Construction-Related Services, Professional Services, Non-Professional Services, and Goods & Supplies. The table below summarizes this information for each procurement type:

<b>Table 6.4.</b>				
<b>Summary of Relevant Market Determination</b>				
	<b>City</b>	<b>MSA</b>	<b>State</b>	<b>Nationwide</b>
<b>Architecture and Engineering</b>			✓	
<b>Construction and Construction-Related Services</b>				✓
<b>Professional Services</b>				✓
<b>Non-Professional Services</b>				✓
<b>Goods and Supplies</b>				✓

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data;

## **6.4 ARCHITECTURE AND ENGINEERING UTILIZATION**

For Architecture and Engineering utilization, SWMBE utilization is presented in this section using dollars for purchase orders by year and for the study period (Table 6.5), as well as for contract awards, purchase orders and payments for the study period (Table 6.6). Counts of purchase orders, contract awards and payments are reflected in Appendix A. The relevant market for Architecture and Engineering is the State of South Carolina.

### **6.4.1 Architecture and Engineering Utilization Based on Purchase Orders**

Typically, M<sup>3</sup> Consulting relies on Contract Awards for Architecture and Engineering utilization because contract awards data includes subcontractors. However, because of limited Contract Award data, we rely on PO data for analysis. We note that the size of the A&E POs suggests these opportunities meet competitive bidding thresholds. Based on the value of the POs, we anticipated the contract awards to include comparable award values. In some instances, the CMs manages the bid and awarding activity on behalf of the District. (See also Table 6.6)

POs for CCSD A&E firms in the relevant market for CCSD were over \$32 million and were spread almost evenly across the five-year period. A large portion of A&E dollars were divided between SBEs and WBEs with a small proportion going to Non-SWMBEs. WBEs witnessed an increasing proportion of PO dollars over the five-year period while SBEs had the opposite trend never falling below 39.33 percent of the total dollars in any of the years. African American-owned firms reflected small amounts of POs at \$2,932 and \$5,933 for two years and Hispanic American-owned firms received \$7,009 for the five-year period in FY 2021. It is important to note that three WBEs receive a majority (88 percent) of the total WBE dollars in A&E, Red Iron Architects (43.2 percent), LS3P Associates (32 percent) and Liollo Architecture (13 percent).

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**Table 6.5.**  
**Architecture & Engineering Utilization**  
**Purchase Order—Dollars**  
**Charleston County School District**  
**State of South Carolina, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>83,780</b>	<b>1.31</b>	<b>3,018,339</b>	<b>36.55</b>	<b>1,942,969</b>	<b>25.97</b>	<b>885,467</b>	<b>20.00</b>	<b>300,468</b>	<b>5.07</b>	<b>6,231,023</b>	<b>19.19</b>
African American	-	0.00	-	0.00	-	0.00	2,932	0.07	5,933	0.10	48,866	0.03
Asian American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic American	-	0.00	-	0.00	-	0.00	-	0.00	7,009	0.12	7,009	0.02
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	<i>2,932</i>	<i>0.07</i>	<i>12,942</i>	<i>0.22</i>	<i>15,874</i>	<i>0.05</i>
Woman-Owned (WBEs)	1,131,757	17.74	1,494,933	18.10	1,100,821	14.71	1,198,013	27.06	3,280,767	55.38	8,206,291	25.27
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>1,131,757</b>	<b>17.74</b>	<b>1,494,933</b>	<b>18.10</b>	<b>1,100,821</b>	<b>14.71</b>	<b>1,200,945</b>	<b>27.13</b>	<b>3,293,709</b>	<b>55.60</b>	<b>8,222,165</b>	<b>25.32</b>
SBE	5,165,034	80.95	3,744,663	45.35	4,439,004	59.32	2,340,367	52.87	2,330,139	39.33	18,019,207	55.49
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>6,380,571</b>	<b>100.00</b>	<b>8,257,935</b>	<b>100.00</b>	<b>7,482,794</b>	<b>100.00</b>	<b>4,426,780</b>	<b>100.00</b>	<b>5,924,315</b>	<b>100.00</b>	<b>32,472,395</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

#### **6.4.2 Architecture and Engineering Utilization Comparison**

The patterns among contracts and POs and payments do not appear too different for SWMBEs in A&E. WBEs and SBEs received majority of the dollars along with Non-SWMBEs with Minority-owned firms utilized receiving less than 0.03 percent of total dollars paid.

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**Table 6.6.**  
**Architecture & Engineering Utilization**  
**Comparison**  
**Contract Awards, Purchase Orders, Payments—Dollars**  
**Charleston County School District**  
**State of South Carolina, For the Period FY 2017 – FY 2021**

Race/Ethnicity/Gender	Contract Awards		Purchase Orders		Payments	
	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>664,270</b>	<b>36.22</b>	<b>6,231,023</b>	<b>19.19</b>	<b>5,510,352</b>	<b>17.07</b>
African American	-	0.00	8,866	0.03	8,866	0.03
Asian American	-	0.00	-	0.00	-	0.00
Hispanic American	-	0.00	7,009	0.02	-	0.00
Native American or American Indian	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	-	<i>0.00</i>	<i>15,874</i>	<i>0.05</i>	<i>8,866</i>	<i>0.03</i>
Woman-Owned (WBEs)	306,725	16.72	8,206,291	25.27	4,475,420	13.87
Unknown MBE	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>306,725</b>	<b>16.72</b>	<b>8,222,165</b>	<b>25.32</b>	<b>4,484,285</b>	<b>13.89</b>
SBE	862,975	47.06	18,019,207	55.49	22,283,526	69.04
VBE	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>1,833,970</b>	<b>100.00</b>	<b>32,472,395</b>	<b>100.00</b>	<b>32,278,163</b>	<b>100.00</b>

Source: CCSD MUNIS Data, M<sup>3</sup> Consulting,



## **6.5 CONSTRUCTION AND CONSTRUCTION-RELATED SERVICES UTILIZATION**

In the area of Construction and Construction-Related Services, SWMBEs utilization is presented in this section using dollars for contract awards by year and for the study period (Table 6.8), as well as for contract awards, purchase orders and payments for the study period (Table 6.9). Counts of purchase orders, contract awards and payments are reflected in Appendix A. The relevant market for Construction and Construction-Related Services is Nationwide.

### **6.5.1 Construction and Construction-Related Services Utilization Based on Purchase Orders**

Like A&E, typically M<sup>3</sup> Consulting relies on contract awards for Construction and Construction-Related Services because of the inclusion of requirement of reporting subcontractor dollars. However, there were anomalies when comparing both contract awards and POs.

We note that contracts data is not well maintained. Further, the usage of CMs created an environment where minimal visibility or reporting takes place to Contracts and Procurement. Absent formal procurement reporting and authorization by the board of contracts above a designated threshold coupled with non-well-maintained contracts data, results in challenges to effectively compare contract awards to POs. While M<sup>3</sup> Consulting is unable to explain all the anomalies, as an audit is beyond our scope, we determined that PO data appears to capture both formal and informal dollars for prime contractors and that it appears that procurement procedures of bidding opportunities value above a certain dollar threshold were not followed. We note that:

1. Like A&E, we anticipated locating all formally bid documents consistent with encumbered activity based on POs within maintained contracts data.
2. Some individual POs values were well above formal bid thresholds and traditional allowable change order percentages.
3. POs were treated as unique observations, eliminating duplication or double counting.
4. While the now discontinued practice of direct negotiation may account for some of the non-competitively bid POs for MBEs, it does not account for the non-competitively bid POs among Non-SWMBEs. Comparatively, the average PO value for Non-SWMBEs is higher than MBEs.

In Construction \$499 million was encumbered based on Purchase Orders, with FY 2018 accounting for 35 percent (\$175M). - Non-SWMBEs received over 85 percent of PO dollars between FY 2017 and FY 2019 but dropped to 31.45 percent in FY 2020 and 14.02 percent in FY 2021. Minority-owned firms received 10.88 percent of POs overall and saw their highest participation in FY 2020 with 53.73 percent of POs (\$16 million) and 35.22 in FY 2021 (\$25 million). While MBE's participation reflected in FY 2020 and FY 2021 was proportionately higher, total value of for POs during the later years was significantly lower when

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compared to FY 2017-2019. These dollars were driven by African American-owned firm POs of \$13 million in FY 2020 (44.28 percent) and \$18 million in FY 2021 (25.92 percent). Asian American-firm PO dollars ranged between 1.03 percent, 1.13 percent and 0.49 percent for FY 2017, FY 2018, and FY 2019. Their POs rose to 9.23 percent in FY 2020, but no PO dollars in FY 2021. WBEs received close to 4 percent of POs in FY 2017, FY 2018 and FY 2021 and saw their highest level of participation in FY 2020 at 8.31 percent. SBEs received between 2.01 percent in FY 2017 and 6.50 percent in FY 2020 but noted a huge increased in FY 2021 to 46.69 percent.

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**Table 6.7.**  
**Construction and Construction-Related Services Utilization**  
**Purchase Order — Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>78,530,981</b>	<b>85.55</b>	<b>122,641,325</b>	<b>92.44</b>	<b>160,333,786</b>	<b>91.57</b>	<b>9,395,431</b>	<b>31.45</b>	<b>9,768,631</b>	<b>14.02</b>	<b>380,670,154</b>	<b>76.27</b>
African American	7,187,363	7.83	299,233	0.23	2,846,484	1.63	13,228,980	44.28	18,055,823	25.92	41,617,883	8.34
Asian American	943,955	1.03	1,499,114	1.13	859,264	0.49	2,756,278	9.23	-	0.00	6,058,610	1.21
Hispanic American	-	0.00	-	0.00	-	0.00	-	0.00	6,363,149	9.14	6,363,149	1.27
Native American or American Indian	-	0.00	-	0.00	4,069	0.00	68,241	0.23	183,677	0.26	255,987	0.05
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	<i>8,131,318</i>	<i>8.86</i>	<i>1,798,347</i>	<i>1.36</i>	<i>3,709,817</i>	<i>2.12</i>	<i>16,053,499</i>	<i>53.73</i>	<i>24,602,649</i>	<i>35.32</i>	<i>54,295,629</i>	<i>10.88</i>
Woman-Owned (WBEs)	3,289,374	3.58	5,267,801	3.97	758,535	0.43	2,483,410	8.31	2,762,153	3.97	14,561,273	2.92
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>11,420,691</b>	<b>12.44</b>	<b>7,066,147</b>	<b>5.33</b>	<b>4,468,351</b>	<b>2.55</b>	<b>18,536,910</b>	<b>62.05</b>	<b>27,364,802</b>	<b>39.29</b>	<b>68,856,902</b>	<b>13.80</b>
SBE	1,849,048	2.01	2,963,955	2.23	10,301,396	5.88	1,943,410	6.50	32,518,720	46.69	49,576,529	9.93
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>91,800,721</b>	<b>100.00</b>	<b>132,671,427</b>	<b>100.00</b>	<b>175,103,534</b>	<b>100.00</b>	<b>29,875,751</b>	<b>100.00</b>	<b>69,652,153</b>	<b>100.00</b>	<b>499,103,586</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,  
 Note: Contract Construction Inc., a Non-SWMBE, accounts for 23.81 percent of Construction Services dollars.

### **6.5.2 Construction and Construction-Related Services Utilization Comparison**

In comparing contract awards to purchase orders and payments, Non-SWMBEs received between 75-80 percent or more of the dollars for the study period. Based on POs and Payments, Minority-owned business utilization was 8 percent or higher although contracts were slightly lower at 6.78 percent of awards to Minority-owned businesses. WBEs for contracts' utilization shows 7.75 percent going to WBEs but their payments were about 2.7 percent. Among MBEs, African American-owned firms received only 3.70 percent of the contract dollars, which includes subcontractor dollars, but utilization based on POs was 8.34 percent and Payments show utilization close to 6 percent for this group. Based on POs and payments, Asian American-owned firms and Hispanic American-owned firms had less than 1.30 percent utilization.

An indicator of MWBE utilization, absent direct negotiations, are the contracts distributions that were awarded through the formal bid process.

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**Table 6.8.**  
**Construction and Construction-Related Services Utilization**  
**Comparison**  
**Contract Awards, Purchase Orders, Payments—Dollars**  
**Charleston County School District**  
**Nationwide, For the Period FY 2017 – 2021**

Race/Ethnicity/Gender	Contract Awards		Purchase Orders		Payments	
	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>257,043,412</b>	<b>75.93</b>	<b>380,670,154</b>	<b>76.27</b>	<b>370,557,995</b>	<b>80.52</b>
African American	12,541,174	3.70	41,617,883	8.34	26,925,700	5.86
Asian American	-	0.00	6,058,610	1.21	5,452,161	1.18
Hispanic American	6,337,959	1.87	6,363,149	1.27	4,863,016	1.06
Native American or American Indian	-	0.00	255,987	0.05	72,310	0.02
Other Minorities	4,069,654	1.20	-	0.00	-	0.00
<i>Total Minority</i>	<i>22,948,788</i>	<i>6.78</i>	<i>54,295,629</i>	<i>10.88</i>	<i>37,353,188</i>	<i>8.12</i>
Woman-Owned (WBEs)	26,250,108	7.75	14,561,273	2.92	12,462,213	2.71
Unknown MBE	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>49,198,896</b>	<b>14.53</b>	<b>68,856,902</b>	<b>13.80</b>	<b>49,815,400</b>	<b>10.82</b>
SBE	32,272,646	9.53	49,576,529	9.93	39,859,469	8.66
VBE	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>338,514,954</b>	<b>100.00</b>	<b>499,103,586</b>	<b>100.00</b>	<b>460,232,865</b>	<b>100.00</b>

Source: CCSD MUNIS Data, M<sup>3</sup> Consulting, Relevant Market—Nationwide

## **6.6 PROFESSIONAL SERVICES UTILIZATION**

In the area of Professional Services, MBE utilization is presented in this section in Table 6.9 using dollars for purchase orders by year and for the study period, as well as for contract awards and payments for the study period in Table 6.10. Counts of purchase orders, contract awards and payments are reflected in Appendix A. The relevant market for Professional Services is Nationwide.

### **6.6.1 Professional Services Utilization Based on Purchase Orders**

Over \$48 million of professional service dollars were committed in the five-year. Non-SWMBEs received a majority of these dollars in almost every year, with their lowest utilization at 67.49 percent in FY 2019. WBEs received over 9.5 percent or greater percent of dollars every year receiving 14.31 percent of the dollars in FY 2019. SBE utilization ranged from 7.01 percent in FY 2021 to 15.21 percent in FY 2017. Minority-owned firm utilization was highest in the most recent years of FY 2020 and FY 2021 at 8.96 percent and 6.51 percent respectively. In the other three years, they received less than 3.37 percent of the dollars. African American-owned firms were the only group among the Minority-owned firms to be utilized every year, with their highest utilization in FY 2020 at 7.91 percent. No other year exceeded 5 percent with utilization as low as 0.81 percent in FY 2017. Hispanic American-owned firms were utilized only in FY 2020 and Asian American-owned firms only in FY 2021.

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**Table 6.9.**  
**Professional Services Utilization**  
**Purchase Order—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>5,909,006</b>	<b>73.63</b>	<b>7,422,174</b>	<b>74.86</b>	<b>4,755,245</b>	<b>67.49</b>	<b>5,375,322</b>	<b>68.06</b>	<b>11,749,869</b>	<b>77.00</b>	<b>35,211,615</b>	<b>73.14</b>
African American	65,405	0.81	243,149	2.45	237,197	3.37	624,780	7.91	759,166	4.98	1,929,697	4.01
Asian American	-	0.00	-	0.00	-	0.00	-	0.00	24,000	0.16	24,000	0.05
Hispanic American	-	0.00	-	0.00	-	0.00	10,000	0.13	-	0.00	10,000	0.02
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	72,853	0.92	209,816	1.38	282,668	0.59
<i>Total Minority</i>	<i>65,405</i>	<i>0.81</i>	<i>243,149</i>	<i>2.45</i>	<i>237,197</i>	<i>3.37</i>	<i>707,633</i>	<i>8.96</i>	<i>992,982</i>	<i>6.51</i>	<i>2,246,365</i>	<i>4.67</i>
Woman-Owned (WBEs)	830,417	10.35	944,557	9.53	1,008,442	14.31	804,525	10.19	1,446,103	9.48	5,034,043	10.46
Unknown MBE	7,144	0.09	16,671	0.17	11,809	0.17	3,860	0.05	380	0.00	39,864	0.08
<b>Total MBE</b>	<b>902,966</b>	<b>11.25</b>	<b>1,204,377</b>	<b>12.15</b>	<b>1,257,448</b>	<b>17.85</b>	<b>1,516,017</b>	<b>19.19</b>	<b>2,439,465</b>	<b>15.99</b>	<b>7,320,272</b>	<b>15.21</b>
SBE	1,213,766	15.12	1,287,757	12.99	1,033,385	14.67	1,006,737	12.75	1,069,375	7.01	5,611,021	11.65
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>8,025,738</b>	<b>100.00</b>	<b>9,914,308</b>	<b>100.00</b>	<b>7,046,077</b>	<b>100.00</b>	<b>7,898,077</b>	<b>100.00</b>	<b>15,258,709</b>	<b>100.00</b>	<b>48,142,909</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

### **6.6.2 Professional Services Utilization Comparison**

The majority of Professional Services utilization is via POs and payments. Both these measures show that Minority-owned firm utilization is less than 5 percent and WBEs are close to 10 percent or higher. SBEs received a little over 11 percent of the dollars with the remaining dollars paid out to Non-SWMBEs. African American-owned firms received roughly 4 percent of the Professional Service payments with Asian American- and Hispanic American-owned firms receiving no more than 0.06 percent and 0.02 percent respectively.



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**Table 6.10.**  
**Professional Services Utilization**  
**Comparison**  
**Contract Awards, Purchase Orders, Payments—Dollars**  
**Charleston County School District**  
**Nationwide, For the Period FY 2017 – FY 2021**

Race/Ethnicity/Gender	Contract Awards		Purchase Orders		Payments	
	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	-	<b>0.00</b>	<b>35,211,615</b>	<b>73.14</b>	<b>30,497,498</b>	<b>73.43</b>
African American	314,827	83.49	1,929,697	4.01	1,754,526	4.22
Asian American	-	0.00	24,000	0.05	24,000	0.06
Hispanic American	-	0.00	10,000	0.02	10,000	0.02
Native American or American Indian	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	282,668	0.59	239,828	0.58
<i>Total Minority</i>	<i>314,827</i>	<i>83.49</i>	<i>2,246,365</i>	<i>4.67</i>	<i>2,028,355</i>	<i>4.88</i>
Woman-Owned (WBEs)	-	0.00	5,034,043	10.46	4,081,402	9.83
Unknown MBE	-	0.00	39,864	0.08	56,203	0.14
<b>Total MBE</b>	<b>314,827</b>	<b>83.49</b>	<b>7,320,272</b>	<b>15.21</b>	<b>6,165,959</b>	<b>14.85</b>
SBE	62,275	16.51	5,611,021	11.65	4,869,721	11.72
VBE	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>377,102</b>	<b>100.00</b>	<b>48,142,909</b>	<b>100.00</b>	<b>41,533,178</b>	<b>100.00</b>

Source: CCSD MUNIS Data, M<sup>3</sup> Consulting, Relevant Market—Nationwide

## **6.7 NON-PROFESSIONAL SERVICES UTILIZATION**

MBEs utilization is presented in this section using dollars for Purchase Orders by year and for the study period (Table 6.11); For contract awards, purchase orders and payments, a comparison of dollars for the study period is shown in Table 6.12. The relevant market for Non-Professional Services is Nationwide.

### **6.7.1 Non-Professional Services Utilization Based on Purchase Orders**

Over \$40 million or more in Non-Professional Services in POs were executed each year by CCSD for a total of \$265 million. Minority-owned firms received an increasing percent of these dollars with the highest in FY 2021 at 28.14 percent and lowest at 5.99 percent in FY 2017. The majority of the dollars to Minority groups were paid to African American-owned firms each year. They received 5.04 percent in FY 2017 to 23.83 percent of the total dollars paid in FY 2021. Asian American-owned firms were utilized every year but received less than 1 percent of the total dollars and only 0.06 percent of the total in FY 2021. Hispanic American-owned firms were utilized only in FY 2021 receiving 2.07 percent or 1.08 million dollars. Except for FY 2017, WBEs received over 11 percent in the other years of the study period. SBEs received 8 to 9 percent of the dollars each year in Non-Professional Services and their utilization was highest in FY 2018 at 12.28 percent.

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**Table 6.11.**  
**Non-Professional Services Utilization**  
**Purchase Order—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>43,854,437</b>	<b>81.87</b>	<b>25,806,891</b>	<b>59.32</b>	<b>40,925,843</b>	<b>62.52</b>	<b>32,064,607</b>	<b>63.34</b>	<b>24,093,778</b>	<b>46.07</b>	<b>166,745,556</b>	<b>62.82</b>
African American	2,701,116	5.04	6,199,690	14.25	9,043,042	13.81	6,686,609	13.21	12,464,767	23.83	37,095,225	13.97
Asian American	139,173	0.26	165,517	0.38	66,018	0.10	476,279	0.94	28,935	0.06	875,923	0.33
Hispanic American	-	0.00	-	0.00	-	0.00	-	0.00	1,085,102	2.07	1,085,102	0.41
Native American or American Indian	366,672	0.68	189,057	0.43	552,738	0.84	581,540	1.15	1,101,846	2.11	2,791,853	1.05
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	35,847	0.07	35,847	0.01
<b>Total Minority</b>	<b>3,206,961</b>	<b>5.99</b>	<b>6,554,264</b>	<b>15.07</b>	<b>9,661,798</b>	<b>14.76</b>	<b>7,744,429</b>	<b>15.30</b>	<b>14,716,497</b>	<b>28.14</b>	<b>41,883,950</b>	<b>15.78</b>
Woman-Owned (WBEs)	1,687,583	3.15	5,723,692	13.16	8,292,279	12.67	6,035,209	11.92	7,993,572	15.28	29,732,335	11.20
Unknown MBE	24,807	0.05	75,410	0.17	62,266	0.10	-	0.00	334	0.00	162,817	0.06
<b>Total MBE</b>	<b>4,919,350</b>	<b>9.18</b>	<b>12,353,367</b>	<b>28.40</b>	<b>18,016,344</b>	<b>27.52</b>	<b>13,779,637</b>	<b>27.22</b>	<b>22,710,403</b>	<b>43.42</b>	<b>71,779,102</b>	<b>27.04</b>
SBE	4,789,322	8.94	5,342,831	12.28	6,516,713	9.96	4,776,924	9.44	5,495,819	10.51	26,921,609	10.14
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>53,563,110</b>	<b>100.00</b>	<b>43,503,089</b>	<b>100.00</b>	<b>65,458,900</b>	<b>100.00</b>	<b>50,621,168</b>	<b>100.00</b>	<b>52,300,001</b>	<b>100.00</b>	<b>265,446,267</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

### **6.7.2 Non-Professional Services Utilization Comparison**

Based on Contract Awards, Non-SWMBEs received over 90 percent of the Non-Professional dollars. POs and Payments show them closer to 60 percent. African American-owned firm utilization was higher based on POs and Payments at 13.97 percent and 11.17 percent compared to only 8.29 percent in Contract Awards. WBEs had a similar pattern with utilization at 11.20 percent and 18.30 percent based on POs and Payments but only 0.15 percent based on Contract Awards. Asian American-owned firms and Hispanic American-owned firms received close to 0.3 percent and 0.4 percent respectively based on POs and Payments in Non-Professional Services.

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**Table 6.12.**  
**Non-Professional Services Utilization**  
**Comparison**  
**Contract Awards, Purchase Orders, Payments—Dollars**  
**Charleston County School District**  
**Nationwide, For the Period FY 2017 – FY 2021**

Race/Ethnicity/Gender	Contract Awards		Purchase Orders		Payments	
	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>163,776,768</b>	<b>90.31</b>	<b>166,745,556</b>	<b>62.82</b>	<b>152,503,743</b>	<b>59.16</b>
African American	15,033,219	8.29	37,095,225	13.97	28,800,787	11.17
Asian American	128,333	0.07	875,923	0.33	875,043	0.34
Hispanic American	-	0.00	1,085,102	0.41	1,085,102	0.42
Native American or American Indian	25,265	0.01	2,791,853	1.05	2,521,652	0.98
Other Minorities	15,000	0.01	35,847	0.01	32,564	0.01
<i>Total Minority</i>	<i>15,201,817</i>	<i>8.38</i>	<i>41,883,950</i>	<i>15.78</i>	<i>33,315,147</i>	<i>12.92</i>
Woman-Owned (WBEs)	265,098	0.15	29,732,335	11.20	47,164,606	18.30
Unknown MBE	-	0.00	162,817	0.06	122,251	0.05
<b>Total MBE</b>	<b>15,466,915</b>	<b>8.53</b>	<b>71,779,102</b>	<b>27.04</b>	<b>80,602,005</b>	<b>31.27</b>
SBE	2,099,394	1.16	26,921,609	10.14	24,675,445	9.57
VBE	15,000	0.01	-	0.00	-	0.00
<b>Grand Total</b>	<b>181,358,077</b>	<b>100.00</b>	<b>265,446,267</b>	<b>100.00</b>	<b>257,781,193</b>	<b>100.00</b>

Source: CCSD MUNIS Data, M<sup>3</sup> Consulting, Relevant Market—Nationwide

## **6.8 GOODS & SUPPLIES UTILIZATION**

In the area of Goods & Supplies, MBE utilization is presented in this section in Table 6.13 using dollars for Purchase Orders by year and for the study period; For contract awards, purchase orders and payments, a comparison of dollars for the study period is shown in Table 6.14. The relevant market for Goods & Supplies is Nationwide.

### **6.8.1 Goods & Supplies Utilization Based on Purchase Orders**

Over the five-year period, there was an increasing amount paid out in purchases of Goods & Supplies by CCSD. Minority-owned firms received only 2.55 percent in FY 2017 which was the highest utilization for the five-year period. WBEs payments ranged between 6.39 percent to 12.56 percent whereas SBE utilization ranged between 2.13 percent to 7.93 percent. African American-owned firms received the greatest amount among Minority groups, receiving no more than 2.48 percent in FY 2017 in the five-year period. Asian American- and Hispanic American-owned firms received 0.01 percent of the dollars in FY 2020. Participation rose to 0.06 percent for Asian American-owned firms in FY 2021 but remained the same for Hispanic American-owned firms.

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**Table 6.13.**  
**Goods & Supplies Utilization**  
**Purchase Order—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>29,802,471</b>	<b>83.14</b>	<b>56,774,153</b>	<b>88.44</b>	<b>39,906,907</b>	<b>82.69</b>	<b>47,731,707</b>	<b>78.12</b>	<b>69,860,521</b>	<b>84.55</b>	<b>244,075,760</b>	<b>83.58</b>
African American	889,191	2.48	454,449	0.71	757,703	1.57	193,453	0.32	730,622	0.88	3,025,418	1.04
Asian American	-	0.00	-	0.00	-	0.00	3,795	0.01	50,802	0.06	54,597	0.02
Hispanic American	-	0.00	-	0.00	-	0.00	3,470	0.01	11,159	0.01	14,629	0.01
Native American or American Indian	24,002	0.07	4,597	0.01	-	0.00	-	0.00	42,412	0.05	71,010	0.02
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	15,621	0.02	15,621	0.01
<i>Total Minority</i>	<i>913,192</i>	<i>2.55</i>	<i>459,046</i>	<i>0.72</i>	<i>757,703</i>	<i>1.57</i>	<i>200,718</i>	<i>0.33</i>	<i>850,617</i>	<i>1.03</i>	<i>3,181,276</i>	<i>1.09</i>
Woman-Owned (WBEs)	3,052,130	8.51	5,497,952	8.56	5,948,650	12.33	7,671,896	12.56	5,279,737	6.39	27,450,366	9.40
Unknown MBE	-	0.00	92,591	0.14	55,991	0.12	-	0.00	77,721	0.09	226,302	0.08
<b>Total MBE</b>	<b>3,965,322</b>	<b>11.06</b>	<b>6,049,589</b>	<b>9.42</b>	<b>6,762,344</b>	<b>14.01</b>	<b>7,872,615</b>	<b>12.88</b>	<b>6,208,075</b>	<b>7.51</b>	<b>30,857,944</b>	<b>10.57</b>
SBE	2,078,896	5.80	1,368,857	2.13	1,591,208	3.30	5,499,953	9.00	6,556,097	7.93	17,095,012	5.85
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>35,846,689</b>	<b>100.00</b>	<b>64,192,599</b>	<b>100.00</b>	<b>48,260,460</b>	<b>100.00</b>	<b>61,104,274</b>	<b>100.00</b>	<b>82,624,694</b>	<b>100.00</b>	<b>292,028,716</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

### **6.8.2 Goods & Supplies Utilization Comparison**

Purchase orders may better reflect utilization of Goods & Supplies, as many contracts in this procurement type are multi-year requirements contracts and the purchase orders may better reflect the dollar awards within a year. However, based on any of the three utilization measures, purchases for Goods & Supplies showed about 80 percent of the dollars or greater received by Non-SWMBEs. WBEs received a higher proportion of contract awards at 18.22 percent but approximately 10 percent of POs and payments. SBEs had 5.74 percent in payments and 5.85 percent in POs invoiced. African American-owned firms received around 1 percent of the dollars based on any measure of utilization. Asian American-owned firms and Hispanic American-owned firm utilization hovered closer to 0.02 and 0.01 percent respectively.



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**Table 6.14.**  
**Goods & Supplies Utilization**  
**Comparison**  
**Contract Awards, Purchase Orders, Payments—Dollars**  
**Charleston County School District**  
**Nationwide, For the Period FY 2017 – FY 2021**

Race/Ethnicity/Gender	Contract Awards		Purchase Orders		Payments	
	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>47,160,527</b>	<b>78.93</b>	<b>244,075,760</b>	<b>83.58</b>	<b>220,953,752</b>	<b>82.65</b>
African American	608,585	1.02	3,025,418	1.04	3,033,263	1.13
Asian American	-	0.00	54,597	0.02	80,239	0.03
Hispanic American	69,704	0.12	14,629	0.01	14,629	0.01
Native American or American Indian	-	0.00	71,010	0.02	71,010	0.03
Other Minorities	-	0.00	15,621	0.01	15,621	0.01
<i>Total Minority</i>	<i>678,289</i>	<i>1.14</i>	<i>3,181,276</i>	<i>1.09</i>	<i>3,214,763</i>	<i>1.20</i>
Woman-Owned (WBEs)	10,885,382	18.22	27,450,366	9.40	27,571,786	10.31
Unknown MBE	2,639	0.00	226,302	0.08	235,235	0.09
<b>Total MBE</b>	<b>11,566,310</b>	<b>19.36</b>	<b>30,857,944</b>	<b>10.57</b>	<b>31,021,784</b>	<b>11.60</b>
SBE	1,008,476	1.69	17,095,012	5.85	15,357,819	5.74
VBE	11,643	0.02	-	0.00	-	0.00
<b>Grand Total</b>	<b>59,746,957</b>	<b>100.00</b>	<b>292,028,716</b>	<b>100.00</b>	<b>267,333,356</b>	<b>100.00</b>

Source: CCSD MUNIS Data, Contract Awards data, M<sup>3</sup> Consulting,

## **6.9 UTILIZATION THRESHOLDS**

Below are utilization thresholds presented for each procurement type. Purchase order dollars are utilized to calculate threshold values. Thresholds presented are: Below \$5K; \$5K-\$10K; \$10K-\$50K; \$50K-\$100K; \$100K-\$250K; \$250K-\$500K; \$500K-\$1M; \$1M-\$5M; \$5M-\$10M; and Above \$10M.

### **A. Architecture & Engineering Thresholds**

Reflected in Table 6.15, all A&E payments were below \$5 million. SBEs, WBEs and Non-SWMBEs were utilized in thresholds as high as \$1 to 5 million and in every threshold below \$5 million, except Non-SWMBEs in \$250K-\$500K. No Minority groups, other than African American-owned firms were utilized for A&E work with CCSD and they did not receive any POs over \$50,000. Even in the \$10,000 to \$50,000 threshold, they account for less than 0.5 percent of the dollars.

### **B. Construction and Construction-Related Services Thresholds**

In Construction and Construction-Related Services POs (Table 6.16), only Non-SWMBEs and SBEs had POs in contracts over \$10 million. African American-owned firms and WBEs were utilized in every threshold up to \$10 million. In POs of \$5 million to \$10 million, African American-owned firms, WBEs, and SBEs were utilized along with Non-SWMBEs. African American-owned firms in this threshold had POs that accounted for 17.63 percent and WBEs 5.92 percent. Asian American-owned and Hispanic American-owned firms were utilized in all thresholds up to \$5 million, except \$250K-\$500K.

### **C. Professional Services Thresholds**

In thresholds above \$1 million reflected in Table 6.17, Non-SWMBEs received 100 percent of the monies. WBEs were utilized in every threshold below \$1 million and SBEs in every threshold below \$500K. No Minority group received any Professional Service dollars above \$250,000. African American-owned firms were utilized in every threshold below \$250K with Unknown MBEs receiving dollars in the smallest two thresholds. Hispanic American- and Asian American-owned firms were utilized only in the \$10K to \$50K threshold.

### **D. Non-Professional Services Thresholds**

Non-Professional POs in Table 6.18 witnessed a greater utilization of MBEs than other procurement types. WBE utilization in Non-Professional Services for CCSD ranged from 9.57 percent to 17.85 percent across various thresholds. They were utilized in every threshold up to \$5 million. African American-owned firms were also utilized across every threshold in Non-Professional Service POs up to \$5 million, with their highest utilization of 24.72 percent in the \$250K to \$500K range and lowest utilization of 6.74 percent in the \$1 million to \$5 million threshold at 6.74 percent. While Asian American-owned firms did not receive

monies in every threshold, they did receive at least 1.48 percent of the dollars in \$250K to \$500K range and 0.39 percent in \$100K to \$250K threshold, and less in some of the smaller thresholds for Non-Professional Service contracts. Hispanic American-owned firms also were utilized in most thresholds below \$500K but their utilization never exceeded 1.39 percent of the total dollars, averaging only 0.39 percent utilization overall.

### **E. Goods & Supplies Thresholds**

Shown in Table 6.19, for purchases above \$5 million, CCSD only utilized Non-SWMBEs. For the larger thresholds from \$500k to \$5 million, WBEs and SBEs received dollars from CCSD as well. WBEs received 4 percent to 9.92 percent of dollars in purchase contracts across every threshold below \$5 million. While African American-owned firms overall received 1.04 percent of the dollars, overall, they received only 0.5 percent of the total amount in the \$250K to \$500K range. Below that range, African American-owned firms were utilized by CCSD for smaller purchases, but their utilization never exceeded 3.62 percent across any range. Asian American-owned firms were utilized in purchases below \$50K and Hispanic American-owned firms in purchases below \$10K.

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**Table 6.15. (1 of 2)**  
**Architecture & Engineering Utilization Thresholds**  
**Purchase Orders—Dollars**  
**Charleston County School District**  
**State of South Carolina, FY 2017 – FY 2021**

Race/Ethnicity/Gender	Below 5K		5K-10K		10K-50K		50K-100K		100K-250K	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>110,404</b>	<b>21.47</b>	<b>148,491</b>	<b>13.01</b>	<b>489,025</b>	<b>10.04</b>	<b>329,757</b>	<b>9.68</b>	<b>788,604</b>	<b>19.80</b>
African American	2,932	0.57	5,933	0.52	-	0.00	-	0.00	-	0.00
Asian American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic American	-	0.00	7,009	0.61	-	0.00	-	0.00	-	0.00
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	<i>2,932</i>	<i>0.57</i>	<i>12,942</i>	<i>1.13</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>
Woman-Owned (WBEs)	24,891	4.84	78,874	6.91	1,000,661	20.54	496,581	14.58	1,223,077	30.71
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>27,823</b>	<b>5.41</b>	<b>91,816</b>	<b>8.05</b>	<b>1,000,661</b>	<b>20.54</b>	<b>496,581</b>	<b>14.58</b>	<b>1,223,077</b>	<b>30.71</b>
SBE	375,953	73.12	900,668	78.94	3,382,596	69.43	2,578,530	75.73	1,971,022	49.49
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>514,179</b>	<b>100.00</b>	<b>1,140,976</b>	<b>100.00</b>	<b>4,872,282</b>	<b>100.00</b>	<b>3,404,868</b>	<b>100.00</b>	<b>3,982,703</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

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**Table 6.15 cont. (2 of 2)**  
**Architecture & Engineering Utilization Thresholds**  
**Purchase Orders—Dollars**  
**Charleston County School District**  
**State of South Carolina, FY 2017 – FY 2021**

Race/Ethnicity/Gender	250K-500K		500K-1M		1M-5M		5M-10M		Above 10M		TOTAL	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	-	<b>0.00</b>	<b>666,800</b>	<b>15.11</b>	<b>3,697,942</b>	<b>27.35</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>6,231,023</b>	<b>19.19</b>
African American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	8,866	0.03
Asian American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	7,009	0.02
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	<i>15,874</i>	<i>0.05</i>
Woman-Owned (WBEs)	366,506	58.50	2,277,422	51.62	2,738,280	20.25	-	0.00	-	0.00	8,206,291	25.27
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>366,506</b>	<b>58.50</b>	<b>2,277,422</b>	<b>51.62</b>	<b>2,738,280</b>	<b>20.25</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>8,222,165</b>	<b>25.32</b>
SBE	260,000	41.50	1,467,538	33.26	7,082,900	52.39	-	0.00	-	0.00	18,019,207	55.49
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>626,506</b>	<b>100.00</b>	<b>4,411,760</b>	<b>100.00</b>	<b>13,519,122</b>	<b>100.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>32,472,395</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

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**MBE Utilization**

**Table 6.16. (1 of 2)**  
**Construction and Construction-Related Services Utilization Thresholds**  
**Purchase Orders—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

	Below 5K		5K-10K		10K-50K		50K-100K		100K-250K	
Race/Ethnicity/Gender	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>90,944</b>	<b>32.69</b>	<b>172,461</b>	<b>39.18</b>	<b>942,243</b>	<b>37.54</b>	<b>801,051</b>	<b>31.78</b>	<b>2,958,538</b>	<b>39.30</b>
African American	98,630	35.45	143,046	32.50	461,800	18.40	543,441	21.56	1,853,731	24.63
Asian American	6,774	2.43	5,000	1.14	106,676	4.25	148,694	5.90	955,766	12.70
Hispanic American	5,168	1.86	7,740	1.76	247,728	9.87	-	0.00	-	0.00
Native American or American Indian	8,400	3.02	-	0.00	-	0.00	63,910	2.54	183,677	2.44
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	<i>118,973</i>	<i>42.76</i>	<i>155,786</i>	<i>35.39</i>	<i>816,204</i>	<i>32.52</i>	<i>756,046</i>	<i>30.00</i>	<i>2,993,175</i>	<i>39.76</i>
Woman-Owned (WBEs)	34,895	12.54	42,898	9.75	470,879	18.76	677,761	26.89	272,022	3.61
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>153,868</b>	<b>55.30</b>	<b>198,684</b>	<b>45.14</b>	<b>1,287,083</b>	<b>51.28</b>	<b>1,433,807</b>	<b>56.89</b>	<b>3,265,197</b>	<b>43.38</b>
SBE	33,407	12.01	68,992	15.68	280,627	11.18	285,453	11.33	1,303,974	17.32
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>278,219</b>	<b>100.00</b>	<b>440,136</b>	<b>100.00</b>	<b>2,509,952</b>	<b>100.00</b>	<b>2,520,311</b>	<b>100.00</b>	<b>7,527,710</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

**Chapter VI**  
**Statistical Analysis of**  
**MBE Utilization**

**Table 6.16 cont. (2 of 2)**  
**Construction and Construction-Related Services Utilization Thresholds**  
**Purchase Orders—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	250K-500K		500K-1M		1M-5M		5M-10M		Above 10M		TOTAL	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>7,524,370</b>	<b>75.91</b>	<b>6,922,781</b>	<b>44.52</b>	<b>18,482,755</b>	<b>28.30</b>	<b>55,646,239</b>	<b>62.52</b>	<b>287,128,7722</b>	<b>93.82</b>	<b>380,670,154</b>	<b>76.27</b>
African American	1,129,364	11.39	3,164,784	20.35	18,530,902	28.37	15,692,184	17.63	-	0.00	41,617,883	8.34
Asian American	-	0.00	859,264	5.53	3,976,436	6.09	-	0.00	-	0.00	6,058,610	1.21
Hispanic American	-	0.00	982,500	6.32	5,120,012	7.84	-	0.00	-	0.00	6,363,149	1.27
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	255,987	0.05
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	<i>1,129,364</i>	<i>11.39</i>	<i>5,006,548</i>	<i>32.20</i>	<i>27,627,350</i>	<i>42.30</i>	<i>15,692,184</i>	<i>17.63</i>	<i>-</i>	<i>0.00</i>	<i>54,295,629</i>	<i>10.88</i>
Woman-Owned (WBEs)	916,204	9.24	1,794,093	11.54	5,084,720	7.79	5,267,801	5.92	-	0.00	14,561,273	2.92
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>2,045,568</b>	<b>20.64</b>	<b>6,800,640</b>	<b>43.74</b>	<b>32,712,071</b>	<b>50.09</b>	<b>20,959,985</b>	<b>23.55</b>	<b>-</b>	<b>0.00</b>	<b>68,856,902</b>	<b>13.80</b>
SBE	342,467	3.45	1,825,810	11.74	14,114,332	21.61	12,406,305	13.94	18,915,163	6.18	49,576,529	9.93
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>9,912,405</b>	<b>100.00</b>	<b>15,549,231</b>	<b>100.00</b>	<b>65,309,158</b>	<b>100.00</b>	<b>89,012,529</b>	<b>100.00</b>	<b>306,043,935</b>	<b>100.00</b>	<b>499,103,586</b>	<b>100.00</b>

Source CCSD Purchase Order Data, M<sup>3</sup> Consulting

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**Statistical Analysis of**  
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**Table 6.17. (1 of 2)**  
**Professional Utilization Thresholds**  
**Purchase Orders—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	Below 5K		5K-10K		10K-50K		50K-100K		100K-250K	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>370,430</b>	<b>34.71</b>	<b>679,227</b>	<b>41.89</b>	<b>6,157,172</b>	<b>64.17</b>	<b>4,704,587</b>	<b>76.43</b>	<b>7,008,779</b>	<b>59.97</b>
African American	93,647	8.78	152,221	9.39	756,686	7.89	344,693	5.60	582,450	4.98
Asian American	-	0.00	-	0.00	24,000	0.25	-	0.00	-	0.00
Hispanic American	-	0.00	-	0.00	10,000	0.10	-	0.00	-	0.00
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	19,050	1.79	24,576	1.52	120,109	1.25	-	0.00	118,934	1.02
<i>Total Minority</i>	<i>112,697</i>	<i>10.56</i>	<i>176,797</i>	<i>10.90</i>	<i>910,794</i>	<i>9.49</i>	<i>344,693</i>	<i>5.60</i>	<i>701,384</i>	<i>6.00</i>
Woman-Owned (WBEs)	382,732	35.86	429,232	26.47	1,045,772	10.90	491,943	7.99	1,789,154	15.31
Unknown MBE	13,598	1.27	26,266	1.62	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>509,027</b>	<b>47.70</b>	<b>632,295</b>	<b>38.99</b>	<b>1,956,566</b>	<b>20.39</b>	<b>836,636</b>	<b>13.59</b>	<b>2,490,538</b>	<b>21.31</b>
SBE	187,693	17.59	310,056	19.12	1,481,498	15.44	613,807	9.97	2,186,959	18.71
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>1,067,151</b>	<b>100.00</b>	<b>1,621,578</b>	<b>100.00</b>	<b>9,595,237</b>	<b>100.00</b>	<b>6,155,030</b>	<b>100.00</b>	<b>11,686,276</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting



**Chapter VI**  
**Statistical Analysis of**  
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**Table 6.17 cont. (2 of 2)**  
**Professional Services Utilization Thresholds**  
**Purchase Orders—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	250K-500K		500K-1M		1M-5M		5M-10M		Above 10M		TOTAL	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>6,504,491</b>	<b>84.52</b>	<b>4,630,217</b>	<b>89.64</b>	<b>5,156,712</b>	<b>100.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>35,211,615</b>	<b>73.14</b>
African American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	1,929,697	4.01
Asian American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	24,000	0.05
Hispanic American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	10,000	0.02
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	282,668	0.59
<i>Total Minority</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	<i>2,246,365</i>	<i>4.67</i>
Woman-Owned (WBEs)	360,000	4.68	535,210	10.36	-	0.00	-	0.00	-	0.00	5,034,043	10.46
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	39,864	0.08
<b>Total MBE</b>	<b>360,000</b>	<b>4.68</b>	<b>535,210</b>	<b>10.36</b>	-	<b>0.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>7,320,272</b>	<b>15.21</b>
SBE	831,008	10.80	-	0.00	-	0.00	-	0.00	-	0.00	5,611,021	11.65
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>7,695,499</b>	<b>100.00</b>	<b>5,165,427</b>	<b>100.00</b>	<b>5,156,712</b>	<b>100.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>48,142,909</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

**Chapter VI**  
**Statistical Analysis of**  
**MBE Utilization**

**Table 6.18. (1 of 2)**  
**Non-Professional Services Utilization Thresholds**  
**Purchase Orders—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	Below 5K		5K-10K		10K-50K		50K-100K		100K-250K	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>3,046,332</b>	<b>48.54</b>	<b>3,782,904</b>	<b>42.41</b>	<b>17,104,969</b>	<b>43.42</b>	<b>13,863,030</b>	<b>57.95</b>	<b>18,821,670</b>	<b>52.35</b>
African American	1,144,977	18.25	1,710,320	19.18	8,357,000	21.21	2,557,890	10.69	5,637,998	15.68
Asian American	1,600	0.03	-	0.00	256,931	0.65	-	0.00	141,113	0.39
Hispanic American	3,680	0.06	5,000	0.06	-	0.00	233,430	0.98	395,580	1.10
Native American or American Indian	184,378	2.94	320,974	3.60	1,645,102	4.18	345,863	1.45	295,536	0.82
Other Minorities	283	0.00	6,000	0.07	29,564	0.08	-	0.00	-	0.00
<i>Total Minority</i>	<i>1,334,918</i>	<i>21.27</i>	<i>2,042,295</i>	<i>22.90</i>	<i>10,288,596</i>	<i>26.12</i>	<i>3,137,183</i>	<i>13.11</i>	<i>6,470,227</i>	<i>18.00</i>
Woman-Owned (WBEs)	653,715	10.42421	875,669	9.82	4,731,015	12.01	3,053,849	12.77	6,416,977	17.85
Unknown MBE	10,771	0.17	75,073	0.84	76,973	0.20	-	0.00	-	0.00
<b>Total MBE</b>	<b>1,999,404</b>	<b>31.86</b>	<b>2,993,036</b>	<b>33.56</b>	<b>15,096,584</b>	<b>38.32</b>	<b>6,191,033</b>	<b>25.88</b>	<b>12,887,204</b>	<b>35.84</b>
SBE	1,229,652	19.59598	2,143,400	24.03	7,191,279	18.26	3,868,198	16.17	4,244,225	11.80
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>6,275,388</b>	<b>100.00</b>	<b>8,919,341</b>	<b>100.00</b>	<b>39,392,832</b>	<b>100.00</b>	<b>23,922,261</b>	<b>100.00</b>	<b>35,953,100</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

**Chapter VI**  
**Statistical Analysis of**  
**MBE Utilization**

**Table 6.18 cont. (2 of 2)**  
**Non-Professional Services Utilization Thresholds**  
**Purchase Orders—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/ Ethnicity/ Gender	250K-500K		500K-1M		1M-5M		5M-10M		Above 10M		TOTAL	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>16,335,488</b>	<b>50.74</b>	<b>13,636,959</b>	<b>50.09</b>	<b>42,886,243</b>	<b>78.99</b>	<b>7,038,500</b>	<b>100.00</b>	<b>30,229,459</b>	<b>100.00</b>	<b>166,745,556</b>	<b>62.82</b>
African American	7,960,719	24.72	6,066,307	22.28	3,660,014	6.74	-	0.00	-	0.00	37,095,225	13.97
Asian American	476,279	1.48	-	0.00	-	0.00	-	0.00	-	0.00	875,923	0.33
Hispanic American	447,412	1.39	-	0.00	-	0.00	-	0.00	-	0.00	1,085,102	0.41
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	2,791,853	1.05
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	35,847	0.01
<i>Total Minority</i>	<i>8,884,410</i>	<i>27.59</i>	<i>6,066,307</i>	<i>22.28</i>	<i>3,660,014</i>	<i>6.74</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>41,883,950</i>	<i>15.78</i>
Woman-Owned (WBEs)	5,328,775	16.55	3,477,631	12.77	5,194,703	9.57	-	0.00	-	0.00	29,732,335	11.20
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	162,817	0.06
<b>Total MBE</b>	<b>14,213,185</b>	<b>44.14</b>	<b>9,543,938</b>	<b>35.06</b>	<b>8,854,718</b>	<b>16.31</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>71,779,102</b>	<b>27.04</b>
SBE	1,648,457	5.12	4,044,458	14.86	2,551,941	4.70	-	0.00	-	0.00	26,921,609	10.14
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>32,197,130</b>	<b>100.00</b>	<b>27,225,355</b>	<b>100.00</b>	<b>54,292,901</b>	<b>100.00</b>	<b>7,038,500</b>	<b>100.00</b>	<b>30,229,459</b>	<b>100.00</b>	<b>265,446,267</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

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**Statistical Analysis of**  
**MBE Utilization**

**Table 6.19. (1 of 2)**  
**Goods & Supplies Utilization Thresholds**  
**Purchase Orders—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	Below 5K		5K-10K		10K-50K		50K-100K		100K-250K	
	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>7,712,540</b>	<b>79.15</b>	<b>7,971,741</b>	<b>78.80</b>	<b>36,084,511</b>	<b>81.62</b>	<b>19,943,707</b>	<b>80.62</b>	<b>34,896,687</b>	<b>67.79</b>
African American	140,727	1.44	366,338	3.62	917,124	2.07	530,967	2.15	805,262	1.56
Asian American	13,508	0.14	7,289	0.07	33,800	0.08	-	0.00	-	0.00
Hispanic American	8,144	0.08	6,486	0.06	-	0.00	-	0.00	-	0.00
Native American or American Indian	7,234	0.07	-	0.00	63,777	0.14	-	0.00	-	0.00
Other Minorities	621	0.01	-	0.00	15,000	0.03	-	0.00	-	0.00
<i>Total Minority</i>	<i>170,235</i>	<i>1.75</i>	<i>380,113</i>	<i>3.76</i>	<i>1,029,700</i>	<i>2.33</i>	<i>530,967</i>	<i>2.15</i>	<i>805,262</i>	<i>1.56</i>
Woman-Owned (WBEs)	808,246	8.29	816,920	8.08	3,129,983	7.08	2,454,454	9.92	12,842,599	24.95
Unknown MBE	2,536	0.03	18,437	0.18	92,591	0.21	112,739	0.46	-	0.00
<b>Total MBE</b>	<b>981,016</b>	<b>10.07</b>	<b>1,215,470</b>	<b>12.02</b>	<b>4,252,274</b>	<b>9.62</b>	<b>3,098,160</b>	<b>12.52</b>	<b>13,647,860</b>	<b>26.51</b>
SBE	1,050,282	10.78	928,604	9.18	3,871,417	8.76	1,697,031	6.86	2,932,280	5.70
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>9,743,838</b>	<b>100.00</b>	<b>10,115,815</b>	<b>100.00</b>	<b>44,208,201</b>	<b>100.00</b>	<b>24,738,897</b>	<b>100.00</b>	<b>51,476,827</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

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**Table 6.19 cont. (2 of 2)**  
**Goods & Supplies Utilization Thresholds**  
**Purchase Orders—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	250K-500K		500K-1M		1M-5M		5M-10M		Above 10M		TOTAL	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>44,936,234</b>	<b>84.98</b>	<b>34,106,940</b>	<b>94.36</b>	<b>28,956,161</b>	<b>87.07</b>	<b>29,467,240</b>	<b>100.00</b>	-	<b>0.00</b>	<b>244,075,760</b>	<b>83.58</b>
African American	265,000	0.50	-	0.00	-	0.00	-	0.00	-	0.00	3,025,418	1.04
Asian American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	54,597	0.02
Hispanic American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	14,629	0.01
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	71,010	0.02
Other Minorities		0.00		0.00		0.00	-	0.00	-	0.00	15,621	0.01
<i>Total Minority</i>	<i>265,000</i>	<i>0.50</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>3,181,276</i>	<i>1.09</i>
Woman-Owned (WBEs)	4,583,496	8.67	1,449,543	4.01	1,365,124	4.10	-	0.00	-	0.00	27,450,366	9.40
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	226,302	0.08
<b>Total MBE</b>	<b>4,848,496</b>	<b>9.17</b>	<b>1,449,543</b>	<b>4.01</b>	<b>1,365,124</b>	<b>4.10</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>30,857,944</b>	<b>10.57</b>
SBE	3,092,622	5.85	588,789	1.63	2,933,988	8.82	-	0.00	-	0.00	17,095,012	5.85
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>52,877,352</b>	<b>100.00</b>	<b>36,145,272</b>	<b>100.00</b>	<b>33,255,273</b>	<b>100.00</b>	<b>29,467,240</b>	<b>100.00</b>	<b>-</b>	<b>0.00</b>	<b>292,028,716</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

**6.10 TOP TEN BIDDERS AND AWARDEES**

In trying to decipher patterns of utilization of firms by their race, ethnicity and/or gender within each procurement type, the analysis below seeks to determine whether the same awardees repeatedly received CCSD contracts, as well as the success rate of CCSD’s top ten bidders in obtaining CCSD contracts.

**A. Top Ten Bidders and Awardees for Architecture & Engineering**

The top ten bidders for A&E do not include any Minority-owned firms but does include 2 WBEs (30 percent) and 6 (60 percent) SBEs. Except for one WBE that is outside of the State of South Carolina, all other bidders are within the State and 5 are within the City of Charleston.

Awardees include two WBEs and 3 SBEs. 2 of the awardees are within the City. One WBE firm is outside of the State, which a success rate of winning 2/3rds of the bids whereas other awardees have had success rates of 25 percent to 50 percent in A&E contracts.

<b>Table 6.20.</b>					
<b>Top Ten Bidders</b>					
<b>Architecture &amp; Engineering</b>					
<b>State of South Carolina; FY 2017 - FY 2021</b>					
	<b>Count of Bids</b>	<b>% of Counts</b>	<b>Race/Ethnicity/Gender</b>	<b>Location</b>	
MCMILLAN PAZDAN SMITH LLC	4	8.70	SBE	City	
STEVENS & WILKINSON SC, INC.	3	6.52	SBE	State	
QUACKENBUSH ARCHITECTS + PLANNERS, LLC	3	6.52	Non-SWMBE	State	
CLANCY-WELLS INC.	3	6.52	SBE	MSA	
LS3P ASSOCIATES, LTD	3	6.52	WBE	Nationwide	
GLICK/BOEHM & ASSOCIATES INC.	3	6.52	SBE	City	
ROSENBLUM COE ARCHITECTS INC	3	6.52	SBE	City	
Jumper Carter Sease Architects	3	6.52	Non-SWMBE	State	
LIOLLIO ARCHITECTURE, INC	3	6.52	WBE	City	
AAG ARCHITECTS	3	6.52	SBE	City	
<b>A&amp;E</b>	<b>46</b>	<b>100.00</b>			

Source: CCSD Contracts Data, M<sup>3</sup> Consulting

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**Table 6.21.**  
**Top Ten Awardees**  
**Architecture & Engineering**  
**Contract Awards**  
**State of South Carolina; FY 2017 - FY 2021**

	Dollars	% of Dollars	Count	% of Counts	Race/ Ethnicity/ Gender	Location
LS3P Associates, LTD	1,508,218	45.13	2	28.57	WBE	Nationwide
QUACKENBUSH ARCHITECTS + PLANNERS, LLC	610,260	18.26	1	14.29	Non-SWMBE	State
Clancy-Wells Inc.	610,260	18.26	1	14.29	SBE	MSA
Red Iron Architect	306,725	9.18	1	14.29	WBE	City
Stevens & Wilkinson SC, Inc.	306,725	9.18	1	14.29	SBE	State
Mcmillan Pazdan Smith LLC	-	0.00	1	14.29	SBE	City
<b>Grand Total</b>	<b>3,342,188</b>	<b>100.00</b>	<b>7</b>	<b>100.00</b>		

Source: CCSD MUNIS Data, M<sup>3</sup> Consulting, Highlighted firms represent outliers

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**Table 6.22.**  
**Success Rate of Top Ten Bidders: Architecture & Engineering**  
**State of South Carolina; FY 2017 - FY 2021**

Architecture & Engineering		% of Bids	Race/Ethnicity/Gender	Location	# of Awards	% Success rate
<b>TOTAL</b>	<b>46</b>	<b>7.38</b>			<b>7</b>	<b>15.22</b>
MCMILLAN PAZDAN SMITH LLC	4	8.70	SBE	City	1	25.00
STEVENS & WILKINSON SC, INC.	3	6.52	SBE	State	1	25.00
QUACKENBUSH ARCHITECTS + PLANNERS, LLC	3	6.52	Non-SWMBE	State	1	33.33
CLANCY-WELLS INC.	3	6.52	SBE	MSA	1	33.33
LS3P ASSOCIATES, LTD	3	6.52	WBE	Nationwide	2	66.67
GLICK/BOEHM & ASSOCIATES INC.	3	6.52	SBE	City	0	0.00
ROSENBLUM COE ARCHITECTS INC	3	6.52	SBE	City	0	0.00
Jumper Carter Sease Architects	3	6.52	Non-SWMBE	State	0	0.00
LIOLLIO ARCHITECTURE, INC	3	6.52	WBE	City	0	0.00
AAG ARCHITECTS	3	6.52	SBE	City	0	0.00

Source: CCSD Contracts and MUNIS Data, M<sup>3</sup> Consulting



**B. Top Ten Bidders and Awardees for Construction and Construction-Related Services**

Construction top ten bidders include 3 SBE firms and 7 Non-SWMBE bidding firms. Four of the top ten bidders are outside of the State and only two are within the City of Charleston. The awardees include TQ Constructors who are from outside of the State and have a 40 percent success rate in winning contract awards with CCSD.

Awardees include an African American-owned firm from within the State, a Hispanic American-owned firm from within the City and 3 SBEs, one in the City and two in the State. The dollars to the top ten Non-SWMBEs account for 85.46 percent of the total dollars in Construction for the study period and those MBEs in the top ten awardees received 3.76 percent of the total dollars while SBEs on the top ten awardee list were awarded 8.64 percent. Non-SWMBEs bidders had a success rate ranging from 0 percent to 50 percent and top ten SBE bidders had success rates ranging from 25 percent to 42.86 percent during the study period.

<b>Table 6.23.</b>				
<b>Top Ten Bidders</b>				
<b>Construction and Construction-Related Services</b>				
<b>Nationwide; FY 2017 - FY 2021</b>				
	<b>Count of Bids</b>	<b>% of Counts</b>	<b>Race/Ethnicity/Gender</b>	<b>Location</b>
Hill Construction Services Of Charleston	8	4.71	Non-SWMBE	City
Brantley Construction	7	4.12	SBE	City
J.E. Dunn Construction Company	7	4.12	Non-SWMBE	Nationwide
McKnight Construction Co., Inc.	7	4.12	Non-SWMBE	Nationwide
Contract Construction Inc.	6	3.53	Non-SWMBE	State
M B Kahn Construction Company	6	3.53	SBE	State
HG Reynolds Construction Co.	6	3.53	Non-SWMBE	State
Monteith Construction Corp	5	2.94	Non-SWMBE	Nationwide
T Q Constructors Inc.	5	2.94	Non-SWMBE	Nationwide
Leitner Construction Company Of York County LLC	4	2.35	SBE	State
<b>Grand Total</b>	<b>170</b>	<b>100.00</b>		

Source: CCSD Contracts Data, M<sup>3</sup> Consulting

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**Table 6.24.**  
**Top Ten Awardees**  
**Construction and Construction-Related Services**  
**Contract Awards**  
**Nationwide; FY 2017--FY 2021**

	Dollars	% of Dollars	Counts	% of Counts	Race/Ethnicity/ Gender	Location
Contract Construction Inc.	123,694,313	36.54	3	8.33	Non-SWMBE	State
McKnight Construction Co., Inc.	63,228,565	18.68	3	8.33	Non-SWMBE	Nationwide
T Q Constructors Inc	51,640,012	15.25	2	5.56	Non-SWMBE	Nationwide
Cumming Management Group, Inc	31,982,197	9.45	2	5.56	Non-SWMBE	Nationwide
J.E. Dunn Construction Company	18,770,592	5.54	1	2.78	Non-SWMBE	Nationwide
Brantley Construction	13,479,000	3.98	3	8.33	SBE	City
M B Kahn Construction Company	10,222,599	3.02	2	5.56	SBE	State
Construction Dynamics Inc	6,392,516	1.89	1	2.78	African American	State
Envirosmart Inc.	6,337,959	1.87	2	5.56	Hispanic American	City
Leitner Construction Company Of York County LLC	5,538,000	1.64	1	2.78	SBE	State
<b>Grand Total</b>	<b>338,514,954</b>	<b>100.00</b>	<b>36</b>	<b>100.00</b>		

Source: CCSD MUNIS Data, M<sup>3</sup> Consulting; Highlighted firms represent outliers

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**Table 6.25.**  
**Success Rate of Top Ten Bidders: Construction and Construction-Related Services**  
**Nationwide; FY 2017 - FY 2021**

		% of Bids	Race/Ethnicity/Gender	Location	# of Awards	% Success rate
<b>Construction and Construction-Related Services</b>						
<b>TOTAL</b>	<b>160</b>	<b>27.29</b>			<b>36</b>	<b>21.18</b>
Hill Construction Services Of Charleston	8	4.71	Non-SWMBE	City	1	12.50
Brantley Construction	7	4.12	SBE	City	3	42.86
J.E. Dunn Construction Company	7	4.12	Non-SWMBE	Nationwide	1	14.29
Mcknight Construction Co., Inc.	7	4.12	Non-SWMBE	Nationwide	3	42.86
Contract Construction Inc.	6	3.53	Non-SWMBE	State	3	50.00
M B Kahn Construction Company	6	3.53	SBE	State	2	33.33
HG Reynolds Construction Co.	6	3.53	Non-SWMBE	State	0	0.00
Monteith Construction Corp	5	2.94	Non-SWMBE	Nationwide	0	0.00
T Q Constructors Inc.	5	2.94	Non-SWMBE	Nationwide	2	40.00
Leitner Construction Company Of York County LLC	4	2.35	SBE	State	1	25.00

Source: CCSD Contracts and MUNIS Data, M<sup>3</sup> Consulting

### **C. Top Ten Bidders and Awardees for Professional Services**

Professional Service list of top ten bidders includes one African American-owned firm, one Unknown MBE, a WBE, 2 SBEs and 5 Non-SWMBE firms. A third of the firms are outside of the State and only one SBE bidder is within the City of Charleston.

Top ten awardees include 5 Non-SWMBEs, 3 SBEs, and one WBE. Similar to the Top ten bidders, 3 firms are outside of the State and one SBE is within the City of Charleston. Eight of the ten bidders (80 percent) had a 100 percent success rate in Professional Services.

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**Table 6.26.**  
**Top Ten Bidders**  
**Professional Services**  
**Nationwide; FY 2017 - FY 2021**

	<b>Count of Bids</b>	<b>% of Counts</b>	<b>Race/Ethnicity/Gender</b>	<b>Location</b>
SGA Architecture, LLC	2	11.76	Non-SWMBE	State
CEMS Engineering, Inc.	2	11.76	Non-SWMBE	MSA
Thomas & Denzinger Architects PA	2	11.76	SBE	City
Capitol Hill Healthcare Consulting LLC	1	5.88	African American	State
Southern Educational Systems	1	5.88	SBE	State
SMHA	1	5.88	WBE	MSA
T.Y. Lin International	1	5.88	Non-SWMBE	Nationwide
STATProg Inc.	1	5.88	Unknown MBE	Nationwide
Whole Business Systems	1	5.88	Non-SWMBE	MSA
RMF Engineering Inc	1	5.88	Non-SWMBE	Nationwide
<b>Total</b>	<b>17</b>	<b>100.00</b>		

Source: CCSD Contracts Data, M<sup>3</sup> Consulting  
 4 other firms bid once

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**Table 6.27.**  
**Top Ten Awardees**  
**Professional Services Utilization**  
**Contract Awards**  
**Nationwide; FY 2017 - FY 2021**

	Dollars	% of Dollars	Counts	% of Counts	Race/Ethnicity/ Gender	Location
Southern Educational Systems	62,275	16.51	1	7.14	SBE	State
CEMS Engineering, Inc.	-	0.00	2	14.29	Non-SWMBE	MSA
SGA Architecture, LLC	-	0.00	2	14.29	Non-SWMBE	State
Thomas & Denzinger Architects PA	-	0.00	1	7.14	SBE	City
SMHA	-	0.00	1	7.14	WBE	MSA
Hussey Gay Bell & Deyoung Inc.	-	0.00	1	7.14	SBE	MSA
T.Y. Lin International	-	0.00	1	7.14	Non-SWMBE	Nationwide
REI ENGINEERS	-	0.00	1	7.14	Non-SWMBE	Nationwide
Whole Business Systems	-	0.00	1	7.14	Non-SWMBE	MSA
RMF Engineering Inc.	-	0.00	1	7.14	Non-SWMBE	Nationwide
<b>Grand Total</b>	<b>377,102</b>	<b>100.00</b>	<b>14</b>	<b>100.00</b>		

Source: CCSD MUNIS Data, M<sup>3</sup> Consulting;  
 1 other firm was awarded 1 contract

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**Table 6.28.**  
**Success Rate of Top Ten Bidders: Professional Services**  
**Nationwide; FY 2017 - FY 2021**

Professional Services		% of Bids	Race/Ethnicity/Gender	Location	# of Awards	Success rate
<b>TOTAL</b>	<b>17</b>	<b>2.73</b>			<b>14</b>	<b>82.35</b>
SGA Architecture, LLC	2	11.76	Non-SWMBE	State	2	100.00
CEMS Engineering, Inc.	2	11.76	Non-SWMBE	MSA	2	100.00
Thomas & Denzinger Architects Pa	2	11.76	SBE	City	2	100.00
Capitol Hill Healthcare Consulting LLC	1	5.88	African American	State	0	0.00
Southern Educational Systems	1	5.88	SBE	State	1	100.00
SMHA	1	5.88	WBE	MSA	1	100.00
T.Y. Lin International	1	5.88	Non-SWMBE	Nationwide	1	100.00
STATProg Inc.	1	5.88	MBE	Nationwide	0	0.00
Whole Business Systems	1	5.88	Non-SWMBE	MSA	1	100.00
RMF Engineering Inc	1	5.88	Non-SWMBE	Nationwide	1	100.00

Source: M<sup>3</sup> Consulting, CCSD MUNIS Data and Contracts Data;

**D. Top Ten Bidders and Awardees for Non-Professional Services**

Non-Professional bidders has a mix of bidders from various race/ethnic groups and locations as noted from Table 6.29. A third of bidders are African American-owned firms and another third are Non-SWMBEs. Additionally, one WBE, 2 SBEs and one VBE make up the top ten bidders for CCSD Non-Professional Services procurement. Sixty percent of the bidders are within the State which include 3 from within the City of Charleston and one from the MSA.

Despite a mixed set of top ten bidders, the awardees present a different picture with over 70 percent of the top ten awardees as Non-SWMBEs and only one African American-owned firm and 2 SBEs. Among the bidders, 2 of the 3 the African American-owned bidders have a 50 percent success rate with CCSD whereas with SBEs, one had a 100 percent win rate whereas the other did not have a success rate with CCSD in Non-Professional service bids. Non-SWMBEs had a varied success rate ranging from 33 percent to 100 percent. The VBE has a 100 percent success rate.

<b>Table 6.29.</b>				
<b>Top Ten Bidders</b>				
<b>Non-Professional Services</b>				
<b>Nationwide; FY 2017 - FY 2021</b>				
	<b>Count of Bids</b>	<b>% of Counts</b>	<b>Race/Ethnicity/Gender</b>	<b>Location</b>
HNI-The Interchange LLC	3	1.95	African American	City
The Instrument Doc, LLC Dba Southern String Supply	3	1.95	VBE	MSA
First Student, Inc.	3	1.95	Non-SWMBE	Nationwide
SSC Service Solutions	3	1.95	Non-SWMBE	Nationwide
Netsource Educational Technologies, LLC	2	1.30	WBE	State
C&D Motorsports	2	1.30	SBE	State
Eventworks LLC	2	1.30	SBE	City
Barrier-Guard LLC	2	1.30	African American	City
Music & Arts	2	1.30	Non-SWMBE	Nationwide
Premiere Building Maintenance	2	1.30	African American	Nationwide
<b>Total</b>	<b>154</b>	<b>100.00</b>		

Source: CCSD Contracts Data, M<sup>3</sup> Consulting



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**Table 6.30.**  
**Top Ten Awardees**  
**Non-Professional Services**  
**Contract Awards**  
**Nationwide; FY 2017 - FY 2021**

	Dollars	% of Dollars	Counts	% of Counts	Race/Ethnicity/ Gender	Location
First Student, Inc.	128,219,349	70.70	2	2.27	Non-SWMBE	Nationwide
The Budd Group	20,713,705	11.42	1	1.14	Non-SWMBE	Nationwide
Premiere Building Maintenance	15,033,219	8.29	1	1.14	African American	Nationwide
SSC Service Solutions	10,873,671	6.00	1	1.14	Non-SWMBE	Nationwide
Ricoh USA Inc.	1,088,573	0.67	1	1.14	Non-SWMBE	Nationwide
Mobile Communications Of DeKalb, Inc.	847,761	0.47	1	1.14	Non-SWMBE	City
Splash Omnimedia LLC	599,395	0.33	1	1.14	SBE	State
Weatherproofing Technologies Inc.	530,000	0.29	1	1.14	Non-SWMBE	Nationwide
General Diesel	510,396	0.28	1	1.14	SBE	City
Orkin, LLC	390,000	0.22	1	1.14	Non-SWMBE	City
<b>Total</b>	<b>181,358,077</b>	<b>100.00</b>	<b>88</b>	<b>100.00</b>		

Source: CCSD MUNIS Data, M<sup>3</sup> Consulting; Highlighted firms represent outliers

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**Table 6.31.**  
**Success Rate of Top Ten Bidders: Non-Professional Services**  
**Nationwide; FY 2017 - FY 2021**

Services		% of Bids	Race/Ethnicity/Gender	Location	# of Awards	Success rate
<b>TOTAL</b>	<b>154</b>	<b>24.72</b>			<b>88</b>	<b>57.14</b>
Hni-The Interchange Llc	3	1.95	African American	City	0	0.00
The Instrument Doc, LLC Dba Southern String Supply	3	1.95	VBE	MSA	3	100.00
First Student, Inc.	3	1.95	Non-SWMBE	Nationwide	2	66.67
Ssc Service Solutions	3	1.95	Non-SWMBE	Nationwide	1	33.33
Netsource Educational Technologies, Llc	2	1.30	WBE	State	2	100.00
C&D Motorsports	2	1.30	SBE	State	0	0.00
Eventworks Llc	2	1.30	SBE	City	2	100.00
Barrier-Guard Llc	2	1.30	African American	City	1	50.00
Music & Arts	2	1.30	Non-SWMBE	Nationwide	2	100.00
Premiere Building Maintenance	2	1.30	African American	Nationwide	1	50.00

Source: CCSD Contracts and MUNIS Data, M<sup>3</sup> Consulting, Highlighted firms represent outliers

**E. Top Ten Bidders and Awardees for Goods & Supplies**

Seventy percent of bidders for Goods & Supplies purchases for CCSD were out of the State of South Carolina and fifty percent of the bidders were MBE or SBE firms. The latter included one African American-owned firm, three SBEs and one WBE.

Awardee firms include 70 percent Non-SWMBEs with one WBE, one SBE and one African American-owned firm. Both the SBE and the African American-owned firm were part of the top ten bidders. Despite that, the African American-owned firm had bid multiple times with CCSD and won only a third of the bids in goods and supplies purchases. One of the SBEs that is included in both the bidder and awardee list has a two-thirds win rate whereas the WBE bidder had a zero-success rate. A different WBE was included in the top ten awardees.

<b>Table 6.32.</b>				
<b>Top Ten Bidders</b>				
<b>Goods &amp; Supplies</b>				
<b>Nationwide; FY 2017 - FY 2021</b>				
	<b>Count of Bids</b>	<b>% of Counts</b>	<b>Race/Ethnicity/ Gender</b>	<b>Location</b>
FRS Charleston, LLC	6	2.54	Non-SWMBE	City
Learning Labs Inc.	6	2.54	Non-SWMBE	Nationwide
Thompson & Little Inc.	6	2.54	African American	Nationwide
Technology International, Inc.	5	2.12	SBE	Nationwide
Sam Tell & Son Inc.	5	2.12	Non-SWMBE	Nationwide
Douglas Food Stores (Douglas Equipment)	5	2.12	SBE	Nationwide
Chefs Depot INC	4	1.69	WBE	Nationwide
W H Platts Company	3	1.27	Non-SWMBE	City
The General Sales Company	3	1.27	SBE	State
Stanbury Uniforms Inc.	2	0.85	Non-SWMBE	Nationwide
<b>Total</b>	<b>236</b>	<b>100.00</b>		

Source: CCSD Contracts Data, M<sup>3</sup> Consulting

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**Table 6.33.**  
**Top Ten Awardees**  
**Goods & Supplies**  
**Contract Awards**  
**Nationwide; FY 2017 - FY 2021**

	Dollars	% of Dollars	Counts	% of Counts	Race/Ethnicity/ Gender	Location
US Foods Inc. Columbia	31,729,251	53.11	1	1.23	Non-SWMBE	State
Ricoh USA Inc.	11,330,021	18.96	1	1.23	Non-SWMBE	Nationwide
Netsource Educational Technologies, LLC	10,107,500	16.92	1	1.23	WBE	State
Frontline Technologies Group LLC	673,658	1.13	1	1.23	Non-SWMBE	Nationwide
Tri-Dim Filter Corporation	650,000	1.09	1	1.23	Non-SWMBE	Nationwide
Encore Technology Group LLC	642,958	1.08	1	1.23	Non-SWMBE	State
Thompson & Little Inc.	608,585	1.02	2	2.47	African American	Nationwide
The General Sales Company	486,132	0.81	2	2.47	SBE	State
FRS Charleston, LLC	417,404	0.70	2	2.47	Non-SWMBE	City
Bridgetek Solutions, LLC	300,737	0.50	1	1.23	Non-SWMBE	State
<b>Total</b>	<b>59,746,957</b>	<b>100.00</b>	<b>81</b>	<b>100.00</b>		

Source: CCSD MUNIS Data, M<sup>3</sup> Consulting;

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**Statistical Analysis of**  
**MBE Utilization**

**Table 6.34.**  
**Success Rate of Top Ten Bidders: Goods & Supplies**  
**Nationwide; FY 2017 - FY 2021**

Services		% of Bids	Race/Ethnicity/Gender	Location	# of Awards	Success rate
<b>TOTAL</b>	<b>236</b>	<b>37.88</b>			<b>81</b>	<b>34.32</b>
FRS Charleston, LLC	6	2.54	Non-SWMBE	City	2	33.33
Learning Labs Inc.	6	2.54	Non-SWMBE	Nationwide	6	100.00
Thompson & Little Inc.	6	2.54	African American	Nationwide	2	33.33
Technology International, Inc.	5	2.12	SBE	Nationwide	0	0.00
Sam Tell & Son Inc.	5	2.12	Non-SWMBE	Nationwide	0	0.00
Douglas Food Stores (Douglas Equipment)	5	2.12	SBE	Nationwide	2	40.00
Chefs Depot Inc.	4	1.69	WBE	Nationwide	0	0.00
W H Platts Company	3	1.27	Non-SWMBE	City	0	0.00
The General Sales Company	3	1.27	SBE	State	2	66.67
Stanbury Uniforms Inc.	2	0.85	Non-SWMBE	Nationwide	2	100.00

Source: CCSD Contracts and MUNIS Data, M<sup>3</sup> Consulting,

## **6.11 SUMMARY OF FINDINGS**

Table 6.36 summarizes utilization of Minority Business Enterprises (MBEs) by the three utilization measures – Purchase Orders, Accounts Payables and Contract Awards.

For A&E procurement, Minority-owned firm utilization is less than 0.05 percent using either measure of utilization. In comparison, WBEs have had higher utilization percentage of 13.87 percent based on payments and 25.24 percent based on POs. It is worth noting that 3 WBEs receive over 88 percent of contracts thus tilting this result upwards

In Construction and Construction-Related Services, the percentage utilization of Minority-owned firms is 10.88 percent of POs and 8.12 percent based on payments and POs but only 6.78 percent based on contracts. WBE utilization is slightly short of 3 percent based on POs and payments, but 7.75 percent based on contracts.

About 15 percent of PO and payment dollars in Professional Services is paid out to MBEs. A little less than 5 percent goes to Minority-owned firms and a little over 10 percent goes to WBEs. As there are not enough MBEs available locally, most often the firms that bid and win professional service awards are out of State.

Non-Professional Services utilization of MBEs hovers around 30 percent based on POs and payments as measures of utilization. Based on contracts, this utilization is at 8.53 percent. WBEs have 11.20 percent utilization whereas Minority-owned firms have 15.75 percent based on contract awards.

MBE utilization in Goods & Supplies procurement is highest at 11.60 percent based on payments and 10.57 percent based on POs but below that for contracts at 19.36 percent. WBEs utilization is higher at 9.40 percent and 10.31 percent based on POs and Payments and 18.22 percent based on contract awards.

**Table 6.35.**  
**MBE Utilization in Percent of Dollars of Purchase Orders, Payments, and Contract Awards**  
**Charleston County School District**  
**Summary of MBE Utilization; FY 2017 - FY 2021**  
**By Relevant Market**

Procurement Category	MBE Utilization Based on Purchase Orders			MBE Utilization Based on Accounts Payables			MBE Utilization Based on Contract Dollars		
	(in percent)			(in percent)			(in percent)		
	Minority	WBE	MBE <sup>4</sup>	Minority	WBE	MBE <sup>4</sup>	Minority	WBE	MBE <sup>4</sup>
Architecture & Engineering <sup>3</sup>	0.05	25.27	25.32	0.03	13.87	13.89	0.00	16.72	16.72
Construction and Construction-Related Services <sup>1</sup>	10.88	2.92	13.80	8.12	2.71	10.82	6.78	7.75	14.53
Professional Services <sup>1</sup>	4.67	10.46	15.21	4.88	9.83	14.85	83.49	0.00	83.49
Non-Professional Services <sup>1</sup>	15.78	11.20	27.04	12.92	18.30	31.27	8.38	0.15	8.53
Goods & Supplies <sup>1</sup>	1.09	9.40	10.57	1.20	10.31	11.60	1.14	18.22	19.36

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data, CCSD Vendor data

<sup>1</sup>Nationwide

<sup>2</sup> Charleston-North Charleston MSA

<sup>3</sup>State of South Carolina

<sup>4</sup>Includes unknown Minority Business Enterprises (MBEs)

## **CHAPTER 7: STATISTICAL ANALYSIS OF MBE DISPARITY IN CONTRACTING**

### **7.1 INTRODUCTION**

This chapter begins by reporting the statistical evidence of disparities between MBE availability in the relevant market of the Charleston County School District (CCSD) and MBE utilization by year, using the measure relied upon for decision-making, followed by a comparison of disparity based on Contract Awards, Purchase Orders and Accounts Payable for the period. Disparities are analyzed in the industry categories of Architecture and Engineering, Construction and Construction-Related Services, Non-Professional Services, Professional Services, and Goods & Supplies. Disparity ratios using Data Axle Availability (Marketplace Availability) are also provided, showing the difference, if any, between actual availability and potential availability.

M<sup>3</sup> Consulting presents the disparity ratios for CCSD's ready, willing, and able (RWA<sup>SM</sup>) availability. For all industries, RWA<sup>SM</sup> availability will consist of firms that have bid for prime contracts awarded by CCSD during the study period; firms awarded prime contracts during the study period and firms that have been awarded subcontracts during the study period. The measure of availability used to calculate disparity is the CCSD RWA<sup>SM</sup> availability, Level 2, consisting of bidders, prime awardees, and sub awardees.

Utilization for each industry is measured via Purchase Order, Accounts Payables and Contract Award data as maintained by CCSD's procurement department. The utilization percentage used to calculate the disparity ratios are based on formal and informal purchases by race and gender.

### **7.2 DISPARITY RATIOS METHODOLOGY**

Disparity ratios compare the percentage utilization of various race and gender groups to the percentage availability of these same groups. The disparity ratio is calculated by dividing the former percentage by the latter. A resulting ratio greater than one indicates overutilization; conversely, a ratio less than one indicates underutilization. The methodologies for calculating availability, utilization, disparity, and significance testing, specifically for this study are presented in Chapter IV, Statistical Methodology.



### **7.3 DISPARITIES IN ARCHITECTURE AND ENGINEERING**

Purchase Orders (Table 7.1) represent the best measure of utilization for Architecture and Engineering. The three utilization metrics, based on Contract Awards, Purchase Orders and Payments, in aggregate for the study period are presented in Table 7.2.

SWMBEs are significantly overutilized for the period and in FY 2021. For Non-SWMBEs, the disparity ratios show underutilization, and it reaches statistical significance for both the period as well as for FY 2017, 2020 and 2021. SBEs show statistically significant over utilization for the study period and two years FYs 2017 and 2019. Minority-owned firms and all subgroups are statistically significantly underutilized for the study period. WBEs are significantly overutilized for the period. VBEs were not utilized, as such, disparity ratios cannot be computed for these groups as they have zero utilization.

Comparing the different measures of utilization presents statistically significant over utilization for contract awards for the period but significant underutilization of Non-SWMBEs using POs and Payments. African American-owned and Hispanic American-owned firms show statistically significant underutilization for the period using POs and payment measures of utilization. WBEs show statistically significant overutilization using POs when they received over 25 percent of the dollars whereas their utilization dropped to approximately 14 percent reversing the ratios to show significant underutilization if payments were the measure of utilization. SBEs were also significantly utilized across all measures of utilization but reached significance with POs and payment measures.

All groups, based on a comparison of Purchase Orders to Data Axle Availability are underutilized for the study period. WBEs, Asian American- and Hispanic American-owned firms did not reach statistical significance

**Chapter VII**  
**Statistical Analysis of MBE Disparity in Contracting**

**Table 7.1.**  
**Purchase Order Utilization vs. RWA<sup>SM</sup> Availability Level 2**  
**Architecture and Engineering**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>0.04</b>	<b>S</b>	<b>1.18</b>	<b>NS</b>	<b>0.84</b>	<b>NS</b>	<b>0.65</b>	<b>S</b>	<b>0.16</b>	<b>S</b>	<b>0.62</b>	<b>S</b>
African American	0.00	NS	0.00	NS	0.00	NS	0.05	NS	0.07	NS	0.02	S
Asian American	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
Hispanic American	0.00	NS	0.00	NS	0.00	NS	0.00	NS	0.08	NS	0.02	S
Native American or American Indian	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
Other Minorities	0.00	NS	0.00	NS	0.00	NS	0.00	NS	0.00	NS	0.00	S
<i>Total Minority</i>	<i>0.00</i>	<i>NS</i>	<i>0.00</i>	<i>S</i>	<i>0.00</i>	<i>S</i>	<i>0.02</i>	<i>S</i>	<i>0.05</i>	<i>S</i>	<i>0.01</i>	<i>S</i>
Woman-Owned (WBEs)	1.05	NS	1.07	NS	0.87	NS	1.60	S	3.28	S	1.50	S
Unknown MBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
<b>Total MBE</b>	<b>0.84</b>	<b>NS</b>	<b>0.86</b>	<b>NS</b>	<b>0.70</b>	<b>NS</b>	<b>1.28</b>	<b>NS</b>	<b>2.63</b>	<b>S</b>	<b>1.20</b>	<b>S</b>
SBE	1.69	S	0.95	NS	1.24	S	1.10	NS	0.82	S	1.16	S
VBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting; Relevant Market—State of South Carolina;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

**Table 7.2.**  
**Architecture and Engineering**  
**Summary Disparity Ratios by Race, Ethnicity and Gender**  
**Utilization vs. *RWA*<sup>SM</sup> Availability Level 2**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	Contract Awards		Purchase Order		Payments	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>1.17</b>	<b>NS</b>	<b>0.62</b>	<b>S</b>	<b>0.55</b>	<b>S</b>
African American	0.00	NS	0.02	S	0.02	S
Asian American	0.00	S	0.00	S	0.00	S
Hispanic American	0.00	NS	0.02	S	0.00	S
Native American or American Indian	0.00	S	0.00	S	0.00	S
Other Minorities	0.00	NS	0.00	S	0.00	S
<i>Total Minority</i>	<i>0.00</i>	<i>NS</i>	<i>0.01</i>	<i>S</i>	<i>0.01</i>	<i>S</i>
Woman-Owned (WBEs)	0.99	NS	1.50	S	0.82	S
Unknown MBE	0.00	S	0.00	S	0.00	S
<b>Total MBE</b>	<b>0.79</b>	<b>NS</b>	<b>1.20</b>	<b>S</b>	<b>0.66</b>	<b>S</b>
SBE	0.98	NS	1.16	S	1.44	S
VBE	0.00	S	0.00	S	0.00	S

Source: CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

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**Table 7.3.**  
**Purchase Order Utilization vs. Data Axle Availability MSA**  
**Architecture and Engineering**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>0.02</b>	<b>S</b>	<b>0.53</b>	<b>S</b>	<b>0.38</b>	<b>S</b>	<b>0.29</b>	<b>S</b>	<b>0.07</b>	<b>S</b>	<b>0.28</b>	<b>S</b>
African American	0.00	NS	0.00	NS	0.00	NS	0.04	NS	0.06	NS	0.02	S
Asian American	0.00	NS	0.00	NS	0.00	NS	0.00	NS	0.00	NS	0.00	NS
Hispanic American	0.00	NS	0.00	NS	0.00	NS	0.00	NS	0.22	NS	0.04	NS
Native American or American Indian	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
Other Minorities	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
<i>Total Minority</i>	<i>0.00</i>	<i>NS</i>	<i>0.00</i>	<i>NS</i>	<i>0.00</i>	<i>NS</i>	<i>0.03</i>	<i>S</i>	<i>0.08</i>	<i>S</i>	<i>0.02</i>	<i>S</i>
Woman-Owned (WBEs)	0.62	S	0.64	S	0.52	S	0.95	NS	1.95	S	0.89	NS
Unknown MBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
<b>Total MBE</b>	<b>0.57</b>	<b>S</b>	<b>0.58</b>	<b>S</b>	<b>0.47</b>	<b>S</b>	<b>0.87</b>	<b>NS</b>	<b>1.79</b>	<b>S</b>	<b>0.82</b>	<b>S</b>
SBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
VBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting; Relevant Market— State of South Carolina;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

## **7.4 DISPARITIES IN CONSTRUCTION AND CONSTRUCTION-RELATED SERVICES**

Purchase Orders represent the best measure of utilization and are presented in Table 7.4. All three utilization metrics in aggregate for the study period are presented in Table 7.5. Disparity ratios based on Data Axle is presented in Table 7.6.

Using purchase orders for utilization and comparing it to RWA level 2 availability measure, Total MBEs are statistically significantly under-utilized, which is explained by 29.30 percent availability for Total MBEs and 13.80 percentage utilization, overall.

However, breaking it down into the subgroups, Minority-owned firms show 15.63 percent availability and 10.88 percent utilization of this group results in statistically significant disparity because of substantial underutilization. African American-owned, Asian American-owned, and Hispanic American-owned firms reflect over utilization for the study period with Hispanic American-owned firms reaching statistical significance. This overutilization was driven by purchase order activity in FY 2020 and FY 2021. The three groups reflected underutilization in FY 2017 to FY 2019. WBEs are significantly underutilized for the period and in FYs 2017, 2019 and 2021. SBEs are underutilized for the period because of being underutilized in four of the five years and overutilized in FY 2020.

Using any measure of utilization, Non-SWMBEs are overutilized in Construction and Construction-Related activities and disparity ratios for POs and payments reach statistical significance. Total MBEs show statistically significant underutilization using different utilization measures. WBEs show significant underutilization which reaches statistical significance when using payments and POs to measure utilization. African American-owned firms reflect underutilization based on contract awards and payments, with payments reaching statistical significance. Asian American-owned and Hispanic American-owned firms are overutilized using any measure. Even so, Total Minority-owned firms are significantly under-utilized using any measure.

Marketplace availability measure using Data Axle shows Non-SWMBEs are significantly underutilized whereas African American-owned and Asian American-owned firms are significantly overutilized. Hispanic American-owned firms and WBEs are under-utilized, and these results are statistically significant.

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**Table 7.4.**  
**Purchase Order Utilization vs. RWA<sup>SM</sup> Availability Level 2**  
**Construction and Construction-Related Services**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>1.63</b>	<b>S</b>	<b>1.77</b>	<b>S</b>	<b>1.75</b>	<b>S</b>	<b>0.60</b>	<b>S</b>	<b>0.27</b>	<b>S</b>	<b>1.46</b>	<b>S</b>
African American	0.95	NS	0.03	NS	0.20	NS	5.40	S	3.16	S	1.02	NS
Asian American	0.88	NS	0.96	NS	0.42	NS	7.87	S	0.00	NS	1.04	NS
Hispanic American	0.00	NS	0.00	NS	0.00	NS	0.00	NS	23.39	S	3.26	S
Native American or American Indian	0.00	NS	0.00	NS	0.01	NS	0.58	NS	0.68	NS	0.13	NS
Other Minorities	0.00	S	0.00	NS	0.00	NS	0.00	S	0.00	S	0.00	S
<i>Total Minority</i>	<i>0.57</i>	<i>NS</i>	<i>0.09</i>	<i>S</i>	<i>0.14</i>	<i>S</i>	<i>3.44</i>	<i>S</i>	<i>2.26</i>	<i>S</i>	<i>0.70</i>	<i>S</i>
Woman-Owned (WBEs)	0.26	S	0.29	NS	0.03	S	0.61	NS	0.29	S	0.21	S
Unknown MBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
<b>Total MBE</b>	<b>0.42</b>	<b>S</b>	<b>0.18</b>	<b>S</b>	<b>0.09</b>	<b>S</b>	<b>2.12</b>	<b>S</b>	<b>1.34</b>	<b>S</b>	<b>0.47</b>	<b>S</b>
SBE	0.11	S	0.12	S	0.33	S	0.36	S	2.60	S	0.55	S
VBE	0.00	NS	0.00	NS	0.00	NS	0.00	NS	0.00	NS	0.00	NS

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting; Relevant Market— Nationwide;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

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**Table 7.5.  
Construction and Construction-Related Services  
Summary Disparity Ratios by Race, Ethnicity and Gender  
Utilization vs. *RWA*<sup>SM</sup> Availability Level 2  
Charleston County School District  
Relevant Market; FY 2017—FY 2021**

Ethnicity	Contract Awards		Purchase Order		Payments	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>1.45</b>	<b>S</b>	<b>1.46</b>	<b>S</b>	<b>1.54</b>	<b>S</b>
African American	0.45	NS	1.02	NS	0.71	S
Asian American	0.00	NS	1.04	NS	1.01	NS
Hispanic American	4.79	S	3.26	S	2.71	S
Native American or American Indian	0.00	NS	0.13	NS	0.04	S
Other Minorities	0.22	S	0.00	S	0.00	S
<i>Total Minority</i>	<i>0.43</i>	<i>S</i>	<i>0.70</i>	<i>S</i>	<i>0.52</i>	<i>S</i>
Woman-Owned (WBEs)	0.57	NS	0.21	S	0.20	S
Unknown MBE	0.00	S	0.00	S	0.00	S
<b>Total MBE</b>	<b>0.50</b>	<b>S</b>	<b>0.47</b>	<b>S</b>	<b>0.37</b>	<b>S</b>
SBE	0.53	S	0.55	S	0.48	S
VBE	0.00	NS	0.00	NS	0.00	S

Source: CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting;  
Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

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**Table 7.6.**  
**Purchase Order Utilization vs. Data Axle Availability MSA**  
**Construction and Construction-Related Services**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>1.03</b>	<b>NS</b>	<b>1.11</b>	<b>NS</b>	<b>1.10</b>	<b>NS</b>	<b>0.38</b>	<b>S</b>	<b>0.17</b>	<b>S</b>	<b>0.92</b>	<b>S</b>
African American	5.67	S	0.16	NS	1.18	NS	32.06	S	18.77	S	6.04	S
Asian American	2.48	NS	2.73	NS	1.18	NS	22.26	S	0.00	NS	2.93	S
Hispanic American	0.00	NS	0.00	NS	0.00	NS	0.00	S	3.31	S	0.46	S
Native American or American Indian	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
Other Minorities	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
<i>Total Minority</i>	<i>1.94</i>	<i>S</i>	<i>0.30</i>	<i>NS</i>	<i>0.46</i>	<i>NS</i>	<i>11.79</i>	<i>S</i>	<i>7.75</i>	<i>S</i>	<i>2.39</i>	<i>S</i>
Woman-Owned (WBEs)	0.29	S	0.32	NS	0.03	S	0.67	NS	0.32	S	0.23	S
Unknown MBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
<b>Total MBE</b>	<b>0.73</b>	<b>NS</b>	<b>0.31</b>	<b>NS</b>	<b>0.15</b>	<b>S</b>	<b>3.65</b>	<b>S</b>	<b>2.31</b>	<b>S</b>	<b>0.81</b>	<b>NS</b>
SBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
VBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting; Relevant Market— Nationwide;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.



## **7.5 DISPARITIES IN NON-PROFESSIONAL SERVICES**

Purchase orders represent the best measure of utilization for Non-Professional Services and are presented in Table 7.7. All three-utilization metrics in aggregate for the study period are presented in Table 7.8. Disparity ratios based on Data Axle are presented in Table 7.9.

In Non-Professional Services, Total Minorities and Total MBEs display significant overutilization overall and in 4 of the 5 years in the study period. This is largely a result of African American-owned firms that are overutilized 4 of the 5 years and Asian American-owned firms for 2 of the 5 years, although disparity ratios do not reach statistical significance for Asian American-owned firms for the period. Total Minority-owned firms are significantly underutilized. WBEs are close to parity with utilization at 10.82 percent and availability at 11.03 percent for the period. The ratio for the period is not statistically significant, although individual years do show statistically significant overutilization.

Using alternate methods of utilization, we see that WBEs are significantly overutilized if payments are the measure but are close to parity if POs are used to measure utilization. In contrast, contracts data shows WBEs as significantly underutilized, which show WBEs with 0.15 percent utilization compared to 11.03 percent availability. In using payments however, their utilization is at 18.30 percent thus showing overutilization.

Since POs are the best measure of utilization for Non-Professional Services, WBEs are utilized at 11.20 percent, which is almost at par with their availability of 11.03 percent. In the same vein, using POs, Minority-owned firms are significantly overutilized in Non-Professional Services with 15.78 percent utilization and 10.48 percent availability. This result is largely a result of African American-owned firm overutilization using POs at 13.97 percent for the period as compared to their availability of 8.69 percent. Other Minority groups are significantly underutilized or not utilized. Asian American-owned firms do show overutilization based on POs and Payments, but the result is not statistically significant for POs. Hispanic American-owned firms are underutilized based on POs, but over utilized based on payments, yet neither reaches statistical significance.

The data in Table 7.9 shows Non-SWMBEs, African American-owned and Native American-owned firms as underutilized, with Non-SWMBEs and Native American-owned firms reaching statistical significance. Hispanic American-owned and Asian American-owned firms are significantly underutilized. While African American-owned firms were significantly over utilized every year, Hispanic American-owned firms were utilized only in FY 2021 and Asian American-owned firms were underutilized in 4 of the 5 years for Non-Professional Services.

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**Table 7.7.**  
**Purchase Order Utilization vs. RWA<sup>SM</sup> Availability Level 2**  
**Non-Professional Services**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
<b>Ethnicity</b>	<b>Ratio</b>	<b>Sign.</b>	<b>Ratio</b>	<b>Sign.</b>	<b>Ratio</b>	<b>Sign.</b>	<b>Ratio</b>	<b>Sign.</b>	<b>Ratio</b>	<b>Sign.</b>	<b>Ratio</b>	<b>Sign.</b>
<b>Non-SWMBE</b>	<b>1.53</b>	<b>S</b>	<b>1.11</b>	<b>S</b>	<b>1.17</b>	<b>S</b>	<b>1.18</b>	<b>S</b>	<b>0.86</b>	<b>S</b>	<b>1.17</b>	<b>S</b>
African American	0.58	S	1.64	S	1.59	S	1.52	S	2.74	S	1.61	S
Asian American	0.94	NS	1.38	NS	0.37	NS	3.41	S	0.20	NS	1.20	NS
Hispanic American	0.00	S	0.00	S	0.00	S	0.00	S	5.01	S	0.99	NS
Native American or American Indian	2.48	S	1.58	NS	3.06	S	4.16	S	7.64	S	3.81	S
Other Minorities	0.00	S	0.00	S	0.00	S	0.00	S	0.08	S	0.02	S
<i>Total Minority</i>	<i>0.57</i>	<i>S</i>	<i>1.44</i>	<i>S</i>	<i>1.41</i>	<i>S</i>	<i>1.46</i>	<i>S</i>	<i>2.68</i>	<i>S</i>	<i>1.51</i>	<i>S</i>
Woman-Owned (WBEs)	0.29	S	1.19	S	1.15	S	1.08	NS	1.39	S	1.02	NS
Unknown MBE	0.07	S	0.25	S	0.14	S	0.00	S	0.00	S	0.09	S
<b>Total MBE</b>	<b>0.41</b>	<b>S</b>	<b>1.28</b>	<b>S</b>	<b>1.24</b>	<b>S</b>	<b>1.23</b>	<b>S</b>	<b>1.96</b>	<b>S</b>	<b>1.22</b>	<b>S</b>
SBE	0.38	S	0.52	S	0.42	S	0.40	S	0.44	S	0.43	S
VBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting; Relevant Market— Nationwide;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

**Table 7.8.**  
**Non-Professional Services**  
**Summary Disparity Ratios by Race, Ethnicity and Gender**  
**Utilization vs. *RWA*<sup>SM</sup> Availability Level 2**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	Contract Awards		Purchase Orders		Payments	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>1.68</b>	<b>S</b>	<b>1.17</b>	<b>S</b>	<b>1.10</b>	<b>S</b>
African American	0.95	NS	1.61	S	1.29	S
Asian American	0.26	NS	1.20	NS	1.23	S
Hispanic American	0.00	NS	0.99	NS	1.02	NS
Native American or American Indian	0.05	NS	3.81	S	3.55	S
Other Minorities	0.01	NS	0.02	S	0.02	S
<i>Total Minority</i>	<i>0.80</i>	<i>NS</i>	<i>1.51</i>	<i>S</i>	<i>1.23</i>	<i>S</i>
Woman-Owned (WBEs)	0.01	S	1.02	NS	1.66	S
Unknown MBE	0.00	NS	0.09	S	0.07	S
<b>Total MBE</b>	<b>0.38</b>	<b>S</b>	<b>1.22</b>	<b>S</b>	<b>1.41</b>	<b>S</b>
SBE	0.05	S	0.43	S	0.40	S
VBE	0.02	NS	0.00	S	0.00	S

Source: CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

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**Table 7.9.**  
**Purchase Order Utilization vs. Data Axle Availability MSA**  
**Non-Professional Services**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>1.31</b>	<b>S</b>	<b>0.95</b>	<b>S</b>	<b>1.00</b>	<b>NS</b>	<b>1.01</b>	<b>NS</b>	<b>0.74</b>	<b>S</b>	<b>1.01</b>	<b>S</b>
African American	3.64	S	10.29	S	9.97	S	9.54	S	17.21	S	10.09	S
Asian American	0.44	NS	0.64	NS	0.17	S	1.59	NS	0.09	S	0.56	S
Hispanic American	0.00	S	0.00	S	0.00	S	0.00	S	0.84	NS	0.17	S
Native American or American Indian	12.11	S	7.69	S	14.94	S	20.32	S	37.27	S	18.61	NS
Other Minorities	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
<i>Total Minority</i>	<i>1.33</i>	<i>S</i>	<i>3.35</i>	<i>S</i>	<i>3.28</i>	<i>S</i>	<i>3.40</i>	<i>S</i>	<i>6.26</i>	<i>S</i>	<i>3.51</i>	<i>S</i>
Woman-Owned (WBEs)	0.10	S	0.40	S	0.38	S	0.36	S	0.46	S	0.34	S
Unknown MBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
<b>Total MBE</b>	<b>0.24</b>	<b>S</b>	<b>0.76</b>	<b>S</b>	<b>0.73</b>	<b>S</b>	<b>0.73</b>	<b>S</b>	<b>1.16</b>	<b>S</b>	<b>0.72</b>	<b>S</b>
SBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
VBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting; Relevant Market— Nationwide;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

## **7.6 DISPARITIES IN PROFESSIONAL SERVICES**

Based on Purchase Order data shown in Table 7.10, only African American-owned firms Other-Minority-owned firms showed statistically significant disparity overall. All three utilization metrics in aggregate for the study period are presented in Table 7.11 and disparity based on Data Axle is presented in Table 7.12.

Disparities in Professional Services using purchase order utilization and Level 2 availability shows underutilization of SBEs, WBEs and all Minority groups, except Other Minorities. Statistical significance is reached for African American-owned and Native American-owned firms, WBEs and SBEs. Non-SWMBEs are significantly overutilized. However, other than African American-owned firms, all other Minority groups were in fact barely utilized in any of the five years of the study period. African American-owned firm availability of 9.87 percent compared to their underutilization for the period of 4.01 percent and for the majority of the years ranging from 0.81 percent to 7.91 percent results in significant underutilization in every year and the period.

Using any measure of utilization presents the same picture but for contract awards. However, as Professional Services are best represented by purchase order utilization, the results presented above confirm the underutilization of MBEs, SBEs and VBEs for the five-year period.

Marketplace data shows all MBEs but African American-owned firms to be underutilized due to low availability of 1.49 percent for African Americans. Hence the utilization of 4.01 percent to African American-owned firms is statistically significant. Non-SWMBEs are also statistically significantly overutilized.

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**Table 7.10.**  
**Purchase Order Utilization vs. *RWA*<sup>SM</sup> Availability Level 2**  
**Professional Services**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>1.61</b>	<b>S</b>	<b>1.64</b>	<b>S</b>	<b>1.48</b>	<b>S</b>	<b>1.49</b>	<b>S</b>	<b>1.68</b>	<b>S</b>	<b>1.60</b>	<b>S</b>
African American	0.08	S	0.25	S	0.34	S	0.80	NS	0.50	S	0.41	S
Asian American	0.00	NS	0.00	NS	0.00	NS	0.00	NS	0.83	NS	0.26	NS
Hispanic American	0.00	NS	0.00	NS	0.00	NS	0.67	NS	0.00	NS	0.11	NS
Native American or American Indian	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
Other Minorities	0.00	NS	0.00	NS	0.00	NS	1.62	NS	2.42	S	1.03	NS
<i>Total Minority</i>	<i>0.08</i>	<i>S</i>	<i>0.23</i>	<i>S</i>	<i>0.31</i>	<i>S</i>	<i>0.83</i>	<i>NS</i>	<i>0.60</i>	<i>S</i>	<i>0.43</i>	<i>S</i>
Woman-Owned (WBEs)	0.44	S	0.40	S	0.61	S	0.43	S	0.40	S	0.44	S
Unknown MBE	0.06	NS	0.11	NS	0.11	NS	0.03	S	0.00	S	0.05	S
<b>Total MBE</b>	<b>0.31</b>	<b>S</b>	<b>0.34</b>	<b>S</b>	<b>0.50</b>	<b>S</b>	<b>0.54</b>	<b>S</b>	<b>0.45</b>	<b>S</b>	<b>0.42</b>	<b>S</b>
SBE	0.82	NS	0.71	S	0.80	NS	0.69	S	0.38	S	0.63	S
VBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting; Relevant Market— Miami-Dade/Broward/Palm Beach Tri-County Area;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

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**Table 7.11.**  
**Professional Services**  
**Summary Disparity Ratios by Race, Ethnicity and Gender**  
**Utilization vs. *RWA<sup>SM</sup>* Availability Level 2**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	Contract Awards		Purchase Orders		Payments	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>0.00</b>	<b>S</b>	<b>1.60</b>	<b>S</b>	1.61	<b>S</b>
African American	8.46	S	0.41	S	0.43	S
Asian American	0.00	NS	0.26	NS	0.30	NS
Hispanic American	0.00	NS	0.11	NS	0.13	S
Native American or American Indian	0.00	S	0.00	S	0.00	S
Other Minorities	0.00	NS	1.03	NS	1.01	NS
<i>Total Minority</i>	<i>7.72</i>	<i>S</i>	<i>0.43</i>	<i>S</i>	<i>0.45</i>	<i>S</i>
Woman-Owned (WBEs)	0.00	S	0.44	S	0.42	S
Unknown MBE	0.00	NS	0.05	S	0.09	S
<b>Total MBE</b>	<b>2.33</b>	<b>S</b>	<b>0.42</b>	<b>S</b>	0.41	<b>S</b>
SBE	0.90	NS	0.63	S	0.64	S
VBE	0.00	S	0.00	S	0.00	S

Source: CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

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**Table 7.12.**  
**Purchase Order Utilization vs. Data Axle Availability MSA**  
**Professional Services**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>1.21</b>	<b>S</b>	<b>1.23</b>	<b>S</b>	<b>1.11</b>	<b>S</b>	<b>1.12</b>	<b>S</b>	<b>1.26</b>	<b>S</b>	<b>1.20</b>	<b>S</b>
African American	0.55	NS	1.65	NS	2.26	S	5.31	S	3.34	S	2.69	S
Asian American	0.00	NS	0.00	NS	0.00	NS	0.00	NS	0.15	NS	0.05	S
Hispanic American	0.00	NS	0.00	S	0.00	S	0.05	S	0.00	S	0.01	S
Native American or American Indian	0.00	NS	0.00	NS	0.00	NS	0.00	NS	0.00	NS	0.00	NS
Other Minorities	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
<i>Total Minority</i>	<i>0.17</i>	<i>S</i>	<i>0.50</i>	<i>NS</i>	<i>0.68</i>	<i>NS</i>	<i>1.82</i>	<i>S</i>	<i>1.32</i>	<i>NS</i>	<i>0.95</i>	<i>NS</i>
Woman-Owned (WBEs)	0.30	S	0.28	S	0.42	S	0.30	S	0.28	S	0.31	S
Unknown MBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
<b>Total MBE</b>	<b>0.29</b>	<b>S</b>	<b>0.31</b>	<b>S</b>	<b>0.46</b>	<b>S</b>	<b>0.49</b>	<b>S</b>	<b>0.41</b>	<b>S</b>	<b>0.39</b>	<b>S</b>
SBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
VBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting; Relevant Market— Nationwide;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.



## **7.7 DISPARITIES IN GOODS & SUPPLIES**

For Goods & Supplies shown in Table 7.13, Purchase Order data better reflects the utilization because of requirements contracts that are prevalent in this procurement category, along with capturing informal purchases. All three utilization metrics in aggregate for the study period are presented in Table 7.14. Data Axle disparity ratios are presented in Table 7.16.

Except Non-SWMBEs and WBEs, all MBE groups and SBEs are underutilized significantly. African American-owned firms are utilized every year, but their disparity ratios show that compared to their availability they were significant underutilized every year of the study period, except FY 2017. Asian American-owned firms and Hispanic American-owned firms were utilized only two of the five years but, in both years, they were significantly underutilized. Their availability percentages were 0.56 percent and 0.79 percent respectively and their utilization for the two years, the period was 0.03 percent and 0.01 percent respectively. SBEs availability for the period was 19.44 percent and their utilization was 5.85 percent thus resulting in a statistically significant disparity ratio reflecting underutilization. This may be also because the procurement policies allow for CCSD to make purchases directly from major suppliers such as Amazon and these large supply firms to provide a significant amount of its small purchases. Small purchases are the area where MBEs and other small firms have the greatest capacity to satisfy CCSD's requirements and this may be evident from their significant underutilization.

Marketplace availability measures has no data on SBEs and so although SBEs show significant underutilization based on their disparity ratios, these results cannot be considered. All other MBE groups, except African American-owned firms, show significant underutilization as most of the marketplace availability shows their availability not to exceed 3 percent and total MBEs are at 37.28 percent availability while their utilization is at 10.57 percent for the group thus showing a significant disparity of 0.28.

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**Table 7.13.**  
**Purchase Order Utilization vs. *RWA*<sup>SM</sup> Availability Level 2**  
**Goods & Supplies**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>1.23</b>	<b>S</b>	<b>1.31</b>	<b>S</b>	<b>1.22</b>	<b>S</b>	<b>1.16</b>	<b>S</b>	<b>1.25</b>	<b>S</b>	<b>1.24</b>	<b>S</b>
African American	0.78	NS	0.22	S	0.50	S	0.10	S	0.28	S	0.33	S
Asian American	0.00	S	0.00	S	0.00	S	0.01	S	0.11	S	0.03	S
Hispanic American	0.00	S	0.00	S	0.00	S	0.01	S	0.02	S	0.01	S
Native American or American Indian	0.59	NS	0.06	NS	0.00	NS	0.00	NS	0.45	NS	0.22	S
Other Minorities	0.00	S	0.00	S	0.00	S	0.00	S	0.03	S	0.01	S
<i>Total Minority</i>	0.49	S	0.14	S	0.30	S	0.06	S	0.20	S	0.21	S
Woman-Owned (WBEs)	1.24	S	1.24	S	1.78	S	1.82	S	0.93	NS	1.36	S
Unknown MBE	0.00	S	0.21	S	0.17	S	0.00	S	0.14	S	0.11	S
<b>Total MBE</b>	<b>0.87</b>	<b>NS</b>	<b>0.74</b>	<b>S</b>	<b>1.09</b>	<b>NS</b>	<b>1.01</b>	<b>NS</b>	<b>0.59</b>	<b>S</b>	<b>0.83</b>	<b>S</b>
SBE	0.30	S	0.11	S	0.17	S	0.46	S	0.41	S	0.30	S
VBE	0.00	NS	0.00	NS	0.00	S	0.00	S	0.00	S	0.00	S

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting; Relevant Market— Nationwide;  
Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

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**Table 7.14.**  
**Goods & Supplies**  
**Summary Disparity Ratios by Race, Ethnicity and Gender**  
**Utilization vs. *RWA<sup>SM</sup>* Availability Level 2**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	Contract Awards		Purchase Orders		Payments	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>1.17</b>	<b>S</b>	<b>1.24</b>	<b>S</b>	<b>1.22</b>	<b>S</b>
African American	0.32	NS	0.33	S	0.36	S
Asian American	0.00	NS	0.03	S	0.05	S
Hispanic American	0.15	NS	0.01	S	0.01	S
Native American or American Indian	0.00	NS	0.22	S	0.24	S
Other Minorities	0.00	NS	0.01	S	0.01	S
<i>Total Minority</i>	<i>0.22</i>	<i>NS</i>	<i>0.21</i>	<i>S</i>	<i>0.23</i>	<i>S</i>
Woman-Owned (WBEs)	2.64	S	1.36	S	1.50	S
Unknown MBE	0.01	NS	0.11	S	0.13	S
<b>Total MBE</b>	<b>1.52</b>	<b>NS</b>	<b>0.83</b>	<b>S</b>	<b>0.91</b>	<b>S</b>
SBE	0.09	S	0.30	S	0.30	S
VBE	0.09	NS	0.00	S	0.00	S

Source: CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

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**Table 7.15.**  
**Purchase Order Utilization vs. Data Axle Availability MSA**  
**Goods & Supplies**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>1.33</b>	<b>S</b>	<b>1.41</b>	<b>S</b>	<b>1.32</b>	<b>S</b>	<b>1.25</b>	<b>S</b>	<b>1.35</b>	<b>S</b>	<b>1.33</b>	<b>S</b>
African American	2.50	S	0.71	NS	1.58	S	0.32	S	0.89	NS	1.04	NS
Asian American	0.00	S	0.00	S	0.00	S	0.00	S	0.03	S	0.01	S
Hispanic American	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
Native American or American Indian	1.01	NS	0.11	NS	0.00	NS	0.00	NS	0.78	NS	0.37	NS
Other Minorities	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
<i>Total Minority</i>	<i>0.39</i>	<i>S</i>	<i>0.11</i>	<i>S</i>	<i>0.24</i>	<i>S</i>	<i>0.05</i>	<i>S</i>	<i>0.16</i>	<i>S</i>	<i>0.17</i>	<i>S</i>
Woman-Owned (WBEs)	0.28	S	0.28	S	0.40	S	0.41	S	0.21	S	0.31	S
Unknown MBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
<b>Total MBE</b>	<b>0.30</b>	<b>S</b>	<b>0.25</b>	<b>S</b>	<b>0.38</b>	<b>S</b>	<b>0.35</b>	<b>S</b>	<b>0.20</b>	<b>S</b>	<b>0.28</b>	<b>S</b>
SBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S
VBE	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S	0.00	S

Source: M<sup>3</sup> Consulting; CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting; Relevant Market— Nationwide;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

## **7.8 SUMMARY OF FINDINGS**

Table 7.16 summarizes the disparity ratios discussed in this chapter for each procurement categories at the race/ethnic/gender group level, for CCSD procurements for the period FY 2017-FY 2021. Based on the foregoing analysis and the summary below, findings of statistically significant disparity are made for the following groups in the following procurement categories:

- Architecture and Engineering—African American-owned firms, Asian American-owned firms, Hispanic American-owned firms, Native American-owned firms
- Construction and Construction-Related Services—WBEs
- Non-Professional Services—None
- Professional Services—African American-owned firms, Native American-owned firms, WBEs
- Goods and Supplies—African American-owned firms, Asian American-owned firms, Hispanic American-owned firms, Native American-owned firms.

**Chapter VII**  
**Statistical Analysis of MBE Disparity**  
**in Contracting**

**Table 7.16.**  
**Summary Disparity Ratios by Race, Ethnicity and Gender**  
**Utilization vs. RWA<sup>SM</sup> Availability Level 2**  
**Charleston County School District**  
**Relevant Market; FY 2017—FY 2021**

Ethnicity	Architecture & Engineering (Purchase Orders)		Construction & Construction-Related Services (Purchase Orders)		Non-Professional Services (Purchase Orders)		Professional Services (Purchase Orders)		Goods & Supplies (Purchase Orders)	
	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.	Ratio	Sign.
<b>Non-SWMBE</b>	<b>0.62</b>	<b>S</b>	<b>1.46</b>	<b>S</b>	<b>1.17</b>	<b>S</b>	<b>1.60</b>	<b>S</b>	<b>1.24</b>	<b>S</b>
African American	0.02	S	1.02	NS	1.61	S	0.41	S	0.33	S
Asian American	0.00	S	1.04	NS	1.20	NS	0.26	NS	0.03	S
Hispanic American	0.02	S	3.26	S	0.99	NS	0.11	NS	0.01	S
Native American or American Indian	0.00	S	0.13	NS	3.81	S	0.00	S	0.22	S
Other Minorities	0.00	S	0.00	S	0.02	S	1.03	NS	0.01	S
<i>Total Minority</i>	<i>0.01</i>	<i>S</i>	<i>0.70</i>	<i>S</i>	<i>1.51</i>	<i>S</i>	<i>0.43</i>	<i>S</i>	<i>0.21</i>	<i>S</i>
Woman-Owned (WBEs)	1.50	S	0.21	S	1.02	NS	0.44	S	1.36	S
Unknown MBE	0.00	S	0.00	S	0.09	S	0.05	S	0.11	S
<b>Total MBE</b>	<b>1.20</b>	<b>S</b>	<b>0.47</b>	<b>S</b>	<b>1.22</b>	<b>S</b>	<b>0.42</b>	<b>S</b>	<b>0.83</b>	<b>S</b>
SBE	1.16	S	0.55	S	0.43	S	0.63	S	0.30	S
VBE	0.00	S	0.00	NS	0.00	S	0.00	S	0.00	S

Source: CCSD Contracts Data, MUNIS PO and AP data; M<sup>3</sup> Consulting;  
 Significance is S and Ratio is Less than 1 –Statistically Significant Underutilization; Significance is S and Ratio is Greater than 1 –Statistically Significant Overutilization.

## **CHAPTER 8: CAPACITY AND REGRESSION ANALYSIS**

### **8.1 INTRODUCTION**

Disparities as seen in Chapter VII, Statistical Analysis of MBE Disparities in Contracting are often attributed to differences in capacity of Non-SWMBE and MBE firms. As such, this capacity analysis sought to examine if there were any differences in capacity of firms based on race or gender that could hinder firms from being actually and potentially available to Charleston County School District (CCSD).

### **8.2 CAPACITY ANALYSIS**

The analysis of business capacity is complicated because capacity is difficult to define, measure, and is an elastic concept. Given that proxies of capacity cannot adequately capture the ability of firms using any single measure, M<sup>3</sup> Consulting will examine differences in the capacity of firms based on race and gender, using established statistical methods, once a set of variables that measure capacity are controlled for.

#### **8.2.1 Capacity Analysis Based on Average Employees and Average Sales Revenues from Data Axle**

Below are measures of sales and employees from firms in the Charleston-North Charleston CBSA, which provide a measure of the capacity of the race, ethnic and gender groups of firms measured by these proxies for capacity. Firms included in the Data Axle analysis is refined to those that fall into NAICS code areas under review for this Disparity Study.

#### **Capacity Based on Number of Employees**

##### **Total Firms**

Using Table 8.1 to compare capacity of firms measured by the number of employees, for firms in the lowest range of 1-19 employees, there are 5,747 Non-SWMBE firms and over 3,338 MBE firms, with over 2,868 of these as WBEs and nearly 470 Minority-owned firms. As capacity (number of employees) increases, the gap between MBEs and Non-SWMBEs lessens, with over 15 MBEs with 100-249 employees compared to 44 Non-SWMBE firms; and 6 MBEs compared to 6 Non-SWMBEs for firms with 250-499 employees. For capacity measured as 500-999 employees or over, there are no MBEs, however there is one Asian American-owned firm in firms with 1,000-4,999 employees and one WBE in the 10,000+ range in the CBSA.

### **Architecture and Engineering**

Based on Table 8.2, for Architecture and Engineering, the highest range was 500-999 employees, where there was only one Unknown/Multi-ethnic-owned firm. Any range over that had no employees. There are 3 African American-owned firms, 1 Asian American-owned firm and 1 Hispanic American-owned firm as well as 49 WBEs in A&E with 1-19 employees.

### **Construction**

For Construction (Table 8.3), there are no firms in the CBSA with over 500 employees. Non-SWMBEs represented about 25-52 percent in other lower ranges. African American- and Hispanic American-owned firms were the only ones represented in firms less than 50 employees whereas Asian American owned firms were represented in firms with less than 20 employees. WBEs were in construction firms with less than 50 employees as well as those with 250-499 employees.

### **Non-Professional Services**

In Table 8.4, Unknown/Multi-Ethnic-owned firms were most consistently represented across all ranges in Non-Professional Services with 10,000 employees or less. Non-SWMBEs included 2 firms with 1,000-4,999 employees and close to 2,500 firms in the range below that and represented in all lower ranges. No Minority-owned firms are in firms greater than 250 employees. In the 100-249 range, one Asian American-owned firm included, and they are included in all ranges below 250 employees. Hispanic American-owned firms are only in ranges below 100 and African American-owned firms are in ranges below 50 employees. WBEs are in all employee ranges below 500 employees.

### **Professional Services**

Professional Services, in Table 8.5, shows that in employee ranges below 500 employees, Non-SWMBE firms reflect between 15-35 percent and WBEs represented 18-25 percent across all ranges. African American- and Asian American-owned firms were represented in all the ranges below 50 employees whereas Hispanic American-owned firms were represented up to 99 employees. Unknown/Multi-Ethnic-owned firms are represented across all ranges.

### **Goods and Supplies**

Table 8.6 shows that, in Goods and Supplies, Non-SWMBEs and Asian American-owned firms are represented up to 1,000-4,999 employees. Unknown MBEs in firms ranging up to 999 employees. Non-SWMBE firms have up to 500 employees. WBEs are in all employee range firms with 500 employees or less. The majority of the African American-owned firms had less than 250 employees and Hispanic American-owned firms less than 100 employees.



**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.1.**  
**Data Axle**  
**Capacity Based on Total Number of Employees**  
**Total**  
**Charleston-North Charleston CBSA, FY 2021**

	1-19		20-49		50-99		100-249		250-499	
<b>Non-SWMBE</b>	<b>5,747</b>	<b>37.86</b>	<b>392</b>	<b>28.12</b>	<b>125</b>	<b>29.34</b>	<b>44</b>	<b>19.64</b>	<b>6</b>	<b>16.22</b>
African American	122	0.80	15	1.08	0	0.00	2	0.89	0	0.00
Asian American	113	0.74	4	0.29	1	0.23	1	0.45	1	2.70
Hispanic American	231	1.52	20	1.43	4	0.94	0	0.00	0	0.00
Native American	4	0.03	0	0.00	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>470</i>	<i>3.10</i>	<i>39</i>	<i>2.80</i>	<i>5</i>	<i>1.17</i>	<i>3</i>	<i>1.34</i>	<i>1</i>	<i>2.70</i>
WBE	2,868	18.89	228	16.36	47	11.03	12	5.36	5	13.51
<b>Total MBE</b>	<b>3,338</b>	<b>21.99</b>	<b>267</b>	<b>19.15</b>	<b>52</b>	<b>12.21</b>	<b>15</b>	<b>6.70</b>	<b>6</b>	<b>16.22</b>
Unknown <sup>1</sup>	6,094	40.15	735	52.73	249	58.45	165	73.66	25	67.57
<b>Grand Total</b>	<b>15,179</b>	<b>100.00</b>	<b>1,394</b>	<b>100.00</b>	<b>426</b>	<b>100.00</b>	<b>224</b>	<b>100.00</b>	<b>37</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.1 cont.**  
**Data Axle**  
**Capacity Based on Total Number of Employees**  
**Total**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	500-999		1,000-4,999		5,000-9,999		10,000+		Grand Total	
	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>1</b>	<b>10.00</b>	<b>3</b>	<b>37.50</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>6,318</b>	<b>36.56</b>
African American	0	0.00	0	0.00	0	0.00	0	0.00	139	0.80
Asian American	0	0.00	1	12.50	0	0.00	0	0.00	121	0.70
Hispanic American	0	0.00	0	0.00	0	0.00	0	0.00	255	1.48
Native American	0	0.00	0	0.00	0	0.00	0	0.00	4	0.02
<i>Total Minority</i>	<i>0</i>	<i>0.00</i>	<i>1</i>	<i>12.50</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>519</i>	<i>3.00</i>
WBE	0	0.00	0	0.00	0	0.00	1	50.00	3,161	18.29
<b>Total MBE</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>12.50</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>50.00</b>	<b>3,680</b>	<b>21.30</b>
Unknown <sup>1</sup>	9	90.00	4	50.00	1	100.00	1	50.00	7,283	42.14
<b>Grand Total</b>	<b>10</b>	<b>100.00</b>	<b>8</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>	<b>2</b>	<b>100.00</b>	<b>17,281<sup>2</sup></b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data

1: Unknown did not have any race assigned

2: 238 firms did not have employee counts

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.2.**  
**Data Axle**  
**Capacity Based on Total Number of Employees**  
**Architecture and Engineering**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	1-19		20-49		50-99		100-249		250-499	
	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>116</b>	<b>38.28</b>	<b>17</b>	<b>43.59</b>	<b>4</b>	<b>36.36</b>	<b>2</b>	<b>18.18</b>	<b>1</b>	<b>33.33</b>
African American	3	0.99	0	0.00	0	0.00	0	0.00	0	0.00
Asian American	1	0.33	0	0.00	0	0.00	0	0.00	0	0.00
Hispanic American	1	0.33	0	0.00	0	0.00	0	0.00	0	0.00
Native American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>5</i>	<i>1.65</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>
WBE	49	16.17	4	10.26	4	36.36	0	0.00	0	0.00
<b>Total MBE</b>	<b>54</b>	<b>17.82</b>	<b>4</b>	<b>10.26</b>	<b>4</b>	<b>36.36</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
Unknown <sup>1</sup>	133	43.89	18	46.15	3	27.27	9	81.82	2	66.67
<b>Grand Total</b>	<b>303</b>	<b>100.00</b>	<b>39</b>	<b>100.00</b>	<b>11</b>	<b>100.00</b>	<b>11</b>	<b>100.00</b>	<b>3</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data

1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.2 cont.**  
**Data Axle**  
**Capacity Based on Total Number of Employees**  
**Architecture and Engineering**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	500-999		1,000-4,999		5,000-9,999		10,000+		Grand Total	
	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>140</b>	<b>38.04</b>
African American	0	0.00	0	0.00	0	0.00	0	0.00	3	0.82
Asian American	0	0.00	0	0.00	0	0.00	0	0.00	1	0.27
Hispanic American	0	0.00	0	0.00	0	0.00	0	0.00	1	0.27
Native American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>5</i>	<i>1.36</i>
WBE	0	0.00	0	0.00	0	0.00	0	0.00	57	15.49
<b>Total MBE</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>62</b>	<b>16.85</b>
Unknown <sup>1</sup>	1	100.00	0	0.00	0	0.00	0	0.00	166	45.11
<b>Grand Total</b>	<b>1</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>368</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.3.**  
**Data Axle**  
**Capacity Based on Total Number of Employees**  
**Construction**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	1-19		20-49		50-99		100-249		250-499	
	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>559</b>	<b>50.27</b>	<b>44</b>	<b>51.76</b>	<b>15</b>	<b>48.39</b>	<b>2</b>	<b>25.00</b>	<b>1</b>	<b>25.00</b>
African American	9	0.81	1	1.18	0	0.00	0	0.00	0	0.00
Asian American	3	0.27	0	0.00	0	0.00	0	0.00	0	0.00
Hispanic American	19	1.71	1	1.18	0	0.00	0	0.00	0	0.00
Native American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>31</i>	<i>2.79</i>	<i>2</i>	<i>2.35</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>
WBE	88	7.91	6	7.06	0	0.00	0	0.00	1	25.00
<b>Total MBE</b>	<b>119</b>	<b>10.70</b>	<b>8</b>	<b>9.41</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>25.00</b>
Unknown <sup>1</sup>	434	39.03	33	38.82	16	51.61	6	75.00	2	50.00
<b>Grand Total</b>	<b>1,112</b>	<b>100.00</b>	<b>85</b>	<b>100.00</b>	<b>31</b>	<b>100.00</b>	<b>8</b>	<b>100.00</b>	<b>4</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.3 cont.**  
**Data Axle**  
**Capacity Based on Total Number of Employees**  
**Construction**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	500-999		1,000-4,999		5,000-9,999		10,000 +		Grand Total	
	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>621</b>	<b>50.08</b>
African American	0	0.00	0	0.00	0	0.00	0	0.00	10	0.81
Asian American	0	0.00	0	0.00	0	0.00	0	0.00	3	0.24
Hispanic American	0	0.00	0	0.00	0	0.00	0	0.00	20	1.61
Native American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>33</i>	<i>2.66</i>
WBE	0	0.00	0	0.00	0	0.00	0	0.00	95	7.66
<b>Total MBE</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>128</b>	<b>10.32</b>
Unknown <sup>1</sup>	0	0.00	0	0.00	0	0.00	0	0.00	491	39.60
<b>Grand Total</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,240</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.4.**  
**Data Axle**  
**Capacity Based on Total Number of Employees**  
**Non-Professional Services**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	1-19		20-49		50-99		100-249		250-499	
	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>2,168</b>	<b>36.41</b>	<b>210</b>	<b>27.67</b>	<b>68</b>	<b>29.69</b>	<b>20</b>	<b>23.53</b>	<b>2</b>	<b>13.33</b>
African American	51	0.86	11	1.45	0	0.00	0	0.00	0	0.00
Asian American	26	0.44	1	0.13	1	0.44	1	1.18	0	0.00
Hispanic American	90	1.51	11	1.45	2	0.87	0	0.00	0	0.00
Native American	2	0.03	0	0.00	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>169</i>	<i>2.84</i>	<i>23</i>	<i>3.03</i>	<i>3</i>	<i>1.31</i>	<i>1</i>	<i>1.18</i>	<i>0</i>	<i>0.00</i>
WBE	1,214	20.39	131	17.26	24	10.48	3	3.53	1	6.67
<b>Total MBE</b>	<b>1,383</b>	<b>23.23</b>	<b>154</b>	<b>20.29</b>	<b>27</b>	<b>11.79</b>	<b>4</b>	<b>4.71</b>	<b>1</b>	<b>6.67</b>
Unknown <sup>1</sup>	2,403	40.36	395	52.04	134	58.52	61	71.76	12	80.00
<b>Grand Total</b>	<b>5,954</b>	<b>100.00</b>	<b>759</b>	<b>100.00</b>	<b>229</b>	<b>100.00</b>	<b>85</b>	<b>100.00</b>	<b>15</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.4 cont.**  
**Data Axle**  
**Capacity Based on Total Number of Employees**  
**Non-Professional Services**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	500-999		1,000-4,999		5,000-9,999		10,000+		Grand Total	
	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>1</b>	<b>20.00</b>	<b>2</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>2,471</b>	<b>35.05</b>
African American	0	0.00	0	0.00	0	0.00	0	0.00	62	0.88
Asian American	0	0.00	0	0.00	0	0.00	0	0.00	29	0.41
Hispanic American	0	0.00	0	0.00	0	0.00	0	0.00	103	1.46
Native American	0	0.00	0	0.00	0	0.00	0	0.00	2	0.03
<i>Total Minority</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	196	2.78
WBE	0	0.00	0	0.00	0	0.00	0	0.00	1,373	19.48
<b>Total MBE</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,569</b>	<b>22.26</b>
Unknown <sup>1</sup>	4	80.00	0	0.00	1	100.00	0	0.00	3,010	42.70
<b>Grand Total</b>	<b>5</b>	<b>100.00</b>	<b>2</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>7,050</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned



**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.5.**  
**Data Axle**  
**Capacity Based on Total Number of Employees**  
**Professional Services**  
**Charleston-North Charleston CBSA, FY 2021**

	1-19		20-49		50-99		100-249		250-499	
<b>Ethnicity</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>1,892</b>	<b>37.93</b>	<b>45</b>	<b>19.82</b>	<b>15</b>	<b>30.00</b>	<b>7</b>	<b>14.89</b>	<b>1</b>	<b>20.00</b>
African American	34	0.68	3	1.32	0	0.00	0	0.00	0	0.00
Asian American	46	0.9	2	0.88	0	0.00	0	0.00	0	0.00
Hispanic American	73	1.46	5	2.20	1	2.00	0	0.00	0	0.00
Native American	1	0.02	0	0.00	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>154</i>	<i>3.09</i>	<i>10</i>	<i>4.41</i>	<i>1</i>	<i>2.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>
WBE	956	19.17	57	25.11	8	16.00	5	10.64	2	40.00
<b>Total MBE</b>	<b>1,110</b>	<b>22.25</b>	<b>67</b>	<b>29.52</b>	<b>9</b>	<b>18.00</b>	<b>5</b>	<b>10.64</b>	<b>2</b>	<b>40.00</b>
Unknown <sup>1</sup>	1,986	39.82	115	50.66	26	52.00	35	74.47	2	40.00
<b>Grand Total</b>	<b>4,988</b>	<b>100.00</b>	<b>227</b>	<b>100.00</b>	<b>50</b>	<b>100.00</b>	<b>47</b>	<b>100.00</b>	<b>5</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.5 cont.**  
**Data Axle**  
**Capacity Based on Total Number of Employees**  
**Professional Services**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	500-999		1,000-4,999		5,000-9,999		10,000+		Grand Total	
	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,960</b>	<b>36.81</b>
African American	0	0.00	0	0.00	0	0.00	0	0.00	37	0.69
Asian American	0	0.00	0	0.00	0	0.00	0	0.00	48	0.90
Hispanic American	0	0.00	0	0.00	0	0.00	0	0.00	79	1.48
Native American	0	0.00	0	0.00	0	0.00	0	0.00	1	0.02
<i>Total Minority</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	165	3.10
WBE	0	0.00	0	0.00	0	0.00	1	0.00	1,029	19.32
<b>Total MBE</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>0.00</b>	<b>1,194</b>	<b>22.42</b>
Unknown <sup>1</sup>	2	100.00	4	100.00	0	0.00	1	0.00	2,171	40.77
<b>Grand Total</b>	<b>2</b>	<b>100.00</b>	<b>4</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>2</b>	<b>0.00</b>	<b>5,325</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.6.**  
**Data Axle**  
**Capacity Based on Total Number of Employees**  
**Goods and Supplies**  
**Charleston-North Charleston CBSA, FY 2021**

	1-19		20-49		50-99		100-249		250-499	
<b>Ethnicity</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>1,012</b>	<b>35.86</b>	<b>76</b>	<b>26.76</b>	<b>23</b>	<b>21.90</b>	<b>13</b>	<b>17.81</b>	<b>1</b>	<b>10.00</b>
African American	25	0.89	0	0.00	0	0.00	2	2.74	0	0.00
Asian American	37	1.31	1	0.35	0	0.00	0	0.00	1	10.00
Hispanic American	48	1.70	3	1.06	1	0.95	0	0.00	0	0.00
Native American	1	0.04	0	0.00	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>111</i>	<i>3.93</i>	<i>4</i>	<i>1.41</i>	<i>1</i>	<i>0.95</i>	<i>2</i>	<i>2.74</i>	<i>1</i>	<i>10.00</i>
WBE	561	19.88	30	10.56	11	10.48	4	5.48	1	10.00
<b>Total MBE</b>	<b>672</b>	<b>23.81</b>	<b>34</b>	<b>11.97</b>	<b>12</b>	<b>11.43</b>	<b>6</b>	<b>8.22</b>	<b>2</b>	<b>20.00</b>
Unknown <sup>1</sup>	1,138	40.33	174	61.27	70	66.67	54	73.97	7	70.00
<b>Grand Total</b>	<b>2,822</b>	<b>100.00</b>	<b>284</b>	<b>100.00</b>	<b>105</b>	<b>100.00</b>	<b>73</b>	<b>100.00</b>	<b>10</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.6 cont.**  
**Data Axle**  
**Capacity Based on Total Number of Employees**  
**Goods and Supplies**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	500-999		1,000-4,999		5,000-9,999		10,000+		Grand Total	
	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>50.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,126</b>	<b>34.14</b>
African American	0	0.00	0	0.00	0	0.00	0	0.00	27	0.82
Asian American	0	0.00	1	50.00	0	0.00	0	0.00	40	1.21
Hispanic American	0	0.00	0	0.00	0	0.00	0	0.00	52	1.58
Native American	0	0.00	0	0.00	0	0.00	0	0.00	1	0.03
<i>Total Minority</i>	<i>0</i>	<i>0.00</i>	<i>1</i>	<i>50.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	120	3.64
WBE	0	0.00	0	0.00	0	0.00	0	0.00	607	18.41
<b>Total MBE</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>50.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>727</b>	<b>22.04</b>
Unknown <sup>1</sup>	2	100.00	0	0.00	0	0.00	0	0.00	1,445	43.81
<b>Grand Total</b>	<b>2</b>	<b>100.00</b>	<b>2</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>3,298</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

## **Capacity Based on Sales Volume**

### **Total Firms**

If capacity were to be measured using sales volume (Table 8.7), then Minority-owned firms and Non-SWMBEs are represented in all sales ranges up to \$1 billion. One WBE is in the capacity range of Over \$1 billion. So, based on sales volume, differences in capacity are not vast based on race or gender groups, especially in the larger sales volume ranges although the number and proportion of MBE firms is smaller, overall. Even in the smaller sales ranges below \$100 million, Minority-owned firms never exceeded 4.69 percent in any sales range. Moreover, there were only 3 Minority-owned firms in the sales ranges over \$10-\$20 million. WBEs ranged anywhere from 4.85 percent to 50 percent across the sales ranges and was represented in almost every sales range category.

### **Architecture and Engineering**

Based on Table 8.8, Non-SWMBEs, WBEs and Unknown/Multi-ethnic-owned firms are represented in every revenue range up to \$50 million, except WBEs in \$2.5-\$5 million range. No MBE is represented in any sales range over \$5 million and in the \$500K to 5 million range, one African American-owned firm is the sole MBE in each range. One Hispanic American- and one Asian American-owned firms are in the less than \$500 K range.

### **Construction**

In Table 8.9, Unknown multi-ethnic construction firms are reflected in every revenue range up to \$500 million. Additionally, there were only Non-SWMBEs, based on sales volume range of \$20-\$50 million and an additional WBE in the \$100-\$500 million range. There are no MBEs in any sales range over \$10 million. In the \$5-\$10 million range, there was one African American and 3 African Americans in ranges below \$2.5 million. Asian American-owned firms are only in the \$1- \$2.5 million range and sales below \$500,000. Hispanic American-owned firms are in sales range below \$2.5 million with one firm is in the \$5-10 million range.

### **Non-Professional Services**

In Table 8.10, there are MBE and WBE firms with capacity up to \$10 million in sales volume, except for Hispanic American-owned firms and WBEs that show capacity up to \$100 million in sales volume. Ranges below \$2.5 million includes at least one MBE and WBE firm in every range.

### **Professional Services**

Among Professional Service MBEs shown in Table 8.11, WBEs reflected capacity up to \$50 million, although one WBE shows capacity of over \$1 billion. Unknown multi-ethnic-owned firm are shown for the

## **Chapter VIII**

### **Capacity and Regression Analysis**

revenue range \$100-\$500 million and at least one Non-SWMBE is in the \$50-\$100 million range. One Hispanic American-owned firm had capacity up to \$20 million, while other Hispanic American-owned firms were in all the ranges below \$10 million. African American- and Asian American-owned firms had capacity up to \$5 million. Native American-owned firms trailed, with capacity only up to \$1 million. Unknown/Multi-ethnic-owned firms were reflected in Over \$1 billion, even though it was one firm, and no representation in \$500M-\$1 billion.

#### **Goods and Supplies**

All firms show capacity in Goods and Supplies, up to \$100 million (Table 8.12). Three Non-SWMBEs and one WBE show capacity up to \$ 500 million along with 10 Unknown/Multi-ethnic-owned firms. MBEs have a maximum capacity of \$100 million except for Asian American owned firms. One Asian American- owned firm and one firm on Unknown ethnicity show capacity up to \$1 billion.

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.7.**  
**Data Axle**  
**Capacity Based on Sales Volume**  
**Total**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	LESS THAN \$500,000		\$500,000-\$1 MILLION		\$1-2.5 MILLION		\$2.5-5 MILLION		\$5-10 MILLION		\$10-20 MILLION	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>3,142</b>	<b>39.76</b>	<b>1,398</b>	<b>35.52</b>	<b>1,076</b>	<b>33.91</b>	<b>409</b>	<b>34.20</b>	<b>215</b>	<b>31.99</b>	<b>101</b>	<b>30.06</b>
African American	55	0.70	36	0.91	31	0.98	9	0.75	5	0.74	1	0.30
Asian American	67	0.85	25	0.64	10	0.32	13	1.09	6	0.89	0	0.00
Hispanic American	134	1.70	69	1.75	34	1.07	8	0.67	8	1.19	2	0.60
Native American	2	0.03	1	0.03	1	0.03	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>258</i>	<i>3.26</i>	<i>131</i>	<i>3.33</i>	<i>76</i>	<i>2.40</i>	<i>30</i>	<i>2.51</i>	<i>19</i>	<i>2.83</i>	<i>3</i>	<i>0.89</i>
WBE	1,686	21.34	719	18.27	513	16.17	167	13.96	81	12.05	30	8.93
<b>Total MBE</b>	<b>1,944</b>	<b>24.60</b>	<b>850</b>	<b>21.60</b>	<b>589</b>	<b>18.56</b>	<b>197</b>	<b>16.47</b>	<b>100</b>	<b>14.88</b>	<b>33</b>	<b>9.82</b>
Unknown <sup>1</sup>	2,816	35.64	1,688	42.89	1,508	47.53	590	49.33	357	53.13	202	60.12
<b>Grand Total</b>	<b>7,902</b>	<b>100.00</b>	<b>3,936</b>	<b>100.00</b>	<b>3,173</b>	<b>100.00</b>	<b>1,196</b>	<b>100.00</b>	<b>672</b>	<b>100.00</b>	<b>336</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data

1: Unknown did not have any race assigned

## Chapter VIII Capacity and Regression Analysis

Table 8.7 cont.

Data Axle

Capacity Based on Sales Volume

Total

Charleston-North Charleston CBSA, FY 2021

Ethnicity	\$20-50 MILLION		\$50-100 MILLION		\$100-500 MILLION		\$500M-\$1 BILLION		OVER \$1 BILLION		Grand Total	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>48</b>	<b>23.30</b>	<b>11</b>	<b>17.19</b>	<b>4</b>	<b>15.38</b>	<b>2</b>	<b>33.33</b>	<b>0</b>	<b>0.00</b>	<b>6,406</b>	<b>36.57</b>
African American	1	0.49	1	1.56	0	0.00	0	0.00	0	0.00	139	0.79
Asian American	1	0.49	0	0.00	0	0.00	1	16.67	0	0.00	123	0.70
Hispanic American	0	0.00	2	3.13	0	0.00	0	0.00	0	0.00	257	1.47
Native American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	4	0.02
<i>Total Minority</i>	<i>2</i>	<i>0.97</i>	<i>3</i>	<i>4.69</i>	<i>0</i>	<i>0.00</i>	<i>1</i>	<i>16.67</i>	<i>0</i>	<i>0.00</i>	<i>523</i>	<i>2.99</i>
WBE	10	4.85	6	9.38	2	7.69	0	0.00	1	50.00	3,215	18.35
<b>Total MBE</b>	<b>12</b>	<b>5.83</b>	<b>9</b>	<b>14.06</b>	<b>2</b>	<b>7.69</b>	<b>1</b>	<b>16.67</b>	<b>1</b>	<b>50.00</b>	<b>3,738</b>	<b>21.34</b>
Unknown <sup>1</sup>	146	70.87	44	68.75	20	76.92	3	50.00	1	50.00	7,375	42.10
<b>Grand Total</b>	<b>206</b>	<b>100.00</b>	<b>64</b>	<b>100.00</b>	<b>26</b>	<b>100.00</b>	<b>6</b>	<b>100.00</b>	<b>2</b>	<b>100.00</b>	<b>17,519</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data

1: Unknown did not have any race assigned



**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.8.**  
**Data Axle**  
**Capacity Based on Sales Volume**  
**Architecture and Engineering**  
**Charleston-North Charleston CBSA, FY 2021**

	LESS THAN \$500,000		\$500,000-\$1 MILLION		\$1-2.5 MILLION		\$2.5-5 MILLION		\$5-10 MILLION		\$10-20 MILLION	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>72</b>	<b>41.86</b>	<b>24</b>	<b>38.10</b>	<b>27</b>	<b>32.14</b>	<b>13</b>	<b>38.24</b>	<b>8</b>	<b>53.33</b>	<b>1</b>	<b>20.00</b>
African American	0	0.00	1	1.59	1	1.19	1	2.94	0	0.00	0	0.00
Asian American	1	0.58	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Hispanic American	1	0.58	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Native American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>2</i>	<i>1.16</i>	<i>1</i>	<i>1.59</i>	<i>1</i>	<i>1.19</i>	<i>1</i>	<i>2.94</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>
WBE	34	19.77	9	14.29	13	15.48	0	0.00	3	20.00	1	20.00
<b>Total MBE</b>	<b>36</b>	<b>20.93</b>	<b>10</b>	<b>15.87</b>	<b>14</b>	<b>16.67</b>	<b>1</b>	<b>2.94</b>	<b>3</b>	<b>20.00</b>	<b>1</b>	<b>20.00</b>
Unknown <sup>1</sup>	64	37.21	29	46.03	43	51.19	20	58.82	4	26.67	3	60.00
<b>Grand Total</b>	<b>172</b>	<b>100.00</b>	<b>63</b>	<b>100.00</b>	<b>84</b>	<b>100.00</b>	<b>34</b>	<b>100.00</b>	<b>15</b>	<b>100.00</b>	<b>5</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.8 cont.**  
**Data Axle**  
**Capacity Based on Sales Volume**  
**Architecture and Engineering**  
**Charleston-North Charleston CBSA, FY 2021**

	\$20-50 MILLION		\$50-100 MILLION		\$100-500 MILLION		\$500M-\$1 BILLION		OVER \$1 BILLION		Grand Total	
<b>Ethnicity</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>2</b>	<b>18.18</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>147</b>	<b>38.08</b>
African American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	3	0.78
Asian American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.26
Hispanic American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.26
Native American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>5</i>	<i>1.30</i>
WBE	1	9.09	0	0.00	0	0.00	0	0.00	0	0.00	61	15.80
<b>Total MBE</b>	<b>1</b>	<b>9.09</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>66</b>	<b>17.10</b>
Unknown <sup>1</sup>	8	72.73	1	100.00	1	100.00	0	0.00	0	0.00	173	44.82
<b>Grand Total</b>	<b>11</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>386</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.9.**  
**Data Axle**  
**Capacity Based on Sales Volume**  
**Construction**  
**Charleston-North Charleston CBSA, FY 2021**

	LESS THAN \$500,000		\$500,000-\$1 MILLION		\$1-2.5 MILLION		\$2.5-5 MILLION		\$5-10 MILLION		\$10-20 MILLION	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>218</b>	<b>57.82</b>	<b>148</b>	<b>46.54</b>	<b>167</b>	<b>45.63</b>	<b>46</b>	<b>48.42</b>	<b>31</b>	<b>56.36</b>	<b>11</b>	<b>44.00</b>
African American	3	0.80	3	0.94	3	0.82	0	0.00	1	1.82	0	0.00
Asian American	1	0.27	0	0.00	2	0.55	0	0.00	0	0.00	0	0.00
Hispanic American	10	2.65	6	1.89	3	0.82	0	0.00	1	1.82	0	0.00
Native American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>14</i>	<i>3.71</i>	<i>9</i>	<i>2.83</i>	<i>8</i>	<i>2.19</i>	<i>0</i>	<i>0.00</i>	<i>2</i>	<i>3.64</i>	<i>0</i>	<i>0.00</i>
WBE	27	7.16	26	8.18	28	7.65	11	11.58	2	3.64	1	4.00
<b>Total MBE</b>	<b>41</b>	<b>10.88</b>	<b>35</b>	<b>11.01</b>	<b>36</b>	<b>9.84</b>	<b>11</b>	<b>11.58</b>	<b>4</b>	<b>7.27</b>	<b>1</b>	<b>4.00</b>
Unknown <sup>1</sup>	118	31.30	135	42.45	163	44.54	38	40.00	20	36.36	13	52.00
<b>Grand Total</b>	<b>377</b>	<b>100.00</b>	<b>318</b>	<b>100.00</b>	<b>366</b>	<b>100.00</b>	<b>95</b>	<b>100.00</b>	<b>55</b>	<b>100.00</b>	<b>25</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.9 cont.**  
**Data Axle**  
**Capacity Based on Sales Volume**  
**Construction**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	\$20-50 MILLION		\$50-100 MILLION		\$100-500 MILLION		\$500M-\$1 BILLION		OVER \$1 BILLION		Grand Total	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>4</b>	<b>44.44</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>625</b>	<b>50.08</b>
African American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	10	0.80
Asian American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	3	0.24
Hispanic American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	20	1.60
Native American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	-	0.00
<i>Total Minority</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>33</i>	<i>2.64</i>
WBE	0	0.00	0	0.00	1	50.00	0	0.00	0	0.00	96	7.69
<b>Total MBE</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>50.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>129</b>	<b>10.34</b>
Unknown <sup>1</sup>	5	55.56	1	100.00	1	50.00	0	0.00	0	0.00	494	39.58
<b>Grand Total</b>	<b>9</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>	<b>2</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,248</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

## Chapter VIII Capacity and Regression Analysis

**Table 8.10.**

**Data Axle**

**Capacity Based on Sales Volume**

**Non-Professional Services**

**Charleston-North Charleston CBSA, FY 2021**

	LESS THAN \$500,000		\$500,000-\$1 MILLION		\$1-2.5 MILLION		\$2.5-5 MILLION		\$5-10 MILLION		\$10-20 MILLION	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>1,345</b>	<b>37.29</b>	<b>535</b>	<b>34.65</b>	<b>364</b>	<b>31.35</b>	<b>138</b>	<b>32.86</b>	<b>65</b>	<b>29.68</b>	<b>30</b>	<b>31.91</b>
African American	33	0.91	13	0.84	14	1.21	2	0.48	0	0.00	0	0.00
Asian American	18	0.50	6	0.39	3	0.26	1	0.24	1	0.46	0	0.00
Hispanic American	53	1.47	34	2.20	16	1.38	0	0.00	0	0.00	0	0.00
Native American	1	0.03	0	0.00	1	0.09	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>105</i>	<i>2.91</i>	<i>53</i>	<i>3.43</i>	<i>34</i>	<i>2.93</i>	<i>3</i>	<i>0.71</i>	<i>1</i>	<i>0.46</i>	<i>0</i>	<i>0.00</i>
WBE	870	24.12	266	17.23	182	15.68	39	9.29	26	11.87	3	3.19
<b>Total MBE</b>	<b>975</b>	<b>27.03</b>	<b>319</b>	<b>20.66</b>	<b>216</b>	<b>18.60</b>	<b>42</b>	<b>10.00</b>	<b>27</b>	<b>12.33</b>	<b>3</b>	<b>3.19</b>
Unknown <sup>1</sup>	1,287	35.68	690	44.69	581	50.04	240	57.14	127	57.99	61	64.89
<b>Grand Total</b>	<b>3,607</b>	<b>100.00</b>	<b>1,544</b>	<b>100.00</b>	<b>1,161</b>	<b>100.00</b>	<b>420</b>	<b>100.00</b>	<b>219</b>	<b>100.00</b>	<b>94</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data

1: Unknown did not have any race assigned

## Chapter VIII Capacity and Regression Analysis

**Table 8.10 cont.**  
**Data Axle**  
**Capacity Based on Sales Volume**  
**Non-Professional Services**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	\$20-50 MILLION		\$50-100 MILLION		\$100-500 MILLION		\$500M-\$1 BILLION		OVER \$1 BILLION		Grand Total	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>13</b>	<b>27.66</b>	<b>2</b>	<b>12.50</b>	<b>1</b>	<b>12.50</b>	<b>2</b>	<b>50.00</b>	<b>0</b>	<b>0.00</b>	<b>2,495</b>	<b>35.04</b>
African American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	62	0.87
Asian American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	29	0.41
Hispanic American	0	0.00	1	6.25	0	0.00	0	0.00	0	0.00	104	1.46
Native American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	0.03
<i>Total Minority</i>	<i>0</i>	<i>0.00</i>	<i>1</i>	<i>6.25</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>197</i>	<i>2.77</i>
WBE	1	2.13	1	6.25	0	0.00	0	0.00	0	0.00	1,388	19.49
<b>Total MBE</b>	<b>1</b>	<b>2.13</b>	<b>2</b>	<b>12.50</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,585</b>	<b>22.26</b>
Unknown <sup>1</sup>	33	70.21	12	75.00	7	87.50	2	50.00	1	100.00	3,041	42.70
<b>Grand Total</b>	<b>47</b>	<b>100.00</b>	<b>16</b>	<b>100.00</b>	<b>8</b>	<b>100.00</b>	<b>4</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>	<b>7,121</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
1: Unknown did not have any race assigned

## Chapter VIII Capacity and Regression Analysis

**Table 8.11.**  
**Data Axle**  
**Capacity Based on Sales Volume**  
**Professional Services**  
**Charleston-North Charleston CBSA, FY 2021**

	LESS THAN \$500,000		\$500,000-\$1 MILLION		\$1-2.5 MILLION		\$2.5-5 MILLION		\$5-10 MILLION		\$10-20 MILLION	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>1,204</b>	<b>41.65</b>	<b>481</b>	<b>34.51</b>	<b>241</b>	<b>30.39</b>	<b>52</b>	<b>23.53</b>	<b>21</b>	<b>25.30</b>	<b>8</b>	<b>21.05</b>
African American	14	0.48	12	0.86	9	1.13	2	0.90	0	0.00	0	0.00
Asian American	39	1.35	7	0.50	1	0.13	3	1.36	0	0.00	0	0.00
Hispanic American	55	1.90	17	1.22	2	0.25	2	0.90	3	3.61	1	2.63
Native American	0	0.00	1	0.07	0	0.00	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>108</i>	<i>3.74</i>	<i>37</i>	<i>2.65</i>	<i>12</i>	<i>1.51</i>	<i>7</i>	<i>3.17</i>	<i>3</i>	<i>3.61</i>	<i>1</i>	<i>2.63</i>
WBE	545	18.85	288	20.66	146	18.41	56	25.34	16	19.28	5	13.16
<b>Total MBE</b>	<b>653</b>	<b>22.59</b>	<b>325</b>	<b>23.31</b>	<b>158</b>	<b>19.92</b>	<b>63</b>	<b>28.51</b>	<b>19</b>	<b>22.89</b>	<b>6</b>	<b>15.79</b>
Unknown <sup>1</sup>	1,034	35.77	588	42.18	394	49.68	106	47.96	43	51.81	24	63.16
<b>Grand Total</b>	<b>2,891</b>	<b>100.00</b>	<b>1,394</b>	<b>100.00</b>	<b>793</b>	<b>100.00</b>	<b>221</b>	<b>100.00</b>	<b>83</b>	<b>100.00</b>	<b>38</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.11 cont.**  
**Data Axle**  
**Capacity Based on Sales Volume**  
**Professional Services**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	\$20-50 MILLION		\$50-100 MILLION		\$100-500 MILLION		\$500M-\$1 BILLION		OVER \$1 BILLION		Grand Total	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>1</b>	<b>7.69</b>	<b>1</b>	<b>50.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>2,009</b>	<b>36.95</b>
African American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	37	0.68
Asian American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	50	0.92
Hispanic American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	80	1.47
Native American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.02
<i>Total Minority</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>0</i>	<i>0.00</i>	<i>168</i>	<i>3.09</i>
WBE	2	15.38	0	0.00	0	0.00	0	0.00	1	100.00	1,059	19.48
<b>Total MBE</b>	<b>2</b>	<b>15.38</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>100.00</b>	<b>1,227</b>	<b>22.57</b>
Unknown <sup>1</sup>	10	76.92	1	50.00	1	100.00	0	0.00	0	0.00	2,201	40.48
<b>Grand Total</b>	<b>13</b>	<b>100.00</b>	<b>2</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>1</b>	<b>100.00</b>	<b>5,437</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned



## Chapter VIII Capacity and Regression Analysis

**Table 8.12.**  
**Data Axle**  
**Capacity Based on Sales Volume**  
**Goods and Supplies**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	LESS THAN \$500,000		\$500,000-\$1 MILLION		\$1-2.5 MILLION		\$2.5-5 MILLION		\$5-10 MILLION		\$10-20 MILLION	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>303</b>	<b>35.44</b>	<b>210</b>	<b>34.04</b>	<b>277</b>	<b>36.02</b>	<b>160</b>	<b>37.56</b>	<b>90</b>	<b>30.00</b>	<b>51</b>	<b>29.31</b>
African American	5	0.58	7	1.13	4	0.52	4	0.94	4	1.33	1	0.57
Asian American	8	0.94	12	1.94	4	0.52	9	2.11	5	1.67	0	0.00
Hispanic American	15	1.75	12	1.94	13	1.69	6	1.41	4	1.33	1	0.57
Native American	1	0.12	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<i>Total Minority</i>	<i>29</i>	<i>3.39</i>	<i>31</i>	<i>5.02</i>	<i>21</i>	<i>2.73</i>	<i>19</i>	<i>4.46</i>	<i>13</i>	<i>4.33</i>	<i>2</i>	<i>1.15</i>
WBE	210	24.56	130	21.07	144	18.73	61	14.32	34	11.33	20	11.49
<b>Total MBE</b>	<b>239</b>	<b>27.95</b>	<b>161</b>	<b>26.09</b>	<b>165</b>	<b>21.46</b>	<b>80</b>	<b>18.78</b>	<b>47</b>	<b>15.67</b>	<b>22</b>	<b>12.64</b>
Unknown <sup>1</sup>	313	36.61	246	39.87	327	42.52	186	43.66	163	54.33	101	58.05
<b>Grand Total</b>	<b>855</b>	<b>100.00</b>	<b>617</b>	<b>100.00</b>	<b>769</b>	<b>100.00</b>	<b>426</b>	<b>100.00</b>	<b>300</b>	<b>100.00</b>	<b>174</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
1: Unknown did not have any race assigned

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.12 cont.**  
**Data Axle**  
**Capacity Based on Sales Volume**  
**Goods and Supplies**  
**Charleston-North Charleston CBSA, FY 2021**

Ethnicity	\$20-50 MILLION		\$50-100 MILLION		\$100-500 MILLION		\$500M-\$1 BILLION		OVER \$1 BILLION		Grand Total	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>28</b>	<b>22.22</b>	<b>8</b>	<b>18.18</b>	<b>3</b>	<b>21.43</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>1,130</b>	<b>33.96</b>
African American	1	0.79	1	2.27	0	0.00	0	0.00	0	0.00	27	0.81
Asian American	1	0.79	0	0.00	0	0.00	1	50.00	0	0.00	40	1.20
Hispanic American	0	0.00	1	2.27	0	0.00	0	0.00	0	0.00	52	1.56
Native American	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.03
<i>Total Minority</i>	<i>2</i>	<i>1.59</i>	<i>2</i>	<i>4.55</i>	<i>0</i>	<i>0.00</i>	<i>1</i>	<i>50.00</i>	<i>0</i>	<i>0.00</i>	<i>120</i>	<i>3.61</i>
WBE	6	4.76	5	11.36	1	7.14	0	0.00	0	0.00	611	18.36
<b>Total MBE</b>	<b>8</b>	<b>6.35</b>	<b>7</b>	<b>15.91</b>	<b>1</b>	<b>7.14</b>	<b>1</b>	<b>50.00</b>	<b>0</b>	<b>0.00</b>	<b>731</b>	<b>21.97</b>
Unknown <sup>1</sup>	90	71.43	29	65.91	10	71.43	1	50.00	0	0.00	1,466	44.06
<b>Grand Total</b>	<b>126</b>	<b>100.00</b>	<b>44</b>	<b>100.00</b>	<b>14</b>	<b>100.00</b>	<b>2</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>3,327</b>	<b>100.00</b>

Source: 2021 Data Axle Data; M<sup>3</sup> Consulting; Ethnicities based on assigned races from source data  
 1: Unknown did not have any race assigned

### **8.2.3 Capacity Analysis Based on Survey Data**

#### **Disparity Study Survey Analysis**

To analyze capacity of MBEs compared to Non-SWMBEs, M<sup>3</sup> Consulting conducted a survey of firms utilizing the MWSBE Master List, Data Axle, PO, and internal databases to further examine the relationship between company ownership demographics and those winning prime and sub-contracts with the Charleston County School District (CCSD). This list incorporated a variety of firms including those that had and some that had not conducted business with CCSD. The survey process included questionnaire and sampling design, data collection, data preparation, analysis, and data discovery. Each question of the survey was designed to gather statistical information about how CCSD conducts its bidding process and awards projects to women/minority owned and small businesses. The information gathered served as a tool to examine if any disparity was shown in the past and to ensure diversity and inclusion is a part of the bidding process.

All firms among the MSWBE master list, data axle, PO, and internal databases were sent a survey link to maximize the size of potential respondents. 8,841 firms were sent a survey invitation during the first emailing. During the second emailing 9,344 firms were sent a survey invitation as a reminder with 901 emails bouncing back. 206 firms responded to the survey. During the third emailing 8,627 firms were sent a survey with 987 emails bouncing back. Although there are 206 respondents, the number of respondents per question varies from question to question as some questions were skipped by respondents. Respondents were asked a total 38 questions.

#### **A. Respondent Demographics**

Among 162 respondents, 111 firms contracted with CCSD during the past five years either as prime contractor or as sub-contractor (Q5), while only 6 firms contracted with only private sector firms (Q2). Only three firms contracted solely with CCSD within the past five years while 108 firms contracted with multiple agencies including CCSD. Eighty percent of firms had contracted with other public sector agencies other than CCSD in South Carolina in the past five years (Q3) while 55 percent had worked in the public sector outside of South Carolina (Q4). Approximately 73 percent of respondents worked for firms that were mostly male owned while 27 percent of respondents were a part of female owned firms. Based on racial/ethnic distribution, 47 percent of firms were Caucasian male owned firms while 13 percent of all firms were Caucasian female owned; 8 percent of firms were African American female owned while 4 percent of firms were African American male owned; 1 percent were Hispanic American-owned firms while 2 percent were Asian American-owned firms. About 40 percent of businesses were classified as an LLC while 29 percent were classified as a corporation.

Among businesses that had recently worked with CCSD (within the past 3 years), 40 percent had worked with CCSD for over 10 years while 22 percent had begun work with the district less than 3 years ago (Q6

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& Q7). In addition, 44 percent of respondents had begun work with other public sector firms outside of CCSD over 10 years ago (Q8). Nearly 73 percent have worked with a public sector agency excluding CCSD within the past three years (Q9). A majority of respondents or 39 percent had last contracted with a private sector agency more than ten years ago.

Among 154 respondents, 19 percent worked among the goods and supplies industry followed by 14 percent in the professional services industry, 10 percent in the construction industry, and 10 percent among technical services. Among the goods and supplies industry 13 percent of firms are Minority-owned while 38 percent of firms among the professional services industry and construction industry are Minority owned; 33 percent of firms were Minority-owned among the tech service industry. White male owned businesses were heavily concentrated among the architecture and engineering industry and the construction industry (64 percent and 44 percent). It was also found that there is a higher concentration of WBEs among the technical services industry and the construction industry (27 percent and 31 percent of each industry). In addition, among respondents in various other industries 35 percent of these businesses were WBEs (Q15). These industries include but are not limited to Education, Graphic Design and Food Service (Q12).

On average each respondent had 15 employees. 43 percent of respondents had less than 10 employees while 5 percent of respondents had over 1,000 employees. Nearly 50 percent of respondents had been in business for over 25 years while 7 percent were among a new business that started 1-3 years ago (Q14). In relation to firm type, 31 percent of LLCs had been in business for over 25 years with an average of less than 10 employees. 82 percent of corporations had been in business for over 25 years and had on average 36 employees. 60 percent of Subchapter S Corporations had been in business for over 25 years and had an average of less than 10 employees (Q11 & Q13). 48 percent of respondents worked among White male owned firm while 24 percent were among African American-owned firms (Q16).

It was found that before the respondent's principal was involved with their current firm 27.2 percent had worked solely in the private sector, 10 percent solely in the public sector and 55.4 percent in both the private and public sector. 87.9 percent of each company's principal had worked in a managerial role before with Hispanic American-owned businesses being the least represented among this area (Q20). Among principals that had worked in a managerial role prior, nearly 27 percent had worked in this type of role for over 20 years (Q21). 71.3 percent had worked in the same professional area before becoming the company's principal while white females were least likely to come from the same professional area (Q18). Nearly 35.2 percent of white males had worked solely in the private sector, while 42.7 percent of women and 19.4 percent of African Americans had worked solely within the sector. In contrast, 7.4 percent of white males had worked solely in the public sector, while 16.8 percent of women and 16.1 percent of African Americans had worked solely within this sector (Q22). It was also found that 42 percent had more than 20 years of experience in their professional area although 11 percent had less than 5 years of experience in their professional area (Q19).

A majority of firm principals had a postgraduate degree (42.3 percent), followed by those with a bachelor's degree (40.1 percent). 51.4 percent of African American principals had obtained a postgraduate degree while 36.8 percent of white females and 39.7 percent of white males had obtained a postgraduate degree. 4.4 percent of white males and 2.9 percent of African Americans had obtained a high school diploma as their highest level of education (Q17).

**B. Bidding and Contracting**

A chi-square test was conducted to test if there was a relationship between race/gender and contracts that were won with CCSD. Only Caucasians and African American-owned businesses were considered for this analysis due to low significant sample sizes for other ethnicities. Although all three tests were found to be not statistically significant, there is a stronger association between gender and contracts won when comparing white females and white males.

<b>1</b>			
<b>The Relationship Between Race &amp; Gender and Contracts won with CCSD</b>			
<b>Groups</b>	<b>Pearson Value</b>	<b>Chi-Square Significance level</b>	<b>Phi value</b>
African Americans v. White Male Owned Businesses	0.395	0.53	-0.06
African Americans v. White Female Owned Businesses	0.73	0.393	0.113
White Female v. White Male Owned Businesses	2.22	0.136	-0.154

Source: M<sup>3</sup> Consulting;  
 Higher chi-square values suggest that there is a greater chance that race/gender and contracts won are dependent upon one another. The significance level shows if there is a relationship between both variables. A 95 % confidence level was utilized for this analysis; therefore, significance levels must be below .05 for the null hypothesis to be rejected. The phi value shows the strength of the relationship between two variables thus as the value increases, the strength of the relationship also increases.

Among the respondents, 58 percent had supplied a bid for CCSD while 66 percent had supplied a bid for other public sector agencies in South Carolina within the past two years as a prime contractor (Q23). The most common issue for firms that had submitted bids and worked as prime contractors was that they were receiving payments too slowly. Over 16 percent of firms cited this as an issue either always or frequently. African American principals were twice as likely to report this as an issue than White male principals. The second most common issue for prime contractors was experiencing changes in the scope of work after the contract had begun; 14.6 percent of firms experienced this issue either always or frequently (Q24 & Q25). The most common reasons firms did not submit a bid as prime contractor were noted as follows: (i) No notice of bids from CCSD (46.8 percent of respondents), (ii) no relationship with CCSD (27.4 percent), (iii) no bids for what the company sold (25.8 percent), (iv) too much bureaucracy/red tape (17.7 percent), and (v) CCSD favors certain contractors (9.68 percent).

Within the last two years 41 percent of respondents submitted a bid to CCSD as sub-contractor (Q26). The most common issue that subcontractors had experienced when working on CCSD contracts was as follows: (i) officials rarely evaluated bid procedures; 16.4 percent of firms cited that officials within CCSD rarely (or never) evaluated bid procedures fairly. (ii) firms either never or rarely followed bid procedures. Common reason firms did not submit a bid as subcontractor for a CCSD project was (i) the lack of notice of bids from CCSD (41.5 percent of respondents), (ii) no bids for what the company sold (34.15 percent), (iii) no relationship with CCSD (15.9 percent), (iv) CCSD favors certain contractors (7.32 percent) and (v) too much bureaucracy/red tape (6.1 percent) (Q 27 & Q28)

Respondents believed that CCSD had become most effective in awarding contracts to small business enterprises over the past five years (Q34). The implementation of a program by CCSD seeking to include Disadvantaged Businesses Enterprises and Small Business Enterprises was considered a very fair policy by 26 percent of respondents whereas the inclusion of Minority/ Women-owned businesses was a very fair policy by 32 percent of respondents (Q32 & Q33).]

**C. T-test of difference in means among female-owned firms and male-owned Firms for CCSD**

The Tables below present the t-test of differences among firms based on gender and minority versus Non-SWMBEs. There was a significant difference in the number of employees and the number of years in business among male- and female-owned firm that do business with CCSD. (See Table 8.14). Similarly, a significant difference in the number of employees and years in business is noted between minority and non-minority owned firms. No significant difference was found regarding the number of years a male or female had served as a manager. It was also found that there is not a significant difference between years in management for minority principals in comparison to non-minority principals. (See Table 8.15)

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**Table 8.14.**  
**T-Test of Difference in Means Among Female-Owned Firms and Male-Owned Firms for CCSD**

Variable	Categories	No. of Observations	Mean	Std. Deviation	t-statistic	p-value	Significance
No. of FTE	female-owned	41	1.56 (10 or less employees)	.838			
	male-owned	112	2.29 (22 employees)	1.299	-3.365	<.001	YES
Years in Business	female-owned	41	3.11 (6 Years)	1.499			
	male-owned	112	3.98 (9 Years)	1.325	-2.709	.008	YES
Years as a manager	female-owned	32	2.82 (9 Years)	1.565			
	male-owned	81	2.50 (8 Years)	1.178	1.045	0.299	NO

Source: M<sup>3</sup> Consulting

Data was collected in ranges (Ex: 5-10 years or 10-15 years), so each data value was coded to conduct a t-test. The T-Test was conducted with a two tailed test at a 95 % confidence level.

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**Table 8.15.**  
**T-Test of Difference in Means Among Minority Owned Firms and Non-Minority Owned Firms for CCSD**

Variable	Categories	No. of Observations	Mean	Std. Deviation	t-statistic	p-value	Significance
No. of FTE	Minority Owned	73	1.66 (10 or less employees)	.989			
	Non-Minority	73	2.30 (23 employees)	1.163	-3.603	<.001	YES
Years in Business	Minority Owned	73	3.22 (6.6 Years)	1.502			
	Non-Minority	73	4.15 (12 Years)	1.319	-3.981	<.001	YES
Years as a manager	Minority Owned	45	2.51 (8 Years)	1.359			
	Non-Minority	33	2.73 (9 Years)	1.281	-.711	0.479	NO

Source: M<sup>3</sup> Consulting

Data was collected in ranges (Ex: 5-10 years or 10-15 years), so each data value was coded to conduct a t-test. The T-Test was conducted with a two tailed test at a 95 % confidence level.



## **8.4 DISPARITIES IN BUSINESS FORMATION: PUMS ANALYSIS**

### **8.4.1 PUMS ANALYSES**

Public Use Microdata Samples (PUMS) [from U.S. Census data] analysis is undertaken by M<sup>3</sup> Consulting to examine the impact of race and gender, along with other demographic and economic factors that impact: (1) the choice of self-employment and (2) the level of self-employment income.

Promoting entrepreneurship is often a beneficial means to improve the economic status of minorities and women. Disparities in business formation often limit the development and growth of firms. In their research on this topic, Black, Holtz-Eakin and Rosenthal [2000]<sup>325</sup> found that there was considerable spatial variation in self-employment rates (and self-employment earnings), especially for minority-owned firms—among metropolitan areas. Black, Holtz-Eakin and Rosenthal noted that the variation is seventy percent among Black Americans, 166 percent among Hispanics, and one hundred percent among Asians. A central point of the literature in self-employment has been on the degree to which access to capital limits the ability of individuals to attain self-employment, especially the role of such constraints in explaining racial differences in self-employment. Meyer [1990]<sup>326</sup>. Black, Holtz-Eakin and Rosenthal [2000], in analyzing regional rates of self-employment for the prime-age males (25 to 64) found:

- Overall, in the United States, the self-employment rate is 10.4 percent, which includes a range from 9.9 percent in the Northeast to 12.7 percent in the Pacific region; a difference of nearly 30 percent.
- The rate of self-employment differs greatly across races, ranging from a low of 4.3 percent among Black Americans to 12.7 among Whites.

Blanchflower and Shadforth (2007) and others<sup>327</sup> provide an excellent summary of the research in self-employment. The findings in summary are that self-employment is higher among men than women; among older workers than younger workers; and is particularly high in construction and retailing. It is also especially high among some immigrant groups and varies by region and state being especially high in construction occupations, agriculture, and retailing. Fairlie and Robb (2007b) found that black business owners were much less likely than white counterparts to have had a self-employed family member owner

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<sup>325</sup>Black, D., D. Holtz-Eakin and S. Rosenthal (2001), "Racial Minorities, economic scale and the geography of Self-employment," Brookings-Wharton Papers on Urban Affairs, pp 245-286.

<sup>326</sup> Meyer, B. 1990. "Why Are There So Few Black Entrepreneurs?" National Bureau of Economic Research, Working Paper No. 3537.

<sup>327</sup>Blanchflower, D.G., Levine, P., Zimmerman, D.: Discrimination in the small business credit market. *Rev Econ Stat* 85(4), 930–943 (2003); Blanchflower, D.G., Shadforth, C.: Entrepreneurship in the UK. *Found Trends Entrepreneurship* 3(4), 257–364 (2007)

prior to starting their business and are less likely to have worked in that family member's business. Fairlie and Robb noted that the lack of prior work experience in a family business among black business owners, perhaps by limiting their acquisition of general and specific business human capital, negatively affects black business outcomes.

Blanchflower (2009)<sup>328</sup> studied minority self-employment overall and particularly in the construction industry and examined the role that affirmative action programs have played in this context. Blanchflower points out that while the *Croson* case in 1989 made it very difficult to maintain affirmative action programs since the turn of the millennium multiple cases have changed the course of that discussion in the other direction, with courts declaring a number of programs constitutional<sup>329</sup>. It is also noted that the low representation of minorities, specifically, among the ownership of firms in construction compared to their representation in the population. Based on the 2002 Economic Census Survey of Business Owners, of the 2,770,888 firms in construction, 2.4 percent were owned by African Americans; 7.0 percent by Hispanics; 1.1 percent by American Indians or Alaskan natives; 1.4 percent by Asians and Pacific Islanders and 10.5 percent by women compared to their proportional representation in the population<sup>330</sup> wherein African Americans were 12.8 percent; white Hispanics 13.7 percent; Asian/Pacific Islanders 4.6 percent; American Indians/Alaskan Native 1.0 percent and two or more races 1.8 percent.

Blanchflower (2009) study provides new evidence on self-employment rates by race and gender (using data for the period 1983–2006) as follows.

- Across all industries: 15.5 percent of white males were self-employed compared with 7.4 percent of White females, 3.6 percent of African Americans, and 7.8 percent of Hispanics.
- In Construction: Self-employment rates of White males were 28 percent compared with 21 percent for White females, 17 percent for African Americans and 13 percent for Hispanic Americans.
- The gap between the earnings of White males and all groups, other than Asian Americans remains large.

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<sup>328</sup> Blanchflower, D.G., "Minority self-employment in the United States and the impact of affirmative action programs", *Ann Finance* (2009) 5:361–396.

<sup>329</sup> Also worth noting is Blanchflower, D.G., Wainwright, J.: An analysis of the impact of affirmative action programs on self-employment in the construction industry. National Bureau of Economic Research, Inc, NBER Working Papers # 11793 (2005)

<sup>330</sup> Based on the 2008 Statistical Abstract of the United States, population in 2006.

- The differential between the overall self-employment rates of White males and White females in construction has narrowed dramatically over time. The narrowing is more apparent than is found for ‘all industries’.
- The differential between the overall self-employment rates in construction of White males and African Americans has narrowed but less than it has for White females. The differential between the overall self-employment rates in construction of white males and Hispanic Americans has widened over time.

This section describes the two types of statistical analyses conducted to examine the impact of race and gender on self-employment, controlling for economic and demographic characteristics. The first analysis, undertaken via binary logistic regression, examines the likelihood that the individual will be self-employed. The second analysis, conducted via linear regression, examines the determinants of self-employment income. The analysis uses variables from the Integrated Public Use Microdata Series (IPUMS) data for 2019 ACS 5-year survey<sup>331</sup>. The labor force participants were selected for the sample if they satisfied the following criteria:

- Were residents of the State of South Carolina; and
- Were 18 years of age or older.

#### **A. Self-Employment Decision**

First, M<sup>3</sup> Consulting attempted to examine the factors that impact the self-employment decision and whether there are differences in the probability of self-employment among the different races and genders.

We examine the self-employment decision using a statistical technique called binary logistic regression model. In a logistic regression model, the dependent variable is a categorical variable where “yes” is equal to 1 and “no” is equal to 0. The binary logistic regression allows the statistician to determine if a specific characteristic increases or decreases the likelihood that the dependent variable will be a “yes” or a “no.” For instance, a statistician can use a logistic regression model to examine if a certain set of characteristics (called independent variables) will increase the likelihood of teen pregnancy in a certain population. Thus, the independent variables will allow the researcher to determine whether they contribute to the “yes” or “no” response, and whether these variables impact the response variable by increasing or decreasing the

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<sup>331</sup> IPUMS USA collects, preserves, and harmonizes U.S. census microdata and provides easy access to this data with enhanced documentation. Data includes decennial censuses from 1790 to 2010 and American Community Surveys (ACS) from 2000 to the present.

likelihood. For example, the logistic regression may show that parental involvement may decrease the incidence of teen pregnancy, while single family home (lack of monitoring) may increase this likelihood. Similarly, we attempt to examine if a certain set of characteristics (called independent variables) will increase the likelihood of self-employment in a certain population (in this case, South Carolina). Mathematically, the logistic regression model can be written as:

$$\ln(\pi/1-\pi) = \alpha + \beta_1 X_1 + \epsilon_1$$

where:

- $(\pi/1-\pi)$  =the probability of self-employment
- $\alpha$  =a constant
- $\beta_1$  =the coefficient for each of the independent variables
- $X$  =the independent variable, namely race, gender, education level, age, income, and property value
- $\epsilon_1$  =the error term that captures the variation in the variables

In this model, the binary logistic regression investigates if a set of independent variables such as race, gender, age, education, household type, and other economic and demographic characteristics contribute to the likelihood of self-employment. This model is estimated for the entire sample from the IPUMS 2019 ACS 5-year database for the State of South Carolina, and then separately for self-employment in areas of Construction, Goods & Supplies, and Non-Professional Services.

Secondly, M<sup>3</sup> Consulting analyzed the factors that impact self-employment income and whether self-employment income is impacted by race and/or gender.

Linear regression is used to answer the question of whether the earnings of self-employed minority and white women owners are different from those of non-minorities, given a set of economic and demographic characteristics. The dependent variable in this analysis is the amount of self-employment earnings.

Mathematically, the linear regression model can be written as follows:

$$\log(Y) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \dots + \epsilon_1$$

where,

- $\log(Y)$  =the percentage change in self-employment income
- $\beta_0$  =a constant
- $\beta_1$  =the coefficient for each of the independent variables, representing the impact of that variable on the dependent variable, self-employment income
- $X$  =the independent variable, race, gender, education level, age, income, and property value, etc.
- $\epsilon_1$  =the error term that captures the variation in the variables

In the linear regression model, the impact of race and gender on the dependent variable is estimated, (earnings received by owners), controlling for the independent variables (economic and demographic characteristics).

## **B. Results and Discussion of the Analyses**

This section provides the results of the binary logistic regression for impact of race and gender on the likelihood of self-employment.

The binary logistic regression analysis examined the impact of economic and demographic characteristics on the probability of self-employment across all industries. Specifically, the analysis examined if minorities and White females were more or less likely to be self-employed. The analysis includes minority indicator variables: African American, Asian American, Hispanic American, Other Race, White Female. Research finds that minorities and females are less likely to be self-employed, perhaps due to factors such as limited access to capital and other resources. Other factors, such as level of education attained, marital status, age, Last Employment status, Nativity, Income (Wages and Salaries), Property value as well as Industry may be contributing factors to self-employment. Thus, the likelihood of self-employment was determined to be a function of race and gender, a subset of economic and demographic variables that allow for self-employment.

The logistic regression is first estimated for the full PUMS sample for the State. The results of the logistic regression provide estimates of the independent variables and the probability of self-employment. The analysis allows the computation of the odds of self-employment or not, given this set of independent variables. The results of odds ratios for minority groups being self-employed are presented in the following table. The odds ratio estimates the probability of self-employment for the various race and gender groups after accounting for economic and rank demographic variables that may impact self-employment. Alternately, if minority groups who are similarly situated with White males, with respect to

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### **Capacity and Regression Analysis**

economic and demographic variables are compared, the odds ratio estimates the probability of each group's likelihood of self-employment compared to White males.

**Table 8.16.**  
**“Odds Ratio” For Self-Employment for Minority Groups Relative to Non-Minority Males Controlling for Economic and Demographic Factors**

<b>Race/Ethnic Group</b>	<b>Odds Coefficient</b>	<b>Odds Ratio Inverse</b>
African American	0.56871	1.75838
Asian or Other Pacific Islander	0.58111	1.72084
American Indian or Alaska Native	1.14189	0.87574
Other Races	0.42365	2.36045
White Female	0.97464	1.02602
Hispanic vs non-Hispanic	0.73593	1.35882

Source: M<sup>3</sup> Consulting, Inc.; IPUMS 2019 ACS 5-year Data;

From the results listed in Table 8.16, comparing similarly situated individuals (in terms of economic and demographic variables), a White male is more than 1.76 times likely to be self-employed compared to an African American, 1.72 times compared to Asian American and 1.35 times as likely as a Hispanic American and 2.36 times as likely as an individual from “Other Races”. However, a white male is only little over 0.88 times as likely as a Native American and almost as likely as a White Female to be self-employed in South Carolina.

The full results of the binary logistic regression are presented in the following table.

**Table 8.17.**  
**Results of the Binary Logistic Regression Analysis for the Full Sample**

<b>Dependent Variable: Self-employed (or not) Variables</b>	<b>Coefficient (β)</b>	<b>Standard Error</b>	<b>Significance (p-value)</b>	<b>Significance</b>
(Intercept)	-4.10330	0.69660	0.00000	Yes
American Indian or Alaska Native	0.13269	0.85286	0.87691	No
Asian or Other Pacific Islander	-0.54281	0.51156	0.29304	No
Black American	-0.56439	0.18861	0.00406	Yes
Other Races	-0.85885	0.86110	0.32272	No
White Female	-0.02568	0.09948	0.79718	No
Hispanic	-0.30661	0.43235	0.48105	No
Non-Native	0.55292	0.25628	0.03512	Yes
Age	-0.00472	0.02003	0.81464	No
Age Squared	0.00031	0.00019	0.10478	No
Property Value	0.00000	0.00000	0.00026	Yes
Personal Earned Income	0.00000	0.00000	0.45015	No
Married	0.16493	0.12360	0.18728	No
1st Degree or more	0.28688	0.16541	0.08817	Yes*
Some College	0.31582	0.16572	0.06165	Yes*
Has Health Coverage	-0.36192	0.20561	0.08364	Yes*
Disabled	-0.10935	0.15245	0.47608	No
Laid off	-2.38649	0.55065	0.00006	Yes
Construction	2.37333	0.46214	0.00000	Yes
Goods & Supplies	1.04415	0.42342	0.01664	Yes
Non-Professional Services	1.34298	0.44318	0.00365	Yes
Professional Services	0.57932	0.43722	0.19037	No

Source: M<sup>3</sup> Consulting, Inc.; PUMS US Census Bureau;

\*Significant at 90% Confidence Interval

Source: M<sup>3</sup> Consulting, Inc.; IPUMS 2019 ACS 5-year Data;

\*Significant at 90% confidence level (10 percent significance level).

Professional Services omitted due to insufficient number of records

The logistic regression estimates the likelihood of self-employment based on race and gender characteristics, controlling for variables related to economic and demographic factors. Based on the results above, African Americans are significantly less likely to be self-employed in South Carolina. Being Non-native increases the likelihood of self-employment. Education, even some college appears to increase the likelihood to be self-employed but if they have health insurance that comes with being employed perhaps, it reduces the probability of being self-employed. Among additional demographic factors, property value increases the likelihood of self-employment as it can be used as collateral to access capital, but Total personal income does not significantly impact the likelihood of self-employment. All the procurement types have a probability of self-employment, except Professional Services that perhaps has more constraints due to professional licensing and apprenticeship requirements.



Those in Construction are highly likely to be self-employed whereas those in Goods and Supplies and Non-Professional services in South Carolina appear to favor self-employment as well.

**Self-employment in Construction**

<b>Table 8.18.</b>		
<b>“Odds Ratio” For Self-Employment for Minority Groups Relative to Non-Minority Males Controlling for Economic and Demographic Factors - Construction Only</b>		
<b>Race/Ethnic Group</b>	<b>Odds Coefficient</b>	<b>Odds Ratio Inverse</b>
American Indian or Alaska Native	4.07004	0.24570
Asian or Other Pacific Islander	0.41547	2.40694
Black American	0.60286	1.65877
Other Races	1.07496	0.93027
White Female	0.25715	3.88883
Hispanic vs non-Hispanic	0.70924	1.40996

Source: M<sup>3</sup> Consulting, Inc.; PUMS US Census Bureau;

From the results listed in Table 8.18, comparing similarly situated individuals (in terms of economic and demographic variables) in construction, a White male is more than 1.66 times likely to be self-employed compared to an African American, 2.4 times compared to Asian American and 1.40 times as likely as a Hispanic American. Compared to a white female, a white male is 3.88 times as likely to be self-employed in construction in South Carolina.

Regression estimates presented in Table 8.19 shows the likelihood of self-employment in construction based on race and gender characteristics, controlling for variables related to economic and demographic factors. Based on the results above, White females are significantly less likely to be self-employed in South Carolina while African Americans, Hispanic Americans and Asian Americans show less likelihood of being self-employed in construction, but their results do not reach statistical significance. Education, even some college reduces the likelihood of be self-employed, but the result does not reach statistical significance. Being disabled and individuals with health insurance that comes with being employed perhaps, significantly reduces the probability of being self-employed in construction. Among additional demographic factors, property value increases the likelihood of self-employment as it can be used as collateral to access capital, but personal income does not significantly impact the likelihood of self-employment.

**Chapter VIII**  
**Capacity and Regression Analysis**

**Table 8.19.**  
**Results of the Binary Logistic Regression Analysis for the Construction only**

<b>Dependent Variable: Self-employed (or not) Variables</b>	<b>Coefficient (β)</b>	<b>Standard Error</b>	<b>Significance (p-value)</b>	<b>Significance</b>
(Intercept)	-1.94551	0.79389	0.01705	Yes
American Indian or Alaska Native	1.40365	0.94036	0.14051	No
Asian or Other Pacific Islander	-0.87836	0.64802	0.18012	No
Black American	-0.50608	0.31349	0.11145	No
Other Races	0.07228	0.87197	0.93420	No
White Female	-1.35811	0.33358	0.00013	Yes
Hispanic vs non-Hispanic	-0.34356	0.75086	0.64885	No
Age	0.02551	0.03322	0.44537	No
Age Squared	0.00008	0.00034	0.82099	No
Property Value	0.00000	0.00000	0.09569	Yes*
Non-Native	0.73758	0.57570	0.20482	No
Personal Earned Income	0.00000	0.00000	0.85718	No
Married	0.28796	0.19702	0.14882	No
1st Degree or more	-0.31011	0.26050	0.23835	No
Some College	-0.27484	0.20345	0.18157	No
Disabled	-0.56382	0.23825	0.02104	Yes
Has Health Coverage	-0.51822	0.22755	0.02617	Yes

Source: M3 Consulting, Inc.; PUMS US Census Bureau;  
\*Significant at 90% Confidence Interval

**Self-employment in Goods and Supplies:**

From the results listed in Table 8.20, comparing similarly situated individuals (in terms of economic and demographic variables) in goods and supplies, a White male is more than 2.5 times likely to be self-employed compared to an African American, but as likely as an Asian American, a Hispanic American, and a white female to be self-employed in the Goods and supplies industry in South Carolina.

<b>Table 8.20.</b>		
<b>“Odds Ratio” For Self-Employment for Minority Groups Relative to Non-Minority Males Controlling for Economic and Demographic Factors - Goods &amp; Supplies Only</b>		
<b>Race/Ethnic Group</b>	<b>Odds Coefficient</b>	<b>Odds Ratio Inverse</b>
American Indian or Alaska Native	0.74572	1.34098
Asian or Other Pacific Islander	0.99269	1.00736
Black American	0.40738	2.45468
Other Races	1.91759	0.52149
White Female	0.99797	1.00204
Hispanic vs non-Hispanic	0.97185	1.02897

Source: M<sup>3</sup> Consulting, Inc.; PUMS US Census Bureau;

Regression estimates presented in Table 8.21 further establish the result that the likelihood African Americans are significantly less likely to be self-employed in goods and supplies in South Carolina while Asian Americans, Hispanic Americans and White females show less likelihood of being self-employed in construction, but their results do not reach statistical significance. A bachelor’s degree increases the likelihood of being self-employed versus someone with some college education but neither of these results reach statistical significance. Individuals with health insurance that comes with being employed typically, significantly reduces the probability of being self-employed in goods and supplies. Among additional demographic factors, property value, personal earned income and being married increases the likelihood of self-employment as it may be an indicator of greater access to capital.

**Table 8.21.**  
**Results of the Binary Logistic Regression Analysis for Goods & Supplies only**

<b>Dependent Variable: Self-employed (or not) Variables</b>	<b>Coefficient (β)</b>	<b>Standard Error</b>	<b>Significance (p-value)</b>	<b>Significance</b>
(Intercept)	-3.11904	0.82623	0.00036	Yes
American Indian or Alaska Native	-0.29340	0.86259	0.73488	No
Asian or Other Pacific Islander	-0.00733	0.60343	0.99034	No
Black American	-0.89800	0.44385	0.04730	Yes
Other Races	0.65107	0.92330	0.48331	No
White Female	-0.00203	0.17476	0.99075	No
Hispanic vs non-Hispanic	-0.02855	0.48839	0.95356	No
Age	0.01139	0.03778	0.76396	No
Age Squared	0.00015	0.00037	0.68072	No
Property Value	0.00000	0.00000	0.00032	Yes
Personal Earned Income	0.00000	0.00000	0.07415	Yes*
Married	0.31203	0.17787	0.08424	Yes*
Non-Native	0.37987	0.46247	0.41451	No
1st Degree or more	0.03154	0.22095	0.88696	No
Some College	-0.24113	0.18999	0.20904	No
Disabled	0.15936	0.25285	0.53081	No
Has Health Coverage	-0.77054	0.30301	0.01346	Yes

Source: M<sup>3</sup> Consulting, Inc.; PUMS US Census Bureau;  
\*Significant at 90% Confidence Interval

**Self-employment in Non-Professional Services:**

From the results listed in Table 8.22, comparing similarly situated individuals (in terms of economic and demographic variables) in non-professional services, a White male is more than 1.15 times likely to be self-employed compared to an African American, but only 0.57 times as likely as an Asian American, and 0.76 times as likely as an Hispanic American and only two-thirds as likely as a white female to be self-employed in the non-professional services industry in South Carolina.

<b>Table 8.22.</b>		
<b>“Odds Ratio” For Self-Employment for Minority Groups Relative to Non-Minority Males Controlling for Economic and Demographic Factors – Non-Professional Services Only</b>		
<b>Race/Ethnic Group</b>	<b>Odds Coefficient</b>	<b>Odds Ratio Inverse</b>
American Indian or Alaska Native	0.4197	2.3825
Asian or Other Pacific Islander	1.7057	0.5863
Black American	0.8628	1.1591
Other Races	0.8710	1.1480
White Female	1.5002	0.6666
Hispanic vs non-Hispanic	1.3088	0.7640

Source: M3 Consulting, Inc.; PUMS US Census Bureau;  
 Other Races includes American Indian or Alaska Native;

Non-professional services regression estimates are presented in Table 8.23. Asian Americans and White females are significantly more likely to be self-employed in non-professional services in South Carolina while African Americans and American Indian or Alaska Natives show a lower likelihood of self-employment, but their results do not reach statistical significance. Age appears to have an increased likelihood of self-employment and the probability increases as one gets older. Education does not seem to play a significant role in non-professional services nor does nativity. Being non-native does increase the likelihood of being self-employed, but the results is not statistically significant. Individuals with health insurance significantly reduces the probability of being self-employed in non-professional services as these individuals are likely self-employed. Among additional demographic factors, personal earned income increases the likelihood of self-employment as it may be an indicator of greater access to capital.

**Table 8.23.**  
**Results of the Binary Logistic Regression Analysis for Non-Professional Services Only**

<b>Dependent Variable: Self-employed (or not)</b> <b>Variables</b>	<b>Coefficient</b> <b>(β)</b>	<b>Standard</b> <b>Error</b>	<b>Significance</b> <b>(p-value)</b>	<b>Significance</b>
(Intercept)	-3.7586	0.3869	0.0000	Yes
Age	0.0625	0.0154	0.0001	Yes
Age Squared	-0.0003	0.0002	0.0404	Yes
Personal Earned Income	0.0000	0.0000	0.0251	Yes
Hispanic vs non-Hispanic	0.2691	0.2695	0.3218	No
American Indian or Alaska Native	-0.8681	0.6660	0.1970	No
Asian or Other Pacific Islander	0.5339	0.2945	0.0744	Yes*
Black American	-0.1476	0.1560	0.3475	No
Other Races	-0.1381	0.4617	0.7659	No
White Female	0.4056	0.0962	0.0001	Yes
Non-Native	0.2736	0.1993	0.1745	No
1st Degree or more	0.0580	0.1139	0.6120	No
Some College	0.0915	0.1083	0.4009	No
Non-Native	0.2830	0.1968	0.1552	No
Disabled	-0.1292	0.1661	0.4394	No
Has Health Coverage	-0.8270	0.1539	0.0000	Yes

Source: M3 Consulting, Inc.; PUMS US Census Bureau;

\*Significant at 90% Confidence Interval

Other Races includes American Indian or Alaska Native;

**B. Self-Employment Earnings**

Following are the results of the linear regression for the impact of race and gender on self-employment earnings.

The linear regression analyses estimated the impact of race and gender on the percentage change in self-employment earnings, controlling for economic and demographic characteristics. The dependent variable for this analysis is the percentage change in self-employment earnings. The independent variables and the hypothesized relation to self-employment earnings are as follows:

- **Race:** Research shows that non-minorities earn more than minorities, and minority status should be negatively related to earnings.
- **Age:** Research shows that age proxies for experience, and self-employment earnings should be positively related to age.
- **Age-Squared:** Research shows a non-linear relation between earnings and age. This variable captures the fact that earnings increase up to a certain age, and then tend to level off.
- **College Education:** Research shows that individuals with higher educational levels earn more, and college educated individuals should receive higher earnings.
- **Income:** Research shows a negative relation between earnings and income status.
- **Marital Status:** Research shows that married individuals tend to earn more than those single individuals.
- **Disability:** Research shows that those with disability will tend to have lower self-employment incomes.
- **Nativity:** Research indicates that non-native individuals are more likely to be self-employed to increase their income levels.

Full Sample Results: The results of the linear regression of percentage change in self-employment earnings are first estimated for the full sample for the State of South Carolina.

The results in Table 8.24 below lead us to note the following:

- All other variables kept constant, a self-employed African American will see a 9.78 percent decline in earning compared to a similarly situated non-minority; a self-employed Hispanic American will see a 28.9 percent increase in self-employment earnings while an Asian American will earn 31.9 percent more if self-employed and a White Female will earn about 4.47 percent less being self-employed. However, these results do not reach statistical significance.

- A disabled individual who is self-employed earns about 47 percent less as will an individual with health insurance who will earn 28.7 percent less if self-employed. It is likely that the person is employed in a position that provides health insurance which may be a financially better option than self-employment. An individual who is educated with a degree will earn 43.6 percent less if self-employed in South Carolina and some college still indicates 37 percent lower self-employment income. Those with a mortgage payment or personal income with see a 0.01 percentage change in their self-employment income. Age that perhaps proxies experience tends to increase self-employment income but as a person gets older, this reduces.

Since none of the procurement types show specific significant change in the percentage change in self-employment income, we do not report details by industry. The results are provided in the appendix.



## Chapter VIII Capacity and Regression Analysis

**Table 8.24.**  
**Linear Regression Results for the Determinants of Self-Employment Income by Race and Gender for the Full Sample**

Variables	Coefficients ( $\beta$ )	Standard Error	t-value	p-value	Percentage	Significant
(Intercept)	6.79895	0.63390	10.72565	0.00000		Yes
Age	0.08909	0.02066	4.31226	0.00006	9.31819	Yes
Age Squared	-0.00071	0.00021	-3.39332	0.00123	-0.07113	Yes
Mortgage Payment	0.00014	0.00004	3.62144	0.00060	0.01354	Yes
Personal Earned Income	0.00001	0.00000	16.37377	0.00000	0.00093	Yes
Married	0.00528	0.10296	0.05124	0.95931	0.52890	No
Hispanic vs non-Hispanic	0.28969	0.25441	1.13866	0.25937	33.60126	No
Has Health Coverage	-0.28760	0.11320	-2.54071	0.01367	-24.99417	Yes
Disabled	-0.47309	0.23864	-1.98244	0.05201	-37.69235	Yes*
Non-Native	0.01784	0.16871	0.10573	0.91615	1.79981	No
Asian or Other Pacific Islander	0.31903	0.19379	1.64631	0.10493	37.57926	No
Black American	-0.09778	0.14564	-0.67138	0.50455	-9.31506	No
Other Races	-0.25220	0.24155	-1.04411	0.30062	-22.29106	No
White Female	-0.04473	0.10473	-0.42709	0.67084	-4.37454	No
1st Degree or more	-0.43627	0.09650	-4.52116	0.00003	-35.35574	Yes
Some College	-0.37853	0.11885	-3.18484	0.00230	-31.51344	Yes
Construction	0.53114	0.32347	1.64202	0.10582	70.08674	No
Goods & Supplies	-0.06182	0.35168	-0.17578	0.86106	-5.99450	No
Non-Professional Services	0.09763	0.33547	0.29104	0.77203	10.25583	No
Professional Services	-0.12627	0.34881	-0.36199	0.71863	-11.86188	No

Source: M<sup>3</sup> Consulting, Inc.; PUMS US Census Bureau;

\*Significant at 90% Confidence Interval

Other Races includes American Indian or Alaska Native;

## **8.5 SUMMARY OF FINDINGS**

The purpose of this analysis is to determine if there are any differences in the capacity of race, gender, and ethnic groups and after accounting for any differences in the capacity of firms, if race and gender are contributing factors to any disparities found.

### **Capacity Based on Data Axle**

Based on the number of employees, there are about 3,300 MBEs with 1-19 employees. Nearly 2,900 of these are WBEs and only about 470 are Minority-owned firms. 5,747 of the firms in this range are Non-SWMBE firms. In contrast, for capacity measured as 500-1,000 employees or over, there are no MBEs. In the very large employee range of 1,000-4,999 employees however, there is one Asian American-owned firm and one WBE in the 10,000+ range in the CBSA.

If capacity were to be measured using sales volume, then Minority-owned firms and Non-SWMBEs are represented in all sales ranges up to \$1 billion. One WBE is in the capacity range of Over \$1 billion. So, based on sales volume, differences in capacity are not vast based on race or gender groups, especially in the larger sales volume ranges although the number and proportion of MBE firms is smaller, overall. Even in the smaller sales ranges below \$100 million, Minority-owned firms never exceeded 4.69 percent in any sales range. Moreover, there were only 3 Minority-owned firms in the sales ranges over \$10-\$20 million. WBEs ranged anywhere from 4.85 percent to 50 percent across the sales ranges and was represented in almost every sales range category.

### **Capacity Based on Survey Data**

There is a significant difference in the number of employees and the number of years in business among male and female-owned firm that do business with CCSD. Similarly, a significant difference in the number of employees and years in business is noted between minority and non-minority owned firms.

### **Capacity Based on PUMS**

Using a binary logistic regression model and variables from the Integrated Public Use Microdata Series (IPUMS) data for 2019 ACS 5-year survey for the State of South Carolina, M<sup>3</sup> Consulting attempted to examine the impact of economic and demographic characteristics on the self-employment decision and whether there are differences in the probability of self-employment among the different race/ethnicities and genders. Additionally, M<sup>3</sup> Consulting analysed the factors that impact self-employment income and whether self-employment income is impacted by race and/or gender.

- Comparing similarly situated individuals, a White male is more than 1.76 times likely to be self-employed compared to an African American, 1.72 times compared to Asian American and 1.35 times as likely as a Hispanic American.
- Additionally, based on the regression, African Americans are significantly less likely to be self-employed in South Carolina.
- Being Non-native increases the likelihood of self-employment. Education, even some college appears to increase the likelihood to be self-employed but folks with health insurance (that reflects being employed elsewhere), reduces the probability of being self-employed. In addition, greater property value increases the likelihood of self-employment as it can be used as collateral to access capital.
- Except professional services, all other procurement types show a probability of self-employment in the State of South Carolina.

M<sup>3</sup> Consulting utilizes a linear regression analysis to estimate the impact of race and gender on the percentage change in self-employment earnings, controlling for economic and demographic characteristics. A summary of the results are as follows:

- All other variables kept constant, a self-employed African American will see a 9.78 percent decline in earning compared to a similarly situated non-minority and a White Female will earn about 4.47 percent less being self-employed. However, these results do not reach statistical significance.
- A disabled individual who is self-employed earns about 47 percent less as will an individual with health insurance who will earn 28.7 percent less if self-employed. Age that perhaps proxies experience tends to increase self-employment income but as a person gets older, this reduces.
- An individual who is educated with a degree will earn 43.6 percent less if self-employed in South Carolina and those with some college education still indicates 37 percent lower self-employment income.

**CHAPTER 9: ANECDOTAL COMMENTS FROM THE MARKETPLACE**

**9.1 INTRODUCTION**

As part of the disparity study process, M<sup>3</sup> Consulting sought to explore the experiences of business owners in the greater Charleston area who may seek business opportunities with the Charleston County School District (CCSD). This chapter contains a categorized summary of anecdotal evidence collected concerning the issues and barriers small, minority and women business owners face as they attempt to transact business with the CCSD.

**A. Summary of Anecdotal Participants**

M<sup>3</sup> Consulting conducted a multi-faceted anecdotal analysis that provided insights into how local small, minority and female owned businesses experience and interact with CCSD’s procurement processes. Anecdotal data gathering activities included twenty (20) one-on-one interviews, three (3) focus group interactions (28 participants), a public hearing (6 participants) and a quantitative survey. 27 respondents to the survey provided additional anecdotal comments. Interviews and focus groups were conducted either in-person or virtually via Zoom video conference facilities. The public hearing was conducted in the CCSD Board Chamber. The participants’ race and gender designations along with industry categories are summarized in Tables 9.1 and 9.2 as follows:

<b>Table 9.1.</b>				
<b>1-on-1 Interview and Focus Group Participants</b>				
<b>Race and Gender Distribution</b>				
<b>Firm Owner Race and Gender</b>	<b>Interview Count</b>	<b>Focus Group Count</b>	<b>Survey Count</b>	<b>Public Hearing Count</b>
White Male	8	11	5	0
Minority Male	2	10	11	4
Minority Female	5	4	6	1
White Female	5	3	5	0
<b>Total</b>	<b>20</b>	<b>28</b>	<b>27</b>	<b>5</b>

Source: M<sup>3</sup> Consulting

## Chapter IX Anecdotal Comments From The Marketplace

Industry	Interview Count	Focus Group Count	Survey Count	Public Hearing Count
A&E	0	2	1	0
Construction	3	6	9	2
Professional Services	1	8	3	0
Non-Professional Services	12	7	9	2
Goods & Supplies	4	5	3	0
Non-Profit/Unknown	0	0	2	1
<b>Total</b>	<b>20</b>	<b>28</b>	<b>27</b>	<b>5</b>

Source: M<sup>3</sup> Consulting

The particularized accounts of business owner experiences contained in this chapter should be considered in tandem with the quantitative evidence regarding marketplace disparities discussed in the Availability, Utilization and Disparity chapters of this report. The anecdotal information may be used to further assess or identify the existence of racially based, gender-based, or marketplace barriers, and to corroborate statistical findings.

The framework for the collection and analysis of anecdotal evidence for this study has been suggested by the U.S. Supreme Court in the case *City of Richmond v. J.A. Croson*, 488 U.S. 469 (1989). In that case, the Court held that particularized anecdotal accounts of discrimination could help establish a compelling interest for a local government to institute a race-conscious remedy. Moreover, such evidence can provide a local entity with a firm basis for fashioning a program that is narrowly tailored to remedy identified forms of marketplace discrimination and other barriers to minority and women business participation in contract opportunities.

## **9.2 ANECDOTAL INTERVIEW METHODOLOGY**

The anecdotal evidence contained in this chapter was gathered by conducting the surveys, 1-on-1 interviews and focus groups as detailed above. A vendor sample contact list was used from the combined list of CCSD Vendors, a Master M/W/DBE list, and Data Axle. Firms were recruited for participation via phone and email to determine their interest in participating in a survey, 1-on-1s, or focus groups. Over 9,344 vendors were contacted across multiple outreach efforts. 206 surveys were received (193 completed), 20 participants were confirmed and interviewed for the 1-on-1 sessions, and 3 focus groups containing: 9 participants in session 1, 10 participants in session 2, and 9 participants in session 3 (28 total) were hosted.

Three (3) attempts were made to reach firms to participate via email and phone. During those efforts, reasons were provided by some potential interviewees as to why they did not want to participate, including the following:

- A. Vendors were too busy and did not have the time.
- B. Vendors considered the focus groups to be a waste of time and would not affect change.
- C. Vendors had never responded to a bid or were not interested to do business with the CCSD.

Each vendor participant was identified as providing goods or services in a particular procurement category. If a vendor in the compiled list or participants did not align with a category, the researchers went back to the original lists to identify the appropriate category code.

The M<sup>3</sup> Consulting team transcribed and analyzed all session transcripts. Common themes across the interviews were grouped under four (4) topic headings. Focus group excerpts are provided here to support each theme and the race and/or gender are indicated. The excerpts illustrate participant's discussion of experiences and perceptions relating to each theme heading.

### **A. Participant Confidentiality**

Each participant was informed that his or her identity and the identity of his/her company would remain confidential, unless Miller<sup>3</sup> was required to disclose this information. Miller<sup>3</sup> notes that efforts to verify or find corroborating data that supports any claim made during an anecdotal discussion may subject the participants to foreseen and unforeseen reprisals. Therefore, when using or following-up on the comments reflected in this chapter, CCSD should take measures to protect participants from any retaliatory actions by others.

### 9.3 ANECDOTAL INTERVIEW FINDINGS

The following sections indicate the recurrent themes in the discussions found throughout the anecdotal feedback sessions. Each theme includes anecdotal comments directly from the participants' discussion illustrating the topic heading.

Theme 1: The Way In - "...and somebody knows somebody who knows somebody..."

Theme 2: Bias and Frustration

Theme 3: Lack of Knowledge Regarding Process/Upcoming Business Opportunities

Theme 4: Little CCSD Connectivity to The Vendor Community

Theme 5: Issues with CCSD MBE Initiatives

#### Theme 1: The Way In

The experiences recounted by the one-on-one interviewees and focus group participants suggests that there are different paths to establishing a business relationship with CCSD. As demonstrated in the comments/feedback, both formal and informal ways exist for small businesses to provide services to CCSD. The participants whose businesses provide offerings in the construction and construction-related services arenas focused primarily on the formal bid or proposal processes. Other participants relayed their experiences while executing the provision of classroom-related services, special curriculum classes, small awards purchases, and special events support. These activities, some of which were referred to as "one-offs", were often related to discretionary needs at the school level and did not involve any formal process. The participants who had obtained these opportunities either knew the decision makers through previous experience or from some other past employment relationships.

The discussions and interviews also included minor discussion around barriers to small business opportunities in the greater Charleston area but when pressed about specifics the barriers remained unspecified. Those comments referenced the general culture and state of society more than the identification of specific roadblocks to working with the CCSD and in greater Charleston area.

Whereas some focus group participants shared that they had experienced no barriers and had no perceptions of bias in the CCSD procurement system, other vendor participants shared feedback related to perceived bias or that they were still looking for a way-in to conduct business with CCSD. It appeared that the sessions underscored the value of relationship and experience, and that to be an effective subcontractor, there must be trust of your firm within the Prime Contractor team. However, as was mentioned in the sessions, it is ideal when trying to break in, to have a "relationship roadmap".

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*The following remarks refer to vendors' experiences in attempting to build relationships to find a way in with CCSD to access opportunities:*

#### **Focus Group 1, Participant 5 (P5), African American Female-Owned, Non-Professional services**

FG1, P5 shared her thoughts on the fairness of CCSD procurement, her journey to an opportunity with CCSD, and how the CCSD needs to educate the community more on the areas where they need services. "I hadn't worked with the district, right? I'm not from Charleston, but I have worked with— I've worked with the government before, and I can't precisely say that I've seen where it's biased (CCSD Procurement) because when it comes down to it, there's laws. If you think there's a bias, you can protest something. And in that protest, it's literally like a legality they have to go through if a case that opens up. And if it's biased, I mean, you have that opportunity to say, "Hey, there's a lot of bias." "...it took us a year to get that (opportunity), and I had to self-educate. I had to go out and find mentors in that space that could help pour in. So, I think having a resource of some sort that can come in and educate in the areas that (the CCSD) want to see more people (participate)..." The participant detailed that her firm had a great deal of experience winning government contracts and had expressed interest in the CCSD but had not tried yet to pursue a contract -- owing to not fully understanding the process. This created further group dialogue related to the District's process. After contributions to the discussion from two participants who have done work with CCSD and discussed how the process worked for them (regarding participation at the subcontract level), the other minority business owners that participated found a greater understanding.

#### **One-on One Interviewee # 2 (I2) Asian American-owned, Professional Services**

When asked if his firm had ever felt any barriers related to ethnicity when seeking business opportunities, interviewee I2 responded: "If there were, they certainly weren't apparent to me." The interviewee indicated that his business pursuits have focused on the private sector in Charleston and not with CCSD or other public entities. He indicated that he has had no experiences which have discouraged him in pursuing business or deterred his efforts to build his business related to his Charleston area private sector pursuits.

#### **Focus Group 2, Participant 15 (P15), White Female-Owned, Goods & Supplies**

FG2, P15 talks about the transitional nature of CCSD staff and how that impacts relationship building efforts. "...I've actually never had a contract with the district. And one of my—I won't say beefs or—it's not a beef, it's a frustration...nobody (CCSD Staff) stays in the same position. If you're ordering from me and somebody takes your position because you got promoted, the next person might order from "Joe". There is no contract so there is no guarantee..., so if I'm making your Teacher of the Year plaques, I'm



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### **Anecdotal Comments From The Marketplace**

going to stock them because I don't want to not have them when you need them. But then if you get promoted or leave, that would stop..."

#### **Focus Group 3, Participant 18 (P18) White Male-Owned, Non-Professional Services**

FG3, P18 discussed an opportunity that was born out of his previous employment relationship with the CCSD. "...Usually, a teacher or a librarian, sometimes the principal is looking for a specific programming... They will say we really need something to make this more interesting. And so, they start shopping for an artist that can come and do that. And they'll call me and say, do you have any programming, or can you develop program on this educational need? When I worked for the district, the principal that I worked for—and generally, it's very common that I became that school's storyteller. Then they'll call me every year..." This participant indicated that the initial contact for him is usually facilitated by the South Carolina Arts Commission (SCAC), which is a statewide agency that provides funding for visiting artists in schools. "... So, I receive lists of, "These are all the people that we (SCAC) gave money to. Please contact them and tell them that you're on our lists and approved." And then we do some direct marketing and that kind of thing..."

#### **Focus Group 2, Participant 3 (P3), African American Female-Owned, Goods & Supplies**

FG2, P3 talked about how the fact that she is from Charleston and knows how to navigate the area and locals resulted in opportunity for her business. "I did several Charleston County school functions. I'm from here, so I know the ins and outs of Charleston. I know how to work. ... Yeah. Other than that, I'm fully aware that I would have never gotten the bid because, unfortunately, a lot of times, with a small business, especially Black businesses, when we try to go out for things like that, we normally don't get it. So, because of that, I was able to get the contract. And this helps some children.... first, one of them was a teachers' function like a teachers' conference. I did that one. That was really good. And what that was for... was for some children that were misfortunate, and they were on their way to go to Cape Canaveral. And some of the parents, they just didn't have the money to send the children. So, they contracted me to bake the stuff to sell..."

#### **One-on One Interviewee # 4 (I4) White Male-owned, Non-Professional Services**

When asked about his opportunities to do work for the CCSD, interviewee I4 indicated that he has opportunities, but they are not directly from the District – even though it is the District that pays his engagements. "Yeah, I mean, they're the ones that pay me, but generally, it's the individual schools or teachers or PTAs or whatever that are the ones that I deal with, and then they get the approval through the CCSD to pay for our services. They submit their budget to them, generally..." The interviewee detailed that although the CCSD approves his company's invoices for payment, his contact with them is very

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limited. "...If they say, "Hey, we need a W9," or, "We need proof of insurance or something like that," I'll correspond with them, so. But most of it's through the contact at the school.

#### **Focus Group 2, Participant 14 (P14), White Male-Owned, Professional Services**

FG3, P14 detailed how working in the community, serving as a substitute teacher, and volunteering in the district allowed him to manifest a way into a business opportunity with the district. "I was working in the community. I was working as a substitute teacher. So, I was in the schools (CCSD), and I so kept seeing all these interventions coming in and out [inaudible]. And I then went to the principal at one school, and I volunteered to work with some kids. And then the next day, he came back, and he asked me. He said, "You have a business?" and I said, "Well, yeah. And no," because I'm not going to say no totally because I'm the business. But it's just not on paper. Nothing like that at that time. So, of course, I went back home and the next day..." The participant indicated that they started the business to support the new opportunity.

#### **Focus Group 3, Participant 21 (P21), White Female-Owned, Goods & Supplies**

FG3, P21 relayed how her opportunities with the district came as a result of the District reaching out to her directly. "We've had people reach out to us directly, and a lot more for donations and to cater breakfasts or lunches. But then also, we've had some paid gigs with them too, that they will do things for their teacher appreciation week, a lot of teacher appreciation week. We have a food truck that we can go out to the schools, and they reach out to us."

#### **Focus Group 2, Participant 16 (P16), African American Female-Owned, Architectural & Engineering**

FG2, P16 discussed experience with South Carolina Business Opportunities (SCBO) which is a live database for goods, services, information technology and construction needs of state and local governments that the CCSD uses, and that the participant used to try to find opportunities. "For SCBO and smaller projects, I think under 50,000, they're allowed to solicit a firm directly, which we'll get sometimes. But most of it is through SCBO. Right now, we just got a two-year contract. We're not allowed to bid. As a service industry, we don't bid." CCSD Issues an RFQ. "We just submit our qualifications...". "... the major thing that XXX said is in the beginning, that you have to find a way to introduce yourself --to the construction manager, because if they don't know you, you will never get in..."

#### **One-on One Interviewee # 6 (I6) White Male-owned, Goods & Supplies**

Interviewee I6 discussed how he finds out about/accesses bid opportunities in the private/public sector – including the District. "So, within the food service industry, we find out because it's put out. For instance, at MUSC, Medical University of South Carolina, they're putting some stuff out for bid. And we're bidding

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on some opportunities to be able to serve within their retail sector down there. And so, we find out about it through usually a food service provider..." "When we're dealing with the school district, we'll find out through the cafeteria manager or somebody, a third party, like the PTA, or something like that or sometimes it is the principal or athletic director. Interviewee I6 stated that when working with the District, they are generally the ones that contact him. "Yeah, it's just usually personal interaction. We just recently served at the new North Charleston football stadium over here. And so, we dealt with the district for that contract. And so, we served this past year because they didn't have any other fruit service set up there..." "Sometimes we'll do cafeteria sales if they want to sell XXX products to raise money for some specific cause that they have. So, we have contracted in various different ways."

#### Survey Participant # 21 (SP21), White Female-owned, Non-Professional Services

SP21 noted that, as it relates to CCSD bid and proposal process, "CCSD favors specific contractors and writes bid proposals that entities with the same experience and capabilities cannot meet."

#### Theme 2: Bias and Frustration

The anecdotal sessions included a few comments about social and cultural bias existing in the CCSD procurement process. Our analysis indicates that the comments had more to do with the perceived advantages that insiders may have over the general bidding public regarding certain business opportunities. In the comments, bias was often represented in stories involving "insiders versus outsiders", "large firms versus small firms, and informed bidders versus the uninformed. Interviews sometimes indicated a perception of bias in the system, but were not familiar enough with the procurement process/system to be more specific

*The following remarks refer to vendors' attempts to share their awareness, experiences with, and perceptions of bias related to pursuing opportunities with CCSD:*

#### Focus Group 3, Participant 21 (P21), White Female-Owned, Goods & Supplies

FG3, P21 discussed how she questions the contracting process and how vendors are chosen. "I mean, I'm in contact with some of the school decision-makers. I'm not in contact with any of the district decision-makers. And then I wonder, their partners that they currently use, are they just grandfathered in? It makes me wonder how often they do that out there, their lunch program, their breakfast program, their catering. Or is it just all willy-nilly, and do they have unlimited funds? I have no idea..." The participant did however indicate that when she did engage with the District, "...we've never had a problem getting paid by them. I'll just say that..." "So, while I am a small business and I would love that contract and I'm going to give them my best bid, I still think-- they're probably going to go for the best price, and I can't beat these monster companies. So where do we go from there?..."

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#### **One-on One Interviewee # 9 (I9) African American Male-owned, Non-Professional Services**

Interviewee I9 relayed his perception regarding the level of serious consideration his firm receives when competing against larger more well-known names in his industry. "...if my business came to – not to get off track -- but my business came to the table and XXX came to the table, or XXX came to the table, I honestly feel like I wouldn't be looked at because these names have already been established in regards of commercials, maybe, the little car that drives around just advertisement. So, when it comes down to a competition of longevity of reputation that companies had, that would probably be the challenge..."

Interviewee I9 went on to share that he believes there are various issues that inhibit the establishment and growth of more small, minority, and women business enterprises in the CCSD marketplace. From his vantage point, the issues include being perceived to not have the proper credentials that certain entities are wanting or maybe not having the resources. "...because like myself, I was using personal funds in the beginning when I was starting my business. But you have many other people who network and know other people who maybe can sponsor them in regards to helping their business. And I feel like there's maybe not enough sponsorship, maybe not enough resources that they have on their end, just reaching out to a family member, or someone who's maybe already in that field of being business oriented..." There is frustration that there is not the availability of more resources that assist with: "...Hey, this is how you start your business. Separate your [person?] and your business. Get insurance, get licensed, get bonded, file your taxes, receive your 1099 forms. Be official. I feel like there's, like I said, a lot of businesses out there that are minority and women that maybe just get the small tail end strap because of the limited information that they're given..."

#### **One-on One Interviewee # 14 (I14) White Female-owned, Non-Professional Services**

Interviewee I14 responded to a question that solicited her impression of any impactors to the ability of minority and women businesses to grow now in the District: "I just think there hasn't been a movement to support small businesses or minority owned businesses up until a year ago..." When asked about her perceived change in the level of support from the past to more recent times, interviewee I14 responded: "I think there's been a big push socially to support those businesses and women and minorities. There's a lot more out there financially to support them and companies that are willing to help them further along there [crosstalk]."

#### **Focus Group 3, Participant 28 (P28), African American Male-Owned, Construction Related**

FG3, P28 shared his perception of the District's bias in selecting Prime contractors and how subcontracting engagement is treated as an afterthought. "...I get the feeling like they've selected their prime contract people, and everything else is almost like a sub from them. So, it seems like they've already got their tier ones selected, and then we get the crumbs or something. So, for instance, like the example I gave you,

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they were doing a fair for minority contracting. And they already had a prime contractor, but their prime contractor subcontracted the-- XX Construction was subbed to then get the word out to minority businesses. So, it's almost like third grade information was sort of flowed, but they had already selected a prime contractor for building. That's the feeling that I got."

#### **Focus Group 3, Participant 21 (P21), White Female-Owned, Goods & Supplies**

FG3, P21 discussed how her firm's perception of the District's bias makes them hesitant to pursue opportunities. "...and I personally would be hesitant to probably go after one of these guys because I think I would get turned down because my fear of they're not going to support the small business. That's what I would think... I think that they would go for the lowest bid, these monster companies... I just don't think that they would even bat an eye at a local company that can't compete with a XXX or XXX Company. I couldn't compete with that..."

#### **One-on One Interviewee # 18 (I18) African American Female, Construction Related**

Interviewee I18 discussed whether she has any bias perceptions when attempting to secure competitive price quotes from manufacturers or suppliers. "...No, I don't have that issue either because I got some really good suppliers. Now at first, it was pretty crappy but see, my husband (deceased) was white, so we used to – because you have to maneuver the city of Charleston very strategically - right? So initially, there would be areas that I wouldn't get in the business, right, and pricing and [inaudible] so we were able to kind of utilize in that regard my husband's race to secure very good pricing. And so, I personally haven't experienced it but I've heard other minority contractors because sometimes they use me to order their stuff, right? So, I know that I can get really good pricing..."

#### **Focus Group 1, Participant 9 (P9), African American Female-Owned, Non-Professional Services**

FG1, P9 discussed the difficulty of competing against incumbent firms and how she believes that her tenacity and local familiarity - because she is from Charleston - has led to an opportunity more than the CCSD procurement process. "...When someone that's not a minority presents, they-- when we give them something that's comparative, we can now ask for those things, and they're less likely, in my opinion, because I'm from Charleston, to go in the other direction because they know all my stuff is in order, "You know what, this woman is a third time and did this." And this might not be the end of it if we just go over to this other person. So I don't know, I think the concept that these people have already had the contracts, how do you compete with people that have already had it, and they've done it well?..."

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#### **One-on One Interviewee # 20 (I20) African American Female, Non-Professional Services**

Interviewee I20 discussed a frustration and feeling that there is a need for continued growth in the local minority and women owned businesses in the community. "There's definitely a need for growth in that area. There's a lot of minority women business owners in the area, and they're not known. A lot of them are not. I'm now coming to a place where people are knowing who I am, but it took a while to get there and I feel like [inaudible] more opportunities for connecting, for networking, for partnering, and collaborating. So, I do know of other small business women founders, directors, CEOs, owners but I only know them because of a personal relationships or some type of colleague relationship, just me knowing them but not [inaudible] them through, say, a Chamber of Commerce or a small business organization. So there's definitely a great need there because there's a huge disconnect, where we can know who the other businesses are and connect and partner that way..."

#### **Survey Participant # 3 (SP3), White Female-owned, Non-Professional Services**

SP3 stated that she has not felt discrimination because of her status as a woman-owned business. "We have always marked our bids as being Woman-owned. I don't think we've ever received a bid just because of that, so not sure if it helps or not, but we have not felt discriminated against based on that."

#### **Survey Participant # 6 (SP6), African American male-owned, Construction**

SP6 shared his experience bidding on a floor covering opportunity with CCSD, which he felt was unfair. "On the flooring contract for the fiscal year 2017 to 2021 XX1 flooring was awarded \$14,000,000 of flooring work. XX2 Floorcovering was awarded \$3,000,000 worth of flooring work when both of us were qualified to do the same work. But I was told by procurement that XX2's Floorcovering needed an unlimited flooring license which the state licensing board said that we did not need an unlimited license to do flooring. That was the excuse I was given for many years and recently on the new contract, XX2's Floorcovering was the lowest bidder, but we received a call from procurement asking if I would change my number that everyone would have the same numbers and everyone will get paid for the same materials that was specified in the contract. I told them I disagree and would keep the numbers I submitted. But the contract started we were asked to submit bids, so I am confused on why it was necessary to submit a bid and now being asked to submit another bid. I also was told that all contractors will go on rotation for all jobs under \$100,000. But when I looked on the transparency website for CCSD it shows that two companies received 5 to 6 jobs and the other companies received zero or no more that 2. Also, the contract that was just rewarded had a minority goal of 30% listed in the solicitation for the bid. But we were told verbally by procurement that the minority goals are no longer a part of this contract. We would like some clarity. Thank you."

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#### Survey Participant # 11 (SP11), White Male-owned, Non-Professional Services

SP 11 noted that “As a sole proprietor offering educational consultancy and teaching artist services directly to schools, I am not really the type of business with much insight into the issues of bidding and contract awards. I can say that I have met many fellow teaching artists that are ethnic minority and/or women as I work in the CCSD. From my perspective it seems to be very much an equal opportunity for any/all independent artist(s) who wish to work as a consultant/teaching artist in the CCSD.”

#### Survey Participant # 13 (SP13), African American Female-owned, Non-Professional Services

SP 13 shared that, despite being a winning bidder on a multi-vendor contract with CCSD, she received no work. “I am one of multiple vendors who bid and won contracts with CCSD. In 2016, I bid and won two contracts for a three-year term. However, I received no work or work offer from the department outsourcing the work. “

#### Survey Participant # 14 (SP14), African American Male-owned, Non-Professional Services

SP14 was frustrated that CCSD rebid a contract, despite him being second low bidder and a current CCSD vendor and CCSD rejecting bid of first low bidder. “Wow! My company was the second lowest bidder for Multi-Million Dollar contract. After I discovered that the intended company didn't have any License to provide services, I am a minority owned business. Procurement chose to put contract out for Bid a Third time, even though my business was already providing services for CCSD for 6 years no issues. There is definitely something very wrong with the way CCSD treated Minority owned businesses. “

### Theme 3: Lack of Knowledge Regarding Business Opportunities

The anecdotal sessions included a number of inferences that indicated that the participants felt that the District does not do a good job of informing the community about upcoming opportunities or the selection criteria for award—particularly as it relates to smaller dollar value contracting opportunities. The participants relayed a sense that they struggle with CCSD to find information and be informed about small dollar value opportunities. However, if a firm has insider relationships, there's a whole market of below \$10,000 dollar jobs. The smaller scale opportunities is often where small and MBE firms can get their introduction to engaging public sector contracting. The participants relayed that they did not seem to have consistent access to those opportunities. They receive more consistent knowledge of larger contracts where they might attempt to bid as the prime or partner with another larger prime but feel that often times the prime contractors are “pre-determined”.

*The following remarks refer to the vendor participants' experiences with obtaining contracting opportunity information*

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#### **Focus Group 3, Participant 9 (P9), Hispanic Female-Owned, Professional Services**

FG3, P9 shares how she agrees that there are not sufficient CCSD workshops and related training sessions to assist vendors with navigating their processes. "...Maybe a procurement workshop where we get to learn their procurement process or procedure so we can figure out what projects are coming or if they're-- because I don't even know if there's a need. The participant expressed that a procurement workshop would help vendors acquire the needed knowledge.

#### **Focus Group 3, Participant 21 (P21), White Female-Owned, Goods & Supplies**

FG3, P21 shared about how vendors are in the dark regarding re-bids of existing contracting opportunities when the incumbent term ends. "...how often do they bid out their projects, or how do they bid out their breakfast program? Once every 10 years or once every year? "There is frustration around not knowing and being able to prepare in advance for an upcoming opportunity.

#### **Focus Group 1, Participant 5 (P5), African American Female-Owned, Non-Professional Services**

FG1, P5 discussed her experience in trying to get information related to the CCSD procurement process. "...But it's not just who you know. It's who you know that knows something that they can relay-- they just have more information. So, when you connect with someone who knows of a seminar, "Hey, I think you should go to this seminar." They are not necessarily telling you how to win or telling you what to put on the paper, but they are connecting you to resources that's going to help you get to where you need to be successful or to get awarded that contract. So, I think that's the biggest thing. And when it comes to those seminars, the biggest thing that's helped our business, aside from just networking, is asking questions because I don't care who you are, I'm going to ask you a question..."

#### **One-on-One Interviewee # 18 (I18) African American Female, Construction related**

One-on-One Interview participant I18 reflected on changes in awareness of opportunities in the community. "I think through this Black Lives Matter movement, which kind of maybe shaken up a few things to get other entities looking at their minority's opportunities. And so, as it happens, a lot of Black women are prepared, right? We have all of our documents. We have everything, our taxes are [inaudible], we have all of this stuff together. And so, what I found is that through this movement, this Black Lives Matter movement, there's been a lot of, I want to say really a propelled like a catapult if you will, of Black women and business..."

#### **Focus Group 3, Participant 28 (P28), African American Male-Owned, Construction Related**

FG3, P28 shared his perception of an insincere motivation by the CCSD regarding MBE vendor engagement and he believes they lean toward particular firms. "The way I saw it was that it's like they had to check a



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box for the federal government or something like that. And so, they kind of selected their, I want to say, quote - unquote, "poster child" that gets the money, and then everybody else is just kind of limping or something like that. So in other words, other people are qualified on this stuff, but then by the time we saw the information, it was too late. That's the feeling I got..."

#### **Focus Group 1, Participant 7 (P7), African American Male-Owned, Construction Related**

FG1, P7 discussed how he receives opportunity information from the Construction Manager rather than from the District and the need for any subcontractors is disseminated from the CM. "...as far as the school district getting it out, that's really just the construction manager who's putting that out. The school doesn't do that..." "But even when they do the construction management one, just to give an example, let's say-- who's a big company? Let's say XXX won a big construction job for a school, a new school that's going to come up. That's when they'll have a meet and greet because they awarded this big contract to XXX, and they're basically saying, "We'll have this because now XXX is looking for subcontractors..." "Let me tell you what that means. If they were serious about really doing business with small business, they would take the one-million-dollar contract, give it to the big guy, okay, which is qualified to do so, but they will never take the additional little project over here for 50,000, add it to his job as a change order. They would take that \$50,000 job and make it a small business job and give that new guy an opportunity-- [crosstalk]. Well, they don't do that around here..."

#### **Focus Group 3, Participant 27 (P27), White Female-Owned, Architectural and Engineering**

FG3, P27 discussed how her impression was that the CCSD procurement processes were fair as it related to A&E opportunities because it is qualifications based. "I mean, honestly, I feel in my industry it's fair because we need to have the qualifications to do the project. So, if we don't have-- we've got a bunch of tiny projects, but if it is a 500 [inaudible] school or something like that, we honestly can't compete. But we continue to put in our qualifications and get our name in front of them for every project that we think are appropriate for us, and it's finally paid off. So, it takes work..."

#### **Survey Participant # 17 (SP17), African American Female-owned, Professional Services**

SP 17 felt that CCSD's procurement process was not clear and well structured, making it difficult for vendors. "My experience has been scattered. It's as if they know that they need the work to be done but can't seem to align a solid internal structure to what they would like to achieve. It would help small, women owned, minority businesses to have a better sense of the official process so that we can be compensated appropriately, and our services be valued."

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#### **Survey Participant # 18 (SP18), Native American Male-owned, Construction**

SP 18 was very satisfied with CCSD bidding and contracting process. “We have received very professional execution of the bidding process, contracting, and payments over the years. Consistent experience with each opportunity presented.”

#### **Survey Participant # 19 (SP19), African American Male-owned, Construction**

SP19 expressed dissatisfaction with the CCSD feedback on a construction solicitation and felt the process reflected bias. “CCSD Procurement Dept. provided feedback after the Facilities Maintenance Program Solicitation. The feedback was not timely and unprofessional. 1. No score card was provided when requested. 2. Score card appeared to be created/false and not streamlined/consistent as past. 3. Procurement Dept. provided feedback on knowledge and experience of Deputy Program Manager when being employed with Program for 5 years. The letter segmented the Deputy Program Manager as to being targeted. 4. Procurement Dept made bias comment stating qualifications were based on operating a small company in Charleston only. They did not question or provide performance evaluations from contract officials prior to sending targeting letter. 5. Working for consultant firms for CCSD, there was and still have favoritism towards minority contractors, being a bear witness to it and currently getting discriminatory treatment by not being solicited contracts as a general contractor.”

#### **Survey Participant # 22 (SP22), African American Male-owned, Non-Professional Services**

SP22 felt that the CCSD scope assignment process is flawed against small firms. “The process for assigning moving service tasks is flawed in that the officials have designated movers into categories such as small and large. Thereby limiting the size of moving jobs assigned to smaller moving companies regardless of their ability to perform the assignment. This confines the smaller moving companies and severely restricts their ability to grow in the industry. Some small moving companies contracted by CCSD depend on CCSD for a very large majority of their revenue. Limiting the size of jobs assigned to these small companies keeps them small, thereby continuing their dependence on CCSD and restricting other small businesses from having an opportunity to contract with the district.”

#### **Survey Participant # 24 (SP24), White Female-owned, Goods & Commodities**

SP 24 desired “Better and more frequent communication from CCSD to potential bidders would be helpful. It is not always easy to get the info about opportunities. Also, what certifications qualify a contractor as Disadvantaged or Women/Minority owned for CCSD? There is variation across agencies in SC, both public and private sector.”

#### **Theme 4: Lack of CCSD Connectivity to The Vendor Community**

Feedback from the participants also indicted that they do not believe that the District is very connected to the local vendor community as a whole. They want the District to improve their understanding of the capabilities of their vendor community so that they will be in a better position to do some internal work aimed at carving out scopes of work, solicitations, and contract requirements that small and MBE vendors can pursue. The participants felt that failure to take a connective approach to the CCSD MBE vendor community will not foster an environment for them to participate, especially as a Prime Contractor. There were also comments around how they felt, on the construction side, that the District should be more aware of how both their “inhouse” Construction Managers (CMs) and externally contracted CMs treat MBE subcontractors on the jobsite. The participants believe that it starts with having standard processes and procedures for everything from Project Schedules, SOVs, Daily or Weekly Reporting. Also determining if the Prime Contractor needs a fulltime PMs onsite or not, developing a uniform procedure for submitting Change Orders including supporting document requirements. The participants reported that this can all vary based on which CM is assigned to a project and with such latitude, unfairness or the appearance of discrimination can creep in. An overarching sentiment with respect to connectivity were comments relative to communication. They were unsure of certification requirements and the variation of requirements across agencies in SC, both public and private sector fuels some confusion in the community.

*The following remarks refer to the vendor participants’ perceptions and experiences related to interactions with the CCSD regarding contracting opportunities*

#### **Focus Group 2, Participant 12 (P27), White Female-Owned, Non-Professional Services**

FG2, P12 detailed an interaction with CCSD Staff wherein she was attempting to follow up on a contract payment issue and could not get a meeting. “I was very offended, because to say to me that you don't have time in the rest of your career, basically, I don't have time for you, I felt like that person could develop half a day, even if it's half a day once a month for twelve months, there should be some two-minute time that they can at least say hello to me. So, to say I'm a small woman-owned business, I have— now, I've already done work, but how do you get to a new person...”

#### **Focus Group 3, Participant 28 (P28), African American Male-Owned, Professional Services**

FG3, P28 shared frustration while trying to follow up on an opportunity that was relayed during a vendor outreach event. “They never contacted us. But we knew how much they received from the District, and so it just seemed like they wanted to give them money and then do a little something here and there and there was no follow up. There was no follow up to that one event that they did. So, they had everybody just walking around different stations and the main manager was there. Their booth was there. This booth

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was there. This is a contracting fair for minority businesses. It wasn't anything in depth. It wasn't anything..."

#### **Focus Group 2, Participant 12 (P27), White Female-Owned, Non-Professional Services**

FG2, P12 detailed her perception of a lack of access to meeting with internal CCSD CM staff and CCSD's externally contracted Construction managers. "...So, we had to somewhat beg, and then we got an opportunity, and then we got an IDC with the three other companies. But I think, for us, I'm going to go a little bit further than what you asked. And that is to say that it would be nice if the District, let's say, construction management or construction had a meeting once a month where they would-- one day a month meet with people that are small businesses to get to know them. Because they hire who they-- of course, want to work with [us?]..."

#### **Focus Group 3, Participant 22 (P22), White Male-Owned, Construction Related**

FG3, P22 expressed frustration over getting accurate answers from the District. "Yeah, there's a lot of politics around. I want to change that stigma. I don't want to feel that way. So maybe getting to know the process and say, "Okay, you know what? There is a process, so I can get information." I feel like it's just a unorganized, deep, dark hole that I'll be wasting my time to submit a bid..." "Well, it's also getting in touch with a person who can give you a straight answer and say this is the guy you need to talk to or the woman you need to talk to, and work it out from there...I've done the same thing as far as calling the school district, and school matters for my children, and it's a nightmare..."

#### **Focus Group 3, Participant 9 (P9), Hispanic Female-Owned, Professional Services**

FG3, P9 discusses the lack of feedback from the District regarding where a bidder stands in the process and getting information about opportunities. "...I would like to be told, "Thank you for your bid, but we've got to go with the bid—" I'd like to still have an opportunity than be totally dismissed and overlooked or not even know about it. Right. These schools are going up, and I could acquire the land to facilitate these schools, but I don't even know how to get in. Or when we're talking about building relationships, I don't even know who to talk to like, "Hey." Your site selection person? I don't even know what that title is. Maybe that's my lack of knowledge..." "I think that this is the point of these small groups. I believe that the communication is missing. So, if they could somehow get bid opportunities to us, I believe that would be helpful. And again, I think this is why we're all here tonight, but yeah, just communication..."

#### **Focus Group 3, Participant 25 (P25), White Male-Owned, Professional Services**

FG3, P25 shared thoughts around it being in the best interest of the District to connect and engage more with the local vendor community and give them opportunities as an example to the children in the

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community that are being educated in the District, to let them see local community vendors serving the District. “Yeah, I mean, one of the things that has circulated through the conversation is the communication piece and the opportunity to showcase our talents as well. I don't know if that's a fair or trade show or just being creative. ...there's so many talented people in this room, in this community and that will be employing these children. Let's showcase those talents. And I would love to be part of that think tank process: Hey, how can we cluster these groups or subgroups to then bring the community in to get the feedback, communicate? Because we want to help. It's not us against them. It's, "Hey, these are our kids, our grandkids..."”

#### **Focus Group 2, Participant 15 (P15), White Female-Owned, Goods & Supplies**

FG2, P15 talked about the lack of a publicly accessible CCSD vendor database and made comparison to another jurisdiction. “I think for what XXX was pointing out, there is no (CCSD) vendor database. The participant shared her view of the usefulness of vendor databases in other jurisdictions and how it helped her obtain an opportunity in Berkely County. She did not know what certifications, if any, are being looked at within CCSD. “...you have to be a vendor, you're registered. Yeah, [inaudible] does that, [inaudible] does it. You have a vendor verification, and then that way your department even know. Even your departments, or say your schools, your different schools, they know if they're looking for a service to go to their vendor portal...””

#### **Survey Participant # 7 (SP7), White Male-owned, Goods & Supplies**

SP7 commented that CCSD focus should be on local firms. “Awards should always be considered with an advantage for "local businesses" which pay taxes to the county. Sometimes there is an incentive, OFTEN NOT. This is unfair.”

#### **Survey Participant # 23 (SP23), African American Male-owned, Non-Professional Services**

SP23 commented on the impact of the CCSD Construction Manager on the ability of MBEs to obtain work with CCSD. “In order to grow participation by DBEs, Minority / Women Owned Businesses you must know who they are and their capacities (Financial, Bonding, Manpower, etc.). Then you will be able to carve our Scopes of Work / Solicitations and Contract Requirements they can support/bid. Otherwise, you're not really building an environment for them to participate, especially as a Prime Contractor. Then, be aware of how your inhouse Construction Managers (CM)s and Contracted CMs treat them on the jobsite. That starts with having standard process and procedures for everything from Project Schedules, SOVs, Daily or Weekly Reporting, Do the Prime need a fulltime PMs onsite or not, how to submit Change Orders and what's required, etc....This can all vary based on which CM is assigned to a project. With such latitude, unfairness or the appearance of discrimination can creep in.”

#### **Theme 5: Issues with CCSD MBE Initiatives**

*This section addresses participants issues with CCSD MBE initiatives and how they have impacted their growth and development.*

##### **Survey Participant # 2 (SP2), Hispanic Female-owned, Non-Professional Services**

SP2 discussed her frustration with the certification process. “I have been working for 18 months getting certified as a woman owned minority business. Our services are print apparel, embroidery, screen printing, and promotional items.”

##### **Survey Participant # 14 (SP14), African American Female-owned, Construction**

SP14 recounted the positive impact that CCSD’s MBE initiatives have had for her firm. “As a minority woman-owned business, the inclusive business opportunities CCSD has provided have been extremely beneficial for my company. We have been able to increase our staffing, increase the size of projects, increased our bonding capacity, mentor, and help other minority companies, forge relationships with larger prime contractors & subcontractors, and increase jobs in the community. As an ethnic minority, over the years, I have experienced discrimination via the cost of job materials, labor costs, getting bonding, bonding rates, bidding processes, etc. These are items that impact competitively bidding projects. My company is a success story for Charleston County School District's Disadvantage business 5230 Procurement Code. I appreciate the opportunity to continue providing services with Charleston County School District. I am grateful for the Ethnic minority programs that CCSD has in place. Thank you for the opportunity to participate in this survey.”

##### **Survey Participant # 8 (SP8), African American Male-owned, Goods & Supplies**

SP8 suggested that “To assist making the disadvantaged business more attractive to CCSD, an option to create a set-aside portal setup and emailed to those companies that fit the spending requirement. These opportunities must be manageable, not, and realistic contract opportunities established for success by the disadvantaged business.”

##### **Survey Participant # 12 (SP12), White Male-owned, A&E**

SP12 discussed the difficulty finding minority and women-owned firms to meet CCSD stated MBE goals. “As an AE local firm, it is sometimes difficult to find minority and women owned businesses to meet CCSD stated goals as there are not that many in the State. I also feel that CCSD awards projects to firms outside the area frequently and do not always support local firms who contribute taxes to CCSD. Also, the way the RFQ's are presented you must show prior experience in the last five years but if you aren't awarded projects at reasonable intervals it is impossible to meet that qualification.”

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#### **Survey Participant # 15 (SP15), African American Male-owned, Construction**

SP15 expressed concerned about impact of the recent elimination of CCSD’s use of direct negotiations. “Recently, CCSD Eliminated the program that was used to negotiate contracts directly with certified minority owned firms. This program was successful in getting low dollar value, fast paced critical projects completed over the years. In fact, this program was vital in 2020-2021 COVID response to swiftly protect students from exposure districtwide. By eliminating this program, which has been on the books with the state since 1981, it renders the efforts and process to become minority certified useless. It begs to question how can the state have an Office for Small Minority and Disadvantage business certification, while another agency of the state renders the certification moot. As a result of this recent change to force us to compete on the same terms with larger more established and in many cases, unproven to CCSD companies, my firm is inclined to seek other opportunities elsewhere where we don’t need to constantly fight and lower our value to obtain every penny over an extended payment period. I’ve worked with CCSD over a decade and have never failed on a project. We pride ourselves in having core district knowledge and considered our firm as being a strategic partner with CCSD. In cases of emergencies we have given up nights, weekends and holidays to meet the needs of CCSD-in some instances without a written commitment to compensate-with us understanding and being willing to take the risk in order to get the job done and support the students and staff within their facilities. This recent change feels like a betrayal and disregard of goodwill. Low bid contracted with no consideration for agile and responsive SMBs will come at a cost to CCSD. This is very unfortunate.”

#### **Survey Participant # 20 (SP20), White Female-owned, Professional Services**

SP20 felt that race and gender should not be the sole consideration for award. “I think every (small) business should have a shot. Most prices are set by our suppliers, and there is little if any wiggle room to still make a profit. Not sure that consideration should be made solely by the gender or color of the owner’s skin.”

#### **Survey Participant # 26 (SP26), White Female-owned, Construction**

SP26 feels that CCSD is no longer focused on creating opportunities for DBEs/WBEs. “In the past, CCSD sought out opportunities for Disadvantaged and Women owned businesses. In 2022 the market shifted dramatically, and other businesses have come in and taken away business opportunities from Women and awarded to male dominated companies. I felt as a Woman business owner and taxpayer that CCSD made an effort to be different from the male dominated construction industry. With the sweeping changes of 2022, CCSD has now taken away my ability to influence the schools’ mission and provide better facilities for educators and all of my children (three in CCSD Schools currently). My voice is now of a minority with no opportunity to make a difference as an industry leader. I personally hope that CCSD will

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return to supporting Disadvantaged Women owned Business and not fall in line with other large corporate initiatives that remove minorities from precious business opportunities.”



#### 9.4 SUMMARY OF FINDINGS

After analyzing the anecdotal evidence discussed above, one-on-one interviews, focus group sessions, public hearing and survey, the following observations illustrate the possible barriers that interviewees perceive to exist for small, minority and women business owners as they attempt to transact business with the CCSD:

- Participants believe that competitive advantages go to those companies that are connected to CCSD staff and informed of CCSD opportunities.
- Participants felt that CCSD tends to continue contracts with incumbents as opposed to vetting new firms, even those with sound and credible credentials. Some saw this as incumbent and insider bias but were often unable to support their perception with specific examples within the CCSD procurement and award process.
- Several participants noted that CCSD repeatedly utilizes the same vendors.
- Participants believe that CCSD provides insufficient information to the small business community regarding upcoming CCSD opportunities and the criteria for evaluation and award. This was compounded by the participants' inability to gain access to the right people in procurement to learn about opportunities. Several participants desired increased communication from the District related to upcoming and current opportunities.
- Although some companies knew where to access information, many of the participants did not know where to find bid listings.
- Participants would like special outreach efforts and technical training that focus specifically on small firms and MBEs in the CCSD community. Many felt that there was a lack of outreach on the part of CCSD.
- Participants believe that there is a lack of notice of small dollar contracts and how to secure them. As such, CCSD is not including MBEs in CCSD small business opportunities.
- Participants who reported contracting experience within the District found those opportunities by working through inside school contacts vs District procurements.
- Some participants found the CCSD procurement staff insufficient/disinterested in supporting and enforcing the inclusion of small firms and MBEs in District contracting.

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- CCSD has constant staff turnover, according to participants, which prevents relationship building efforts. There is no staff follow up or hand off when staffing changes do occur.
- Some participants believed that prime contractors sometimes used them just to “check the box”.
- Participants could not obtain District involvement to follow up on payment issues.
- Some participants found CCSD’s past MBE initiatives helpful; others expressed concern about CCSD’s discontinuation of direct negotiation and seeming change in focus on assisting MBEs and local firms.
- A few participants recounted differences in treatment between Non-SWMBEs and MBEs in the CCSD procurement process.

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**Attachment A**

**Please see attached Public Hearing Transcript from October 13, 2022**

## **CHAPTER 10: MARKETPLACE ANALYSIS**

### **10.1 INTRODUCTION**

To gain a better understanding of factors outside of CCSD that may limit participation of MBEs in CCSD's bidding process, we examine the role of the private sector and overall marketplace. Given the examination of availability and utilization of MBEs in previous chapters and the results of the analysis, the analysis in this chapter may offer some insight into the extent of MBE penetration of the private sector of the local construction industry.

The chapter begins with a summary of background information on the demographic and economic profile of the State of South Carolina and Charleston-North Charleston MSA (utilizing U.S. Census data) and a brief description of the industrial and occupational composition of the local economy.

Following this summary is a review of available research that addresses marketplace disparities.<sup>332</sup> This chapter examines private sector disparities, primarily in the construction industry, in the following ways:

- Occupational and apprentice employment using 2019 Census data,
- Comparison by occupation of employment in the marketplace (based on EEO census tabulations); and,
- Private and public sector bid and award activity, based on Dodge data.

To the extent the data allow, the present analysis may offer some evidence of the existence of passive participation, if any, by CCSD, in discriminatory acts in the private sector.

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<sup>332</sup> A fundamental constraint, however, is the scarcity of economic and historical research that is sufficiently localized to address the first *Croson* standard.

**10.2 DEMOGRAPHIC AND ECONOMIC PROFILE OF THE RELEVANT MARKET**

The demographic structure of the local area may explain some differences in the market availability and utilization of MBEs, since business owners are a subset of the general population. Understanding the broad contours of the population in the State of South Carolina and Charleston-North Charleston MSA is necessary to identify instances in which discrimination may have inhibited MBE development.

The largest group in the City of Charleston (City, hereafter), the MSA and the State of South Carolina are Whites at over 75 percent, 69 percent, and 68 percent, respectively. Of minority groups, African Americans represented the largest group, with a higher percentage in the State (26.12 percent), compared to the MSA at 25 percent and the City at 20.46 percent. Hispanic Americans followed African Americans, representing about 4.7 percent in the State and MSA but about 3 percent in the City. Asian Americans represented about 2 percent in the City but were lower in the MSA and the State. Other groups were less than 1 percent in all the geographies except those in mixed races which represented about 1.22 percent in the City.

<b>Table 10.1. Total Population 16 Years and Older by Race and Hispanic American Origin Census 2019</b>						
<b>Ethnicity</b>	<b>South Carolina</b>		<b>Charleston-North Charleston, SC Metro Area</b>		<b>City of Charleston, South Carolina</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Population 16 years and over</b>	4,044,398	100	622,087	100	114,497	100.00
<b>RACE AND HISPANIC AMERICAN OR LATINO ORIGIN</b>						
<b>White alone</b>	2,784,807	68.86	430,528	69.21	86,494	75.54
<b>Black or African American alone</b>	1,056,455	26.12	155,624	25.02	23,427	20.46
<b>American Indian and Alaska Native alone</b>	14,381	0.36	1,765	0.28	108	0.09
<b>Asian American alone</b>	64,225	1.59	11,363	1.83	2,328	2.03
<b>Native Hawaiian and Other Pacific Islander alone</b>	2,726	0.07	339	0.05	71	0.06
<b>Some other race alone</b>	60,644	1.50	10,628	1.71	677	0.59
<b>Two or more races</b>	61,160	1.51	11,840	1.90	1,392	1.22
<b>Hispanic American or Latino origin (of any race)</b>	192,056	4.75	29,242	4.70	3,514	3.07

Source: Census 2019 American Community Survey; M<sup>3</sup> Consulting, Inc.

The percentage of a particular group’s population that is a part of the civilian labor in the State, as well as in the Charleston-North Charleston MSA and the City, is reflected in Table 10.2 for the period. We note that in the State at least 60 percent of Whites and African Americans participate in the labor force. For

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African Americans this is true of the MSA and the City as well. A greater percentage of Whites participate in the labor force in the MSA (66 percent) and the City (70 percent). About 66 percent of Asian Americans are in the labor force across the geographies that include the City, whereas about 70 percent or higher of Hispanic American are in the labor force in the State and MSA with about 69 percent in the City. American Indians have the greatest percent (74 percent) of their population participating in the labor force in the City compared to the MSA (60.3 percent) or the State (53.9 percent).

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**Table 10.2.**  
**Civilian Labor Force Total Population 16 Years and Older by Race and Hispanic American Origin**  
**Census 2019**

Race	South Carolina			Charleston-North Charleston, SC Metro Area			Charleston City, South Carolina		
	Total	Labor Force Participation Rate		Total	Labor Force Participation Rate		Total	Labor Force Participation Rate	
	Estimate	Estimate	Calculated from Percentage*	Estimate	Estimate	Calculated from Percentage*	Estimate	Estimate	Calculated from Percentage*
<b>Population 16 years and over</b>	4,044,398	60.50	2,446,861	622,087	65.20	405,601	114,497	67.60	77,400
<b>RACE AND HISPANIC AMERICAN OR LATINO ORIGIN</b>									
<b>White alone</b>	2,784,807	60.00	1,670,884	430,528	66.10	284,579	86,494	70.00	60,546
<b>Black or African American alone</b>	1,056,455	60.90	643,381	155,624	61.80	96,176	23,427	59.10	13,845
<b>American Indian and Alaska Native alone</b>	14,381	53.90	7,751	1,765	60.30	1,064	108	68.50	74
<b>Asian American alone</b>	64,225	65.80	42,260	11,363	67.70	7,693	2,328	65.90	1,534
<b>Native Hawaiian and Other Pacific Islander alone</b>	2,726	71.30	1,944	339	49.00	166	71	23.90	17
<b>Some other race alone</b>	60,644	70.90	42,997	10,628	71.00	7,546	677	67.10	454
<b>Two or more races</b>	61,160	64.70	39,571	11,840	69.20	8,193	1,392	65.20	908
<b>Hispanic American or Latino origin (of any race)</b>	192,056	70.10	134,631	29,242	71.80	20,996	3,514	68.60	2,411

Source: Census 2019 American Community Survey; M<sup>3</sup> Consulting, Inc.

### **10.3 EDUCATION AND TRAINING: PATHWAYS TO THE CONSTRUCTION SECTOR**

It is generally recognized that relevant education and prior experience in an industry and occupation are strongly and positively correlated with the business formation decision. Of relevance to the formation of new businesses is the availability of jobs that offer the opportunity for occupational training, either in the form of formal apprenticeship training, or other formal pathways to occupational expertise. This connection is particularly important in the construction industry.

#### **10.3.1 EMPLOYMENT IN APPRENTICEABLE EEO CONSTRUCTION OCCUPATIONS**

Table 10.3 summarizes employment in selected apprenticeable EEO construction occupations for the State of South Carolina, the Charleston-North Charleston, SC Metro Area, and Charleston City as enumerated by the 2014-2018 Census EEO File.

Construction and Extraction Occupation—Among those employed in the Construction and Extraction Occupation category, employees are almost evenly tilted towards males across all races and ethnicities. Females represent slightly over 6 percent for Hispanic Americans but between 5.5 percent to 6 percent for all other races/ethnicities, except for Asian Americans where there are no females in this industry in the State. While the MSA shows a similar pattern, there are slightly higher percent among Hispanic American women (6.96 percent) whereas White women are closer to 5 percent and African American women are close to 2.5 percent with Asian, American Indian and Native Hawaiian women showing no representation in this industry. In contrast, the City shows a higher proportion of White women (at 10.91 percent) and African American women (at 5.05 percent) but much lower representation by Hispanic American women at only 1.6 percent.

Installation, Maintenance and Repair—Within the State, in Installation, Maintenance and Repair occupations, while men still represent a greater percentage than women in the industry, female representation is highest among Asian Americans at 21.64 percent followed by African American women at 10.59 percent, American Indian women at 8.2 percent and Hispanic American women at 6.12 percent. The lowest participation by women appears to be among White women at 2.98 percent. The MSA appears to show a similar trend although more emphasized in the case of American Indian women who have greater representation at 52 percent than American Indian men at 48 percent. Asian American women are also at a higher than other women in the State at 38.46 percent, followed by Hispanic American women at 8.62 percent, African American women slightly lower at 8.23 percent in the State and White women at 2.79 percent. The City shows a mixed picture with Hispanic American males reflecting 100 percent of jobs in Installation, Maintenance and Repair occupations, while American Indian females show a much higher proportion at 71.43 percent. African American females were slightly higher at 14.88 percent as were white females at 4.61 percent.



Production Occupation and Transportation and Material Moving—Both Production Occupations and Transportation and Material moving occupations showed a higher proportion of female participation in the labor force within the State and the MSA. White females had the lowest representation in Transportation and Production occupations within the State while Asian Americans female had the highest at 45.14 percent in Production occupations and 34.93 percent in Transportation and Material moving occupations. African American women, American Indian women and Hispanic American women were at 40.72 percent, 33.65 percent, and 31.97 percent respectively in Production occupations and 20.58 percent, 22.87 percent and 23.87 percent respectively in Transportation and Moving Material Occupations. MSA saw similar patterns with Asian American females in Production representing over 75 percent of the jobs and American Indian women following closely at 56.96 percent. Representation by African American women and Hispanic American women declined slightly in the MSA to 33.56 percent and 24.17 percent respectively. Similarly, in Transportation and Moving occupations within the MSA, Asian American, African American, and Hispanic American women showed a decline in participation. In Production Occupations within the City, all jobs held by Asian Americans were by women. With American Indian women at 37.5 percent, African American women at 40.21 percent and Hispanic American women at 10.53 percent, we saw considerable changes in female participation in the City. Transportation and Moving had no participation from Asian American women or American Indian women while Hispanic American women participated heavily in these occupations at 77.27 percent.

White females had the lowest participation among laborers and helpers at 2.6 percent in the State, 1.7 percent in the MSA and zero percent in the MSA and zero participation in the City. Close to 15 percent of American Indian women were included as laborers and helpers in the State which dropped to zero percent in the MSA. African American women were 4.66 percent within the State and 3.87 percent in the MSA. Hispanic American were slightly higher in the MSA than the State with 4.49 percent and 3.88 percent respectively. Laborers and Helpers within the City included mostly Hispanic American women and men at 11.70 percent and 88.3 percent males. White Americans only included men in this occupation and African Americans women at 7.50 percent.

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**Table 10.3.**  
**Employment in Selected Apprenticable EEO Construction Occupations**  
**By Hispanic American Origin and Race, 2014-2018**  
**South Carolina**

Occupation Label: SOC / Census Code	Construction and Extraction Occupations			Installation, Maintenance, and Repair Occupations			Production Occupations			Transportation and Material Moving Occupations			Laborers and Helpers		
	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %
<b>Race/Ethnicity/ Gender</b>															
<b>Total All Groups</b>	95,390	94.43	5.57	79,495	95.38	4.62	183,570	69.04	30.96	159,475	80.45	19.55	24,790	96.67	3.33
<b>Hispanic American or Latino</b>	21,518	93.88	6.12	3,595	93.88	6.12	12,090	68.03	31.97	6,830	76.13	23.87	6705	96.12	3.88
<b>Non-Hispanic American or Latino</b>															
<b>White alone</b>	57,475	94.53	5.47	61,465	97.02	2.98	94,715	77.02	22.98	81,635	82.11	17.89	12,890	97.40	2.60
<b>Black or African American alone</b>	14,779	94.28	5.72	12,555	89.41	10.59	71,225	59.28	40.72	66,835	79.42	20.58	4,610	95.34	4.66
<b>American Indian/Alaska Native</b>	434	99.08	0.92	305	91.80	8.20	639	66.35	33.65	564	77.13	22.87	135	85.19	14.81
<b>Asian American alone</b>	360	100.00	0.00	670	78.36	21.64	3,290	54.86	45.14	1,460	65.07	34.93	65	100.00	0.00
<b>Native Hawaiian/ Pacific Islander</b>	-	0.00	0.00	29	100.00	0.00	30	100.00	0.00	87	59.77	40.23	-	0.00	0.00
<b>Balance of not Hispanic American or Latino</b>	820	98.17	1.83	880	86.36	13.64	1,600	69.06	30.94	2,069	75.88	24.12	395	100.00	0.00

Source: US Census Bureau, Census 2014-2018 special tabulation - Data based on where people live.

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**Table 10.4.**  
**Employment In Selected Apprenticable EEO Construction Occupations**  
**By Hispanic American Origin And Race, 2014-2018**  
**Charleston-North Charleston, SC Metro Area**

Occupation Label: SOC / Census Code	Construction and Extraction Occupations			Installation, Maintenance, and Repair Occupations			Production Occupations			Transportation and Material Moving Occupations			Laborers and Helpers		
	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %
<b>Total All Groups</b>	17,230	94.95	5.05	12,955	94.87	5.13	19,910	73.03	26.97	22,995	81.95	18.05	4,485	97.44	2.56
<b>Hispanic American or Latino</b>	4240	93.04	6.96	580	91.38	8.62	1179	75.83	24.17	694	81.27	18.73	1225	95.51	4.49
<b>Non-Hispanic American or Latino</b>															
<b>White alone</b>	9,814	95.01	4.99	9,490	97.21	2.79	10,705	79.36	20.64	11,690	83.58	16.42	2,145	98.83	1.17
<b>Black or African American alone</b>	2813	97.51	2.49	2370	91.77	8.23	7360	66.44	33.56	10,090	80.67	19.33	905	96.13	3.87
<b>American Indian/Alaska Native</b>	52	100.00	0.00	50	48.00	52.00	79	43.04	56.96	138	100.00	0.00	-	0.00	0.00
<b>Asian American alone</b>	85	100.00	0.00	195	61.54	38.46	400	24.75	75.25	160	71.88	28.13	10	100.00	0.00
<b>Native Hawaiian/ Pacific Islander</b>	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00
<b>Balance of not Hispanic American or Latino</b>	230	93.48	6.52	280	76.43	23.57	170	64.12	35.88	229	51.97	48.03	200	100.00	0.00

Source: US Census Bureau, Census 2014-2018 special tabulation - Data based on where people live.

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**Table 10.5.**  
**Employment In Selected Apprenticable EEO Construction Occupations**  
**By Hispanic American Origin And Race, 2014-2018**  
**Charleston City, South Carolina**

Occupation Label: SOC / Census Code	Construction and Extraction Occupations			Installation, Maintenance, and Repair Occupations			Production Occupations			Transportation and Material Moving Occupations			Laborers and Helpers		
	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %
<b>Total All Groups</b>	3,800	92.50	7.50	2,575	93.20	6.80	3,200	65.16	34.84	5,455	83.67	16.33	1,484	93.94	6.06
<b>Hispanic American or Latino</b>	1250	98.40	1.60	169	100.00	0.00	95	89.47	10.53	154	77.27	22.73	470	88.30	11.70
<b>Non-Hispanic American or Latino</b>															
<b>White alone</b>	1,889	89.09	10.91	1,845	95.39	4.61	1,470	73.13	26.87	2,685	86.41	13.59	614	100.00	0.00
<b>Black or African American alone</b>	614	94.95	5.05	410	85.12	14.88	1455	59.79	40.21	2,470	80.57	19.43	400	92.50	7.50
<b>American Indian/Alaska Native</b>	20	100.00	0.00	35	28.57	71.43	40	62.50	37.50	55	100.00	0.00	-	0.00	0.00
<b>Asian American alone</b>	-	0.00	0.00	65	100.00	0.0	100	0.00	100.00	-	0.00	0.00	-	0.00	0.00
<b>Native Hawaiian /Pacific Islander</b>	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00
<b>Balance of not Hispanic American or Latino</b>	15	0.00	100.00	54	100.00	0.00	44	77.27	22.73	85	88.24	11.76	-	0.00	0.00

Source: US Census Bureau, Census 2014-2018 special tabulation - Data based on where people live.

**10.3.2 EMPLOYMENT IN APPRENTICABLE EEO PROFESSIONAL OCCUPATIONS**

Management, Business, Science and Arts—Arguably, persons employed in the category of Management, Business, Science and Arts have the higher education background needed to run a business. Among those employed in this category in the State, employees are almost evenly split among males and females, with females having slightly over 40 percent, in most racial groups except for African Americans, where females outnumber males, 62.79 percent to 37.22 percent. Whites have the highest representation in this category just over 225,000 employees, both male and female. We see that Asian Americans reflect 59.36 percent men and 40.64 percent women, in this category. While Native Hawaiian/Pacific Islanders are evenly split between the genders at 50 percent, Hispanic American and Native Americans are closer to a 60-40 split among men and women respectively. Within the MSA, a majority of Management, Business and Financial occupations are held by whites alone (45,864 of 56,384) that are evenly split between men and women at 55.86 percent and 44.14 percent respectively. In comparison, African American women hold a greater proportion of jobs in the MSA in Business Management and Financial occupations at over 63 percent. While American Indian men hold over 70 percent of these positions in the MSA, Asian American and Hispanic American men and women are almost evenly split among a 60-40 split for men and women. The City has 17,244 jobs in Management, Business and Financial operations. Whites hold 14,234 of these positions occupied with White women at 49.43 percent. African American women hold 61.60 percent of the 2,052 jobs held by African Americans in the City. Asian Americans and Hispanic Americans hold 428 and 272 of the management positions respectively; Asian American females hold 23.13 percent and Hispanic American women, 46.32 percent. All 20 of the management positions held by American Indians in the City are by women alone.

Computer Engineering and Science Occupations — With the exception of African American females that represent 43 percent of the occupations in this category within the State, the remaining race/ethnic groups range between 18 and 27 percent. American Indian/Alaskan Native females are only 18.56 percent while Asian American females are 27 percent. Within the MSA, White females hold only 24 percent of the jobs among their group whereas African American females represent close to 40 percent. Hispanic American females and Asian American females in Computer Engineering and Science occupations with the MSA are at 32.08 percent and 31.41 percent respectively. No American Indian females hold these positions within the MSA. Within the City, only 5,351 persons are employed in these occupations; 4,440 of these jobs are held by Whites alone with 27.88 percent of those held by White females. Among the 430 jobs held by African Americans, there is a greater proportion held by females at 66.28 percent. Whereas Asian American females hold 18.15 percent of the 303 jobs held by Asian Americans. Hispanic Americans hold 123 jobs in this category with 56 percent by men and approximately 44 percent by women. Ten jobs in the area employ 10 American Indians men with no female representation.

Healthcare practitioners in the State occupy 85,525 positions, 16,860 of which are in the MSA and 8,935 in the City of Charleston. Across race/ethnicities, these jobs are dominated by women with African

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American women holding 90 percent of the positions among their group, while White females and Hispanic American females holding about 75 percent or more of these positions within their racial/ethnic group. Asian American women hold two-thirds of these positions held by Asian Americans as is the case among American Indians within the State. Within the MSA these numbers are almost identical except for American Indians who do not hold any positions as healthcare practitioners. The City of Charleston mirrors the State as well with majority (7,445 of 8,935) of the total healthcare practitioner position held by Whites alone which is largely dominated by White females at 75.96 percent. African American women hold 89.95 percent of the 945 positions in the City in this area and of the 200 + jobs held by Asian Americans and Hispanic Americans, women hold 66.51 percent and 79.17 percent of the positions respectively.

Other Professionals and Technical Occupations: The State of South Carolina has 211,260 Professional positions in other areas with 17 percent (37,285) within the MSA and 5.85 percent (12,360) within the City of Charleston. Females dominate these occupations across all race/ethnic groups holding roughly 52 percent or more of the positions across all races in the State. In the 45,315 Technical occupations, with 66 percent or more women holding positions in the State, the pattern of more women than men employed across all race/ethnic groups holds. Within the MSA, not only are the majority of the Other Professional occupations held by Whites and African Americans followed by Hispanic Americans, but females in these groups also take a greater percentage of the positions as well. Asian American and American Indians males hold a greater percentage of Other Professional positions for their group. In Technical occupations within the MSA, females hold a majority (68 percent or higher) of the positions regardless of race/ethnicities. Within the City of Charleston, females hold Other Professional positions ranging from 33 percent of positions among Asian Americans to over 70 percent of the positions among African Americans. In Technical positions within the MSA, most females hold a majority of the positions with the lowest at 52.63 percent held by Hispanic American women.

Sales and Related occupations reflected a greater number of females across the State and particularly among African Americans at 68.95 percent, American Indian females at 61.06 percent, Hispanic American women at 57.01 percent and Asian Americans at 50.59. White women and Native Hawaiian women lag behind their other male counterparts in these positions representing 48.48 percent and 16.30 percent respectively. Overall, in the MSA there were more women (at 53.08 percent) in the Sales and Related occupations with the highest representation among American Indian women at 77.78 percent of these positions in the MSA. Asian American women at 84.38 percent represented the highest representation in Sales and Related occupations among the race/ethnic groups in the City. However, there were only 160 Asian Americans in these occupations in the City of Charleston. Whites and African Americans represent the largest number of people in these positions within the City and females held 46.07 percent and 69.85 percent respectively. There are 405 Hispanic Americans in Sales and Related operations within the city limits and 29.63 percent of these positions are occupied by women.

Office and Administrative positions as well as Service workers except those in Protective Service occupations are also dominated by women across all race/ethnic groups in the State and the MSA whereas

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Protective Service occupations reflect the opposite picture with men in 63 to 100 percent of these positions across racial/ethnic groups in the State and over 82 percent in the MSA. African American women had the highest percentage representation among women in the Protective Services category at 36.95 percent with American Indian and Native Hawaiian/Pacific Islanders having no women in Protective Service positions and only 6.15 percent of Asian Americans in these positions within the State. Within the MSA, White and African American women held over 17 percent of the positions in Protective Services, while 11.16 percent of women held these positions among Hispanic Americans in the MSA. Overall, over 80 percent of Office and Administrative positions in the City of Charleston were held by women, dominated by White and African American women reflective of the population demographics in the city. Although only 405 of the jobs in this area went to Hispanic Americans and 99 to Asian Americans, Hispanic American women held 87.65 percent and Asian American women 91.92 percent of these positions respectively. Of the 1,590 Protective Service positions, 13.52 percent were held by women primarily Whites and African American with just 25 positions held by Hispanic American and non-Hispanic American women.

**Table 10.6.**  
**Employment In Selected Apprenticable EEO Professional Occupations**  
**By Hispanic American Origin And Race, 2014-2018**  
**South Carolina**

Occupation Label: SOC / Census Code	Management, Business, and Financial Occupations			Computer, Engineering, and Science Occupations			Healthcare Practitioners			Other Professionals			Technical Occupations		
	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %
<b>Total All Groups</b>	286,935	53.76	46.24	100,660	74.33	25.67	85,525	21.47	78.53	211,260	32.34	67.66	45,315	20.29	79.71
<b>Hispanic American or Latino</b>	10,070	59.47	40.53	3,248	74.45	25.55	1,923	25.43	74.57	5,448	37.50	62.50	855	25.73	74.27
<b>Non-Hispanic American or Latino</b>															
<b>White alone</b>	225,395	56.49	43.51	77,040	77.50	22.50	68,425	22.81	77.19	156,845	33.24	66.76	29,765	23.27	76.73
<b>Black or African American alone</b>	42,295	37.22	62.78	13,395	57.00	43.00	11,655	9.78	90.22	41,945	26.65	73.35	13,120	12.96	87.04
<b>American Indian/Alaska Native</b>	839	57.57	42.43	291	81.44	18.56	124	35.48	64.52	303	32.67	67.33	135	18.52	81.48
<b>Asian American alone</b>	4,687	59.36	40.64	4,904	72.98	27.02	2,595	35.61	64.39	4,120	48.16	51.84	635	33.86	66.14
<b>Native Hawaiian /Pacific Islander</b>	140	50.00	50.00	39	74.36	25.64	35	0.00	100.00	50	20.00	80.00	15	0.00	100.00
<b>Balance of not Hispanic American or Latino</b>	3,500	53.49	46.51	1,699	73.57	26.43	780	21.79	78.21	2,543	34.72	65.28	785	12.74	87.26

Source: US Census Bureau, Census 2014-2018 special tabulation - Data based on where people live.



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**Table 10.6 cont.**  
**Employment In Selected Apprenticeable EEO Professional Occupations**  
**By Hispanic American Origin And Race, 2014-2018**  
**South Carolina**

Occupation Label: SOC / Census Code	Sales and Related Occupations			Office and Administrative Support Occupations			Protective Service Occupations			Service Workers Except Protective		
	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>
Race/Ethnicity/ Gender	#	%	%	#	%	%	#	%	%	#	%	%
<b>Total All Groups</b>	243,610	46.34	53.66	247,265	22.25	77.75	46,015	78.33	21.67	340,170	39.68	60.32
<b>Hispanic American or Latino</b>	8,340	42.99	57.01	8,440	31.28	68.72	1,265	88.54	11.46	26,830	49.33	50.67
<b>Non-Hispanic American or Latino</b>												
<b>White alone</b>	169,715	51.52	48.48	162,515	21.54	78.46	29,840	84.85	15.15	182,270	39.77	60.23
<b>Black or African American alone</b>	55,795	31.05	68.95	69,870	22.31	77.69	13,990	63.05	36.95	115,540	37.22	62.78
<b>American Indian/Alaska Native</b>	565	38.94	61.06	514	20.04	79.96	80	100.00	0.00	889	33.97	66.03
<b>Asian American alone</b>	4,380	49.41	50.59	2,480	35.48	64.52	244	93.85	6.15	7,625	40.66	59.34
<b>Native Hawaiian/Pacific Islander</b>	184	83.70	16.30	98	0.00	100.00	8	100.00	0.00	419	59.43	40.57
<b>Balance of not Hispanic American or Latino</b>	4,610	43.06	56.94	3,335	23.99	76.01	569	79.79	20.21	6,575	39.47	60.53

Source: US Census Bureau, Census 2014-2018 special tabulation - Data based on where people live.

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**Table 10.7.  
Employment In Selected Apprenticable EEO Professional Occupations  
By Hispanic American Origin And Race, 2014-2018  
Charleston-North Charleston, SC Metro Area**

Occupation Label: SOC / Census Code	Management, Business, and Financial Occupations			Computer, Engineering, and Science Occupations			Healthcare Practitioners			Other Professionals			Technical Occupations		
	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %
<b>Total All Groups</b>	56,384	53.96	46.04	22,423	73.87	26.13	16,860	22.60	77.40	37,285	34.05	65.95	8,105	21.34	78.66
<b>Hispanic American or Latino</b>	1,384	57.95	42.05	586	67.92	32.08	410	19.27	80.73	1,199	46.29	53.71	225	31.11	68.89
<b>Non-Hispanic American or Latino</b>															
<b>White alone</b>	45,864	55.86	44.14	18,103	75.98	24.02	14,000	24.18	75.82	29,200	34.71	65.29	5,025	28.06	71.94
<b>Black or African American alone</b>	6,824	36.59	63.41	2,095	60.14	39.86	1,824	10.14	89.86	5,950	26.89	73.11	2,475	6.87	93.13
<b>American Indian/Alaska Native</b>	190	71.05	28.95	20	100.00	0.00	-	0.00	0.00	53	60.38	39.62	15	0.00	100.00
<b>Asian American alone</b>	1,013	58.54	41.46	1,127	68.59	31.41	369	34.96	65.04	440	55.68	44.32	170	20.59	79.41
<b>Native Hawaiian /Pacific Islander</b>	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00
<b>Balance of not Hispanic American or Latino</b>	1,129	67.76	32.24	495	73.74	26.26	249	15.66	84.34	453	29.36	70.64	200	20.00	80.00

Source: US Census Bureau, Census 2014-2018 special tabulation - Data based on where people live.

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**Table 10.7 cont.**  
**Employment In Selected Apprenticable EEO Professional Occupations**  
**By Hispanic American Origin And Race, 2014-2018**  
**Charleston-North Charleston, SC Metro Area**

Occupation Label: SOC / Census Code	Sales and Related Occupations			Office and Administrative Support Occupations			Protective Service Occupations			Service Workers Except Protective		
	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>Male</i>	<i>Female</i>
Race/Ethnicity/ Gender	#	%	%	#	%	%	#	%	%	#	%	%
<b>Total All Groups</b>	42,250	46.92	53.08	40,595	21.80	78.20	7,685	82.82	17.18	57,420	39.15	60.85
<b>Hispanic American or Latino</b>	1,490	51.01	48.99	1,885	31.78	68.22	224	88.84	11.16	3,900	41.67	58.33
<b>Non-Hispanic American or Latino</b>												
<b>White alone</b>	30,155	51.09	48.91	25,145	22.15	77.85	5,500	82.73	17.27	30,905	39.28	60.72
<b>Black or African American alone</b>	8,990	34.54	65.46	12,170	19.35	80.65	1,710	82.46	17.54	19,680	39.02	60.98
<b>American Indian/Alaska Native</b>	45	22.22	77.78	133	7.52	92.48	4	100.00	0.00	114	28.95	71.05
<b>Asian American alone</b>	650	34.62	65.38	529	25.90	74.10	100	100.00	0.00	1,450	46.90	53.10
<b>Native Hawaiian/Pacific Islander</b>	120	87.50	12.50	10	0.00	100.00	-	0.00	0.00	45	0.00	100.00
<b>Balance of not Hispanic American or Latino</b>	829	27.02	72.98	738	26.15	73.85	155	74.19	25.81	1,340	23.51	76.49

Source: US Census Bureau, Census 2014-2018 special tabulation - Data based on where people live.

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**Table 10.8.**  
**Employment In Selected Apprenticable EEO Professional Occupations**  
**By Hispanic American Origin And Race, 2014-2018**  
**Charleston City, South Carolina**

Occupation Label: SOC / Census Code	Management, Business, and Financial Occupations			Computer, Engineering, and Science Occupations			Healthcare Practitioners			Other Professionals			Technical Occupations		
	Race/Ethnicity/ Gender	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %	Female %	Total #	Male %
<b>Total All Groups</b>	17,244	49.98	50.02	5,351	69.39	30.61	8,935	22.50	77.50	12,360	40.00	60.00	3,145	24.96	75.04
<b>Hispanic American or Latino</b>	272	53.68	46.32	123	56.10	43.90	240	20.83	79.17	409	47.68	52.32	95	47.37	52.63
<b>Non-Hispanic American or Latino</b>															
<b>White alone</b>	14,234	50.57	49.43	4,440	72.12	27.88	7,445	24.04	75.96	9,964	40.73	59.27	1,870	35.29	64.71
<b>Black or African American alone</b>	2,052	38.40	61.60	430	33.72	66.28	945	10.05	89.95	1,584	29.29	70.71	945	5.29	94.71
<b>American Indian/Alaska Native</b>	20	0.00	100.00	10	100.00	0.00	-	0.00	0.00	4	100.00	0.00	-	0.00	0.00
<b>Asian American alone</b>	428	76.87	23.13	303	81.85	18.15	209	33.49	66.51	270	66.67	33.33	120	29.17	70.83
<b>Native Hawaiian /Pacific Islander</b>	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00
<b>Balance of not Hispanic American or Latino</b>	208	72.12	27.88	20	100.00	0.00	95	4.21	95.79	118	41.53	58.47	125	0.00	100.00

Source: US Census Bureau, Census 2014-2018 special tabulation - Data based on where people live.

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**Table 10.8 cont.**  
**Employment In Selected Apprenticable EEO Professional Occupations**  
**By Hispanic American Origin And Race, 2014-2018**  
**Charleston City, South Carolina**

Occupation Label: SOC / Census Code	Sales and Related Occupations			Office and Administrative Support Occupations			Protective Service Occupations			Service Workers Except Protective		
	<i>Total</i> #	<i>Male</i> %	<i>Female</i> %	<i>Total</i> #	<i>Male</i> %	<i>Female</i> %	<i>Total</i> #	<i>Male</i> %	<i>Female</i> %	<i>Total</i> #	<i>Male</i> %	<i>Female</i> %
<b>Total All Groups</b>	11,225	48.37	51.63	11,280	19.85	80.15	1,590	86.48	13.52	19,755	40.17	59.83
<b>Hispanic American or Latino</b>	405	70.37	29.63	405	12.35	87.65	25	100.00	0.00	1243	40.23	59.77
<b>Non-Hispanic American or Latino</b>												
<b>White alone</b>	8,150	53.93	46.07	6,680	22.44	77.56	1069	87.84	12.16	11,390	42.98	57.02
<b>Black or African American alone</b>	2,405	30.15	69.85	3,865	16.95	83.05	444	85.36	14.64	6,360	35.38	64.62
<b>American Indian/Alaska Native</b>	-	0.00	0.00	60	0.00	100.00	-	0.00	0.00	14	28.57	71.43
<b>Asian American alone</b>	160	15.63	84.38	99	8.08	91.92	30	100.00	0.00	384	42.97	57.03
<b>Native Hawaiian/Pacific Islander</b>	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00	-	0.00	0.00
<b>Balance of not Hispanic American or Latino</b>	114	0.00	100.00	140	14.29	85.71	25	40.00	60.00	370	33.51	66.49

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## 10.4 ANALYSIS OF DODGE GENERAL CONSTRUCTION DATA

In showing an additional source of MBE participation in marketplace construction activity, M<sup>3</sup> Consulting collected information maintained by the private firm of Dodge Data & Analytics (Dodge), which surveys Construction-related activity in various regions around the United States. A substantial portion of the Dodge data relates to bid activity, and significantly more so for projects owned by public entities than for private owners<sup>333</sup>. M<sup>3</sup> Consulting, however, analyzed all projects submitted, both public and private. In the case of the data M<sup>3</sup> Consulting received from Dodge, the selected geographic region for analysis as the State of South Carolina.

Most importantly, the *dollar value* of those projects that are available in Dodge are only based on the owner and cannot be apportioned to the contractor (such as architect, construction manager, engineer, general contractor, or subcontractor) level. This limits the analysis. The details about the data submitted by Dodge are presented in **Chapter IV, Statistical Methodology**.

### 10.4.1 COMPARISON OF PRIVATE AND PUBLIC OWNERS OF PROJECT VALUES AND CONTRACTORS

<b>Table 10.9. Counts and Project Value of Unique Projects By Project Owner State of South Carolina 2021</b>				
<b>Project Owner</b>	<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>
Private	4,438	42.90	14,431,631,000	44.31
Public	5,906	57.10	18,138,318,000	55.69
<b>Total</b>	<b>10,344</b>	<b>100.00</b>	<b>32,569,949,000</b>	<b>100.00</b>

Source: Dodge Data 2021

One of the main purposes of presenting the Dodge data is to gain insight into the MBE penetration in the private sector. Therefore, below is an examination of categories of construction firms by MBE status.

In the State of South Carolina, there are a greater number of projects in the public sector than private and while the dollar value of these projects presents a similar picture, the gap gets narrower.

<sup>333</sup> This may be a function of the ease with which public records may be accessed as opposed to bid documents of private owners that may be protected from public scrutiny.

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**Table 10.10.  
Firms Availability by Role\*  
State of South Carolina  
FY 2021**

Ethnicity	Architect		Construction Manager		Engineer		General Contractor		Owner-Builder/Developer		Project Manager		Subcontractor		Total	
	#	%	#	%	#	%	#	#	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>750</b>	<b>91.91</b>	<b>62</b>	<b>88.57</b>	<b>1,007</b>	<b>89.99</b>	<b>1,954</b>	<b>89.67</b>	<b>307</b>	<b>96.24</b>	<b>18</b>	<b>75.00</b>	-	<b>0.00</b>	<b>3,559</b>	<b>91.07</b>
Black or African American	7	0.86	4	5.71	11	0.98	44	2.02	-	0.00	1	4.17	-	0.00	58	1.48
Asian/Pacific Islander	3	0.37	-	0.00	6	0.54	4	0.18	1	0.31	-	0.00	-	0.00	11	0.28
Hispanic or Latino	1	0.12	-	0.00	2	0.18	4	0.18	-	0.00	-	0.00	-	0.00	6	0.15
Native American or American Indian	-	0.00	1	0.00	-	0.00	3	0.14	-	0.00	-	0.00	-	0.00	4	0.10
Other Minorities	5	0.61	-	0.00	7	0.63	22	1.01	4	1.25	1	4.17	-	0.00	34	0.87
<i>Total Minority</i>	<i>16</i>	<i>1.96</i>	<i>5</i>	<i>5.71</i>	<i>26</i>	<i>2.32</i>	<i>77</i>	<i>3.53</i>	<i>5</i>	<i>1.57</i>	<i>2</i>	<i>8.33</i>	-	<i>0.00</i>	<i>113</i>	<i>2.89</i>
Woman-Owned (WBEs)	12	1.47	-	0.00	21	1.88	47	2.16	1	0.31	-	0.00	-	0.00	70	1.79
Unknown MBE	-	0.00	-	0.00	1	0.00	3	0.14	-	0.00	-	0.00	-	0.00	3	0.08
<b>Total MBE</b>	<b>28</b>	<b>3.43</b>	<b>5</b>	<b>5.71</b>	<b>48</b>	<b>4.20</b>	<b>127</b>	<b>5.83</b>	<b>6</b>	<b>1.88</b>	<b>2</b>	<b>8.33</b>	-	<b>0.00</b>	<b>186</b>	<b>4.76</b>
SBE	33	4.04	2	2.86	50	4.47	74	3.40	5	1.57	3	12.50	-	0.00	122	3.12
VBE	3	0.37	1	1.43	5	0.45	23	1.06	-	0.00	-	0.00	-	0.00	29	0.74
Non-Commercial	2	0.00	-	0.00	9	0.00	1	0.05	1	0.00	1	0.00	-	0.00	12	0.31
<b>Grand Total</b>	<b>816</b>	<b>100.00</b>	<b>70</b>	<b>100.00</b>	<b>1,119</b>	<b>100.00</b>	<b>2,179</b>	<b>100.00</b>	<b>319</b>	<b>100.00</b>	<b>24</b>	<b>100.00</b>	-	<b>0.00</b>	<b>3,908</b>	<b>100.00</b>

Source: Dodge Data 2021; M<sup>3</sup> Consulting, Inc.  
\*Excludes Owner/Owner Agent firms even when acting as engineer, architect etc.

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At close to 90 percent or over, across the board, Non-SWMBE owners dominate the firms available in South Carolina. The only exceptions are in Construction Management with Non-SWMBEs at 88.57 percent and as Project managers at 75 percent. In these cases, African American firms and SBEs make up the remainder. The same picture is observed within the MSA as well. Only one African American firm in the MSA is among the Owner Builder/Developer. WBE firms in the MSA are only Architects, Engineers, General contractors and one firm in the MSA is an Owner Builder/Developer.



# Chapter X Marketplace Analysis

**Table 10.11.  
Firms Availability by Role\*  
State of Delaware  
FY 2021**

Ethnicity	Architect		Construction Manager		Engineer		General Contractor		Owner-Builder/Developer		Project Manager		Subcontractor		Total	
	#	%	#	%	#	%	#	#	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>1,703</b>	<b>91.76</b>	<b>68</b>	<b>89.47</b>	<b>1,259</b>	<b>87.67</b>	<b>2,515</b>	<b>90.79</b>	<b>307</b>	<b>96.24</b>	<b>20</b>	<b>68.97</b>	-	<b>0.00</b>	<b>4,343</b>	<b>90.84</b>
Black or African American	11	0.59	4	5.26	12	0.84	50	1.81	-	0.00	1	3.45	-	0.00	61	1.28
Asian/Pacific Islander	3	0.16	-	0.00	6	0.42	4	0.14	1	0.31	-	0.00	-	0.00	11	0.23
Hispanic or Latino	1	0.05	-	0.00	6	0.42	4	0.14	-	0.00	-	0.00	-	0.00	6	0.13
Native American or American Indian	1	0.05	1	0.00	-	0.00	4	0.14	-	0.00	-	0.00	-	0.00	5	0.10
Other Minorities	9	0.48	-	0.00	8	0.56	26	0.94	4	1.25	1	3.45	-	0.00	37	0.77
<i>Total Minority</i>	<i>25</i>	<i>1.35</i>	<i>5</i>	<i>5.26</i>	<i>32</i>	<i>2.23</i>	<i>88</i>	<i>3.18</i>	<i>5</i>	<i>1.57</i>	<i>2</i>	<i>6.90</i>	-	<i>0.00</i>	<i>120</i>	<i>2.51</i>
Woman-Owned (WBEs)	17	0.92	-	0.00	21	1.46	49	1.77	1	0.31	-	0.00	-	0.00	71	1.49
Unknown MBE	1	0.05	-	0.00	1	0.07	3	0.11	-	0.00	-	0.00	-	0.00	3	0.06
<b>Total MBE</b>	<b>43</b>	<b>2.32</b>	<b>5</b>	<b>5.26</b>	<b>54</b>	<b>3.76</b>	<b>140</b>	<b>5.05</b>	<b>6</b>	<b>1.88</b>	<b>2</b>	<b>6.90</b>	-	<b>0.00</b>	<b>194</b>	<b>4.06</b>
SBE	45	2.42	2	2.63	53	3.69	81	2.92	5	1.57	3	10.34	-	0.00	123	2.57
VBE	4	0.22	1	1.32	5	0.35	23	0.83	-	0.00	-	0.00	-	0.00	29	0.61
Non-Commercial	61	3.29	-	0.00	69	4.81	11	0.40	1	0.31	4	13.79	-	0.00	92	1.92
<b>Grand Total</b>	<b>1,856</b>	<b>100.00</b>	<b>76</b>	<b>100.00</b>	<b>1,436</b>	<b>100.00</b>	<b>2,770</b>	<b>100.00</b>	<b>319</b>	<b>100.00</b>	<b>29</b>	<b>100.00</b>	-	<b>0.00</b>	<b>4,781</b>	<b>100.00</b>

Source: Dodge Data 2021; M<sup>3</sup> Consulting, Inc.

\*Includes Owner/Owner Agent firms even when acting as engineer, architect etc.

## Chapter X Marketplace Analysis

### 10.4.2 COMPARISON OF BID ACTIVITY AND BIDDERS ACROSS PRIVATE AND PUBLIC OWNERS OF PROJECTS

Ranking of bidders reflects the decision rates of owners in determining the winning bidder (awardee). Non-SWMBEs typically ranked in the top three places a majority of the time (over 85 percent). About 38 African American firms ranked highest accounting for 2.17 percent of those bids ranked #1 and 51 WBEs ranked #1 similarly accounting for 2.91 percent of the bids ranked highest. In similar ranking, there were 83 SBEs, 20 VBEs, 8 Asian American-owned firms, 5 Hispanic American-owned firms, 2 Native American-owned firms and 18 Other MBEs.

If owners are included (as in Table 10.13), the patterns remain the same with regards to ranking of winning bidders in public sector projects.

<b>Table 10.12.</b>						
<b>Distribution of MBEs by Bidder Ranking*</b>						
<b>By Project Owner: Public</b>						
<b>FY 2021</b>						
Ethnicity	Rank #1		Rank #2		Rank #3	
	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>1,501</b>	<b>85.77</b>	<b>469</b>	<b>85.58</b>	<b>432</b>	<b>85.88</b>
Black or African American	38	2.17	17	3.10	11	2.19
Asian/Pacific Islander	8	0.46	2	0.36	2	0.40
Hispanic or Latino	5	0.29	2	0.36	3	0.60
Native American or American Indian	2	0.11	-	0.00	1	0.00
Other Minorities	18	1.03	5	0.91	9	1.79
<i>Total Minority</i>	<i>71</i>	<i>4.06</i>	<i>26</i>	<i>4.74</i>	<i>26</i>	<i>4.97</i>
Woman-Owned (WBEs)	51	2.91	19	3.47	16	3.18
Unknown MBE	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>122</b>	<b>6.97</b>	<b>45</b>	<b>8.21</b>	<b>42</b>	<b>8.15</b>
SBE	93	5.31	23	4.20	23	4.57
VBE	20	1.14	9	1.64	6	1.19
Non-Commercial	11	0.63	1	0.18	-	0.00
<b>Grand Total</b>	<b>1,750</b>	<b>100.00</b>	<b>548</b>	<b>100.00</b>	<b>503</b>	<b>100.00</b>

Source: Dodge Data 2021; M<sup>3</sup> Consulting, Inc.

\*Excludes Owner/Owner Agent firms even when acting as engineer, architect etc.

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<b>Table 10.13. Distribution of MBEs by Bidder Ranking* By Project Owner: Public FY 2021</b>						
Ethnicity	Rank #1		Rank #2		Rank #3	
	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>1,648</b>	<b>83.40</b>	<b>469</b>	<b>85.58</b>	<b>432</b>	<b>85.88</b>
Black or African American	38	1.92	17	3.10	11	2.19
Asian/Pacific Islander	8	0.40	2	0.36	2	0.40
Hispanic or Latino	5	0.25	2	0.36	3	0.60
Native American or American Indian	2	0.10	-	0.00	1	0.20
Other Minorities	18	0.91	5	0.91	9	1.79
<i>Total Minority</i>	<i>71</i>	<i>3.59</i>	<i>26</i>	<i>4.74</i>	<i>26</i>	<i>5.17</i>
Woman-Owned (WBEs)	51	2.58	19	3.47	16	3.18
Unknown MBE	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>122</b>	<b>6.17</b>	<b>45</b>	<b>8.21</b>	<b>42</b>	<b>8.35</b>
SBE	93	4.71	23	4.20	23	4.57
VBE	20	1.01	9	1.64	6	1.19
Non-Commercial	90	4.55	1	0.18	-	0.00
<b>Grand Total</b>	<b>1,976</b>	<b>100.00</b>	<b>548</b>	<b>100.00</b>	<b>503</b>	<b>100.00</b>

Source: Dodge Data 2021; M<sup>3</sup> Consulting, Inc.

\*Includes Owner/Owner Agent firms even when acting as engineer, architect etc.

Ranking of bidders in the private sector does not differ much in pattern from the public sector and is tilted more so towards Non-SWMBEs who are ranked in the top slot over 94 percent of the time and in the second spot, 75 percent and third spot, 85 percent of the time. About 18 African American firms, 22 WBEs and 51 SBEs and 10 SDV/HUBs ranked #1 similarly accounting for 0.80 percent, 0.98 percent, 2.27 percent, and 0.45 percent of the bids respectively. In similar ranking, there were 9 Asian American-owned firms, 1 Hispanic American-owned firm, 1 Native American-owned firm and 16 Other MBEs.

If owners are included (as in Table 10.15), the patterns remain the same with regards to ranking of winning bidders in private sector projects.

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**Table 10.14.**  
**Distribution of MBEs by Bidder Ranking\***  
**By Project Owner: Private**  
**FY 2021**

Ethnicity	Rank #1		Rank #2		Rank #3	
	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>2,117</b>	<b>94.26</b>	<b>6</b>	<b>75.00</b>	<b>6</b>	<b>85.71</b>
Black or African American	18	0.80	-	0.00	1	14.29
Asian/Pacific Islander	9	0.40	-	0.00	-	0.00
Hispanic or Latino	1	0.04	-	0.00	-	0.00
Native American or American Indian	1	0.04	-	0.00	-	0.00
Other Minorities	16	0.71	-	0.00	-	0.00
<i>Total Minority</i>	<i>45</i>	<i>2.00</i>	<i>-</i>	<i>0.00</i>	<i>1</i>	<i>14.29</i>
Woman-Owned (WBEs)	22	0.98	-	0.00	-	0.00
Unknown MBE	1	0.04	-	0.00	-	0.00
<b>Total MBE</b>	<b>68</b>	<b>3.03</b>	<b>-</b>	<b>0.00</b>	<b>1</b>	<b>14.29</b>
SBE	51	2.27	2	25.00	-	0.00
VBE	10	0.45	-	0.00	-	0.00
Non-Commercial	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>2,246</b>	<b>100.00</b>	<b>8</b>	<b>100.00</b>	<b>7</b>	<b>100.00</b>

Source: Dodge Data 2021; M<sup>3</sup> Consulting, Inc.

\*Excludes Owner/Owner Agent firms even when acting as engineer, architect etc.

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**Table 10.15.**  
**Distribution of MBEs by Bidder Ranking\***  
**By Project Owner: Private**  
**FY 2021**

Ethnicity	Rank #1		Rank #2		Rank #3	
	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>2,794</b>	<b>95.07</b>	<b>6</b>	<b>75.00</b>	<b>6</b>	<b>85.71</b>
Black or African American	23	0.78	-	0.00	1	14.29
Asian/Pacific Islander	9	0.31	-	0.00	-	0.00
Hispanic or Latino	1	0.03	-	0.00	-	0.00
Native American or American Indian	2	0.07	-	0.00	-	0.00
Other Minorities	19	0.65	-	0.00	-	0.00
<i>Total Minority</i>	<i>54</i>	<i>1.84</i>	<i>-</i>	<i>0.00</i>	<i>1</i>	<i>14.29</i>
Woman-Owned (WBEs)	25	0.85	-	0.00	-	0.00
Unknown MBE	2	0.07	-	0.00	-	0.00
<b>Total MBE</b>	<b>81</b>	<b>2.76</b>	<b>-</b>	<b>0.00</b>	<b>1</b>	<b>14.29</b>
SBE	52	1.77	2	25.00	-	0.00
VBE	10	0.34	-	0.00	-	0.00
Non-Commercial	2	0.07	-	0.00	-	0.00
<b>Grand Total</b>	<b>2,939</b>	<b>100.00</b>	<b>8</b>	<b>100.00</b>	<b>7</b>	<b>100.00</b>

Source: Dodge Data 2021; M<sup>3</sup> Consulting, Inc.

\*Includes Owner/Owner Agent firms even when acting as engineer, architect etc.

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### Marketplace Analysis

#### 10.5 SUMMARY OF FINDINGS

The population distribution and the labor force in the City of Charleston as well as the State is skewed towards Whites and African Americans with other race/ethnicities being a small percentage of the population.

- In a majority of the apprenticeship-like Construction occupations, males dominate females except in Production and Transportation and Material moving occupations.
- In professional managerial occupations, male and female representation are almost evenly split except in the case of African Americans, where females are in greater proportion than males.
- Healthcare practitioners, technical occupations and sales related occupations also see a greater proportion of women employees.

Using Dodge data to gain understanding into MBE inclusion in the private sector, we see that the majority (approximately 90 percent) of firms in the Construction industry that include architects, construction managers, general contractors, owner builders/developers and project managers are White male owned firms in the State and MSA. African Americans and SBEs make up the remainder although only one African American firm in the MSA is among the Owner Builder. WBEs are only Architects, Engineers, or General contractors with one firm in the MSA as an Owner Builder/Developer.

In comparing the ranking of bidders, there is little difference between the public and private sector in the State. While Non-SWMBEs are ranked at #1 over 94 percent of the time in the private sector, the same ranking holds about 83 percent or greater number of times in the public sector.

In 2,117 private sector bids 18 African American firms, 22 WBEs and 51 SBEs and 10 SDV/HUBs ranked #1 respectively. In contrast, 38 African American firms, 51 WBEs and 93 SBEs ranked #1 similarly among 1,648 public sector bids respectively.

## **CHAPTER 11: RACE NEUTRAL ANALYSIS**

### **11.1 INTRODUCTION**

As discussed in Chapter 2: Legal Analysis, as part of narrow tailoring, public entities are required to consider the efficacy of race neutral measures in addressing any disparity or discrimination. This race neutral analysis seeks to ascertain the involvement and impact of existing race neutral initiatives and programs in eliminating disparity in the Charleston County School District marketplace.

Federal case law has provided some illumination on the question of what constitutes adequate consideration of race-neutral measures.

1. A governmental entity does not have to enact race-neutral means if those means are not feasible or conducive to remedying past discrimination.<sup>1</sup>
2. If race-neutral programs and legislation were in place prior to the establishment of a race-conscious program and had been attempted in good faith, and yet SWMBE participation in public procurement remains low relative to availability, then an inference is created that race-neutral programs were inadequate to relieve the impact of past discrimination.<sup>2</sup>

Various state, county, city, and local organizations were identified that provide management, technical and financial assistance to small, minority and woman-owned business entities in the Tri-County Area (Charleston, Berkeley, and Dorchester counties) and South Carolina as a whole. A focus and consideration were also included of public and private agencies that operate race and gender-neutral programs. The inclusion of the outcomes of race and gender-neutral initiatives further illustrate the effectiveness of all reformative-focused programs and organizations in addressing disparity amongst minority and women-owned business entities in the Tri-County area.

The majority of these race-neutral initiatives have been in place prior to the request of Charleston County School District to complete the Disparity Study to determine what minority and women-owned business entities are active in procurement and contracting with CCSD (the District).

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<sup>1</sup> Coral Construction v. King County, 941 F.2d 910, 923 (9<sup>th</sup> Cir. 1991), AGC of California v. Coalition of Economic Equity, 950 F. 2d 1401,1417 (9<sup>th</sup> Cir. 1991), Engineering Contractors v. Dade County, 122 F. 3d 895 (11<sup>th</sup> Cir. 1997), Concrete Works of Colorado, Inc. v. City and County of Denver (Concrete Works I), 823 F. Supp. 821 (D Colo 1993), Western States Paving Co., Inc. v. Washington State Department of Transportation, 407 F.3d 983 (9<sup>th</sup> Cir. 2005).

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<sup>2</sup> Concrete Works I at 841.



## **11.2 METHODOLOGY**

The race-neutral analysis in this chapter is comprised of sixty-one organizations and agencies that all provide support services and resources to small, minority and women-owned businesses within the state of South Carolina, with a primary focus on the counties of Charleston, Berkeley, and Dorchester.

The results of the organizational review are cited in the 11.3. Master List of Race Neutral Programs. The Master List is divided into the categories listed below:

- Goal-Based, SWMBE programs and Supplier Diversity Programs
- Management, Financial, and Technical Assistance Providers
- Community and Economic Development Organizations
- Trade Organizations, Business Associations, and other Advocacy Groups
- Racial and Gender Equity Initiatives

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## 11.3 MASTER LIST OF RACE NEUTRAL PROGRAMS

Agency/Organization		Type of Goal-Based, SWMBE programs and Supplier Diversity Program.				Support Services
Organization's Name	County	SBE, LBE, VBE	SWM BE	WBE	DBE	Services and Available Metrics
<b>Goal-Based, SWMBE programs and Supplier Diversity Programs</b>						
Charleston County Small Business Enterprise Program	Charleston	x	x	x	x	<ul style="list-style-type: none"> <li>Charleston County Government is committed to enabling small business enterprises to compete in the County procurement process. On September 4, 2007, County Council unanimously passed an ordinance creating the Charleston County Small Business Enterprise Program.               <ul style="list-style-type: none"> <li>Assist with business certification processes</li> <li>Offers workshops, seminars, and training programs to assist business owners in the competition process</li> </ul> </li> </ul>
Charleston county Disadvantaged Business Enterprise Program	Charleston		x	x	x	<ul style="list-style-type: none"> <li>Charleston County has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (U.S. DOT). The program ensures that DBEs have an equal opportunity to bid on projects that receive Federal Highway Administration (FHWA) funding, loans, or grants.</li> <li>Program objectives include:               <ul style="list-style-type: none"> <li>Ensure nondiscrimination in the award of federally assisted contracts</li> <li>Create a level playing field on which DBEs can compete fairly for federally assisted contracts.</li> <li>Ensure that a firm meets federal eligibility standards (49 CFR Part 26) prior to participation in the DBE Program</li> </ul> </li> </ul>

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						<ul style="list-style-type: none"> <li>○ Assist in identifying and removing barriers to participation for DBEs in federally assisted contracts</li> <li>○ Assist in the development of Disadvantaged Business Enterprises, in order to increase their competitiveness in the marketplace</li> <li>○ Advantages of DBE Program enrollment:</li> <li>○ Portable program for economically and socially disadvantaged businesses that is recognized all over the U.S.</li> <li>○ Mandatory subcontractor bid opportunities on all Charleston County Transportation Development contracts.</li> <li>○ Included as an approved subcontractor on the SCDOT's list of pre-qualified contractors and consultants.</li> <li>○ Mandatory subcontractor bid opportunities for all SCDOT-funded construction contracts.</li> <li>○ Technical assistance as needed.</li> <li>○ Schedule meetings to introduce subcontractors with prime contractors.</li> <li>○ Registrants have access to business development resources and other advantages such as free workshops and training programs designed to make the application process convenient and simple.</li> <li>○ Portable program for economically and socially disadvantaged businesses that is recognized all over the U.S;</li> <li>● Mandatory subcontractor bid opportunities on all Charleston County Transportation Development contracts;</li> <li>○ Included as an approved subcontractor on the SCDOT's list of pre-qualified contractors and consultants;</li> <li>○ Mandatory subcontractor bid opportunities for all SCDOT-funded construction contracts;</li> <li>○ Technical assistance;</li> <li>○ Meeting opportunities to introduce subcontractors with prime contractors;</li> <li>○ Access to business development resources such as free workshops and training programs designed to make the application process convenient and simple.</li> </ul>
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<p>South Carolina Department of Transportation (SCDOT) Business development</p>	<p>State of South Carolina</p>	<p>x</p>	<p>x</p>	<p>x</p>	<p>x</p>	<ul style="list-style-type: none"> <li>● SCDOT has 3 different types of minority/small business programs: Disadvantaged Business Enterprise (DBE) program, Small Business Enterprise (SBE) program, and Business Development Center (BDC). FDOT puts forth great effort to educate minority businesses on these four separate and distinct programs. The Equal Opportunity Office is responsible for promoting and monitoring the participation of minority businesses.</li> <li>● 932 registered businesses in DBE program</li> <li>● 20-21 Fiscal Year Minority Business entities received \$1M (.14% of the 5% set aside goal) in DBE awards and Women business entities received \$3M (.36% of the 5% set aside goal) in DBE awards.</li> <li>● SCDOT provides DBE business development programs to assist firms in gaining or strengthening their ability to compete successfully in the marketplace within and outside the DBE program.</li> <li>● Approximately 13% (\$233M) of SCDOT’s contract dollars are expended on pre-construction contracts and 87% (\$1.6B) are expended on construction contracts.</li> <li>● SCDOT has determined its “Base Figure” (relative availability of DBEs) to be 14.0%</li> <li>● Total expenditures of \$1,569M for the last three (3) (2017-2019) federal fiscal years, DBEs received \$149.8M or 9.5% of the total expenditures. The median past participation of DBE firms is 10.5% or \$58.8M. (Source: FHWA Uniform Report of DBE Commitments/Awards and Payments: 12-01-2019)</li> <li>● Annual DBE contracting goal of 12%</li> <li>● In FFY 2017-2019, there were no set-aside projects in the highway letting. However, there were a total of twelve (12) state contracts awarded to seven (7) Prime DBEs during this period. Figures indicate that there has been a decline in the number of state funded set-asides and certified Prime DBE firms to bid on set-aside projects. Although there is a downward trend of available state funded set-asides and fewer DBE firms available for bidding on these projects, SCDOT will continue efforts to identify projects both federal and</li> </ul>
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						<p>state that Prime DBEs may bid on.</p> <ul style="list-style-type: none"> <li>● SCDOT proposes to establish its FFY21 - FFY23 DBE goals as follows:             <ul style="list-style-type: none"> <li>○ SCDOT will monitor its progress in meeting its goal over the next three (3) years and, if necessary, will adjust its proposed split of race-conscious and race-neutral measures each year accordingly.</li> </ul> </li> <li>● The program has the following components, better known as the “Supportive Services Program”:             <ul style="list-style-type: none"> <li>○ A. The Education &amp; Training Services Program is designed to provide business development assistance to eligible DBEs and selected contractors seeking certification to do SCDOT work through activities designed to improve communications, profitability, company capacity, etc.</li> <li>○ B. The Entrepreneurial Development Institute (EDI) is an annual training program, designed to enhance the development of DBEs. This program provides in-depth developmental training on road and bridge building principles, productivity, and business capacity/depth.</li> <li>○ C. The DBE Business and Technical Assistance Program is designed to expand the participation by small and disadvantaged businesses in SCDOT's pre-construction, construction, and mass transit (includes, but may not be limited to, road and bridge building and building renovation) programs. It provides management and technical assistance to eligible firms including preconstruction and construction engineering assistance, outreach activities, bonding, and financial management assistance.</li> <li>○ D. The purpose of the Mentor-Protégé Program (MPP) is to establish a link between businesses certified under the SCUCP, successful professional service providers, and general contractors who contract with the SCDOT on highway design/ engineering and construction projects. The program is sponsored by SCDOT in</li> </ul> </li> </ul>
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						<p>coordination with the FHWA and is designed to build a more effective, competitive, and diverse pool of contractors capable of bidding on future projects.</p> <ul style="list-style-type: none"> <li>o Outreach services that are also offered to DBE certified contractors include: Orientation, USDOT Short Term Loan Program, Training Tuition, Assistance Program, Financing &amp; Bookkeeping Analysis, and special programs such as Business Development Program and a Mentor-Protégé Program (MPP).</li> </ul>
<p>City of North Charleston Small, Disadvantaged, Minority Business Program (SDMB)</p>	<p>Charleston</p>	<p>x</p>	<p>x</p>	<p>x</p>	<p>x</p>	<ul style="list-style-type: none"> <li>● Minority business program developed in 2017</li> <li>● Targets businesses that earn \$500,000 or less annually</li> <li>● This program promotes free competition and equal opportunity. The City of North Charleston, through its Mayor's Office and Procurement Department, is committed to assisting small, disadvantaged, and minority businesses located in the Tri-County area of South Carolina (Charleston, Dorchester, and Berkeley Counties).</li> <li>● Mission <ul style="list-style-type: none"> <li>o Staff will educate, inform, encourage, and assist small, disadvantaged and minority businesses located within the Tri-County area to participate and compete in the City's Procurement program.</li> <li>o When applicable, the City will utilize the Charleston County's Small Business Enterprise program, the City of Charleston's Minority &amp; Women-Owned Business Enterprise program, as well as the SCDOT's Unified Certification Program to meet the needs of the City and to assist the small, disadvantaged, and minority businesses located in our communities.</li> <li>o Certification will allow companies to receive maximum exposure to the public procurement process, as well as ensure inclusion in all training, networking, and development opportunities.</li> <li>o <a href="https://www.northcharleston.org/business/do-business-with-north-charleston/small-disadvantaged-minority-business-program/">https://www.northcharleston.org/business/do-business-with-north-charleston/small-disadvantaged-minority-business-program/</a></li> </ul> </li> </ul>

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College of Charleston Procurement	Charleston	x	x	x	x	<ul style="list-style-type: none"> <li>● The Procurement Office is interested in identifying South Carolina minority vendors for participation on the procurement process at the College</li> <li>● Minority Business Utilization Plan: Each year the College files a Minority Business Utilization Plan with the Governor's Office of Small and Minority Business Assistance to direct, record and report minority utilization.</li> <li>● Plan addresses the following six areas:             <ul style="list-style-type: none"> <li>○ 1. Advertising for prospective bidders</li> <li>○ 2. Inviting 25% MBE bidders to bid</li> <li>○ 3. Establishing percentage and dollar goals for competitive awards based on controllable dollars</li> <li>○ 4. Dividing larger contracts into smaller MBE areas</li> <li>○ 5. Designation of bids for MBE competition only and</li> <li>○ 6. Contract clause notifying South Carolina Tax credit for MBE utilization.</li> </ul> </li> </ul>
City of Charleston Minority Business Entities		x	x	x	x	<ul style="list-style-type: none"> <li>● Charleston's Minority &amp; Women-Owned Business Enterprise Office (M&amp;WBE) strives to increase participation of minority and women-owned business enterprises in the full array of contracting opportunities available in the City of Charleston.</li> <li>● Office assists potential entrepreneurs &amp; existing small business owners through:             <ul style="list-style-type: none"> <li>○ Business growth and expansion</li> <li>○ Resources related to business start-ups</li> <li>○ M&amp;WBE certification to enhance contracting opportunities</li> <li>○ Access to financial opportunities through its business database</li> <li>○ Guidance and counseling on management skills and operational effectiveness</li> <li>○ Local skills-based training opportunities</li> </ul> </li> <li>● The City of Charleston has established goals for the utilization of women and minority-owned businesses. Certification benefits include:             <ul style="list-style-type: none"> <li>○ Validation of M&amp;WBE status</li> <li>○ Sales and marketing opportunities within the City</li> </ul> </li> </ul>

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						<ul style="list-style-type: none"> <li>○ Referral to educational programs</li> <li>○ Referral to other diversity programs and organizations</li> <li>○ Technical assistance</li> </ul>
SC Division of Small and Minority Business Contracting and Certification	South Carolina	x	x	x	x	<ul style="list-style-type: none"> <li>● Connects minority- and women-owned small businesses to State contracting and procurement opportunities through the Material Management Office (MMO), while working with State agencies to implement and monitor minority-contracting programs in accordance with applicable policies, laws, and regulations.</li> <li>● Serves as a conduit to the Administration on key issues affecting the small and disadvantaged business communities. This includes taking a lead role in helping stakeholders to develop and implement policies and procedures aimed at increasing participation in State contracting by small, minority- and women-owned businesses.</li> <li>● Staff provides program services to firms on an individual counseling basis as well as workshops</li> <li>● Responsible for overseeing the efforts of the state agencies as they plan and implement efforts intended to overcome special problems related to MBE participation initiatives.</li> <li>● Technical assistance consists of seminar training, one-on-one consultations, MBE goal setting, potential vendor lists, participation reports, and dispute resolution.</li> <li>● Provide assistance for procurement officials, prime suppliers and general contractors to design and implement effective supplier diversity strategies into the procurement and subcontracting process.</li> </ul>
MUSC Equity, Inclusion, and Diversity Council’s Minority Business Enterprise Input Committee (MBEIC)	Charleston	x	x	x		<ul style="list-style-type: none"> <li>● MUSC Health received the Best New Program (Supplier Diversity) Award for successfully integrating small, women, and minority business enterprises (SWMBEs) into the Shawn Jenkins Children’s Hospital project and MUSC Health’s supply chain. The award was announced at the recent annual meeting for the Carolinas-Virginia Minority Supplier Development Council in Richmond, VA.</li> <li>● “This award is a testimony to MUSC Health’s commitment to intentionally leverage its supply chain to address the economic disparities that have the greatest impact on the health of South Carolina residents,” said Jean-Marc Villain, MUSC Health director for</li> </ul>



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						<p>supplier diversity “Local and inclusive sourcing of goods and services is perfectly aligned with our quest of making MUSC an anchor institution that drives community economic growth and continues to build a culture of health for all.”</p> <ul style="list-style-type: none"><li>• The Council’s Minority Business Enterprise Input Committee (MBEIC) acknowledged the contributions of those organizations generating the most impact on the minority business community and those who have made significant contributions to sustaining the Council’s overall mission of facilitating greater participation of the MBE Community within the supply chains of its corporate members.</li></ul>
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Agency/Organization		Type of Management and Technical Assistance Providers				Support Services
Organization's Name	County	Mgmt.	Marketing / Sales/ Networking	Financial	Bonding	Services and Available Metrics
<b>Management, Financial and Technical Assistance Providers</b>						
City of North. Charleston Finance	Charleston Berkeley Dorchester			x		<ul style="list-style-type: none"> <li>The Berkeley-Charleston-Dorchester Council of Governments' Revolving Loan Fund (RLF) is a locally controlled source of capital that assists start-ups and growing businesses.</li> <li>The primary purpose of the RLF is to improve the region's economy through the creation and retention of permanent full-time jobs. The RLF is most often used as "gap financing" to provide leverage for private sector loans and investments.</li> <li>Eligible uses for RLF loans include the purchase of machinery, equipment, real estate, and inventory, as well as the improvement of real estate and building facilities. Loans can also be used to provide permanent working capital on a limited basis. In general, loan terms will average three to five years on working capital, five to seven years on machinery and equipment, and up to 15 years on real estate.</li> </ul>
ReadySC	Charleston	x	x			<ul style="list-style-type: none"> <li>ReadySC is not a grant program but instead is committed to providing a full range of services to qualifying companies with the end goal of supplying a company's initial workforce.</li> <li>Develop customized recruitment solutions such as microsites, advertising, social media campaigns, job fairs, among others.</li> <li>Develop customized training solutions including curriculum development &amp; design, employee orientations, transfer of knowledge strategies and continued workforce development.</li> </ul>

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						<ul style="list-style-type: none"> <li>● Work to determine best staffing strategies for all training and cover instruction expenses.</li> <li>● Coordinate with local partners to find suitable training space then up-fit with state-of-the art equipment and labs to best reflect the ultimate workplace.</li> <li>● Use a project management approach by providing a full-time project manager, developing a comprehensive project scope, and conducting periodic project reviews.</li> <li>● Qualification requirements:             <ul style="list-style-type: none"> <li>○ Jobs projected must be permanent.</li> <li>○ Pay represents a competitive wage for the area.</li> <li>○ Benefit packages must include health insurance.</li> <li>○ Number of jobs created must be sufficient enough to allow ReadySC™ to provide training in a cost-effective manner.</li> <li>○ Work with your Subject Matter Experts to determine the skills, knowledge and abilities needed and to define the culture and working environment you want to create at your new facility.</li> </ul> </li> <li>● Based on the findings of the discovery process, design training to meet GMP</li> <li>● Integrates their principles into every facet of the training so that the company’s training plan is customized.</li> <li>● Goal is to help employers start production with employees who are already immersed in their culture band processes</li> </ul>
Business Development Corporation (BDC)	South Carolina			x		<ul style="list-style-type: none"> <li>● Finances small businesses in South Carolina, leading to the creation of thousands of new jobs for the citizens of the Palmetto State. Since 1958, BDC and its associate company, Certified Development Corporation (CDC), have approved more than 2,890 loans totaling in excess of \$1.73 billion, making them leaders in economic development lending and job creation in South Carolina.</li> <li>● Established in 1958 by the South Carolina State Legislature to promote business</li> </ul>

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						<p>and industry within the state. BDC is a non-bank commercial lending company.</p> <ul style="list-style-type: none"> <li>● Loan Types:           <ul style="list-style-type: none"> <li>● The Rural Modernization Loan Participation Program, a pilot program, enables small manufacturing businesses in South Carolina to obtain term financing to help replace outdated equipment or add additional equipment, ultimately creating and retaining jobs in South Carolina.</li> <li>● The Energy Efficiency Revolving Loan (EERL) program was established through the US Department of Energy and the SC Office of Regulatory Staff Energy Office and is administered by the Business Development Corporation (BDC).</li> <li>● The SC Capital Access Program (SC CAP) lending program is designed to provide financial institutions operating in South Carolina a flexible and non-bureaucratic tool to make business loans that are considered more risky than conventional loans.</li> <li>● SBA 7(a) loans are the most commonly used type of SBA loan given the long-term financing options available. In addition, this is the most flexible of all the SBA loan programs, since funds may be used for numerous business purposes with loan terms up to 25 years.</li> <li>● SBA 504 program is an attractive, long-term, fixed-rate financing tool designed to provide attractive financing options for small businesses in need of expansion and/or purchases. Terms are up to 25 years.</li> <li>● This program enables small businesses to obtain short and long-term financing to help businesses grow and expand. The program provides small business loans at competitive terms while reducing lender risk and allowing borrowers to receive attractive financing terms and lower down payments.</li> </ul> </li> </ul>
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Opportunity Business Loans	South Carolina			x		<ul style="list-style-type: none"> <li>Where business owners can connect with a large network of lenders to find the perfect financial solution for their business.</li> <li>Matches a company with the right lenders who can offer the best financing options for the business.</li> </ul>
South Carolina Community Loan Fund	South Carolina			x		<ul style="list-style-type: none"> <li>Finance community development projects across South Carolina.</li> <li>South Carolina Community Loan Fund is a nonprofit Community Development Financial Institution with offices in Charleston, Columbia, and Spartanburg.</li> <li>Through 2020, programs hosted 56 small business owners, who completed 37 business plans.</li> <li>A total of \$130,000 was awarded to businesses across the state</li> <li>2020 \$80.4 million awarded in project development</li> <li>10.5 million in financing</li> <li>53% loaned to female borrowers</li> <li>65% loans to people of color</li> <li>In March 2020:             <ul style="list-style-type: none"> <li>75% of borrowers reported having 3 months or less working capital on hand.</li> <li>58% had already experienced negative impacts from Covid-19</li> </ul> </li> <li>mission is to advance equitable access to capital to build assets and benefit communities and people most in need of economic opportunity.</li> <li>Since its inception in 2004, it has financed more than \$65.4 million in loans throughout the state, resulting in the completion of more than \$398.4 million in community development projects.</li> </ul>
Local Development Corporation	Charleston			x		<ul style="list-style-type: none"> <li>Established in 1979 as a tax-exempt, non-profit organization, the Local Development Corporation (LDC) fosters economic development in Berkeley, Charleston, Colleton, and Dorchester counties by promoting and assisting the</li> </ul>

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						<p>growth and development of business concerns.</p> <ul style="list-style-type: none"> <li>• In addition to its financial assistance offerings, the LDC provides extensive and specialized technical assistance for business development and retention.</li> <li>• 3 of 8 current LDC Staff Members are fluent Spanish speakers</li> <li>• FY2020 accounted for 22% of all dollars the LDC has lent, and 9% of all loans, in 41-year history</li> <li>• 40.5% of FY2020 loans made outside Charleston County</li> </ul>
CLIMB Fund	Charleston			x		<ul style="list-style-type: none"> <li>• CLIMB Fund is a not-for-profit Community Development lender whose mission is to ensure access to capital for small businesses and affordable housing developments that cannot secure traditional financing.</li> <li>• In FY 2020:             <ul style="list-style-type: none"> <li>o 42 new loans granted</li> <li>o \$5.4 million lent</li> <li>o 4.5% growth in assets</li> </ul> </li> <li>• 1/3 (33%) of new small business loans made to Black and Latinx owned businesses</li> <li>• In 2020, through a partnership with the City of Charleston, began making loans to developers of affordable housing</li> <li>• In FY2020 made 4 loans worth \$2.6 million to help create 472 units of affordable housing.</li> <li>• In FY2020, Latinx Owned Businesses made up 5.1% of new loans, 2x historic average</li> <li>• Based in Charleston and serving the entire state of South Carolina, CLIMB Fund has more than 40 years of history lending to entrepreneurs who have been turned away by for-profit banks. There are numerous iconic local businesses that CLIMB has helped start and grow, but the most important impacts the CLIMB has provided are new pathways to success and helping people realize their dreams.</li> <li>• Since 1979, CLIMB Fund has provided financing for hundreds of small businesses that make up the backbone of our communities. These loans</li> </ul>

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						have been used to create thousands of jobs and enable opportunities where it would not have otherwise existed.
Charleston SCORE	Charleston	x	x	x	x	<ul style="list-style-type: none"> <li>• SCORE has a mission of fostering vibrant small business communities through mentoring and education.</li> <li>• Nationally, a network of 10,000 volunteer men and women stands ready to support the small business owners we serve.</li> <li>• Client base: 60% Women, 46% Minorities, 9% Veterans</li> <li>• 143,651 clients served across 315,283 mentoring sessions             <ul style="list-style-type: none"> <li>• 347,389 attendees served across 10,816 workshops</li> </ul> </li> <li>• 204,925 attendees served via national workshops</li> <li>• Small businesses can and will rebuild, and SCORE is here to help when you need it most.</li> <li>• COVID-19 impacted profitability for all businesses, but most dramatically for Black- and Hispanic-owned businesses. Black owners reported a decrease in business profitability from 40% in 2019 to 26.5% in 2020; and Hispanic business owners reported a decrease in profitability from 51.2% in 2019 to 29.2% in 2020.</li> <li>• COVID-19 and other health concerns directly impacted Black business owners 90.7% more and Hispanic business owners 42.4% more than White business owners.</li> <li>• Lack of childcare more significantly disrupted business operations for Hispanic and Black business owners.</li> <li>• Seventy-three percent (73%) of all businesses had to lay off furlough or reduce employee hours/pay due to COVID-19.</li> <li>• Racial disparities are measurable among recipients of federal loans. Black and Hispanic business owners were far less likely to receive funds, though they applied at greater rates.</li> </ul>

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						<ul style="list-style-type: none"> <li>• White business owners were three times more likely to get Payroll Protection Program (PPP) loans; three times more likely to get Economic Injury Disaster Loans (EIDL); and four times more likely to get other Small Business Administration (SBA) loans than Black business owners.</li> <li>• Most business owners (75.3%) used personal funds to keep their businesses from closing. Half (46%) downsized operations (hours, staff, etc.); some (14.6%) took on additional personal debt (HELOC, etc.) or loans from friends or family (13.1%).</li> <li>• Most business owners (66%) agreed that stimulus checks to individuals were the most helpful government program</li> <li>• SCORE’s SLATE mentoring methodology, which all SCORE mentors must know prior to providing services to our clients, provides continued guidance on how we do business and interact with the business owners we serve:             <ul style="list-style-type: none"> <li>o Stop and Suspend Judgment</li> <li>o Listen and Learn</li> <li>o Assess &amp; Analyze</li> <li>o Test Ideas &amp; Teach with Tools</li> </ul> </li> <li>• committed to applying SLATE in all aspects of how we operate. We will continue to stop and suspend judgment and to listen and learn.</li> <li>• One of core values is, “Diversity Matters.” This means that SCORE believes in the importance, value, and power of diversity – diversity of people and diversity of thought – and our Code of Ethics prohibits SCORE from discriminating against any person.</li> </ul>
South Carolina Women in Business Sumter	Sumter	x	x	x	x	<ul style="list-style-type: none"> <li>• In 2006, the Columbia Chamber of Commerce recognized SCWIB as the Women in Business Advocate for effectively advocating women entrepreneurship. In 2008, the Small Business Administration awarded SCWIB its top honor, Women in Business Champion</li> <li>• Offers endless networking opportunities, sales leads, procurement</li> </ul>



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						<ul style="list-style-type: none"> <li>opportunities, education, and guidance.</li> <li>Works to improve the economic climate for female entrepreneurs in the state by encouraging women business ownership, providing information and resources to entrepreneurs at all stages of their business development, and aiming to increase economic opportunity for those seeking the risky, but rewarding path of entrepreneurship.</li> </ul>
I-Hope Women’s Business Center	Charleston		x	x	x	<ul style="list-style-type: none"> <li>The I-HOPE Women’s Business Center of the Lowcountry is hosted by Increasing H.O.P.E. Financial Training Center (501c3) and is funded in part through a Cooperative Agreement with the U.S. Small Business Administration.</li> <li>The I-HOPE WBC seeks to serve entrepreneurs and small businesses by providing them with free or low-cost resources needed to start and grow their business.</li> <li>Free Services For Entrepreneurs &amp; Small Business Owners               <ul style="list-style-type: none"> <li>Small Business Training &amp; Workshops</li> <li>One-on-One Coaching</li> <li>Business Plan Development</li> <li>Access to Funding Resources</li> <li>Financial Literacy</li> <li>Personal Development</li> </ul> </li> <li>I-HOPE Mentor Community</li> </ul>
SC Small business Development Centers (SBDC)	Charleston		x		x	<ul style="list-style-type: none"> <li>72.6% of clients start new businesses</li> <li>18,691 SBDC clients started businesses between 2019-2020</li> <li>51% of consulting clients are women</li> <li>28% of clients are minorities</li> <li>6% of clients are veterans</li> <li>In FFY 2021, SC SBDC consultants helped 229 clients obtain 346 covid-related loans totaling \$17,152,124 — money they used to sustain their businesses helped 11,926 entrepreneurs turn catastrophe into lucrative and enduring opportunities.</li> </ul>

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						<ul style="list-style-type: none"> <li>• In 2020 the US Government invested \$133.5 million in federal appropriations for the SBDC program which generated \$188.71 million in Federal revenue and \$367.22 million in South Carolina revenue.</li> <li>• Created or retained more than 5,830 jobs.</li> <li>• Startup of 700+ new ventures</li> <li>• Obtain \$202 million in financing</li> <li>• Secure more than \$31.3 billion in government contracts</li> <li>• Expanding an existing business or starting a new enterprise.</li> <li>• Free consulting, low-cost seminars and links to resources, the SC SBDC helps jump start startups and makes existing businesses thrive.</li> <li>• SC SBDC consultants work with companies in all stages of development – from a person with an innovative product but no idea how to move forward to the owner of a company looking to capture new markets.</li> <li>• A statewide organization, the SC SBDC has 20 area centers in communities across South Carolina, serving both urban and rural business needs.</li> <li>• The SC SBDC helps more than 6,000 clients each year. Since 2006, the SC SBDC has assisted the startup of more than 500 new ventures and helped generate more than \$383 million in capital formation.</li> <li>• In the past five years, SC SBDC consultants have assisted in bringing more than \$1 billion in government contracts to small companies in South Carolina.</li> </ul>
South Carolina Small Business Administration (Charleston office)	Charleston	x				<ul style="list-style-type: none"> <li>• The U.S. Small Business Administration (SBA) helps Americans start, build, and grow businesses.</li> <li>• Created in 1953, the U.S. Small Business Administration (SBA) continues to help small business owners and entrepreneurs pursue the American dream.</li> <li>• SBA is the only cabinet-level federal agency fully dedicated to small business and provides counseling, capital, and contracting expertise as the nation’s only go-to resource and voice for small businesses.</li> </ul>

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						<ul style="list-style-type: none"><li>• The South Carolina District Office is responsible for the delivery of SBA's programs and services throughout the Palmetto State.</li><li>• The District Office also partners with state economic development organizations to provide South Carolina small businesses with assistance and further business opportunities through events, presentations and educational materials.</li><li>• SBA Programs and Services</li><li>• Financial assistance for new and existing businesses through loan guaranty programs</li><li>• Contracting (procurement) assistance through business development programs</li><li>• Seminars and free, confidential counseling services through SBA resource partners, including SCORE, the Small Business Development Centers (SBDCs) and the South Carolina Women's Business Center.</li></ul>
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Agency/Organization		Type of Community and Economic Development Organization				Support Services
Organization's Name	County	Ethnic Chamber	Other Chamber	Community Development	Economic Development	Services and Available Metrics
<b>Community and Economic Development Organization</b>						
Berkeley-Charleston-Dorchester Council of Governments	Charleston			x	x	<ul style="list-style-type: none"> <li>● BCDCOG serves a 3-county region of South Carolina.</li> <li>● It is a voluntary association of, by and for local governments in Charleston, Berkeley, Dorchester counties</li> <li>● Assist local governments in planning for common needs, cooperating for mutual benefit, and coordinating for sound regional development.</li> <li>● Purpose is to strengthen both the individual and collective power of local governments and to help them recognize regional opportunities, eliminate unnecessary duplication, and make joint decisions.</li> <li>● Board of directors provides a forum for local leaders to find common goals and determine a course for the entire region.</li> <li>● Developing long-range transportation objectives for the region,</li> <li>● Supervising efforts to keep our waterways free of pollutants.</li> <li>● Participates in virtually every major planning endeavor of regional significance.</li> <li>● Plays a small role by having its staff serve on various committees.</li> <li>● Comprehensive planning processes in Berkeley and Dorchester Counties, the COG acts as the primary facilitator and coordinates most activities.</li> <li>● Tasks can usually be broken down into several distinct categories.               <ul style="list-style-type: none"> <li>○ Water Quality Management</li> <li>○ Air Quality</li> <li>○ Transportation Planning</li> </ul> </li> </ul>

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						<ul style="list-style-type: none"> <li>○ Land Use Planning</li> <li>○ Urban Planning</li> <li>○ Mapping and GIS</li> <li>○ Community &amp; Economic Development Planning</li> <li>● Designated by the state as both the area-wide planning agency for water pollution reduction and the staff for metropolitan transportation planning and public involvement.</li> <li>● Local governments and non-profit organizations regularly enlist the COG to help conduct special studies and to prepare comprehensive or small area plans.</li> <li>● Integral part of the BCD Region’s fiscal revitalization. It has taken part in many of the region’s most high-profile economic ventures.</li> <li>● Projects, which range from equipment financing to asbestos removal, can be credited with the creation or retention of thousands of jobs.</li> <li>● Dedicated to improving the quality of life in the region by developing strategies for diverse job creation and economic growth.</li> <li>● It partners with economic development agencies in the region and provides them support with Economic Development Administration funding.</li> <li>● Involved in applying for and distributing funds allocated by the Community Development Block Grant Program.</li> <li>● The department picks up where the Council of Government’s Community Development Department stops by focusing on Community Development Block Grant funds specifically set aside for enhancing employment opportunities, especially for the poor.</li> <li>● Like community development projects, CDBG economic development projects must meet one of the three national objectives. They must:</li> </ul>
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						<ul style="list-style-type: none"> <li>○ Benefit low-and-moderate income persons</li> <li>○ Aid in the prevention or elimination of slums or blight</li> <li>○ Meet other urgent needs that pose a serious threat to a community's health or welfare and cannot be resolved through other financial means.</li> </ul>
Charleston County Economic Development Department	Charleston			x	x	<ul style="list-style-type: none"> <li>● Created in 1993, the Charleston County Economic Development Department is dedicated to:               <ul style="list-style-type: none"> <li>○ Recruiting new business</li> <li>○ Growing existing industry</li> <li>○ Improves the Charleston business climate by targeting key employment opportunities like manufacturing, distribution, corporate headquarters, software developers and research and development facilities.</li> </ul> </li> <li>● Business Concierge program assists with the care and feeding of existing businesses. Since the department was created, more than 34,000 jobs have been announced and \$6.4 billion in capital investment. Charleston County is consistently ranked as a top 5 county in South Carolina for jobs and capital investment.</li> <li>● Offers assistance with site selection, detailed area maps, financial incentives, grant &amp; loans, workforce development, public infrastructure improvements, supplier sourcing, international trade consulting, research, entrepreneur resource referrals, permit assistance and much more</li> </ul>
Colleton County Economic Development	Colleton				x	<ul style="list-style-type: none"> <li>● The Colleton County Economic Alliance works with existing industry to target support services and to attract other national and international investments by facilitating their expansions or initial establishment of operations in Colleton County.</li> <li>● The Alliance is also making efforts to accomplish the long-range goals of having Level IV certified Foreign Trade Zone sites with interstate or</li> </ul>

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						airport access, expanding technical training skill sets to enhance workforce, and developing programs to expand investments and enrich existing industry related to international trade.
Charleston Metro Chamber of Commerce	Charleston			x	x	<ul style="list-style-type: none"> <li>• The Charleston Metro Chamber is a membership organization, 1,600 members strong, serving as a collective voice to drive solutions for a thriving community</li> <li>• 5-star accredited by the U.S. Chamber of Commerce</li> <li>• Take on our region’s most critical issues and advocate on behalf of Charleston business community at the federal, state and regional levels</li> <li>• Advocate with local governments region-wide for traffic, housing and land use solutions that support smart, sustainable growth</li> <li>• Increase awareness and drive solutions for the region’s housing attainability crisis.</li> <li>• Mobilize diverse business voices to advocate for sustainable growth and smart policy solutions.</li> <li>• Targeted education and workforce policy changes to address the talent gap.</li> <li>• Legislation to facilitate the development of workforce attainable housing.</li> <li>• Support military base retention and expansion.</li> <li>• Support international trade agreements that are fair, accountable, consistent and that reduce barriers to free and open markets.</li> <li>• Address dire infrastructure system, and advocate for sustained infrastructure investment at a level adequate to complete identified priority projects region-wide and for streamlined federal infrastructure permitting.</li> </ul>

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						<ul style="list-style-type: none"> <li>• Support a comprehensive immigration reform that helps businesses attract and retain talented individuals who fuel our globally connected economy.</li> <li>• Support policies and investments that promote the retention and expansion of military operations and federal facilities in our metro.</li> <li>• Continue efforts to activate students for our region’s high-demand jobs, advance opportunities for all to succeed after high school and further align our employers and education systems</li> <li>• Talent team works closely with regional partners in both the business and education communities to drive educational change</li> <li>• Committed to providing students and families with information about how to prepare for college and career after high school</li> <li>• Developed the Regional College and Career Guide, a consolidated handbook with valuable resources about high school programs of study, college preparation and high-demand careers projected for the region.</li> <li>• For 48 years, the Chamber has offered Leadership Charleston, a year-long program offering an intensive and up-close look at the most challenging issues and opportunities facing our region –</li> <li>• Leadership Charleston engages participants in experiences that help them become better community leaders.</li> </ul>
Palmetto Community Action Partnership	Berkeley, Charleston, Dorchester			x	x	<ul style="list-style-type: none"> <li>• Since 1968, the agency has served Charleston County first as Charleston County Economic Opportunity Council and then as Charleston County Human Services Commission in 1984 until its recent name change to Palmetto Community Action Partnership in 2015 to reflect the agency’s expanded service areas.</li> <li>• The agency now serves Charleston, Berkeley and Dorchester</li> </ul>



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						<p>counties. Palmetto CAP receives its funding primarily from Community Services Block Grant, the 2009 American Recovery and Reinvestment Act, Economic Opportunity Act Program, the Department of Energy and private sources.</p> <ul style="list-style-type: none"> <li>• Community Action is the only federally-funded program exclusively focused on reducing poverty</li> <li>• Mission is to serve economically underserved residents of Berkeley, Charleston, and Dorchester Counties by promoting economic independence through programs and partnerships.</li> <li>• Helps the economically disadvantaged residents of Berkeley, Charleston and Dorchester counties to develop customized solutions to situational and generational poverty.</li> <li>• Partners with faith-based organizations, schools, private business, non-profits, government and communities to provide short-term basic needs assistance, crisis intervention and long-term financial empowerment services</li> <li>• Financial assistance is provided in the form of micro-grants that private citizens apply for that are administered directly to a third-party vendor.</li> <li>• Empowerment services are generally provided in-house by Palmetto CAP's qualified staff.</li> <li>• Effectively uses federal, state, local and private resources to address the root causes that lead to poverty (both situational and generational) on a local level.</li> </ul>
South Carolina Vocational Rehabilitation Charleston	Charleston			x	x	<ul style="list-style-type: none"> <li>• To prepare and assist eligible South Carolinians with disabilities to achieve and maintain competitive employment.</li> <li>• Works toward being the leader in quality employment outcomes for its consumers and business partners through its people, partnerships, and performance.</li> </ul>

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						<ul style="list-style-type: none"> <li>● Values:           <ul style="list-style-type: none"> <li>○ Persons with disabilities who strive to achieve competitive employment</li> <li>○ A consumer-focused culture</li> </ul> </li> <li>● Quality service provision</li> <li>● Highly qualified and committed employees</li> <li>● Mutually beneficial partnerships with business and industry</li> <li>● Professional, coordinated, results-driven relationships with other government agencies and organizations</li> <li>● An environment of continuous improvement and learning</li> <li>● Accountability to tax-payers</li> <li>● Planning-VR staff, including your dedicated Business Development Specialist (BDS), meet with business and industry leaders to learn more about their workforce needs, then provide information and support to help them create a strategic plan to meet those needs.</li> <li>● Recruiting-work with employers to help them build a strong, diverse workforce through job fairs and vocationally-focused talent fairs. These events give them access to untapped talent pools of professionals to meet their needs.</li> <li>● Training-Through classroom instruction and hands-on projects, our consumers learn foundational soft skills and industry-specific job skills.</li> <li>● Retention- services are available to businesses that wish to keep valuable employees who need help due to a disability that might be jeopardizing their employment. Whether it's anxiety, depression, alcohol or other substance abuse, or physical impairments, our goal is to help a person minimize or eliminate what is interfering with their job performance.</li> </ul>
The Department	Charleston			x	x	<ul style="list-style-type: none"> <li>● Coordinates the provision of various housing, community and</li> </ul>

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of Housing and Community Development (City of Charleston)						<p>economic development programs in partnership with a number of organizations that include non-profit and for-profit developers</p> <ul style="list-style-type: none"> <li>● The department is responsible for: <ul style="list-style-type: none"> <li>○ Creating, facilitating, and implementing activities and programs which stimulate community and economic development</li> <li>○ Expanding the supply of available housing</li> <li>○ Stimulating the construction and rehabilitation of housing for persons of very low, low, and moderate incomes in Charleston's neighborhoods</li> </ul> </li> <li>● The Department of Housing and Community Development (DHCD) annually awards Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Housing Opportunities for Persons With AIDS (HOPWA) funding to organizations that provide services to citizens in the City of Charleston.</li> </ul>
Volve (Volvo Car Good Neighbor Collaborative)	Dorchester			x	x	<ul style="list-style-type: none"> <li>● Building strong, sustainable and mutually beneficial relationships with community business neighbors</li> <li>● Invest in the communities where we live and work.</li> <li>● Led by members of our Community Advisory Group who will accept and review funding proposals from qualified organizations. Based on these submitted applications, these leaders will recommend funding groups that match the priorities of the surrounding region.</li> <li>● Financial backing will be provided by Volvo Cars and administered by the Coastal Community Foundation.</li> </ul>
South Carolina Department of Commerce	South Carolina			x	x	<ul style="list-style-type: none"> <li>● Work with statewide partners to develop services to help both local businesses and global enterprise industries be as successful as possible.</li> <li>● Provide services for any company's needs throughout its growth and development.</li> </ul>

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						<ul style="list-style-type: none"> <li>• Connect with services and expertise developed specifically for SC company or manufacturing facility.</li> <li>• Funding and permits to marketing and expansion, resources that can enhance your business development.</li> </ul>
Carolinas Minority Supplier Development Council (CMSDC)	Charleston		x	x	x	<ul style="list-style-type: none"> <li>• Carolinas-Virginia Minority Supplier Development Council (the Council), a private, non-profit organization categorized by the IRS as a 501(c)(3), is one of 23 regional affiliate councils of the National Minority Supplier Development Council (NMSDC).</li> <li>• The Council is a membership organization of major corporations, financial institutions, government agencies, and universities that operate within North Carolina, South Carolina, and Virginia.</li> <li>• The Council is funded by membership dues, certification fees, and proceeds from program activities.</li> <li>• In addition, funds are also received from the National Minority Supplier Development Council. CVMSDC promotes and facilitates business relationships between the public/private sector and certified minority-owned businesses.</li> <li>• The Council service area covers NC, SC and VA, with a headquarters office located in offices in Charlotte, NC an regional offices in Richmond, VA and Charleston, SC. with six Reginal Industry Groups ( RINGs) that identify topics, issues, trends, and priorities of MBEs and Corporate Members within the respective geographic areas. CMVSDC relies on local committee volunteers in the eight regions to assist with networking, programming, and business development opportunities.</li> </ul>
Walterboro-Colleton Chamber of	Colleton		x	x	x	<ul style="list-style-type: none"> <li>• The Walterboro-Colleton Chamber of Commerce is a membership driven organization with its primary mission to serve as a united voice of business.</li> </ul>

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Commerce						<ul style="list-style-type: none"><li>• Is a private, non-profit membership organization serving as a primary advocate for business funded primarily by membership investments</li><li>• Composed of members dedicated to improving business in Walterboro and Colleton County.</li></ul>
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Agency/Organization		Type of Trade Organization, Business Associations or Other Advocacy Groups			Support Services
Organization's Name	County	Trade Organization	Business Association	Other Advocacy Groups	Services and Available Metrics
<b>Trade Organizations, Business Associations and Other Advocacy Groups</b>					
City of Charleston Office of Cultural Affairs	Charleston			x	<ul style="list-style-type: none"> <li>Established in 1977, the City of Charleston Office of Cultural Affairs (OCA) is committed to promoting and fostering excellence through artistic expression, thereby enhancing the quality of life for all of Charleston's citizens regardless of social, economic, or physical considerations.</li> <li>The OCA strives to provide access to the arts for all citizens and plays an important role in producing and/or supporting programs that educate, inform, and inspire through a wide variety of cultural activities that celebrate creativity and diversity, contribute to the area's economic development, and underscore Charleston's reputation as an international cultural destination.</li> </ul>
Lowcountry Local First	Charleston			x	<ul style="list-style-type: none"> <li>A 501(c)3 nonprofit cultivating an economy anchored in local ownership, because local-independent businesses are the cornerstone of our culture, economy, and character.</li> <li>Local economic development, training, and support for local business owners</li> <li>Awareness and education efforts aimed at the general public</li> <li>Advocacy for policies that recognize the importance of a strong, diverse local economy.</li> <li>450 local business members and more than 12,000 employees across all sectors</li> <li>51 small businesses were awarded \$60,000 in Small Business Relief Grants</li> <li>52 no-cost one-on-one consultations were provided to local business owners</li> </ul>

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					<ul style="list-style-type: none"> <li>• 10 meetings or public testimonies were provided in front of elected officials to advocate for the local business community at local, state and federal levels</li> <li>• 70+ entrepreneurs graduated from <i>Good Enterprises Initiative's</i> virtual Community Business Academy with ages ranging from 18 - 81 years old</li> <li>• 40+ hours of individual business coaching took place for 18 Community Business Academy alumni through Business Acceleration Services</li> <li>• \$3.80 of economic impact generated for every dollar invested into the Good Enterprises Initiative</li> </ul>
Black Pages of South Carolina	Charleston			x	<ul style="list-style-type: none"> <li>• Established in 1991</li> <li>• 10,000 print copies of magazine</li> <li>• To encourage, support, and facilitate economic empowerment of the African American community through the development of a strategic local business network, educational initiatives, and communication ventures</li> <li>• Reach all segments of the African American Community, including – but not limited to – youth, retirees, and the working class.</li> <li>• The purpose of the Black Pages publications is to give exposure and visibility to minority, especially African American, owned firms, as well as Fortune® 500 companies that desire to target and reach these firms and consumers.</li> <li>• South Carolina's largest circulated African American Publications sector - to work as resourcing “agencies” to flesh out the mission of the Commission and its subcommittees</li> <li>• Although the commission consists of six council members, the true work of the commission is a large project that will require input and guidance from a diverse group of stakeholders, experts, and volunteers.</li> <li>• In addition to the six council members, the commission is made up of seven at-large community co-chairs and each will oversee one subcommittee. Each subcommittee will have a vice-chair and five members for a total of 7 members</li> </ul>

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					<p>on each subcommittee. practices, and business development through an online contractor search directory.</p> <ul style="list-style-type: none"><li>• The subcommittees of the Special Commission on Equity, Inclusion, and Racial Conciliation are working to build upon the work the Avery Center has done and is looking to put forth policy changes and recommendations in these seven critical areas:<ul style="list-style-type: none"><li>○ Housing and Mobility</li><li>○ Youth and Education</li><li>○ History and Culture</li><li>○ Economic Empowerment</li><li>○ Criminal Justice</li><li>○ Health Disparities and Environmental Justice</li><li>○ Internal Review</li></ul></li><li>• The City of Charleston acknowledges that these efforts to strive for equality, equity, and opportunity in all areas of life for African Americans in Charleston must persist and, therefore, commits to the necessity of continuing to undertake and promote effective measures to assist in the amelioration of remaining vestiges of slavery.</li><li>• This Special Commission on Equity, Inclusion, and Racial Conciliation is charged with making the City's Apology for Slavery and 'Jim Crow' more than just a promise; it is committed to revealing and dismantling systemic racism and to sharing a more comprehensive, inclusive, and diverse story of Charleston's history.</li></ul>
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Charleston Contractors Association	Charleston	x			<ul style="list-style-type: none"> <li>The Charleston Contractors' Association was founded in 1958 to advance, protect, educate, and serve the business of construction contracting in general in the Charleston, Berkeley and Dorchester Counties by the dissemination of related information, presenting and united front in the interest of its business, and by taking action in the name of the association in the best interest to the greater number of its members.</li> </ul>
Charleston Home Builders Association	Charleston, Berkeley, Berkeley, Colleton	x			<ul style="list-style-type: none"> <li>Since 1959, the Charleston Home Builders Association (CHBA) has served as the leading non-profit organization dedicated to the future of the Lowcountry, encouraging growth and development within four counties – Charleston, Dorchester, Berkeley and Colleton.</li> <li>The CHBA works with organizations, including government, to promote and protect homeownership.</li> <li>The association continues to provide members with the ability to ethically and efficiently provide local communities with safe, quality and affordable housing.</li> <li>CHBA members consist of residential contractors, remodelers and developers, in addition to members representing all professions that support the homebuilding industry.</li> <li>The CHBA is affiliated with the National Association of Home Builders (NAHB) and the Home Builders Association of South Carolina</li> </ul>
Charleston Regional Development Alliance	Charleston, /Berkeley, Dorchester	x	x	x	<ul style="list-style-type: none"> <li>CRDA exists to help businesses and entrepreneurs locate and expand in the greater Charleston area, which includes Berkeley, Charleston and Dorchester counties.</li> <li>As a confidential, objective resource, CRDA streamlines the site selection process, assisting with talent, buildings and sites, financing, providing connectivity to supply chain resources, and workforce training needs.</li> <li>Project manager provides with confidential access to local and state officials, workforce and labor experts, real estate professionals, land and building owners,</li> </ul>

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					<p>utilities, colleges and universities, the financial and legal communities, local corporate executives, and other resources.</p> <ul style="list-style-type: none"> <li>• Provide objective, accurate and comprehensive analysis of the Charleston region, so clients can make the most informed decisions.</li> <li>• CRDA works closely to understand its client’s supply chain needs and aligns with regional OEMs and suppliers to ensure a successful and growing industry ecosystem.</li> <li>• Provide concise executive briefings and customized tours of the region, including pre-arranged meetings with relevant officials and resource providers.</li> <li>• Receive comprehensive information on available sites and buildings, including site maps, utilities, rail and highway infrastructure, pricing and relevant details, as well as visits to potential sites and buildings.</li> <li>• Connect companies with competitive location and expansion projects to the right people, resources, and information.</li> <li>• CRDA globally promotes the region’s job opportunities, continuing education, and lifestyle strengths to attract the world’s best talent for in-demand occupations in our aerospace, automotive, IT, life sciences and logistics sectors.</li> </ul>
Ellevate	Charleston			x	<ul style="list-style-type: none"> <li>• Ellevate is the largest community of women at work. A powerful coalition of ambitious and supportive women who believe there is strength in numbers. Where changemakers cultivate their voice, build bridges to understand and mobilize for impact</li> <li>• Help women build meaningful local and digital relationships that can offer insights and open doors.</li> <li>• The community has reach, power and influence, while still remaining warm, welcoming and supportive.</li> <li>• Work with leading companies to help them hire, retain, and improve diversity, equity and inclusion within their organizations.</li> </ul>

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					<ul style="list-style-type: none"> <li>• Certified as a Women’s Business Enterprise by the Women’s Business Enterprise National Council (WBENC), the nation’s largest third-party certifier of the businesses owned and operated by women in the U.S.</li> </ul>
The South Carolina Gay and Lesbian Business Guild	South Carolina			x	<ul style="list-style-type: none"> <li>• A not-for-profit, all volunteer organization formed in 1993 to encourage networking, business development and support within the gay and lesbian community.</li> <li>• Encouraging business development and education, The Guild offers members a venue to share stories, swap leads and create opportunities with other people who value their professional success within the community.</li> <li>• Though The Guild's membership is comprised of corporate business owners, our foundation is our individual non-business owner members who come to The Guild looking for opportunities to network and socialize.</li> <li>• The Guild strives to bring people together with educational events, monthly informational meetings, social outings, and community outreach projects.</li> </ul>
Charleston Women in Tech	Charleston		x	x	<ul style="list-style-type: none"> <li>• Founded in 2014</li> <li>• Efforts are to achieve greater diversity across all STEM fields in the region by increasing opportunity, participation and achievement by women and minorities in the tech community.</li> <li>• Mission is to connect, support, and prepare women of all ages for careers in technology</li> <li>• 3000+ members</li> <li>• The Bureau of Labor Statistics (BLS) projects computer science research jobs will grow 19% by 2026. Yet, women only earn 18% of computer science bachelor's degrees in the United States.</li> <li>• 4%-women of color account for only 4 % of C-suite leaders, a number that hasn’t moved significantly in the past three years.</li> <li>• 63% of the time, men were offered higher salaries than women for the same role at the same company.... companies were offering women between 4%</li> </ul>

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					<p>and 45% less starting pay for the same job.</p> <ul style="list-style-type: none"> <li>• Women in tech tend to undervalue their market worth, asked for less pay 66% of the time, and would often ask for 6% less salary than their male counterparts.</li> </ul>
Charleston Defense	Charleston	x	x		<ul style="list-style-type: none"> <li>• Increase and diversify defense business in Charleston</li> </ul>
Contractor Association		x			<ul style="list-style-type: none"> <li>• Enable development of talent base (with schools, employers, and training resources)</li> <li>• To address issues facing the Charleston, South Carolina military industrial complex, the Charleston Defense Contractors Association, or CDCA, was formed and incorporated as a South Carolina Corporation</li> <li>• On December 4, 2002, CDCA received a Certificate of Incorporation as a Nonprofit Corporation in the State of South Carolina. CDCA received its 501(C)(6), business league organization, tax exempt status on 11 April 2003.</li> </ul>
ILA LOCAL 1422 International Longshoremen's Association	Charleston	x	x		<ul style="list-style-type: none"> <li>• The largest, highest-skilled, organized professional labor force on the globe</li> <li>• The ILA is a modern union-             <ul style="list-style-type: none"> <li>○ from scholarship programs.</li> <li>○ Charitable giving through the ILA Children's Fund.</li> <li>○ ILA Civil Rights Committee's commitment to advancing social justice</li> <li>○ Labor-management cooperation initiatives like the Industry Resources Committee.</li> </ul> </li> </ul>
Black Contractors Association of the Carolinas	Charleston		x		<ul style="list-style-type: none"> <li>• Formed in 2007</li> <li>• Located in Charleston SC, the BCA national headquarters is in San Diego.</li> <li>• Goal is to educate contractors on how lucrative this field has become, how to follow-up on solicitations and potential opportunities and position their company to meet all requirements and build capacity to grow their business for economic success</li> <li>• 501c-3 non-profit entity, aim is to promote small businesses with opportunities whereas they will give back in the form of assisting other business in developing</li> </ul>

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					<p>new companies.</p> <ul style="list-style-type: none"> <li>• 12 paying members currently registered</li> <li>• \$350 annual membership fee</li> </ul>
The South Carolina Hispanic Chamber of Commerce	Greenville			x	<ul style="list-style-type: none"> <li>• Was incorporated on August 30, 2007. The Chamber was founded at a crucial moment in the Hispanic business community’s growth, providing an organization to represent these businesses.</li> <li>• Establishing a strong foundation, growing our membership, and building community awareness of the Chamber.</li> <li>• Vision is to become a proactive Hispanic chamber of commerce by providing leadership and serving as a bridge between community leaders, different cultures, and the community at large</li> </ul>
Charleston Hispanic Association	Charleston			X	<ul style="list-style-type: none"> <li>• The goal is to bridge the gap between the Hispanic Community and local businesses and services.</li> <li>• Introduce the Latin community to businesses, services, and volunteers that are allies to the Hispanic community.</li> <li>• Create a safe and trusting environment for the community done by sharing knowledge on things from laws, taxes, 911, how to apply for work, food banks, where to look for jobs, how to open a bank account, where to send their kids to school, how the bus system works, where to get medical attention and more.</li> <li>• 15,000 people fed monthly</li> <li>• thousands served annually</li> <li>• South Carolina-based 501(c)(3) non-profit organization</li> </ul>
The Hispanic Business Association	Charleston				<ul style="list-style-type: none"> <li>• A Charleston, South Carolina-based 501(c)(3) non-profit organization duly organized under the laws of the State of South Carolina created to advocate, promote, and support Hispanic entrepreneurs and business owners.</li> <li>• Educate the community and provide the necessary resources to</li> <li>• launch their business ideas.</li> </ul>

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					<ul style="list-style-type: none"><li>• By joining the organization each business owner or representative has the unique opportunity to network with other businesses and gain knowledge about best practices to attract Latino customers</li></ul>
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Agency/Organization		Type of Racial and Gender Equity Initiatives			Support Services
Organization's Name	County				Services and Available Metrics
<b>Racial and Gender Equity Initiatives</b>					
South Carolina Black Pride	South Carolina			x	<ul style="list-style-type: none"> <li>● The Mission of the South Carolina Black Pride Inc. (SCBP), Is to Unify and Celebrate the Diversity, Creativity, And Beauty Of South Carolina’s Lesbian, Gay, Bisexual, Transgender, Questioning, Queer, and Non-Gender Conforming (LGBTQ) Communities of Color And Our Supporters, In Order To Empower And Promote The Human Rights Of All Families And Communities.</li> <li>● Education: South Carolina Black Pride focuses on enriching the mind and bringing awareness to the LGBT community and those of common interest. Programming Includes:               <ul style="list-style-type: none"> <li>○ Quarterly Education Sessions</li> <li>○ Roundtable Discussion</li> <li>○ Social Research Assistance</li> <li>○ State of the SC Black LGBT Town Hall</li> </ul> </li> <li>● Youth &amp; Young Adults: SCBP Legacy is a program that highlights the importance of cultivating and directing the African American LGBT youth &amp; young adults to one day assist in the movement for true equality. Programming Includes:               <ul style="list-style-type: none"> <li>○ Mentorship</li> <li>○ College Prep</li> <li>○ Youth &amp; Young Adult Empowerment Sessions</li> <li>○ Leadership Development session</li> </ul> </li> </ul>

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					<ul style="list-style-type: none"> <li>○ GSA (Gay Straight Alliance) Development</li> <li>● Health &amp; Wellness: It is understood that anyone can support a cause, but SCBP also understands the necessity of personal wellbeing. Programming includes:             <ul style="list-style-type: none"> <li>○ HIV/ AIDS awareness and services</li> <li>○ Fitness Sessions</li> <li>○ Nutrition</li> <li>○ Spiritual Well Being</li> </ul> </li> <li>● Community Involvement: The Community is the heartbeat of SCBP without you we wouldn't exist here's how we keep the community involved. Programming includes:             <ul style="list-style-type: none"> <li>○ Monthly Mixers</li> <li>○ Volunteer Recruitment</li> <li>○ Film Festivals</li> <li>○ Soul Food Sunday</li> <li>○ Leadership opportunities – Board of Directors &amp; Coordinators</li> <li>○ GIVEOUT DAY</li> </ul> </li> <li>● Social Justice/Political Foundation: SCBP has witnessed the power of the Black vote, and we strive to establish a positive and unbiased foundation for our community to base their decisions in votes and opinions in religion to race and sexuality. Our Offerings include:             <ul style="list-style-type: none"> <li>○ Voter registration</li> <li>○ Political awareness sessions Collaboration with equality focused organizations</li> </ul> </li> <li>● LGBTQ+ Unity: The sole purpose of SCBP is to bridge the gap between all LGBTQ+ individuals. In this we strive to celebrate our differences, beauty, talent, and creativity, for we understand that we each share a past in the journey to equality.</li> </ul>
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					<p>Programming include:</p> <ul style="list-style-type: none"> <li>○ SC Black Pride Week</li> <li>○ Mr. &amp; Mrs. SCBP Pageant</li> <li>○ Organizational Collaborations</li> <li>○ Rainbow Day at Carowinds®</li> <li>○ Presidential Community Gala</li> <li>○ Center of Black Equity affiliate</li> </ul>
NAACP (National Association for the Advancement of Colored People)	Charleston				<ul style="list-style-type: none"> <li>● Founded in 1917, the Charleston Branch of the NAACP is a local unit of the NAACP, the nation’s oldest and largest civil rights organization.</li> <li>● For nearly 100 years, the Charleston Branch of the NAACP has been committed to important issues effecting the lives and welfare of people in and around the Charleston area.</li> <li>● The work to which we remain committed can best be described as belonging to one of the following areas of focus:             <ul style="list-style-type: none"> <li>○ Education: The Charleston Branch of the NAACP strives to ensure that all students have access to an equal and high-quality public education by eliminating education-related racial and ethnic disparities in our public schools.</li> <li>○ Justice: The Charleston Branch of the NAACP advocates for smarter, results-based criminal justice policies to keep our communities safe, including treatment for addiction and mental health problems, judicial discretion in sentencing, and an end to racial disparities at all levels of the system.</li> <li>○ Locally: we continue to fight towards the end of racial profiling by the local law enforcement agencies. Civic Engagement The Charleston Branch of the NAACP are frontline advocates committed to raising awareness for political, educational, social, and economic equality of minority group citizens in the electoral process. Our branch is actively engaged in increasing the African</li> </ul> </li> </ul>

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					American responsiveness of citizens to be fully engaged in the democratic process.
National Action Network	Charleston		x	x	<ul style="list-style-type: none"> <li>• National Action Network is one of the leading civil rights organizations in the Nation with chapters throughout the entire United States.</li> <li>• Founded in 1991 by Reverend Al Sharpton, NAN works within the spirit and tradition of Dr. Martin Luther King, Jr. to promote a modern civil rights agenda that includes the fight for one standard of justice, decency, and equal opportunities for all people regardless of race, religion, ethnicity, citizenship, criminal record, economic status, gender, gender expression, or sexuality.</li> <li>• Over the last two decades NAN has been in the vanguard of the movement to bring such equality to every community that has been unfairly treated.</li> <li>• Using the principles of nonviolent direct action and civil disobedience NAN has helped to level the field and ensure a measure of justice for those who would abuse their status or seek to dispense justice based upon race or other illegal factors.</li> <li>• NAN puts youth and young leaders at the forefront of the movement for Civil Rights. Initiatives including NAN Youth Huddle, NAN Youth Move and the NAN Campus Ambassador program seek to lift up the voices of our young people so that they may lead the fight for the next generations.</li> <li>• Offers programs to help our membership and community bridge the gaps in the world of technology</li> </ul>

### 11.4 ANECDOTAL INTERVIEWS WITH EXECUTIVE DIRECTORS

Specific state, county, city, and local organizations were identified that provide technical and financial assistance to small, minority and woman-owned business entities in the Charleston Tri-County Area (Charleston, Berkeley, Dorchester counties). M<sup>3</sup> Consulting sought to interview Executive Directors, program managers, and other direct leaders of these organizations to determine their experiences working with small, minority and women-owned businesses. Out of the twenty-seven organization leaders contacted, thirteen (13) agreed to one-on-one, in-depth interviews and twelve (12) were interviewed. The organizations were derived from these sectors:

- Goal-Based, SWMBE programs and Supplier Diversity Programs
- Management, Financial Assistance Providers, and Technical Assistance Providers
- Community and Economic Development Organizations
- Trade Organizations, Business Associations, and other Advocacy Groups
- Racial and Gender Equity Initiatives

#### Race Neutral Interview Findings

The following sections indicate the recurrent themes in the discussions found throughout the interviews. Each theme includes anecdotal comments directly from the interviewees illustrating the topic heading.

- Theme 1: Issues Specific to CCSD
- Theme 2: Lack of Inclusiveness, Diversity, and Parity
- Theme 3: Access to Capital (Funding)
- Theme 4: Management, Training, and Education (understanding business management, credentials, bidding process, etc.)
- Theme 5: Access to Information, Communication, Technology, Labor
- Theme 6: Small Business Programs and certifications (Too many agencies-Uniform Certification)
- Theme 7: Discrimination
- Theme 8: Suggestions and Comments

### THEME 1: ISSUES SPECIFIC TO CCSD

#### **Race Neutral (RN) INTERVIEWEE (I7) Executive Director- Trade Organizations, Business Associations, and other Advocacy Groups**

Interviewee opined on the commitment of Charleston County School District leadership to the issue of minority and women owned business participation in their procurement and contracting opportunities. “I believe they're committed with minority participation. I'm not so certain that their avenue and their pathway of getting this information out. I'm not so certain that their method of who they're using to get this information out would be as committed as school would.”

Regarding Charleston County School District’s procurement process being open and fair, Interviewee stated. “I believe what they have on the books is open and fair, are they implementing it with what's on the books. I don't think they're being as practical and intuitive as they should be in terms of effectively promoting and following their script and guidelines as to what is written in the goals and bylaws, I think they may have not been as effective that way. It goes back to probably who you have in that position that is responsible for seeing that you have been effective. And you've been responsive in terms of getting out the information.

#### **RACE NEUTRAL (RN) INTERVIEWEE (I11) Executive Director- Community and Economic Development Organization**

Interviewee was asked if there has been any interaction with the CCSD procurement department and this was the response:

“Yes, through another group that had a contract with them. And they had to have a minority-based business to do it. Unfortunately, the person that got the contract didn't want to pay what was necessary to fulfill the contract. They wanted the minority, Hispanics, or whatever. They wanted to keep all the money and thought that we could do it on a shoestring and that wasn't quite fair, I think. And we didn't do it. Because they think they can pay minorities less and I wasn't going to do that. You know, minorities work just as hard as anybody else and should be paid just like anybody else and yeah, so I had with the school district, they, someone was awarded that award, and they needed to hire minority people for that award. So, I don't know how they got the contract in the first place since they didn't have them, and then they didn't want to pay the correct amount. I spoke to him about a year after; they had lost the contract and what they told me was they didn't have enough funding to run it.”

#### **RACE NEUTRAL (RN) INTERVIEWEE (I12) Program Director- Community and Economic Development Organization**

When asked about experiences with the Charleston County School District procurement department, this was the interviewee response, “Yes, I know Wayne Wilcher. I've had previous work with him before, through an organization that I worked for regarding minority business with the County of Charleston. And so there were plenty of times that I've brought minority suppliers over to Wayne Wilcher and they got awards. ....Wayne Wilcher is the procurement director for Charleston County School District. But I can say this, that is not an easy job.

And the final decision does not rest with him. So, no matter how hard he may try to work to make things better, there's a council and he has a boss. So, you cannot point the finger strictly at that man, and he's a black man, but he takes a lot of heat. But before you scrutinize, you have to look at a side of an organization and see who has the hierarchy over him. And how much power have they given him anyway, even though he holds the title?”

When asked about the District’s leadership response to the issue of minority business participation, the interviewee said, “I want to see their report card and not a report card based on what they choose to show or display. But the truth of what it is, a very transparent report because in an entire school district, it never lies on one person.”

When the interviewee was asked if the District’s procurement process was fair and open, the abrupt answer was, “Nope.”

#### **THEME 2: LACK OF INCLUSIVENESS, DIVERSITY, AND PARITY**

#### **Race Neutral (RN) INTERVIEWEE (I4) Program Manager- Goal-Based and Other Targeted Procurement Programs**

Interviewee explained her view on biases against minority and women owned business entities or any specific groups overall. She opined that it is not necessarily a bias. “I would not necessarily say it's a bias.” She explained in her view, “It's all about capitalization. It's about the money. Capitalism.”

“But what the rules of engagement are, and rules of the road and even the roadblocks is, who do you know? How do I get to know? And how do I get in? and do I have everything I need to be successful? That's it for Charleston.”

“I think opportunities do exist because we're opening and cracking doors. But sometimes those doors are still heavy, to open. Because of, again, who's making the decision? And who's at the table? So, until we get

decision makers, who have a mindset of Diversity and Inclusion at every level, the challenge is who's making the decision, and who's in the room.”

#### **Race Neutral (RN) INTERVIEWEE (I13) Loan Officer- Management, Financial Assistance Providers, and Technical Assistance Providers**

Regarding minority owned businesses receiving their fair share, Interviewee opined, “Probably not. I don't have any data to back that. I've just got, before I did this, I used to work for Governor Haley doing the minority women owned business certifications. And a lot of it is who you know, and I imagine it's the same everywhere. I just think it's a microcosm of how the world works, essentially.”

#### **RACE NEUTRAL (RN) INTERVIEWEE (I11) Executive Director- Community and Economic Development Organization**

When asked if goals and set asides will be eliminated in the future, this was the interviewee response:

“I don't know how that's possible. I would imagine that there has to be a level of equality amongst everybody. So those things have to be in place. Again, it's just educating people how to get it done. And I don't have the resources to do it. You know, we get calls from all types of agencies asking to do things in Spanish because they don't do it and they got the funding for it. So I mean, there has to be rules and regulations, it just has to be more friendly to everybody.”

#### **RACE NEUTRAL (RN) INTERVIEWEE (I12) Program Director- Community and Economic Development Organization**

When asked about the state of minority businesses in the Charleston area, this is the interviewee response,

“And if you look at it, the United States has given permission to certain minority groups to identify as white. So, when you are Hispanic and you fill out an application for something, they're going to ask you for your nationality and your ethnicity. They get to choose white, then Hispanic. If you're African American, you can only choose African American, Hispanic non-Hispanic. If you are Asian Indian, in some cases, you may choose white, Asian other, when you start uncovering the history of all of this, the reason why I've gone this far back, because it trickled down into the way we do business. And so, when you get to that time period of the policy of the set asides, and it was only in the beginning for African American businesses because there was such disparity. And so, it started that way, then it was just absolutely perverted. Because then, a few years later, let's include women. But it didn't say, a female ethnic minority. It was women, which made it be white and women. So then, this was the loophole that everybody started jumping through. And actually, it was theft, it was legalized, theft and exploitation, that a white man could put his white wife at 51% business ownership, knowing she's at home raising children, or has another job,

and put them in 51% business ownership to say that it is a woman-owned company. So, they could jump through that loophole as a minority owned business and capture those awards and opportunities that were supposed to be for African Americans. Then what was added, and it continues to be at the, the policy is continuous, then you have veterans, and you have the disabled and the handicapped, and the blind. And all of this is added in, added in, added into what a minority, and it becomes minority disadvantaged. So, I have an issue with that. Because enough holes were shot into that policy to whitewash and water it down to the point that we have gone backwards as to what a black business truly has access to. And the whole buyer supplier, doing work with the federal government, doing work with your municipality, doing work with the ports, doing work with whoever it has out there, when this policy applies, it makes companies and government organizations exempt themselves, legally. Do I see this? Let me bring it home? Do I see this in Charleston? Heck, yes, every day.”

### **THEME 3: ACCESS TO CAPITAL (FUNDING)**

#### **Race Neutral (RN) INTERVIEWEE (I1), Regional Director- Community and Economic Development Organizations**

Regarding challenges against minority and women owned business entities interviewee opined on some challenges regarding access to funding. “I think some of the challenges here with that, that you see with business is, number one, how much it costs to come here, and live here and lease space here to start a business. And the cost is pretty high. So, we see that it's also, a place that in recent years, in recent decades, really has become much more well-known than it was, when I was younger. And so, what that does is, a lot more people are coming here who are looking to start businesses, they're coming from all over the place. A lot of times they're coming with money, if they're coming from, the Northeast or the West Coast, a lot of times they're coming with money, which means that they can come in and pay the higher rent and the higher occupancy costs in general and that sort of thing, which makes it more of a challenge for those that are already here.

Or maybe those that don't have as much in the way of economic resources or have more barriers to that access to capital, which is now that is one of the things that I think we do see here a lot with minority owned businesses, especially. And I don't know that it's specific to Charleston, but that is that access to capital issue, and that it can be difficult to find, it's very hard for small businesses in general, to go to a bank and get a loan, unless you've been in business for at least two to three years. And unless you've got pretty healthy profit, if you're a startup, or you haven't quite gotten to the point where you have started making a whole lot of money, yet it's hard to go to the bank to get money, which means you've got to start looking for alternative resources, which there are some of those around here, there's actually quite a few of them. Some of them are actually really good, some of them, you have to be very careful, because the terms are really bad, the interest rates are really high, the borrowing costs are really high.

#### **Race Neutral (RN) INTERVIEWEE (I9) Executive Director- Goal-Based and Other Targeted Procurement Programs**

Interviewee shared his opinion on the state of the minority and women owned business development in the Charleston area.

“There's no shortage of individuals that want to do it. But the success rates have been lagging. The two primary speed bumps are access to capital and access to mentorship. The access to capital piece. A lot of that I'm convinced isn't based on a bias or prejudicial hurdle. It has to do with that preparation and asking for the money. If you don't have your financial statements in good condition. If you have written a concise business plan, the documents why you're asking for what you're asking for. Your success rate in acquiring traditional forms of financing goes way down. And that comes back to the lack of a business school education, which I'm not making a value judgment, right. Or they haven't hooked up with a mentor who can help them navigate some of this and show them how to polish up this application. You know, this grant request or this loan request, or whatever. And I see a lot of that. And that might come back to some timidity and asking or finding that person that can help.”

#### **RACE NEUTRAL (RN) INTERVIEWEE (I11) Executive Director- Community and Economic Development Organization**

Interviewee shared his experiences “I fund everything out of my own pocket. And I don't know how to write a grant or ask for a grant. We spend a lot of money on Uhauls to take food and supplies to different events. And I wish I owned a box truck, but I can't afford one. So, my number one setback is funding.”

### **THEME 4: MANAGEMENT, TRAINING, AND EDUCATION**

**(understanding business management, credentials, business process, etc.)**

#### **Race Neutral (RN) INTERVIEWEE (I9) Executive Director- Goal-Based and Other Targeted Procurement Programs**

Interviewee expressed that developing mentorship is very important to help build some of the bridges to connect with women and minority-owned businesses.

#### **RACE NEUTRAL (RN) INTERVIEWEE (I11) Executive Director- Community and Economic Development Organization**

When asked about the biggest needs of MBEs in the marketplace, this was the response, “One is education availability. And, you know, just having an office to help is nice. But if people don't go there to get it, what's



the purpose? So, I think there has to be more of an outreach. Like I said, you have to help educate, I'm talking Hispanic. Okay, it's this week, we're going to help here in this area, come on here.

Whether it's in your office or somebody else's office and the library, you know, market it better. Just because you're there. People don't know. It's like, how many people starting business don't know, you have to have a city and business license registered with the state? You don't know You don't know. And I've never seen an advertisement from the city to help minorities, like ever.”

#### **THEME 5: ACCESS TO INFORMATION, TECHNOLOGY, COMMUNICATION, AND LABOR**

##### **RACE NEUTRAL (RN) INTERVIEWEE (I11) Executive Director- Community and Economic Development Organization**

Interviewee shared his experiences trying to obtain business support for the organization and those they serve.

“And, you know, Charleston's website's not the greatest or the easiest to use .... and in the county, it's just, they're not friendly. And add that to an Hispanic group that may not understand your language. You know, so there's improvement that can be done there.

When asked about issues hindering MBE success, this is what the interviewee shared, “Yeah, mine is mine is the language barriers? One, two, the amount of paperwork you have to do? Constantly? You know, I guess it has to be done. But, you know, there's so much minutia thrown at you, if you want to do something that almost makes like, you don't want to do it. So streamline it, I mean, be more businesslike instead of government like, and that to me is an issue. Even for me and I speak and read and write English, no problem. And I still don't like the paperwork. It's terrible.”

“...why doesn't the city think out of the box a little bit. The city can help so many people, but they're archaic in the way they think and the way they act. In my opinion, sometimes they are comfortable behind the desk, and you know, business is going on outside here, you know, come to the business. Be more proactive. Our days are super busy. I'm sure their days are super busy. But at the end, you're hired there to help us. So, you know, help us a little bit. I mean, Charleston is a great place, it's got a lot of opportunities, it's just getting it to the people.

#### **THEME 6: SMALL BUSINESS PROGRAMS AND CERTIFICATION**

##### **Race Neutral (RN) INTERVIEWEE (I4) Program Manager- Goal-Based and Other Targeted Procurement Programs**

Interviewee shared that they track the department's success. "One we track how many people attend our webinars on an annual basis. We also track how many certifications that we do a year, we also hold different events. Like we have an annual business expo opportunity that we are sponsored, we expect about 250 to 300 women, minority owned businesses to participate. And then I do a lot of other outreach marketing, as well, whether it's with the school district or with the county, with private organizations, or work with any sorority/ fraternity, that we're always out there letting people know about our services, and about our certification program, because it's all about getting people to understand what we offer, and how to get it done."

#### **Race Neutral (RN) Interview (I2), Program Director- Goal-Based, Chambers of Commerce, and Other Targeted Procurement Programs**

"One of the things that I would say is the area of opportunity is being able to connect with individual companies, or facilitators or people who are just owning their own businesses right now who may be interested, and dedicating some time to become a mentor, or a coach, but we don't know that they exist, right. And so, when one of those areas of opportunities is being able to kind of touch and reach out, and for me, one of the other difficult things, that is an area of opportunity, and I'm looking forward to kind of trying to figure out the configuration of what I want it to look like, the fact that South Carolina is split into all of these different islands, right. And so, the regulations on a local level, the state level, and the town level, are very different when it comes to entrepreneurship. So, for me, I think it's very important for people to be able to have that resource about what is it that you need, when you're locally in a town or Island, creating a business, operating it from your home versus someone who is trying to be an entrepreneur just on a state level, or federal level and looking for that opportunity."

#### **Race Neutral (RN) INTERVIEWEE (I5) Procurement Director- Goal-Based and Other Targeted Procurement Programs**

Interviewee shared that the small minority business program was developed in 2017 to help the small businesses, businesses \$500K, and under in annual revenue.

Interviewee explains how they pushed the program; however, not many vendors have registered to be a part of the program. "I have found reaching out to our community centers and going and having meetings there. I was able to meet more eligible people for our program. We reached out to the churches, we reached out to just the community, trying to reach them, but It really just hasn't grown quite as fast as I thought it would. But I think COVID had some issues with that."

"I think COVID was a big issue for our program growing and finding the way to outreach, the group we're trying to reach." My deputy director, he has been attending all kinds of meetings throughout the town and the evenings little coalitions, yet that for the Hispanic community, they'd like to see our information

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in Spanish, so we're trying to convert some of that literature over for them. It's just finding the group to get the information out is my biggest challenge." In regard to minority business being afforded opportunities, interviewees emphasized the importance of following through and completing all the necessary steps to fully qualify to become a small business vendor. "I'm going to use a phrase, but I can lead them to the trough. But I cannot make anybody drink. I can go and give you the information as I please become a vendor with me. But when I go to look for that commodity, I'm not sure if that person has registered or not. I'm sending it to everybody on that list. But I'm not sure if that one particular person may have been speaking to me, has followed through, I need people to follow through.

#### **RACE NEUTRAL (RN) INTERVIEWEE (I11) Executive Director- Community and Economic Development Organization**

Interviewee shared his experience with learning about minority business certification training and support. “You know, I've gone to some of the events that they have. I think Charleston has done a great job in trying to get the word out, and they try to help a lot of people. Which is very appreciative. And, you know, I think more can be done with events that actually go in and sign people up. That just hasn't been what's talked about. But come in today. We have all these people here to help you sign up to get access to the minority thing. And I've never seen that one yet.”

When asked about issues hindering MBE success with certification, this was the interviewee's response, “Yeah, how do you find it? How do you know where to go? How do you know you can get it? There, I know they're awesome to work with. And if you do get it, I'm sure they will help you. And I would imagine they have budgets and resources, constraints and all that good stuff. But it's 2022. You gotta get out to the public. And there's all kinds of ways you can do it. Just having a business card or website office doesn't do much.”

#### **THEME 7: DISCRIMINATION**

#### **RACE NEUTRAL (RN) INTERVIEWEE (I11) Executive Director- Community and Economic Development Organization**

When asked about experiencing biases in the marketplace, the interviewee shared this “You know, I can't speak for all the other groups because I've never seen it in all the other groups. I just know. Because we are Hispanic. I've seen it firsthand with us, but I suppose if they see it, if we see it, every group sees it. I guess...you can almost say it's racist or whatever. But I suppose if someone or some group is racist toward one group, they're racist to all groups, so I think it's across the board. But I can't tell you for the other groups. I don't know.”

#### **RACE NEUTRAL (RN) INTERVIEWEE (I12) Program Director- Community and Economic Development Organization**

When asked about the culture of doing business in Charleston, this was the interviewee response:

“I'm glad you use the word culture. Because culture has to do with everything. The business culture here is dictated by, the, I don't want to say community culture, but the dysfunctional culture of generations of what has happened to people of color here, and how they are approached or not approached or looked upon in a good or bad way. The stereotypes, and assumptions that are intact, before you even open your mouth. It's big deal here, and I don't think that people have a full understanding of that. I do because I am

a business owner here, because I'm black here, and because I'm a woman here. So, I have gotten a lot of it directed towards me. And I can't say the majority of it has been positive.”

“I've also helped enough black men in business as well, to see what happens to them too. Black men are severely overlooked, severely stereotyped, we are too as black women. But there's a whole nother level there that is very distasteful to me. But then when you are black, and a woman, and then when you look at how white women are treated in business here just for being women as well.

It is a disgusting culture.”

When asked about the state of minority business development in the area, the interviewee responded,

“So, if I go from African Americans, what has happened historically here, and it may be some pushback I get for saying this, and I really don't care because change happens when you have an open and honest conversation. And we need to put all of our stuff, good and bad, on the table, period, in order for the right things to happen.

“African American businesses have been blatantly and purposefully overlooked. I have to go back to when what they call set asides, where to take place for black businesses, all of that work, that you started really hearing about in the 60s and 70s. The 80s it started becoming, you know, more popular, it was a big thing, because a lot of the large corporations, of course, they were owned, they were white owned fortune 500 companies, the majority of them are white owned, who are the leaders in the municipalities in the townships and government agencies from, you know, the school districts, to the electric companies, the water companies, the port, you name it. White run. So, the custom was some of the people in charge, they had side businesses, or friends with businesses, that they would award and give opportunities to, and so a lot of nepotism happened.”

When asked about the biases minority businesses face in the Charleston area, the interviewee recounted experiences by minority business owners,

“So, a friend of mine, who's a contractor here in the Charleston area, actually spoke before Congress, the end of last year, along with some other minority contractors that were black men. One was a Indian man. One of them was a white female. And what this woman said disgusted me about how she was treated. Simply because she was a woman in the contracting world, there was an automatic assumption, because she was a woman, that she didn't know what she was doing. When she submitted bids, and RFPs, and all of that stuff, like she was supposed to do, she was questioned in a way that everybody else was not, because she was a woman. And sometimes they would look for a man behind the picture, there was no man behind the pictures, her business. Her work is impeccable. She's a master at what she does. Yet, as a white woman, she's treated like a second-class citizen, just for being a female. She didn't have a husband

who was propping her up. It is really his business. That was not the case, we're talking about an intelligent woman who has all the credentials, who has all the certifications, qualifications, past work performance, that cannot get the higher-level awards and opportunities. Is not because she didn't have the manpower, because we darn well know you can do a joint venture, and with another, and so that's the thing she will darn sure, almost have to do that with another male run company to even try to get the business. Why should she have to do that? That is a disparity and an injustice. And it doesn't matter. No, she's not black or Indian or Hispanic, but she's a woman. Have I heard that from white women here? Yes. Have I heard it from black women here and Hispanic, Hispanic women? Yes! We have black female contractors in the state of South Carolina that are going through the same thing. But it's even at a higher level because not only are they a woman, but they're black. Not only are they Hispanic, but they're black. But then, you know, with black men, there's a whole nother stereotype of black men are lazy. Black men are oversexed. Black men, you know, just won't do the quality of work. And then there's a big stereotype of how Hispanic men work harder. They do better work. Okay, guess what? I can, I can bust all of that up. Because there are some awesome, I mean, impeccable, black businessmen in Charleston and across the state of South Carolina, that I have had the pleasure of just being in their presence. And looking at how awesome they are, how tight they run their business. Looking on the inside at their financials, and how just darn it is it's like a work of art that I'm looking at. How they run their business and keep their records. What their employees are like. The type of work. But guess what, the majority of those men find work outside of South Carolina. Some of them are working in the islands. Some of them are, I know one of them that has an office in Bangladesh. One of them has an office in Massachusetts. One of them has an office in Dallas, Texas. Several of them have done work in Panama. A few of them have worked in Africa. Some of them do work in Europe. Not Here. Because they're not valued here.....Here as in the low country and the state."

#### **THEME 8: SUGGESTIONS AND COMMENTS**

##### **Race Neutral (RN) Interview (I2), Program Director- Goal-Based, Chambers of Commerce, and Other Targeted Procurement Programs**

"I'm from someone who is not originally from South Carolina. My perspective is different in that way. I recently moved here from New York City. So one thing that I've noticed about the state in general terms, obviously, is that they're, in my opinion should be more of a promotion of minority owned businesses like they do not in the state for that matter, do not have any instances where they actually are promoting the businesses that have these classifications or designations, especially since they got to go through a lengthy process for the official certifications, and they have to recertify. So, I think there's an area of opportunity to be able to figure out a marketplace system where they're promoting people who have those designations as minority owned."

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“Yeah, I would like to have more of, again, education. I think education is a key not only for Hispanic, any community needs to have a monthly or quarterly class, not just a one day in and out, have a coffee, and a speaker. I mean, actually get down and you know, this from A to Z this is what you need to be a business, to be a business to work with the city, or the school, or whatever you need, all these things and we're going to help you today. We're gonna do this, this and by the time they leave, they know what to do and they have it all done. Don't just help somebody start a business half assed and then let them try to figure it out on their own. It's very tough, especially in Spanish. So, you've got the people, you've got the resources, you've got the know how to put it to use. Have the class. People sign up for it, and by the time they leave that class, if they attend and do everything correctly, they will leave and be registered, ready to go to take bids from the city, and that would be a big help to business development for everybody. Not just me. Yeah. No, every, every not even not just minorities, everybody. I mean, like the level playing field, I don't care who gets invited to that class, it would help everybody. I'm sure there's a lot of non-minority companies that don't know how to do it either.”

### 11.5 SUMMARY OF FINDINGS

There are a significant number of race-neutral programs that aid and support to MBEs in CCSD's MSA. M<sup>3</sup> Consulting reviewed the offerings of 61 organizations and agencies in the categories of:

- Goal-Based, Small, MBE programs and Supplier Diversity Programs
- Management, Financial, and Technical Assistance Providers
- Community and Economic Development Organizations
- Trade Organizations, Business Associations, and other Advocacy Groups
- Racial and Gender Equity Initiatives

As a result of the race neutral analysis, race-neutral programs exist in the Charleston County School District marketplace that are directly and effectively focused on development, growth and support of minority, women owned and small business entities.

Several race neutral programs still rely on goal-based programs to ensure minority- and women-owned business entity inclusion and participation in the procurement opportunities in the Tri-County area.

Many of the organizations interviewed during this analysis lacked the ability to readily obtain and present specific metrics regarding MBE demographics, participation, struggles and success due to the absence of consistent record keeping systems that accurately measure MBE program progress and participation.

Though progress has been made by race-neutral initiatives in the Tri-County Area with a focus on MBEs' management capabilities, access to capital, and greater exposure to the larger business community, MBEs continue to struggle to access public and private sector contracting, in comparison to other small business entities.

M<sup>3</sup> Consulting conducted interviews with 13 Executive Directors of M&TA organizations to gain their perspective on issues impacting MBEs in the Charleston area and with CCSD.

- Nine (9) of the thirteen (13) interviewees cite having minimal, if any, contact with procurement and contracting representatives for the Charleston County School District, though many of these agencies are local mainstays consistently focused on serving small and minority-owned business entities.



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- Interviewees had mixed views on the effectiveness of CCSD's MBE initiatives and the openness of CCSD's procurement process. Several felt that the methods used to promote inclusion were not practical or intuitive and that the Director of Contracts and Procurement was not sufficiently supported by his superiors. Others believe that CCSD's MBE initiatives have loopholes that non-SWMBEs take advantage of.
- An influx of non-local business development makes it hard for locals to compete. Business loan policies also are a barrier to entry to funding.
- Businesses need better financial prep and education around grant writing to get loans.
- Businesses are not taking advantage of programs or are not completing all steps to qualify.
- The Hispanic community feels discriminated against.
- The business culture is one with historical stereotypes and assumptions intact that keep people of color in dysfunction. African American businesses are overlooked and stereotyped due to nepotism. Qualified women are questioned if there is not a male involved in the decision making of the business. There is also the stereotype that Hispanic men will work harder and cheaper than African American men so qualified African American business take their business outside of Charleston.
- There is a need for more marketing of the educational/mentorship programs that are available in the area to MBEs.
- There is also a need for more available access to capital, and access to information about business development resources available to be a sustainable small women and minority owned business, and to confidently network and bid without the current need of set asides used to obtain contracts.
- Suggested improvements included
  - A marketplace for promoting businesses designated as minority owned,
  - A monthly or quarterly bi-lingual class for businesses with set work agendas to work through business issues and prepare businesses (non-minority and minority) to become bidders from start to finish.

Race-neutral initiatives have contributed to expanded capacity and an improved number of procurement awards for MBEs. However, race-neutral initiatives alone have not been efficacious at improving effective

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utilization of MBEs, eliminating disparity, increasing availability, and expanding capacity. Considering this outcome, the availability of financial, technical, and management assistance primarily by way of race-neutral programs, does not appear to adequately address barriers and resolve issues disproportionately experienced by minority and women-owned business entities in the Tri-County region.

## **CHAPTER 12: CONCLUSIONS AND RECOMMENDATIONS**

### **12.1 INTRODUCTION**

Miller<sup>3</sup> Consulting, Inc. (M<sup>3</sup> Consulting) was commissioned by Charleston County School District's (CCSD) to conduct a Disparity Study to determine the level of availability of Minority Business Enterprises (MBEs) in Charleston County School District's relevant market and the actual utilization of those firms in Charleston County School District's contracting opportunities. M<sup>3</sup> Consulting conducted several analyses for Charleston County School District:

- Procurement Analysis
- Statistical Analysis of MBE Availability
- Statistical Analysis of MBE Utilization
- Statistical Analysis of MBE Disparity
- Capacity and Regression Analysis
- Anecdotal Analysis
- Marketplace Sector Analysis
- Race-Neutral Analysis

These analyses provide an overall picture of the environment faced by MBEs in attempting to do business with and in Charleston County School District.

**12.2 CONCLUSIONS REGARDING RACE- AND GENDER-CONSCIOUS GOALS**

Based on the statistical findings in the disparity chapter, the utilization of qualified firms as reflected by the percentage of contracts or purchase orders awarded and payments made, when compared to the availability of ready, willing, and able firms (RWA<sup>SM</sup>), appears to be less inclusive than warranted, thus M<sup>3</sup> Consulting draws an inference of discrimination against the following race, ethnicity, and gender groups:

**Table 12.1.**  
**Inference of Discrimination Based on Findings of Statistically Significant Disparity**  
**By Race/Ethnicity/Gender**  
**By Procurement Type**

	Architecture & Engineering (Purchase Orders)	Construction & Construction-Related Services (Purchase Orders)	Non-Professional Services (Purchase Orders)	Professional Services (Purchase Orders)	Goods & Supplies (Purchase Orders)
<b>African American</b>	Disparity*	No disparity	No disparity*	Disparity*	Disparity*
<b>Asian American</b>	Disparity*	No disparity	No disparity	Disparity	Disparity*
<b>Hispanic American</b>	Disparity*	No disparity*	Disparity	Disparity	Disparity*
<b>Native American</b>	Disparity*	Disparity	No disparity*	Disparity*	Disparity*
<b>WBE</b>	No Disparity*	Disparity*	No disparity	Disparity*	No disparity*

Source: M<sup>3</sup> Consulting  
 \*Statistically Significant

## **12.3 RECOMMENDATIONS**

Considering the findings discussed in the previous chapters and the disparity conclusions above, M<sup>3</sup> Consulting is providing the following recommendations to Charleston County School District. The recommendations contain both race and gender-neutral and race and gender-conscious elements. The recommendations are grouped within the following categories:

- *Croson* Parameters for Recommendations
- Enhancements to Purchasing Procedures and Practices
- Identification of Race/Gender-Conscious Goal Possibilities

These recommendations consist of a listing of pertinent options from which Charleston County School District may select in narrow tailoring its efforts in response to the findings of this report. The options combine agency specific and best practices recommendations that are legally defensible considering the factual findings of this study. Charleston County School District should consider adoption of those recommendations that are considered most appropriate in terms of cost, resources required, likely effectiveness, community acceptance and organizational feasibility.

### **12.3.1 CROSON PARAMETERS FOR RECOMMENDATIONS**

If Charleston County School District chooses to continue to utilize some form of a race and gender-conscious program, it will need to meet the U.S. Supreme Court requirements of *Richmond v. Croson*. Narrow tailoring is the crucial element in crafting appropriate *Croson* remedies. Courts have struck down many MBE programs due to the failure of local jurisdictions to narrowly tailor their remedies. Once a factual predicate has been established, post-*Croson* case law presents several broad guidelines for crafting recommendations for MBE programs by a public entity, based on the factual predicate findings.

- Race and gender-conscious MBE programs should be instituted only after, or in conjunction with, race/gender-neutral programs.
- MBE programs should not be designed as permanent fixtures in a purchasing system without regard to eradicating bias in standard purchasing operations or in private sector contracting. Consequently, each MBE program should have a sunset provision, as well as provisions for regular review. Additionally, there is the implication that reform of purchasing systems should be undertaken.

## Chapter XII

### Conclusions and Recommendations

- MBE programs should have graduation provisions for the MBEs that have largely overcome the effects of discrimination and no longer need a remedy.
- Rigid numerical quotas run a greater risk of being overturned by judicial review than flexible goals.
- Race and gender-conscious goals, if any, should be tied to MBE availability and to addressing identified discrimination.
- MBE programs should limit their impact on the rights and operations of third parties.
- MBE programs should be limited in scope to only those group(s) and firms that suffer the on-going effects of past or present discrimination.

These measures are designed to address the underlying systemic factors that contributed to the disparity in contracting. Procurement adjustments are considered by the U.S. Supreme Court as race neutral. The Court requires a public entity to employ race neutral means to the degree available. While the statistical findings suggest that Charleston County School District can continue to utilize race and gender-conscious goals in certain instances, the courts may question if Charleston County School District has aggressively worked to change its own practices, as well as the CCSD's prime contractor practices, to reduce and eliminate statistical disparities, particularly in light of the recently discontinued practice of direct negotiations and the apparent lack of consistently bidding of formal contracts. A review of the *Croson's* Courts views on this issue is relevant here:

Many of the barriers to minority participation in the construction industry relied upon by the District to justify a racial classification appear to be race neutral. *If MBEs disproportionately lack capital or cannot meet bonding requirements, a race-neutral program of city financing for small firms would, a fortiori, lead to greater minority participation.* The principal opinion in *Fullilove* found that Congress had carefully examined and rejected race-neutral alternatives before enacting the MBE set-aside.<sup>334</sup>

Given the existence of an individualized procedure, the District's only interest in maintaining a quota system rather than investigating the need for remedial action in particular cases would seem to be simple administrative convenience. *But the interest in avoiding the bureaucratic effort necessary to tailor remedial relief to those who truly have*

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<sup>334</sup> 488 U.S. 469, 508 (1989)

*suffered the effects of prior discrimination cannot justify a rigid line drawn on the basis of a suspect classification...*<sup>335</sup>

Even in the absence of evidence of discrimination, the District has at its disposal a whole array of race-neutral devices to increase the accessibility of city contracting opportunities to small entrepreneurs of all races. Simplification of bidding [488 U.S. 469, 510] procedures, relaxation of bonding requirements, and training and financial aid for disadvantaged entrepreneurs of all races would open the public contracting market to all those who have suffered the effects of past societal discrimination or neglect. *Many of the formal barriers to new entrants may be the product of bureaucratic inertia more than actual necessity and may have a disproportionate effect on the opportunities open to new minority firms. Their elimination or modification would have little detrimental effect on the District's interests and would serve to increase the opportunities available to minority business without classifying individuals on the basis of race. The District may also act to prohibit discrimination in the provision of credit or bonding by local suppliers and banks. Business as usual should not mean business pursuant to the unthinking exclusion of certain members of our society from its rewards.*<sup>336</sup>

(Emphasis added.)

While not controlling for the Fourth Circuit, the Eleventh Circuit summed it up in this manner:

“The first measure every government ought to undertake to eradicate discrimination is to clean its own house and to ensure that its own operations are run on a strictly race- and ethnicity-neutral basis...”<sup>337</sup>

### **12.3.2      ENHANCEMENTS TO PROCUREMENT AND MBE PROCEDURES AND PRACTICES**

Below are recommendations to Charleston County School District for organizational, cultural, structural, and programmatic changes that will lead to transformative and sustainable change in Charleston County

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<sup>335</sup> *Id.* at 509.

<sup>336</sup> *Id.* at 510-511.

<sup>337</sup> 122 F.2d 895, 929 (11<sup>th</sup> Cir. 1997)

School District's procurement operations and that will bring the Charleston County School District into regulatory compliance and alignment with best practices.

**A. Create Appropriate Governance and Procurement Oversight Structures**

Inclusive procurement occurs best in a procurement environment that is open and transparent. To ensure appropriate visibility into the procurement practices of the District, proper governance structures at the Board level, along with sufficient oversight authority by Contracts and Procurement over all elements of the bidding and contracting process, including Construction and Construction-Related Services, is needed. During this study, the Board began to approve contracts above \$250K. In public sector procurement systems, it is quite common, if not expected, that governing bodies approve formal contracts at award. Further, if Contracts and Procurement is responsible to the Board for all procurement activities, then the departmental head must have sufficient access to bidding and contracting decisions being made. If Facilities and the Construction Procurement Officer is responsible to the Board for Construction and Construction-Related Services, that decision should be codified into policy. In any case, the services provided by the Program Manager should be more visible to the Board, as well as Contracts and Procurement.

In addition to governance and procurement oversight structures, additional discussions are needed around:

- Adequate systems and tools in place to appropriately capture and report activity, timely
- Enforcement of formal procurement requirements to bid above designated dollar threshold
- Transparency of bid results, ensure results are public facing
- Vendor performance and compliance
- Avoiding vendor concentration
- Mitigate against incumbent bias

**B. Change inclusion focus from programmatic (*compliance* with MBE regulations) to organizational (*commitment* to inclusive procurement environment)**

Much of the focus at Charleston County School District has been on MBE goals and direct negotiation for its race and gender-conscious efforts. While the efforts to include MBEs through direct negotiation is commendable and has led to some capacity building opportunities, these efforts must conform to



recognized public sector procurement practices. As such, the effectiveness and sustainability of CCSD’s programmatic efforts will not be maximized until underlying organizational issues impacting the inclusiveness of Charleston County School District’s procurement operations are addressed. Without MBE direct negotiations, MBE participation will more than likely decrease, not simply due to MBE pipeline issues, but the procurement process that does not follow standard rules that the business community can easily follow.

Many of the recommendations below focus on District-wide organizational enhancements that can lead to the transformation of Charleston County School District’s procurement system to become more inclusive, whether Charleston County School District employs race and gender-conscious or race and gender-neutral programmatic initiatives. Further, as we noted in Chapter IV: Statistical Methodology, under EEO requirements, employers must be able to “track” its decision-making points—applicants, promotions, terminations, etc. Similarly, Charleston County School District should be able to “track” its procurement and contracting-related decision-making points to more effectively determine if Charleston County School District’s current practices in any way promote active, or passive, discrimination, or other exclusionary practices.

The importance of leadership’s commitment and organization-wide implementation cannot be underestimated in either a race and gender-conscious or race and gender-neutral environment. Most Charleston County School District’s major vendors perform work statewide, nationally and/or internationally and are intimately familiar with responding to various public sector inclusion efforts at the local, state, and federal levels. The degree of responsiveness often correlates to the public entity’s degree of commitment to inclusion in which these firms are pursuing contracting opportunities with Charleston County School District.

### **C. Identify Inclusive Procurement Objectives**

To achieve the Vision, Mission and Goals as established by the Board, procurement plays a pivotal role, along with proper planning and budgeting, which starts the execution and implementation of the process that actualizes the Board’s inclusive procurement objectives. The Contracts and Procurement Department must operate in a manner that is both consistent with the policy objectives established by the Board and programmatically sound. The District can do so through striving toward inclusive procurement, which focuses in an on-going manner on working to ensure that all vendors—regardless of race, ethnicity, gender, national origin, sexual orientation, or disability—have the opportunity to bid and perform on the District’s procurement and contracting prime and subcontracting opportunities, thereby participating in the economic prosperity of the Charleston Area, as well as the MSA. An inclusive procurement environment will incorporate the following elements:

- **Mission Driven**—The Contracts and Procurement Department objectives are tied directly to the overall vision, mission and goals of the District.
- **Opportunity Driven**— The Contracts and Procurement Department, is driven by the District’s opportunities—identifying them, understanding them, managing them, communicating them.
- **Relationship Driven**—With the foundation that being opportunity driven provides, the Contracts and Procurement Department and the District will be in the relationship development business. The Contracts and Procurement Department will know its businesses that can do the District’s work and ask the business community to share its goal of inclusive economic development.
- **Data Driven**—Sound data and fully integrated systems will provide senior management with the information it needs to report on successfully meeting its objectives and maximizing economic development, equity, organizational performance, along with the other objectives established by the Board.

#### D. Training and Development

Many organizations engage their staff in diversity training and sensitivity training. However, skills-based training is needed to create an inclusive procurement environment. We must emphasize that inclusivity is an integral part of an efficient procurement process. As such, to create a baseline of knowledge, the following training should occur:

- All Contract and Procurement Department staff should be provided basic training on both public procurement operations, as well as MBE operations.
- All procurement staff and departmental staff engaged in procurement activity should attend a seminar on the components of an effective MBE program and establish strategies for achieving established objectives.
- Once Contracts and Procurement staff have baseline training, the Contracts and Procurement Director is then positioned to train on higher level negotiating strategies and tactics in the various procurement categories and for types of goods and services that can be deployed, consistent with the tenets of sound procurement laws and regulations at both the formal and informal levels.

#### F. Address Data Capture Issues

Critical to creating an inclusive procurement operation at Charleston County School District is an efficient and integrated procurement data infrastructure. These data recommendations are necessary because:

- Poor data systems can mask discriminatory actions or disparate impact, even where race and gender-conscious goals are utilized. Immediately addressing data issues is critical to protecting against unfairly discontinuing Charleston County School District’s MBE programs due to temporary or permanent injunctions or internal decisions based on incomplete data that may allow the organization to continue to discriminate. Sound, accurate and complete data supports the Board and Legal Department in fairly balancing all legal and regulatory implications, potential challenges, etc. arising from Charleston County School District’s ability to sufficiently state, in this disparity study and any time thereafter, the level of MBE participation in its procurement and contracting activity.
  - We note that in the EEO environment, under 29 CFR Ch. XIV, Part 1607.4.D, a finding of an inference of adverse impact can be drawn from poorly maintained data system not in conformance with data tracking requirements of the regulations. While 49 CFR Part 26 does not have similar language, Section 26.47 covers Bad Faith Administration of the DBE Program.
- More refined and detailed procurement spend analysis cannot be performed without better data capture and tracking. This inability limits programmatic activity, including identification and expansion of the pool of available firms through outreach; setting project-based goals; determining participation and availability at the commodity code level; and tracking decision-making issues at bidding, evaluation, awards and commitments, and post-award utilization.
- To operate a race and gender-neutral procurement operation, Charleston County School District must be able to adequately monitor and track levels of SBE and MBE participation to anticipate necessary adjustments. Further, under a race and gender-conscious MBE program, tracking allows for proactive and real-time responses that allow Charleston County School District to utilize race/gender-conscious programs only when necessary, and to respond quickly when tracking reveals that participation is dropping in a race and gender-neutral environment.
- Data efficiency promotes Charleston County School District’s ability to respond to MBE opportunities and challenges quickly and nimbly, such that it does not unnecessarily and perhaps unintentionally perpetuate “government inertia” referenced by Justice Sandra Day O’Connor in the *Croson* decision.

M<sup>3</sup> Consulting recommends that Charleston County School District address the following data issues outlined below to support transparent monitoring, tracking, and reporting. Once these changes are implemented, M<sup>3</sup> Consulting recommends that Charleston County School District update the statistical

portion of the disparity study to capture FY 2017 through FY 2021 data to provide both a more accurate reflection of MBE utilization at prime and subcontractor levels and as a test case for its MBE data capture process.

- 8. Expand data capture on vendor portal**— Charleston County School District should require all firms interested in doing business with Charleston County School District to register through an online vendor portal, including certified MBEs to which Charleston County School District has identified from outreach and matchmaking efforts. The vendor portal should capture both NIGP code and vendor contract size preference, as well as annual gross receipts and age of firm on all bidders and sub-bidders. By capturing both sets of information for all vendors Charleston County School District now has capacity data that can be utilized, as it solicits vendors for both quotes and bids. In other words, Charleston County School District has the *rudimentary* information need to transition vendors from simply “ready and willing” to “ready, willing, and able.”

Additionally, Charleston County School District should consider the best means of uploading certified MBEs into the vendor portal, such that project availability and project/contract-based goals can be established real-time and inclusive notifications and solicitations and outreach can easily occur.

- 9. Assign commodity codes to bids**—By assigning NIGP codes to bids or quotes, Charleston County School District will increase the accuracy of commodity code tracking, which is essential to reporting MBE participation in specific areas. Further, prime bidders should have the ability to assign NIGP codes to their sub-bids. M<sup>3</sup> Consulting further recommends that Charleston County School District pre-assign a Procurement Category to the commodity codes in one of five categories:

- Architectural, Engineering and Other Design-Related Professional Services
- Construction and Construction-Related Professional Services
- Professional Services
- Technical or Non-professional Services
- Goods, Commodities and Supplies

- 10. Consider utilizing e-procurement or online bid portal to capture bid and quote information—** Several on-line programs allow for the on-line solicitation of quotes and bid (not simply filing pdfs). Proposals can also be uploaded. This process reduces workloads, while at the same time increasing detailed information available to Charleston County School District on both bids and quotes. These programs should integrate with ERP and Financial systems.
- a. The Bid Portal should also allow prime vendor access to upload bids/bid tabulations for sub-bid opportunities the prime vendor is letting on a Charleston County School District contract. This will facilitate Good Faith Efforts determinations.
  - b. The Contracts and Procurement Department will need to determine the impact of using the online portal on small businesses who may not be familiar with the technology; training programs and access to technical assistance providers for assistance should be made available to the degree necessary to minimize any negative impact.
- 11. Consider utilizing an off-the-shelf MBE tracking system—** Charleston County School District should consider utilizing an off-the-shelf MBE tracking system. Several off-the-shelf software packages have been developed for MBE tracking, monitoring, and reporting. These systems should integrate with MUNIS, Charleston County School District’s vendor portal and Charleston County School District’s chosen bid portal—to the degree that current systems can be maximized. This tracking system should also have the capacity to track formal joint venture and mentor-protégé agreements. Further, this system should have the capacity to track awards, commitments at point of contract execution and payments at both the prime and subcontractor level.
- 12. Develop computerized formats for evaluation score sheets—** Charleston County School District should digitalize its evaluation score sheets, such that Charleston County School District is positioned to determine that these evaluations are scored in a fair and non-discriminatory manner and that the decision-making process is transparent. By digitalizing evaluation score sheets, Charleston County School District is also able to assess the fairness of its selection process over time.
- 13. Track awards, commitments, and payments separately—**Decisions made at the point of award can change before a contract is executed or after contract execution, due to change orders and other contractual adjustments. As such, Charleston County School District should ensure that it can track awards and commitments separately, as well as payments, at both the prime and subcontractor level. This detailed tracking also allows Charleston County School District to ensure that any changes to agreements between Charleston County School District and its prime and sub-contractors and vendors is executed in a non-discriminatory fashion.

- a. In developing this tracking process, Charleston County School District should ensure that there are common identifiers, i.e., vendor numbers, vendor tax-ID, project numbers, agreement numbers, that facilitate easy tracking of individual vendors, as well as projects from the point of requisition and solicitation to project close-out.
- b. As Charleston County School District determines project management systems that are part of a fully integrated data system, Charleston County School District should also consider requesting vendor invoices in both PDF and spreadsheet formats to allow Charleston County School District project managers and engineers to upload detailed commitment and payment information into any chosen software.

By being able to track these areas separately at the prime and subcontractor level, Charleston County School District is positioned to determine areas where closer scrutiny and deeper dives into its decision-making processes and those of its prime vendors are required to ensure that these decisions are being made in a non-discriminatory manner.

**14. Appropriate access**—As suggested by one Charleston County School District official, having a dashboard would be very useful in ensuring staff’s ability to respond real-time to MBE participation. As Charleston County School District accesses appropriate systems and software packages to utilize, Charleston County School District decision makers should be sure that these systems accommodate appropriate access by staff in Procurement, Finance, Contracts and Procurement Department and User Departments.

#### **H. Budgeting, Forecasting and Scheduling**

On an annual basis, Charleston County School District should develop a budgeting and forecasting process appropriate for each procurement category that provides project information necessary for planning its activities as it relates to MBE participation. Master design and construction schedules should also be available. From these sources, Charleston County School District can make transparent:

- Type of possible opportunities at prime and subcontractor levels, as well as formal and informal levels;
- Funding source; and,
- Timeframe that opportunity may be available.

With this information, Charleston County School District can begin to (a) provide maximum opportunities for outreach, matchmaking, partnering and bidding (b) project the impact of Charleston County School District's purchases on economic, business and employment growth in the Charleston area, and (c) Identify areas where local capacity is needed among both MBEs and Non-SWMBE firms and begin pre-bid capacity building efforts.

### **I. Monitor Contracts for Issue of Concentration**

Charleston County School District should continuously review its contracts to ensure that (1) the same Non-SWMBEs are not securing a significant percentage of Charleston County School District contracts and that (2) the same MBEs are not accounting for a significant percent of Charleston County School District MBE participation.

Furthermore, Charleston County School District should monitor its contracts to ensure that MBEs are not overly concentrated in certain product areas as a means of Charleston County School District meeting its MBE goals.

Concentration can be addressed in the following ways:

- Ensure that there is no steering of contracts at the prime or subcontractor levels;
- Expand pool of available firms;
- Expand capacity of available firms; and,
- Ensure that firms repeatedly submitting low bids are not requesting change orders post award or providing substandard work.

### **12.3.3 LONG-TERM AVAILABILITY AND CAPACITY BUILDING INITIATIVES**

The recommendations in this section are focused on how the District can utilize both its resources and opportunities to contribute to the growth and development of MBEs. To increase opportunities for MBEs, the District must start with the consideration of available firms.

#### **C. Increasing Pipeline of MBEs**

##### **3. The Starting Point: Youth Entrepreneurship**

Entrepreneurship requires a certain skill set that is cultivated over time. Young people with no access to education and training are less likely to obtain these skill sets on their own. And by the time that these young people may have an opportunity to obtain these skills, they are close to adulthood and well behind young people who have access to parents with entrepreneurial and/or managerial skill sets.

The District is in an invaluable position to impact values, behaviors and attitudes toward discrimination and bias, and cultivate a culture of youth entrepreneurship. By working to inculcate students early, it allows communities previously excluded based on race and gender to expand social capital and the Charleston community to begin the change the narrative of the historical, social, and economic factors that have ultimately stunted the natural growth and development of entrepreneurs in these communities.

Efforts can include:

- Youth entrepreneurship and financial literacy programs;
- Mentorship and apprenticeship programs with CCSD and other public and private sector vendors/contractors/consultants;
- Targeted entrepreneurship career tracks, in conjunction with local technical colleges;
- Expanded access to entrepreneurship and financial literacy programs to students' parents/family members;
- Ultimately, providing graduates of local school systems who become entrepreneurs with access to the District opportunities through Small/Micro programs, such as set-asides, sheltered markets and mentor/protégé. If they are available to all students, initiatives focused on students that have matriculated in CCSD schools would be considered race/gender-neutral, with a desired outcome of promoting economic and social development.

These initiatives should be combined with strong diversity initiatives. Focus should not simply be on anti-bias, but multi-culturalism efforts that build social capital.

#### **4. Refocus Pre-Qualification and Certification Efforts to Identification of Qualified Firms**

Pre-qualification is used beyond the \$10 million state law requirement. These processes can be exclusive and limit the number of available firms. The District also relies on the State of South Carolina's OSMBE certified list.



While a necessary part of the District initiatives, the Contracts and Procurement Department should work to ensure that these processes are promoting inclusion. To do so, Contracts and Procurement should *start* by identifying all small-, minority- and women-owned firms in the MSA. The Disparity Study assists with this effort by its compilations in availability spreadsheets using data sources from the District, Data Axle, and Business Licenses, along with the Master MBE certification lists. While all these firms may not meet the RWA<sup>SM</sup> standard, the firms on these lists represent the starting point of the District’s pipeline of available firms. Before proceeding to other initiatives of certification and pre-qualification, Contracts and Procurement should:

- Review compiled list with community organizations, Chambers of Commerce and M&TA providers to determine whether firms of which they are aware are listed in this “phone book.” Organizations with private membership lists should also be encouraged to participate to construct the most exhaustive list of firms.
- For firms on the list that are not certified by the District or another certifying agency, conduct survey to obtain data on type of goods and services provided and interest in doing business with the District.
- Measure the District’s progress in increasing the number of firms certified and number of firms pre-qualified against this list of identified firms.
- For those available firms that do not meet MBE and pre-qualification requirements, work to include as many available firms as possible on the District vendor registry and in the District’s Small/Micro programs, and then, develop these race/gender-neutral goals and initiatives accordingly.

While an unintended consequence, certification can become an exclusive process and limit competition, particularly in jurisdictions that do not have unified certification.

#### **D. Expanding Competition**

The District may expand competition and potentially increase the award of contracts to MBEs in the following ways.

#### **4. Deeper Dive of Bid, RFP and Selection and Evaluation Process**

The District should consider a deeper dive into bid, RFP, selection and evaluation results to ensure that the outcomes reflected in the Availability and Utilization chapter reflect a procurement process that is

open, fair, transparent and inclusive. This deeper dive to review *actual practices* would include a review by an independent party of bid and award documents for individual opportunities, including vendor solicitation, bid tabulations, inclusiveness of persons chosen for selection committee, evaluation score sheets, GMP negotiation documents if utilized, prime contractor selection and evaluation score sheets for subcontractors, prime contractor solicitation list for subcontractors. This review should also address the anomalies between contract award data and purchase order data to determine whether formal contracts are being bid.

This deeper dive would also provide greater insight into the competitiveness of different race/gender/ethnic groups and provide the Contracts and Procurement department with additional information on which to target and customize its support efforts.

#### **5. Goal Setting and Other MBE Tools Applied by Threshold**

M<sup>3</sup> Consulting's threshold utilization analysis suggests that, where capacity is not an issue, certain race/ethnic/gender groups are still reflecting disparity. The threshold utilization analysis was based on PO data. We acknowledge that some POs that appear "small" may be part of a requirements contract awarded to one or more vendors. As such, a deeper spend analysis is required before goal setting is conducted.

In conducting this spend analysis, the District should obtain a greater understanding of the individual opportunities and the dollar values associated with them. The spend analysis allows the District to review these individual opportunities by size. This process is different from unbundling, where the organization starts with the larger contracts and attempts to unbundle them. For example, for projects under \$50,000, there is not a need to unbundle contracts, but to utilize other techniques, such as small business set-asides, to increase participation levels of SBEs and MBEs.

When individual opportunities are sorted by size, appropriate programmatic efforts by the Contracts and Procurement Department can be established. Furthermore, there is more transparency in contracts awarded, particularly on contracts where more firms are fully capable of competing.

#### **6. Assess Performance of Personnel with Buying Authority**

Increasing MBE participation in the District falls to the District personnel making the buy decision. When new e-procurement systems are implemented, the District should be able to track the performance of individuals with buying authority to determine the degree to which they are making inclusive purchasing decisions. The individual track record can be considered in annual or semi-annual performance evaluations.

### **12.3.3 EXPANDED MBE INITIATIVES**

Based on the outcomes of the Disparity Analysis, the Procurement Analysis and Anecdotal/Race Neutral Testimony, the Contracts and Procurement Department should consider the following:

#### **A. Promoting MBE Participation at the Prime Contractor Level**

To ensure that the responsibility for MBE participation is shared by **both** Charleston County School District and its prime vendors, Charleston County School District should take steps to ensure that MBEs are involved in Charleston County School District's procurement opportunities at the prime levels. Below is a listing of those efforts that Charleston County School District can undertake:

- Identify prime-level procurement opportunities where a significant pool of MBEs is available
- Establish prime-level participation targets to ensure that Charleston County School District is focused on securing participation at the prime level, as well as subcontracting level
- Improve procurement forecasting to allow for inclusive planning and outreach
- Utilize race/gender-conscious initiatives, such as goals, evaluation factors, joint venture incentives, price preferences, targeted solicitation
- Utilize SBE sheltered market opportunities, where SBE availability supports doing so
- Provide notice of small business opportunities (below \$50,000) and ensure that MBEs are included in pool of firms being solicited
- Consistently review pool of MBE sub-bidders and subcontractors to determine those that have done a significant level of subcontracting with Charleston County School District and/or other public agencies, thereby building a track record to support prime level awards
- Utilize bid rotation on IDIQs
- Unbundle contracts into commercially viable units
- Optimize joint ventures, develop, and encourage mentor/protégé program, recognize prime opportunities for distributors

- Review and revise all technical specifications to exclude proprietary language that discourage MBEs from bidding and
- Develop evaluation mechanisms for measuring Charleston County School District senior management commitment and staff's efforts toward MBE participation in Charleston County School District contracting opportunities.

#### **B. Develop MBE Program Which Addresses Requirements of Large Construction and Development Projects**

Utilizing the Seven Phases of a Development Project<sup>SM</sup> defined by M<sup>3</sup> Consulting will allow Charleston County School District to meet its planning, procurement and MBE needs across the life cycle of the development project.

The Seven Phases of a Development Project<sup>SM</sup>, along with possible opportunities (list intended to provide examples, not be exhaustive) at each stage are:

- **Planning**—opportunities exist in the acquisition of right-a-way; acquisition of property; legal services; environmental studies; land use studies; geotechnical studies and feasibility studies.
- **Financing**—opportunities may include investment banking, lobbyists, grant proposers, and legal services.
- **Designing**—design services include both architectural and engineering services, with other additional services that may be required such as geotechnical services, and environmental services. Design services may also include the development of a bulk purchasing plan.
- **Constructing**—these services include prime contractor/subcontractor activities including construction managers, general contractors, tradespeople, and soil testing.
- **Equipping**—involves the furnishing of facilities and buildings.
- **Maintaining**—involves the maintenance of equipment, facilities, and buildings.
- **Operating**—covers the provision of those services that contribute to the overall continued function of the facility and buildings.

When MBE participation is viewed within the construct of the phases of a development project, unbundling becomes a natural part of the project planning process.

### **C. Implement Local and Small Business Set-Asides and Sheltered Market Projects**

To maximize utilization of and inclusion of MBEs in Local and Small Business Set-Asides and Sheltered Market Projects, Charleston County School District should:

- Consistently establish MBE goals, with anticipated race/neutral portion on federal projects and local and small business set-asides, goals and sheltered market projects on non-federal projects
- Forecast and publish annually list of anticipated small business purchases on website, based on current and historical purchases to minimize local and small business need to consistently check for upcoming bids
- Ensure that local and small businesses are registering on the vendor portal. This should also facilitate buyers' ability to quickly connect with local and small vendors on informal purchase opportunities
- Ensure that Charleston County School District has strong relationships with MT&A providers who are in constant communication with MBEs
- Provide notice of local and small business opportunities on its website
- Allow for online submission of quotes and bids
- Work collaboratively with and provide incentive to (where allowable) prime vendors to refer local and small business capable of performing local prime contracting opportunities

### **D. Bonding and Insurance Program Related to Project-Based Procurement Process**

#### **Bonding**

Four approaches may be taken to remove the barrier that bonding requirements sometimes can represent. *The efficacy of these programs must be reviewed considering bonding requirements from the State of South Carolina.* The approaches include waiving bonding requirements, removing customary bonding stipulations at the subcontract level, reducing bonding, and phasing bonding. Each is described below:

- *Waiving bonding requirements.* While bonding may be required by local, state, or federal statute in particular instances, all governmental entities have some latitude in requiring a bond in the first place. Typically, small dollar value contracts are not required to have bonds. An honest assessment of the actual risk involved to the owner ought to be performed before deciding to always require a bond on every job. In addition, bonds can be required within a certain number of days after bid submittal, rather than with the bid submittal, so that only low bidders, and not unsuccessful bidders, must obtain them.
- *Removing bonding stipulations at subcontract level.* Typically, on larger construction jobs, the owner requires bonds of the prime contractor. This means, essentially, that the total job is bonded. The practice of requiring bonds of subcontractors is just that, a practice. It is not required by the owner. Therefore, the owner may develop a policy that does not permit a prime's requirement of a subcontract bond to constitute a barrier to MBE participation. Both the owner and the prime contractor should be willing to undertake special activities to monitor subcontractors' performance and lend technical assistance, if necessary.
- *Reducing bonding.* Rather than requiring a 100 percent payment and performance bond, consideration also can be given to reducing the dollar coverage of the bond. A 50 percent bond, for example, can be required, thus reducing the size and cost of bonding. In this way, a company's bonding capacity is not reached so quickly, and bonding is made more affordable. The owner benefits by still being protected by a bond and in the form of lower bids since the cost of bonding is built into contractor's bids.
- *Phasing bonding.* This technique can be used in instances where bonding cannot be waived but where there are limitations of the low bidder to obtain a full bond. For example, the owner can divide the job into three phases, each requiring a separate notice to proceed. The successful bidder is then required to obtain a bond for each phase. Upon completion of the first phase of the work, the bond is released, and the contractor is required to provide a second bond in a like amount. This process is then repeated for a third time. The owner thereby accommodates a MBE, SB or MWBE firm that might not otherwise qualify, the owner is still protected from risks, and the contractor builds a track record of completing work under three bonds, thereby building bonding capacity and lowering the cost of bonding.

In addition to the above, several governmental bodies across the country have worked with local banking and other financial institutions to create bonding programs underwritten by the local government. A key to the success of such programs is establishing a contractor performance monitoring function to provide an early warning to any problems being encountered by covered contractors. The monitors are

empowered to mobilize necessary assistance to ensure completion of the work and to minimize financial and other risk to the underwriter.

### **Wrap-Up Insurance**

This represents an approach to affording all contractors the necessary insurance to perform public work, while guaranteeing the owner that needed insurance coverage is in place in all critical areas of contracting. Under a wrap-up insurance plan, the owner establishes a subsidiary organization, usually made up of a consortium of insurance brokers. Insurers are normally eager to compete for this business and will offer competitive rates to secure it. The arrangement also represents an excellent opportunity to involve MBEs in this business. Once in place, the owner offers blanket insurance coverage to all its contractors through the wrap-up program.

### **E. Joint Ventures, Mentor-Protégé Programs, and Distributorships**

Charleston County School District should develop specific procedures for verifying, counting and tracking the participation of MBEs in:

- Joint Ventures
- Mentor-Protégé
- Distributorships

The Contracts and Procurement Department should review and sign off on any teaming arrangements, where the team anticipates receiving MBE participation credit.

### **F. Effective Matchmaking and Outreach Programs**

#### **1. Matchmaking**

Matchmaking is fundamental to a successful inclusive procurement program, whether race/gender-conscious or race/gender-neutral. Central to matchmaking is advance notice of the universe of upcoming contracting opportunities, as determined during forecasting, budgeting, and scheduling.

Matchmaking programs must be tailored to the dynamics of a particular procurement operation. We emphasize that the matchmaking session is not for the purpose of steering vendors to buyers. Charleston County School District Contracts and Procurement staff will be required to have detailed knowledge of

the capabilities of certified MBEs to fully maximize the matchmaking process. The matching sessions should include the following:

- Coordinate matchmaking sessions with forecast release and/or solicitation schedule. In many instances, matchmaking sessions follow pre-bid conferences. Matchmaking sessions can also be utilized to identify available firms for projects in planning stages. While not called matching sessions, the federal government often allows vendors to provide qualification information in pre-bid research to determine the level of competitiveness it can expect once the bid is let.
- Focus on commodity areas in the five procurement categories, such that vendors specializing goods and services will have the opportunity to meet with buyers responsible for those commodities.
- Buyers and contract specialists should have the procurement projections such that they can discuss specific upcoming opportunities and the requirements and procurement mechanisms that will be utilized to procure the good or service. This specificity is the key factor that distinguishes matchmaking sessions from outreach and vendor fairs.
- Identify informal and formal opportunities during the matching session so that vendors can determine where they have the greatest likelihood of successfully marketing to Charleston County School District.

*Matchmaking at the subcontractor level.* Matchmaking takes on a team building dynamic at this level. Prime contractors/consultants can identify potential MBE team members on upcoming opportunities to be let by Charleston County School District. To be most effective, Charleston County School District personnel will be required to have an in-depth knowledge of the capabilities of the pool of certified MBEs. MWBE staff also need to have strong business development skills. *The matchmaking session* should focus on a particular project, either in planning or prior to bid. It is critical for success that matchmaking occur as early in the planning process as possible. Prime contractors, construction managers and large consultants' planning process begin well in advance of the actual Invitation to Bid or Request for Proposal.<sup>338</sup> As such, at the time of bid letting, prime contractors and contract managers have often already

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<sup>338</sup>Some government online bid and marketing portals employ staff that is in constant contact with government procurement agents and planning departments to identify projects for its clients that may be in the initial planning stages and not yet included in procurement forecasts and budgets. Member in these portals can cost \$10,000 or more.



identified team members to address commercially viable opportunities at the subcontractor level that build a firm’s capacity and portfolio. Conformance to MBE requirements often does not produce quality and high-level MBE participation, because these firms are an “appendage” to the team already developed.

In addition to establishing matchmaking initiatives planned around Charleston County School District’s Capital Budgets, Charleston County School District’s legal counsel should consider the legality of including responsiveness to matchmaking efforts as a factor of good faith. Often, prime vendors may attend a matchmaking session, but thereafter prime vendors do not communicate with or make themselves available to MBEs after the session, thus opportunities for these groups do not often materialize as a result.

**2. Outreach**

Charleston County School District should thus focus its outreach efforts on expanding the total vendor and bidder pools to include potentially available firms from sources, such as other agency certified lists and business lists such as Data Axle or Dun & Bradstreet. Furthermore, the inclusive outreach should pay special attention to ensuring that firms capable of bidding on informal contracts, small contracts and sheltered market opportunities are included in the vendor/bidder pool.

**G. Monitoring and Tracking Reports -- Overall and Project-by-Project**

As suggested previously under Recommendation B., Charleston County School District should always be able to determine that procurement and contracting decision-making is executed in a non-discriminatory manner. We believe it is useful to view RWA<sup>SM</sup> tracking from the standpoint of statistical data supporting applicant flow and compliant reporting:

<b>Figure 12.1 RWA<sup>SM</sup> Tracking</b>	
<b>EEO Applicant Flow</b>	<b>RWA<sup>SM</sup> and Disparity Analysis Equivalent</b>
Labor Force	Potential Availability from Data Axle Firms, Firms Receiving Building Permits and/or Business License, certified MBE firms, non-certified MBE firms, trade organization membership; yellow pages
Potential Applicants	Registered Vendors, Plan Holders, Pre-Qualified Vendors
Actual Applicants	Bidders and Sub-bidders (inclusive of quotes)
Actual Hires	Awardees and Payees
Actual Promotions	Difference between prime and subcontracting opportunities; vendor performance

Actual Terminations	Contract terminations, for convenience and for cause; substitutions
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Source: M<sup>3</sup> Consulting

In annual reporting on the achievement of MBE efforts to the Board, Contract and Procurement reports should also include the degree to which Charleston County School District’s efforts have:

- Promoted and strengthened economic prosperity in the Charleston area
- Enhanced competition
- Expanded business capacity and
- Removed barriers and reduced or eliminated disparities.

**I. Post-Award Compliance Responsibilities**

Charleston County School District should review the degree to which User Departments are performing contract compliance functions and reporting their efforts to the Contracts and Procurement Director. Post-award utilization responsibilities should minimally include:

- Confirming utilization of MBE subcontractors listed on prime contractor’s winning bid and executed contract through compliance monitoring, on-site monitoring, and reporting; and,
- While reviewing invoices, confirming that MBE subcontractors are receiving timely payments; upload spreadsheet invoice data into appropriate tracking software.

**J. Partnerships with Technical Assistance Providers**

Partnering with existing technical assistance providers for capacity building should not simply be focused on bonding and insurance. Charleston County School District should develop a process of referral to the appropriate technical assistance provider and follow-up for potential MBEs who could bid on Charleston County School District’s contracts with some assistance. A firm assessment tool should be developed to determine firms that are:

- Start- up
- Emerging
- Mature

By developing a full technical assistance program and utilizing existing service providers with expertise in different areas, Charleston County School District should be able to maximize its dollars, while providing technical assistance that can lead to increased contracts on Charleston County School District opportunities at the informal and formal prime levels, in SBE set-asides and sheltered market contracts and as subcontractors. Working collaboratively allows Charleston County School District to focus on its core strategic mission and objective, while providing MBEs the support that they need.

**K. Working Capital Loans and Paymaster<sup>339</sup> Programs + Prompt Pay Requirements**

Charleston County School District should consider working with minority-owned banks and financial assistance providers to serve as paymasters for small qualifying firms. This should provide Charleston County School District with assurances that financial management issues will not negatively impact contractor performance. Charleston County School District may also work with these financial institutions to develop working capital loan programs on executed contracts. Working with a paymaster that is a banking institution may also strengthen the MBEs ability to obtain loans and lines of credit. When financial assistance providers serve as the paymaster, they often become a spoke persons/intermediary for the small businesses to work through discriminatory or exclusionary banking practices.

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<sup>339</sup> A paymaster is authorized by the firm to handle the firm's receipts and payment of expenses, including payroll and subcontractor payments.

## **12.4 IDENTIFICATION OF RACE/GENDER-CONSCIOUS GOAL POSSIBILITIES**

The actual setting of legally defensible MBE goals is a policy decision that requires action by Charleston County School District. Charleston County School District can establish overall MBE policy goals that then may be used by employees with buying authority. Charleston County School District can then develop an action plan that specifies procedure, program and goal improvements that will be made, and the timeline allocated for those tasks.

### **12.4.1 ESTABLISHMENT OF RACE- AND GENDER-CONSCIOUS GOALS**

The existence of established goals is an effective mechanism for establishing objectives for Charleston County School District and in achieving the desired outcome of increased MBE participation, when effectively implemented. If operations are inflexible, it falls into a quota.

The annual goal should be utilized by to periodically evaluate the effectiveness of its program and its project-specific efforts, as well as to gauge whether it is appropriate to increase or decrease the mix of more aggressive remedies. To be legally defensible, the annual goal should be a *minimum achievable standard* for Minority/WBE inclusion and not a maximum barometer of exclusion.

In certain categories and for certain groups, race/gender-conscious means are supportable activities toward the achievement of established goals, based on the findings of statistically significant disparity, reflected in Table 12.2 below.

As significant disparity is eliminated in the race/gender-conscious categories, the utilization of race/gender-neutral means in attaining the established goals should be increased. However, in all instances where race/gender-neutral means are utilized, if significant disparity re-emerges, then race/gender-conscious techniques can be utilized on a non-permanent basis to correct identified disparities.

In certain categories and for certain groups, race/gender-conscious means are supportable activities toward the achievement of established goals, based on the findings of statistically significant disparity as shown below in Table 12.2:

**Table 12.2.**  
**Categories for Race/Ethnicity/Gender-Conscious and Race/Ethnicity/Gender-Neutral Means of Addressing Disparity By Procurement Type**

	<b>Race and gender-Conscious</b>	<b>Race and gender-Neutral</b>
Architecture and Engineering	<ul style="list-style-type: none"> <li>• African American</li> <li>• Asian American</li> <li>• Hispanic American</li> <li>• Native American</li> </ul>	<ul style="list-style-type: none"> <li>• WBEs</li> </ul>
Construction and Construction-Related Services	<ul style="list-style-type: none"> <li>• WBEs</li> </ul>	<ul style="list-style-type: none"> <li>• African American</li> <li>• Asian American</li> <li>• Hispanic American</li> <li>• Native American</li> </ul>
Non-Professional Services	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• African American</li> <li>• Asian American</li> <li>• Hispanic American</li> <li>• Native American</li> <li>• WBEs</li> </ul>
Professional Services	<ul style="list-style-type: none"> <li>• African American</li> <li>• Native American</li> <li>• WBEs</li> </ul>	<ul style="list-style-type: none"> <li>• Asian American</li> <li>• Hispanic American</li> </ul>
Goods and Supplies	<ul style="list-style-type: none"> <li>• African American</li> <li>• Asian American</li> <li>• Hispanic American</li> <li>• Native American</li> </ul>	<ul style="list-style-type: none"> <li>• WBEs</li> </ul>

Source: M<sup>3</sup> Consulting

**12.4.2 GOAL-SETTING FORMULAS AND TECHNIQUES**

Charleston County School District has at its disposal a wide-array of goal-setting formulas and techniques, including:

- Bid Preferences
- MBE Goals
- SBE Set-Asides
- MBE evaluation factors

As stated previously, the actual setting of race and gender-conscious or race and gender-neutral goals is a policy decision that requires action by the Board. The Board can establish overall annual policy goals by industry. Project-by-project goals could then be established by staff based upon the relative MBE availability for performance of the specific contract. This type of goal setting would probably be considered the most legally defensible flexible form of goal setting available to Charleston County School District.

M<sup>3</sup> Consulting adds to this list of offerings its own goal-setting formula, which is described below.

#### A. ATM<sup>SM</sup> Formula

The Annual Target Method (ATM<sup>SM</sup>) formula, developed exclusively by M<sup>3</sup> Consulting, allows entities to develop goals based on both market conditions (availability) and actual levels of participation by Charleston County School District (utilization). The ATM<sup>SM</sup> formula also allows Charleston County School District to forecast the necessary MBE participation levels to achieve the desired outcome, correcting for stated disparity, by an established date. This methodology has been designed to assist Charleston County School District to determine its goals through a realistic and statistically valid model.<sup>340</sup>

To ensure that goals properly reflect the opportunity being bid and that goals do not appear to be set-asides because the same goal for a procurement category is applied to every trade or commodity area within that procurement category, M<sup>3</sup> Consulting recommends that Charleston County School District implement project-by-project goals. The ATM<sup>SM</sup> formula can still be used, but availability should be computed for each project type and then that availability measure used in the ATM<sup>SM</sup> formula. To calculate availability by project-type, Charleston County School District must have a well-functioning Central Bidder Registry or Vendor List.

In the ATM<sup>SM</sup> formula,  $G_p$  or the target goal is either availability, weighted availability or a goal established above availability. When calculating the project goal using the ATM<sup>SM</sup> formula, the project goals become a function of correcting disparity and bringing overall utilization in line with overall availability for a particular procurement category. As such, the project goal will reflect the volume of dollars in a particular

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<sup>340</sup> ATM operates most realistically for an organization over time. The ATM is designed to correct for any disparity found. As such, established goals will be higher than availability, if disparity exists. Thus, if an organization attempts to correct for this disparity in a very short period, the goal calculations will result in very high numerical percentages. Actual calculations would be based on specific availability and utilization data from Charleston County School District.

trade, commodity, or project area and, thus, calculate its appropriate weight in assisting in correcting overall disparity.

The calculation of  $ATM^{SM}$  is a two-step process:

1. A weighted availability measure is developed by using Sum of the Year's Digits method which results in a higher amount of weight being given to an availability measure which is ranked higher or deemed more reliable or important than other weighted availability used to calculate an average. The following formula:  $\{N*(N + 1)\}/2$ , will calculate the sum of the number of availability measures being averaged.
2. This weighted availability measure is then used in the computation process identified below to establish the actual target goal.

***ATM<sup>SM</sup> Formula***

For Computing Annual Targets for Minority and Female Participation

$$ATM = \frac{G_p(TCE_t) - TME_p}{TE_a}$$

T – P

Where

$G_p$  = target goal for MBE participation. When the policy goal is used to bring utilization in line with availability, then

$TCE_t$  = total cumulative expenditure at time frame

$TE_a$  = total annual Charleston County School District expenditure

$TME_p$  = total minority cumulative expenditure at present

T = time frame year

P = present year

**B. Race-Neutral Means To Achieve Goals/Targets**

Charleston County School District should first exhaust all race/gender-neutral means to achieve any established target, goal, or benchmark. Race/gender-neutral means include (1) purchasing adjustments, (2) prohibition of discrimination in purchasing, and (3) matchmaking.

**C. Race and Gender-Conscious Tools**

Again, to be legally defensible, Race/gender-conscious contract goals should be subject to a variety of limitations:

- Race and gender-conscious goals, where allowable at Charleston County School District, should not be applied to every contract across all purchasing types.
- Race and gender-conscious goals should generally be “good faith efforts” subject to waivers.
- Race and gender-conscious goals should be reviewed by the Procurement Department to ensure that such goals do not disproportionately fall on one class Non-SWMBE contractors or subcontractors. For example, awards of all painting subcontracts to minority firms would impose an undue burden on non-minority-owned painting subcontractors.
- Race and gender-conscious goals (in purchasing) for subcontracting should apply to both Non-SWMBE and MBE prime contractors.
- Firms eligible to benefit from race and gender-conscious goals at Charleston County School District should be subject to graduation provisions and
- Charleston County School District race and gender-conscious elements should be subject to annual review and sunset provisions.



## **12.5 SUMMARY OF FINDINGS**

In summary, Miller<sup>3</sup> Consulting, Inc. found that Charleston County School District purchasing activities suggest that MBEs continue to have some difficulties obtaining significant contracts with Charleston County School District. In submitting specific findings within the Disparity Study for Charleston County School District, M<sup>3</sup> Consulting formulated recommendations that allow Charleston County School District to rely upon race and gender-conscious means when necessary to address ongoing hindrances to eliminating disparities, while also addressing MBE participation through race and gender-neutral efforts. Our economic and statistical utilization analyses could serve as part of the policy and procedure-making decisions needed to ensure enhanced and legally defensible MBE participation in Charleston County School District's purchasing processes.

# CCSD

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## CHARLESTON

COUNTY SCHOOL DISTRICT

## **Charleston County School District**

### **Disparity Study**

### **Volume II**

October 18, 2022

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**Charleston County School District Statistical Tables**

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## Appendix A Additional Tables

### A.1 Total Utilization Counts

Table A.1. Total Utilization Contract Awards—Counts Charleston County School District Nationwide, FY 2017 – FY 2021												
Race/Ethnicity/Gender	Architecture & Engineering		Construction and Construction-Related Services		Professional Services		Non-Professional Services		Goods and Supplies		Total	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>13</b>	<b>46.43</b>	<b>57</b>	<b>47.90</b>	<b>9</b>	<b>52.94</b>	<b>40</b>	<b>45.45</b>	<b>50</b>	<b>61.73</b>	<b>169</b>	<b>50.75</b>
Black or African American	-	0.00	6	5.04	3	17.65	8	9.09	2	2.47	19	5.71
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	1	1.14	-	0.00	1	0.30
Hispanic or Latino	1	3.57	2	1.68	-	0.00	-	0.00	2	2.47	5	1.50
Native American or American Indian	-	0.00	-	0.00	-	0.00	1	1.14	-	0.00	1	0.30
Other Minorities	-	0.00	4	3.36	-	0.00	1	1.14	-	0.00	5	1.50
<i>Total Minority</i>	<i>1</i>	<i>3.57</i>	<i>12</i>	<i>10.08</i>	<i>3</i>	<i>17.65</i>	<i>11</i>	<i>12.50</i>	<i>4</i>	<i>4.94</i>	<i>31</i>	<i>9.31</i>
Woman-Owned (WBEs)	4	14.29	28	23.53	1	5.88	9	10.23	6	7.41	48	14.41
Unknown MBE	-	0.00	1	0.84	-	0.00	-	0.00	1	1.23	2	0.60
<b>Total MBE</b>	<b>5</b>	<b>17.86</b>	<b>41</b>	<b>34.45</b>	<b>4</b>	<b>23.53</b>	<b>20</b>	<b>22.73</b>	<b>11</b>	<b>13.58</b>	<b>81</b>	<b>24.32</b>
SBE	10	35.71	21	17.65	4	23.53	27	30.68	19	23.46	81	24.32
VBE	-	0.00	-	0.00	-	0.00	1	1.14	1	1.23	2	0.60
<b>Grand Total</b>	<b>28</b>	<b>100.00</b>	<b>119</b>	<b>100.00</b>	<b>17</b>	<b>100.00</b>	<b>88</b>	<b>100.00</b>	<b>81</b>	<b>100.00</b>	<b>333</b>	<b>100.00</b>

Source: CCSD Contracts Data, M<sup>3</sup> Consulting

## Appendix A Additional Tables

Table A.2. Total Utilization Purchase Orders—Counts Charleston County School District Nationwide, FY 2017 – FY 2021												
	Architecture & Engineering		Construction and Construction-Related Services		Professional Services		Non-Professional Services		Goods and Supplies		Total	
Race/Ethnicity/Gender	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>207</b>	<b>24.10</b>	<b>201</b>	<b>40.20</b>	<b>671</b>	<b>49.37</b>	<b>3,231</b>	<b>47.33</b>	<b>7,304</b>	<b>80.01</b>	<b>11,614</b>	<b>62.22</b>
Black or African American	3	0.35	126	25.20	110	8.09	1,327	19.47	175	1.92	1,741	9.33
Asian/Pacific Islander	-	0.00	19	3.80	1	0.07	12	0.18	10	0.11	42	0.23
Hispanic or Latino	4	0.47	18	3.60	1	0.07	11	0.16	3	0.03	37	0.20
Native American or American Indian	-	0.00	4	0.80	-	0.00	172	2.52	4	0.04	180	0.96
Other Minorities	-	0.00	-	0.00	17	1.25	3	0.04	2	0.02	22	0.12
<i>Total Minority</i>	<i>7</i>	<i>0.82</i>	<i>167</i>	<i>33.40</i>	<i>129</i>	<i>9.49</i>	<i>1,525</i>	<i>22.34</i>	<i>194</i>	<i>2.13</i>	<i>2,022</i>	<i>10.83</i>
Woman-Owned (WBEs)	107	12.53	65	13.00	325	23.91	778	11.40	762	8.35	2,037	10.91
Unknown MBE	-	0.00	-	0.00	13	0.96	17	0.25	9	0.10	39	0.21
<b>Total MBE</b>	<b>114</b>	<b>13.35</b>	<b>232</b>	<b>46.40</b>	<b>467</b>	<b>34.36</b>	<b>2,320</b>	<b>33.99</b>	<b>965</b>	<b>10.57</b>	<b>4,098</b>	<b>21.95</b>
SBE	533	62.05	67	13.40	221	16.26	1,274	18.67	859	9.41	2,954	15.83
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>854</b>	<b>100.00</b>	<b>500</b>	<b>100.00</b>	<b>1,359</b>	<b>100.00</b>	<b>6,825</b>	<b>100.00</b>	<b>9,128</b>	<b>100.00</b>	<b>18,666</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.3. Total Utilization Payments—Counts Charleston County School District Nationwide, FY 2017 – FY 2021</b>												
	<b>Architecture &amp; Engineering</b>		<b>Construction and Construction-Related Services</b>		<b>Professional Services</b>		<b>Non-Professional Services</b>		<b>Goods and Supplies</b>		<b>Total</b>	
<b>Race/Ethnicity/Gender</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>544</b>	<b>19.59</b>	<b>1,176</b>	<b>61.57</b>	<b>1,597</b>	<b>46.34</b>	<b>17,105</b>	<b>58.35</b>	<b>13,326</b>	<b>79.58</b>	<b>33,748</b>	<b>62.28</b>
Black or African American	3	0.11	307	16.07	398	11.55	2,407	8.21	375	2.24	3,490	6.44
Asian/Pacific Islander	-	0.00	55	2.88	1	0.03	25	0.09	12	0.07	93	0.17
Hispanic or Latino	3	0.11	29	1.52	1	0.03	18	0.06	3	0.02	54	0.10
Native American or American Indian	-	0.00	5	0.26	-	0.00	170	0.58	5	0.03	180	0.33
Other Minorities	-	0.00	-	0.00	22	0.64	3	0.01	3	0.02	28	0.05
<i>Total Minority</i>	<i>6</i>	<i>0.22</i>	<i>396</i>	<i>20.73</i>	<i>422</i>	<i>12.25</i>	<i>2,623</i>	<i>8.95</i>	<i>398</i>	<i>2.38</i>	<i>3,845</i>	<i>7.10</i>
Woman-Owned (WBEs)	482	17.36	116	6.07	764	22.17	1,553	5.30	1,148	6.86	4,063	7.50
Unknown MBE	-	0.00	-	0.00	30	0.87	29	0.10	15	0.09	74	0.14
<b>Total MBE</b>	<b>488</b>	<b>17.58</b>	<b>512</b>	<b>26.80</b>	<b>1,216</b>	<b>35.29</b>	<b>4,205</b>	<b>14.35</b>	<b>1,561</b>	<b>9.33</b>	<b>7,982</b>	<b>14.73</b>
SBE	1,745	62.84	222	11.62	633	18.37	8,002	27.30	1,859	11.10	12,461	22.99
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>2,777</b>	<b>100.00</b>	<b>1,910</b>	<b>100.00</b>	<b>3,446</b>	<b>100.00</b>	<b>29,312</b>	<b>100.00</b>	<b>16,746</b>	<b>100.00</b>	<b>54,191</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

# Appendix A

## Additional Tables

### A.2 Utilization by Procurement Type by Year

#### 1. Contract Awards

**Table A.4.**  
**Architecture & Engineering Utilization**  
**Contract Awards—Dollars**  
**Pure Prime + Subcontractors**  
**Charleston County School District**  
**State of South Carolina, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	-	<b>0.00</b>	<b>664,270</b>	<b>54.43</b>	-	<b>0.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>664,270</b>	<b>36.22</b>
Black or African American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>
Woman-Owned (WBEs)	-	0.00	-	0.00	306,725	50.00	-	0.00	-	0.00	306,725	16.72
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>306,725</b>	<b>50.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>306,725</b>	<b>16.72</b>
SBE	-	0.00	556,250	45.57	306,725	50.00	-	0.00	-	0.00	862,975	47.06
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	-	<b>0.00</b>	<b>1,220,520</b>	<b>100.00</b>	<b>613,450</b>	<b>100.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>1,833,970</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

# Appendix A

## Additional Tables

**Table A.5.**  
**Architecture & Engineering Utilization**  
**Contract Awards—Counts**  
**Pure Prime + Subcontractors**  
**Charleston County School District**  
**State of South Carolina, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	-	<b>0.00</b>	<b>4</b>	<b>44.44</b>	<b>4</b>	<b>40.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>8</b>	<b>42.11</b>
Black or African American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic or Latino	-	0.00	-	0.00	1	10.00	-	0.00	-	0.00	1	5.26
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	-	<i>0.00</i>	-	<i>0.00</i>	<i>1</i>	<i>10.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	<i>1</i>	<i>5.26</i>
Woman-Owned (WBEs)	-	0.00	-	0.00	2	20.00	-	0.00	-	0.00	2	10.53
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>3</b>	<b>30.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>3</b>	<b>15.79</b>
SBE	-	0.00	5	55.56	3	30.00	-	0.00	-	0.00	8	42.11
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	-	<b>0.00</b>	<b>9</b>	<b>100.00</b>	<b>10</b>	<b>100.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>19</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,



## Appendix A Additional Tables

**Table A.6.  
Construction and Construction-Related Services Utilization  
Contract Awards—Pure Prime + Subcontractor Counts  
Charleston County School District  
Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>7</b>	<b>43.75</b>	<b>22</b>	<b>59.46</b>	<b>10</b>	<b>71.43</b>	<b>12</b>	<b>50.00</b>	<b>6</b>	<b>21.43</b>	<b>57</b>	<b>47.90</b>
Black or African American	-	0.00	-	0.00	-	0.00	1	4.17	5	17.86	6	5.04
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic or Latino	-	0.00	-	0.00	-	0.00	1	4.17	1	3.57	2	1.68
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	2	12.50	-	0.00	-	0.00	-	0.00	2	7.14	4	3.36
<i>Total Minority</i>	<b>2</b>	<b>12.50</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>2</b>	<b>8.33</b>	<b>8</b>	<b>28.57</b>	<b>12</b>	<b>10.08</b>
Woman-Owned (WBEs)	4	25.00	11	29.73	2	14.29	4	16.67	7	25.00	28	23.53
Unknown MBE	-	0.00	1	2.70	-	0.00	-	0.00	-	0.00	1	0.84
<b>Total MBE</b>	<b>6</b>	<b>37.50</b>	<b>12</b>	<b>32.43</b>	<b>2</b>	<b>14.29</b>	<b>6</b>	<b>25.00</b>	<b>15</b>	<b>53.57</b>	<b>41</b>	<b>34.45</b>
SBE	3	18.75	3	8.11	2	14.29	6	25.00	7	25.00	21	17.65
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>16</b>	<b>100.00</b>	<b>37</b>	<b>100.00</b>	<b>14</b>	<b>100.00</b>	<b>24</b>	<b>100.00</b>	<b>28</b>	<b>100.00</b>	<b>119</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

**Table A.7.**

**Professional Services Utilization  
Contract Awards—Dollars  
Pure Prime + Subcontractors  
Charleston County School District  
Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	-	<b>0.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	-	<b>0.00</b>
Black or African American	-	0.00	-	0.00	-	0.00	-	0.00	314,827	83.49	314,827	83.49
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	<i>314,827</i>	<i>83.49</i>	<i>314,827</i>	<i>83.49</i>
Woman-Owned (WBEs)	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	-	<b>0.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>314,827</b>	<b>83.49</b>	<b>314,827</b>	<b>83.49</b>
SBE	-	0.00	-	0.00	-	0.00	-	0.00	62,275	16.51	62,275	16.51
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	-	<b>0.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>377,102</b>	<b>100.00</b>	<b>377,102</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

# Appendix A

## Additional Tables

**Table A.8.**  
**Professional Services Utilization**  
**Contract Awards—Counts**  
**Pure Prime + Subcontractors**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	-	<b>0.00</b>	<b>8</b>	<b>54.43</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>1</b>	<b>20.00</b>	<b>9</b>	<b>52.94</b>
Black or African American	-	0.00	-	0.00	-	0.00	-	0.00	3	60.00	3	17.65
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	<b>3</b>	<b>60.00</b>	<b>3</b>	<b>17.65</b>
Woman-Owned (WBEs)	-	0.00	1	8.33	-	0.00	-	0.00	-	0.00	1	5.88
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	-	<b>0.00</b>	<b>1</b>	<b>8.33</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>3</b>	<b>60.00</b>	<b>4</b>	<b>23.53</b>
SBE	-	0.00	3	25.00	-	0.00	-	0.00	1	20.00	4	23.53
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	-	<b>0.00</b>	<b>12</b>	<b>100.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>5</b>	<b>0.00</b>	<b>17</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

# Appendix A

## Additional Tables

**Table A.9.**  
**Non-Professional Services Utilization**  
**Contract Awards—Dollars**  
**Pure Prime + Subcontractors**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>32,525,137</b>	<b>68.39</b>	<b>394,533</b>	<b>43.33</b>	<b>375,957</b>	<b>33.33</b>	<b>127,660,747</b>	<b>99.97</b>	<b>2,820,393</b>	<b>69.46</b>	<b>163,776,768</b>	<b>90.31</b>
Black or African American	15,033,219	31.61	-	0.00	-	0.00	-	0.00	-	0.00	15,033,219	8.29
Asian/Pacific Islander	-	0.00	128,333	14.10	-	0.00	-	0.00	-	0.00	128,333	0.07
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Native American or American Indian	-	0.00	-	0.00	-	0.00	25,265	0.02	-	0.00	25,265	0.01
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	15,000	0.37	15,000	0.01
<i>Total Minority</i>	<i>15,033,219</i>	<i>31.61</i>	<i>128,333</i>	<i>14.10</i>	<i>-</i>	<i>0.00</i>	<i>25,265</i>	<i>0.02</i>	<i>15,000</i>	<i>0.37</i>	<i>15,201,817</i>	<i>8.38</i>
Woman-Owned (WBEs)	-	0.00	45,000	4.94	180,098	15.97	-	0.00	40,000	0.99	265,098	0.15
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>15,033,219</b>	<b>31.61</b>	<b>173,333</b>	<b>19.04</b>	<b>180,098</b>	<b>15.97</b>	<b>25,265</b>	<b>0.02</b>	<b>55,000</b>	<b>1.35</b>	<b>15,466,915</b>	<b>8.53</b>
SBE	-	0.00	342,603	37.63	571,999	50.71	-	0.00	1,184,791	29.18	2,099,394	1.16
VBE	-	0.00	-	0.00	-	0.00	15,000	0.01	-	0.00	15,000	0.01
<b>Grand Total</b>	<b>47,558,357</b>	<b>100.00</b>	<b>910,470</b>	<b>100.00</b>	<b>1,128,054</b>	<b>100.00</b>	<b>127,701,012</b>	<b>0.00</b>	<b>4,060,184</b>	<b>100.00</b>	<b>181,358,077</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

# Appendix A

## Additional Tables

**Table A.10.**  
**Non-Professional Services Utilization**  
**Contract Awards—Counts**  
**Pure Prime + Subcontractors**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>8</b>	<b>47.06</b>	<b>11</b>	<b>50.00</b>	<b>9</b>	<b>39.13</b>	<b>3</b>	<b>60.00</b>	<b>9</b>	<b>42.86</b>	<b>40</b>	<b>45.45</b>
Black or African American	3	17.65	-	0.00	3	13.04	-	0.00	2	9.52	8	9.09
Asian/Pacific Islander	-	0.00	1	4.55	-	0.00	-	0.00	-	0.00	1	1.14
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Native American or American Indian	-	0.00	-	0.00	-	0.00	1	20.00	-	0.00	1	1.14
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	1	4.76	1	1.14
<i>Total Minority</i>	<i>3</i>	<i>17.65</i>	<i>1</i>	<i>4.55</i>	<i>3</i>	<i>13.04</i>	<i>1</i>	<i>20.00</i>	<i>3</i>	<i>14.29</i>	<i>11</i>	<i>12.50</i>
Woman-Owned (WBEs)	2	11.76	2	9.09	1	4.35	-	0.00	4	19.05	9	10.23
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>5</b>	<b>29.41</b>	<b>3</b>	<b>13.64</b>	<b>4</b>	<b>17.39</b>	<b>1</b>	<b>20.00</b>	<b>7</b>	<b>33.33</b>	<b>20</b>	<b>22.73</b>
SBE	4	23.53	8	36.36	10	43.48	-	0.00	5	23.81	27	30.68
VBE	-	0.00	-	0.00	-	0.00	1	20.00	-	0.00	1	1.14
<b>Grand Total</b>	<b>17</b>	<b>100.00</b>	<b>22</b>	<b>100.00</b>	<b>23</b>	<b>100.00</b>	<b>5</b>	<b>100.00</b>	<b>21</b>	<b>100.00</b>	<b>88</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

**Table A.11.  
Goods & Supplies Utilization  
Contract Awards—Dollars  
Pure Prime + Subcontractors  
Charleston County School District  
Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>127,732</b>	<b>19.18</b>	<b>59,988</b>	<b>0.58</b>	<b>31,843,585</b>	<b>97.29</b>	<b>2,239,843</b>	<b>96.90</b>	<b>12,889,379</b>	<b>93.71</b>	<b>47,160,527</b>	<b>78.93</b>
Black or African American	-	0.00	-	0.00	608,585	1.86	-	0.00	-	0.00	608,585	1.02
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	69,704	0.51	69,704	0.12
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	-	<i>0.00</i>	-	<i>0.00</i>	608,585	1.86	-	<i>0.00</i>	69,704	0.51	678,289	1.14
Woman-Owned (WBEs)	-	0.00	10,107,500	98.26	139,644	0.43	-	0.00	638,238	4.64	10,885,382	18.22
Unknown MBE	2,639	0.40	-	0.00	-	0.00	-	0.00	-	0.00	2,639	0.00
<b>Total MBE</b>	<b>2,639</b>	<b>0.40</b>	<b>10,107,500</b>	<b>98.26</b>	<b>748,229</b>	<b>2.29</b>	-	<b>0.00</b>	<b>707,942</b>	<b>5.15</b>	<b>11,566,310</b>	<b>19.36</b>
SBE	535,493	80.42	119,062	1.16	125,482	0.38	71,620	3.10	156,820	1.14	1,008,476	1.69
VBE	-	0.00	-	0.00	11,643	0.04	-	0.00	-	0.00	11,643	0.02
<b>Grand Total</b>	<b>665,864</b>	<b>100.00</b>	<b>10,286,550</b>	<b>100.00</b>	<b>32,728,940</b>	<b>100.00</b>	<b>2,311,463</b>	<b>100.00</b>	<b>13,754,141</b>	<b>100.00</b>	<b>59,746,957</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

**Table A.12.**  
**Goods & Supplies Utilization**  
**Contract Awards—Counts**  
**Pure Prime + Subcontractors**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>3</b>	<b>33.33</b>	<b>8</b>	<b>53.33</b>	<b>5</b>	<b>38.46</b>	<b>16</b>	<b>84.21</b>	<b>18</b>	<b>72.00</b>	<b>50</b>	<b>61.73</b>
Black or African American	-	0.00	-	0.00	2	15.38	-	0.00	-	0.00	2	2.47
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic or Latino	-	0.00	1	6.67	-	0.00	-	0.00	1	4.00	2	2.47
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	-	<i>0.00</i>	<i>1</i>	<i>6.67</i>	<i>2</i>	<i>15.38</i>	-	<i>0.00</i>	<i>1</i>	<i>4.00</i>	<i>4</i>	<i>4.94</i>
Woman-Owned (WBEs)	-	0.00	2	13.33	1	7.69	-	0.00	3	13.00	6	7.41
Unknown MBE	1	11.11	-	0.00	-	0.00	-	0.00	-	0.00	1	1.23
<b>Total MBE</b>	<b>1</b>	<b>11.11</b>	<b>3</b>	<b>20.00</b>	<b>3</b>	<b>23.08</b>	-	<b>0.00</b>	<b>4</b>	<b>16.00</b>	<b>11</b>	<b>13.58</b>
SBE	5	55.56	4	26.67	4	30.77	3	15.79	3	12.00	19	23.46
VBE	-	0.00	-	0.00	1	7.69	-	0.00	-	0.00	1	1.23
<b>Grand Total</b>	<b>9</b>	<b>100.00</b>	<b>15</b>	<b>100.00</b>	<b>13</b>	<b>100.00</b>	<b>19</b>	<b>100.00</b>	<b>25</b>	<b>100.00</b>	<b>81</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

### 2. Purchase Orders

Table A.13. Architecture & Engineering Utilization Purchase Order—Counts Charleston County School District State of South Carolina, FY 2017 – FY 2021												
Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>10</b>	<b>12.66</b>	<b>18</b>	<b>16.98</b>	<b>27</b>	<b>20.15</b>	<b>21</b>	<b>13.82</b>	<b>30</b>	<b>13.95</b>	<b>106</b>	<b>15.45</b>
Black or African American	-	0.00	-	0.00	-	0.00	2	1.32	1	0.47	3	0.44
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	1	0.47	1	0.15
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	2	<i>1.32</i>	2	<i>0.93</i>	4	<i>0.58</i>
Woman-Owned (WBEs)	13	16.46	13	12.26	19	14.18	14	9.21	22	10.23	81	11.81
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>13</b>	<b>16.46</b>	<b>13</b>	<b>12.26</b>	<b>19</b>	<b>14.18</b>	<b>16</b>	<b>10.53</b>	<b>24</b>	<b>11.16</b>	<b>85</b>	<b>12.39</b>
SBE	56	70.89	75	70.75	88	65.67	115	75.66	161	74.88	495	72.16
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>79</b>	<b>100.00</b>	<b>106</b>	<b>100.00</b>	<b>134</b>	<b>100.00</b>	<b>152</b>	<b>100.00</b>	<b>215</b>	<b>100.00</b>	<b>686</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,



# Appendix A

## Additional Tables

**Table A.14.**  
**Construction and Construction-Related Services Utilization**  
**Purchase Order—Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>78,530,981</b>	<b>85.55</b>	<b>112,641,325</b>	<b>92.44</b>	<b>160,333,786</b>	<b>91.57</b>	<b>9,395,431</b>	<b>31.45</b>	<b>9,768,631</b>	<b>14.02</b>	<b>380,670,154</b>	<b>76.27</b>
Black or African American	7,187,363	7.83	299,233	0.23	2,846,484	1.63	13,228,980	44.28	18,055,823	25.92	41,617,883	8.34
Asian/Pacific Islander	943,955	1.03	1,499,114	1.13	859,264	0.49	2,756,278	9.23	-	0.00	6,058,610	1.21
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	6,363,149	9.14	6,363,149	1.27
Native American or American Indian	-	0.00	-	0.00	4,069	0.00	68,241	0.23	183,677	0.26	255,987	0.05
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	8,131,318	8.86	1,798,347	1.36	3,709,817	2.12	16,053,499	53.73	24,602,649	35.32	54,295,629	10.88
Woman-Owned (WBEs)	3,289,374	3.58	5,267,801	3.97	758,535	0.43	2,483,410	8.31	2,762,153	3.97	14,561,273	2.92
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>42,206,796</b>	<b>45.98</b>	<b>7,066,147</b>	<b>5.33</b>	<b>4,468,351</b>	<b>2.55</b>	<b>18,536,910</b>	<b>62.05</b>	<b>27,364,802</b>	<b>39.29</b>	<b>68,856,902</b>	<b>13.80</b>
SBE	1,849,048	2.01	2,963,955	2.23	10,301,396	5.88	1,943,410	6.50	32,518,720	46.69	49,576,529	9.93
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>91,800,721</b>	<b>100.00</b>	<b>132,671,427</b>	<b>100.00</b>	<b>175,103,534</b>	<b>100.00</b>	<b>29,875,751</b>	<b>100.00</b>	<b>69,652,153</b>	<b>100.00</b>	<b>499,103,586</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

**Table A.15.**  
**Construction and Construction-Related Services Utilization**  
**Purchase Order—Counts**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>27</b>	<b>28.13</b>	<b>18</b>	<b>46.15</b>	<b>24</b>	<b>42.11</b>	<b>65</b>	<b>44.22</b>	<b>67</b>	<b>41.61</b>	<b>201</b>	<b>40.20</b>
Black or African American	42	43.75	11	28.21	15	26.32	32	21.77	26	16.15	126	25.20
Asian/Pacific Islander	12	12.50	4	10.26	1	1.75	2	1.36	-	0.00	19	3.80
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	18	11.18	18	3.60
Native American or American Indian	-	0.00	-	0.00	1	1.75	2	1.36	1	0.62	4	0.80
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	<i>54</i>	<i>56.25</i>	<i>15</i>	<i>38.46</i>	<i>17</i>	<i>29.82</i>	<i>36</i>	<i>24.49</i>	<i>45</i>	<i>27.95</i>	<i>167</i>	<i>33.40</i>
Woman-Owned (WBEs)	7	7.29	1	2.56	5	8.77	29	19.73	23	14.29	65	13.00
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>61</b>	<b>63.54</b>	<b>16</b>	<b>41.03</b>	<b>22</b>	<b>38.60</b>	<b>65</b>	<b>44.22</b>	<b>68</b>	<b>42.24</b>	<b>232</b>	<b>46.40</b>
SBE	8	8.33	5	12.82	11	19.30	17	11.56	26	16.25	67	13.40
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>96</b>	<b>100.00</b>	<b>39</b>	<b>100.00</b>	<b>57</b>	<b>100.00</b>	<b>147</b>	<b>100.00</b>	<b>161</b>	<b>100.00</b>	<b>500</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

Table A.16. Professional Services Utilization Purchase Order—Counts Charleston County School District Nationwide, FY 2017 – FY 2021												
	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
Race/Ethnicity/Gender	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>75</b>	<b>50.00</b>	<b>104</b>	<b>43.88</b>	<b>112</b>	<b>42.75</b>	<b>162</b>	<b>48.21</b>	<b>218</b>	<b>58.29</b>	<b>671</b>	<b>49.37</b>
Black or African American	9	6.00	17	7.17	17	6.49	26	7.74	41	10.96	110	8.09
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	1	0.27	1	0.07
Hispanic or Latino	-	0.00	-	0.00	-	0.00	1	0.30	-	0.00	1	0.07
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	10	2.98	7	1.87	17	1.25
<i>Total Minority</i>	<i>9</i>	<i>6.00</i>	<i>17</i>	<i>7.17</i>	<i>17</i>	<i>6.49</i>	<i>37</i>	<i>11.01</i>	<i>49</i>	<i>13.10</i>	<i>129</i>	<i>9.49</i>
Woman-Owned (WBEs)	39	26.00	68	28.69	75	28.63	83	24.70	60	16.04	325	23.91
Unknown MBE	2	1.33	4	1.69	4	1.53	2	0.60	1	0.27	13	0.96
<b>Total MBE</b>	<b>50</b>	<b>33.33</b>	<b>89</b>	<b>37.55</b>	<b>96</b>	<b>36.64</b>	<b>122</b>	<b>36.31</b>	<b>110</b>	<b>29.41</b>	<b>467</b>	<b>34.36</b>
SBE	25	16.67	44	18.57	54	20.61	52	15.48	46	12.30	221	16.26
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>150</b>	<b>100.00</b>	<b>237</b>	<b>100.00</b>	<b>262</b>	<b>100.00</b>	<b>336</b>	<b>100.00</b>	<b>374</b>	<b>100.00</b>	<b>1,359</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

Table A.17. Non-Professional Services Utilization Purchase Order—Counts Charleston County School District Nationwide, FY 2017 – FY 2021												
Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>584</b>	<b>52.52</b>	<b>796</b>	<b>51.35</b>	<b>699</b>	<b>46.17</b>	<b>607</b>	<b>45.67</b>	<b>545</b>	<b>41.29</b>	<b>3,231</b>	<b>47.34</b>
Black or African American	223	20.05	277	17.87	289	19.09	229	17.23	309	23.41	1,327	19.44
Asian/Pacific Islander	5	0.45	3	0.19	2	0.13	1	0.08	1	0.08	12	0.18
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	11	0.83	11	0.16
Native American or American Indian	26	2.34	15	0.97	37	2.44	34	2.56	60	4.55	172	2.52
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	3	0.23	3	0.04
<i>Total Minority</i>	<i>254</i>	<i>22.84</i>	<i>295</i>	<i>19.03</i>	<i>328</i>	<i>21.66</i>	<i>264</i>	<i>19.86</i>	<i>384</i>	<i>29.09</i>	<i>1,525</i>	<i>22.34</i>
Woman-Owned (WBEs)	80	7.19	169	10.90	223	14.73	168	12.64	138	10.45	778	11.40
Unknown MBE	1	0.09	9	0.58	6	0.40	-	0.00	1	0.08	17	0.25
<b>Total MBE</b>	<b>335</b>	<b>30.13</b>	<b>473</b>	<b>30.52</b>	<b>557</b>	<b>36.79</b>	<b>432</b>	<b>32.51</b>	<b>523</b>	<b>39.62</b>	<b>2,320</b>	<b>33.99</b>
SBE	193	17.36	281	18.13	258	17.04	290	21.82	252	19.09	1,274	18.67
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>1,112</b>	<b>100.00</b>	<b>1,550</b>	<b>100.00</b>	<b>1,514</b>	<b>100.00</b>	<b>1,329</b>	<b>100.00</b>	<b>1,320</b>	<b>100.00</b>	<b>6,825</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

Table A.18. Goods & Supplies Utilization Purchase Order—Counts Charleston County School District Nationwide, FY 2017 – FY 2021												
Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>923</b>	<b>76.66</b>	<b>1,392</b>	<b>82.86</b>	<b>1,418</b>	<b>82.25</b>	<b>1,492</b>	<b>78.86</b>	<b>2,079</b>	<b>79.11</b>	<b>7,304</b>	<b>80.02</b>
Black or African American	66	5.48	28	1.67	26	1.51	19	1.00	36	1.37	175	1.92
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	2	0.11	8	0.30	10	0.11
Hispanic or Latino	-	0.00	-	0.00	-	0.00	1	0.05	2	0.08	3	0.03
Native American or American Indian	1	0.08	1	0.06	-	0.00	-	0.00	2	0.08	4	0.04
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	2	0.08	2	0.02
<i>Total Minority</i>	<i>67</i>	<i>5.56</i>	<i>29</i>	<i>1.73</i>	<i>26</i>	<i>1.51</i>	<i>22</i>	<i>1.16</i>	<i>50</i>	<i>1.90</i>	<i>192</i>	<i>2.13</i>
Woman-Owned (WBEs)	102	8.47	112	6.67	134	7.77	186	9.83	228	8.68	762	8.35
Unknown MBE	-	0.00	4	0.24	1	0.06	-	0.00	4	0.15	9	0.10
<b>Total MBE</b>	<b>169</b>	<b>14.04</b>	<b>145</b>	<b>8.63</b>	<b>161</b>	<b>9.34</b>	<b>208</b>	<b>10.99</b>	<b>282</b>	<b>10.73</b>	<b>965</b>	<b>10.57</b>
SBE	112	9.30	143	8.51	145	8.41	192	10.15	267	10.16	859	9.41
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>1,204</b>	<b>100.00</b>	<b>1,680</b>	<b>100.00</b>	<b>1,724</b>	<b>100.00</b>	<b>1,892</b>	<b>100.00</b>	<b>2,628</b>	<b>100.00</b>	<b>9,128</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

### 3. Payments

Table A.19. Architecture & Engineering Utilization Payments —Dollars Pure Prime + Subcontractors Charleston County School District State of South Carolina, FY 2017 – FY 2021												
	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
Race/Ethnicity/Gender	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>123,003</b>	<b>4.00</b>	<b>709,915</b>	<b>8.96</b>	<b>1,961,952</b>	<b>24.15</b>	<b>1,727,388</b>	<b>22.32</b>	<b>988,094</b>	<b>18.23</b>	<b>5,510,352</b>	<b>17.07</b>
Black or African American	-	0.00	-	0.00	-	0.00	353	0.00	8,513	0.16	8,866	0.03
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	353	<i>0.00</i>	8,513	<i>0.16</i>	8,866	<i>0.03</i>
Woman-Owned (WBEs)	594,318	19.31	1,107,450	13.98	844,891	10.40	996,201	12.87	932,560	17.20	4,475,420	13.87
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>594,318</b>	<b>19.31</b>	<b>1,107,450</b>	<b>13.98</b>	<b>866,441</b>	<b>10.64</b>	<b>996,554</b>	<b>12.87</b>	<b>941,073</b>	<b>17.36</b>	<b>4,484,285</b>	<b>13.90</b>
SBE	2,359,896	76.69	6,101,819	77.05	5,316,541	65.45	5,013,673	64.80	3,491,597	64.41	22,283,526	69.04
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>3,077,217</b>	<b>100.00</b>	<b>7,919,184</b>	<b>100.00</b>	<b>8,123,384</b>	<b>100.00</b>	<b>7,737,615</b>	<b>100.00</b>	<b>5,420,764</b>	<b>0.00</b>	<b>32,278,163</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

**Table A.20.  
Architecture & Engineering Utilization  
Payments — Counts  
Pure Prime + Subcontractors  
Charleston County School District  
State of South Carolina, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>15</b>	<b>6.07</b>	<b>48</b>	<b>12.53</b>	<b>96</b>	<b>20.47</b>	<b>73</b>	<b>13.98</b>	<b>80</b>	<b>12.74</b>	<b>312</b>	<b>13.83</b>
Black or African American	-	0.00	-	0.00	-	0.00	1	0.19	2	0.32	3	0.13
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	<i>1</i>	<i>0.19</i>	<i>2</i>	<i>0.32</i>	<i>3</i>	<i>0.13</i>
Woman-Owned (WBEs)	44	17.81	77	20.10	43	9.17	63	12.07	98	15.61	325	14.45
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>44</b>	<b>17.81</b>	<b>77</b>	<b>20.10</b>	<b>43</b>	<b>9.17</b>	<b>64</b>	<b>12.26</b>	<b>100</b>	<b>15.93</b>	<b>328</b>	<b>14.58</b>
SBE	188	76.11	258	67.36	330	70.36	385	73.75	448	71.34	1,609	71.54
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>247</b>	<b>100.00</b>	<b>383</b>	<b>100.00</b>	<b>469</b>	<b>100.00</b>	<b>522</b>	<b>100.00</b>	<b>628</b>	<b>100.00</b>	<b>2,249</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

**Table A.21.**  
**Construction and Construction-Related Services Utilization**  
**Payments — Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>29,899,804</b>	<b>69.80</b>	<b>34,536,203</b>	<b>74.07</b>	<b>112,835,027</b>	<b>89.05</b>	<b>135,164,142</b>	<b>90.85</b>	<b>58,122,819</b>	<b>60.99</b>	<b>370,557,995</b>	<b>80.52</b>
Black or African American	2,806,566	6.55	5,750,908	12.33	626,246	0.49	6,446,475	4.33	11,335,506	11.90	26,965,700	5.86
Asian/Pacific Islander	490,985	1.15	1,745,195	3.74	1,088,654	0.86	114,694	0.08	2,012,634	2.11	5,452,161	1.18
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	4,863,016	5.10	4,863,016	1.06
Native American or American Indian	-	0.00	-	0.00	4,069	0.00	4,331	0.00	63,910	0.07	72,310	0.02
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	<i>3,297,551</i>	<i>7.70</i>	<i>7,496,103</i>	<i>16.07</i>	<i>1,718,968</i>	<i>1.35</i>	<i>6,565,500</i>	<i>4.41</i>	<i>18,275,066</i>	<i>19.18</i>	<i>37,353,188</i>	<i>8.12</i>
Woman-Owned (WBEs)	1,369,024	3.20	2,774,769	5.95	4,503,323	3.55	1,153,796	0.78	2,661,300	2.79	12,462,213	2.71
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>4,666,575</b>	<b>10.90</b>	<b>10,270,872</b>	<b>22.02</b>	<b>6,222,292</b>	<b>4.90</b>	<b>7,719,296</b>	<b>5.19</b>	<b>20,936,366</b>	<b>21.97</b>	<b>49,815,400</b>	<b>10.83</b>
SBE	8,272,128	19.31	1,818,975	3.90	7,648,314	6.04	5,886,259	3.96	16,233,792	17.04	39,859,469	8.66
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>42,838,507</b>	<b>100.00</b>	<b>46,625,050</b>	<b>100.00</b>	<b>126,705,633</b>	<b>100.00</b>	<b>148,769,698</b>	<b>100.00</b>	<b>95,292,977</b>	<b>100.00</b>	<b>460,232,865</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,



## Appendix A Additional Tables

**Table A.22.**  
**Construction and Construction-Related Services Utilization**  
**Payments —Counts**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>225</b>	<b>57.11</b>	<b>171</b>	<b>56.44</b>	<b>186</b>	<b>68.38</b>	<b>301</b>	<b>70.00</b>	<b>293</b>	<b>57.34</b>	<b>1,176</b>	<b>61.57</b>
Black or African American	81	20.56	71	23.43	27	9.93	56	13.02	72	14.09	307	16.07
Asian/Pacific Islander	11	2.79	25	8.25	12	4.41	3	0.70	4	0.78	55	2.88
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	29	5.68	29	1.52
Native American or American Indian	-	0.00	-	0.00	1	0.37	2	0.47	2	0.39	5	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	<i>92</i>	<i>23.35</i>	<i>96</i>	<i>31.68</i>	<i>40</i>	<i>14.71</i>	<i>61</i>	<i>14.19</i>	<i>107</i>	<i>20.94</i>	<i>396</i>	<i>20.73</i>
Woman-Owned (WBEs)	10	2.54	19	6.27	12	4.41	34	7.91	41	8.02	116	6.07
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>102</b>	<b>25.89</b>	<b>115</b>	<b>37.95</b>	<b>52</b>	<b>19.12</b>	<b>95</b>	<b>22.10</b>	<b>148</b>	<b>28.96</b>	<b>512</b>	<b>26.80</b>
SBE	67	17.01	17	5.69	34	12.50	34	7.91	70	13.70	222	11.62
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>394</b>	<b>100.00</b>	<b>303</b>	<b>100.00</b>	<b>272</b>	<b>100.00</b>	<b>430</b>	<b>100.00</b>	<b>511</b>	<b>100.00</b>	<b>1,910</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

<b>Table A.23. Professional Services Utilization Payments — Dollars Charleston County School District Nationwide, FY 2017 – FY 2021</b>												
	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
Race/Ethnicity/Gender	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>5,804,351</b>	<b>75.54</b>	<b>5,472,499</b>	<b>74.02</b>	<b>5,007,028</b>	<b>72.10</b>	<b>4,591,535</b>	<b>66.29</b>	<b>9,622,085</b>	<b>76.46</b>	<b>30,497,498</b>	<b>73.43</b>
Black or African American	46,761	0.61	202,316	2.74	266,400	3.84	479,968	6.93	759,081	6.03	1,754,526	4.22
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	24,000	0.19	24,000	0.06
Hispanic or Latino	-	0.00	-	0.00	-	0.00	10,000	0.14	-	0.00	10,000	0.02
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	72,853	1.05	166,976	1.33	239,828	0.58
<i>Total Minority</i>	<i>46,761</i>	<i>0.61</i>	<i>202,316</i>	<i>2.74</i>	<i>266,400</i>	<i>3.84</i>	<i>562,821</i>	<i>8.12</i>	<i>950,057</i>	<i>7.55</i>	<i>2,028,355</i>	<i>4.88</i>
Woman-Owned (WBEs)	738,995	9.62	761,268	10.30	873,753	12.58	774,553	11.18	932,833	7.41	4,081,402	9.83
Unknown MBE	31,950	0.42	13,636	0.18	8,180	0.12	2,437	0.04	-	0.00	56,203	0.14
<b>Total MBE</b>	<b>817,706</b>	<b>10.65</b>	<b>977,220</b>	<b>13.22</b>	<b>1,148,334</b>	<b>16.54</b>	<b>1,339,810</b>	<b>19.34</b>	<b>1,882,890</b>	<b>14.96</b>	<b>6,165,959</b>	<b>14.85</b>
SBE	1,061,678	13.82	943,903	12.77	789,169	11.36	995,155	14.37	1,079,817	8.58	4,869,721	11.72
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>7,683,735</b>	<b>0.00</b>	<b>7,393,621</b>	<b>100.00</b>	<b>6,944,531</b>	<b>100.00</b>	<b>6,926,500</b>	<b>100.00</b>	<b>12,584,791</b>	<b>0.00</b>	<b>41,533,178</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

**Table A.24.  
Professional Services Utilization  
Payments —Counts  
Charleston County School District  
Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>148</b>	<b>53.43</b>	<b>293</b>	<b>42.59</b>	<b>275</b>	<b>37.52</b>	<b>418</b>	<b>45.39</b>	<b>463</b>	<b>55.99</b>	<b>1,597</b>	<b>46.34</b>
Black or African American	20	7.22	66	9.59	85	11.60	128	13.90	99	11.97	398	11.55
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	1	0.12	1	0.03
Hispanic or Latino	-	0.00	-	0.00	-	0.00	1	0.11	-	0.00	1	0.03
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	11	1.19	11	1.33	22	0.64
<i>Total Minority</i>	<i>20</i>	<i>7.22</i>	<i>66</i>	<i>9.59</i>	<i>85</i>	<i>11.60</i>	<i>140</i>	<i>15.20</i>	<i>111</i>	<i>13.42</i>	<i>422</i>	<i>12.25</i>
Woman-Owned (WBEs)	66	23.83	195	28.34	188	25.65	188	20.41	127	15.36	764	22.17
Unknown MBE	4	1.44	13	1.89	6	0.82	7	0.76	-	0.00	30	0.87
<b>Total MBE</b>	<b>90</b>	<b>32.49</b>	<b>274</b>	<b>39.83</b>	<b>279</b>	<b>38.07</b>	<b>335</b>	<b>36.37</b>	<b>238</b>	<b>28.78</b>	<b>1,216</b>	<b>35.29</b>
SBE	39	14.08	121	17.59	179	24.42	168	18.24	126	15.24	633	18.37
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>277</b>	<b>100.00</b>	<b>688</b>	<b>100.00</b>	<b>733</b>	<b>100.00</b>	<b>921</b>	<b>100.00</b>	<b>827</b>	<b>100.00</b>	<b>3,446</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

# Appendix A

## Additional Tables

**Table A.25.**  
**Non-Professional Services Utilization**  
**Payments — Dollars**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>39,087,155</b>	<b>59.62</b>	<b>20,765,164</b>	<b>59.10</b>	<b>37,197,210</b>	<b>63.89</b>	<b>34,916,685</b>	<b>62.87</b>	<b>20,537,529</b>	<b>47.40</b>	<b>152,503,743</b>	<b>59.16</b>
Black or African American	2,133,918	3.25	2,886,207	8.21	8,166,004	14.03	6,590,832	11.87	9,023,826	20.83	28,800,787	11.17
Asian/Pacific Islander	71,858	0.11	231,952	0.66	66,018	0.11	-	0.00	505,214	1.17	875,043	0.34
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	1,085,102	2.50	1,085,102	0.42
Native American or American Indian	233,154	0.36	276,624	0.79	408,947	0.70	404,488	0.73	1,198,439	2.77	2,521,652	0.98
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	32,564	0.08	32,564	0.01
<i>Total Minority</i>	<i>2,428,929</i>	<i>3.72</i>	<i>3,394,783</i>	<i>9.66</i>	<i>8,640,970</i>	<i>14.84</i>	<i>6,995,320</i>	<i>12.60</i>	<i>11,845,145</i>	<i>27.35</i>	<i>33,315,147</i>	<i>12.92</i>
Woman-Owned (WBEs)	20,721,177	31.61	6,932,860	19.73	6,470,544	11.11	7,481,112	13.47	5,558,914	12.83	47,164,606	18.30
Unknown MBE	-	0.00	57,810	0.16	64,107	0.11	-	0.00	334	0.00	122,251	0.05
<b>Total MBE</b>	<b>23,160,106</b>	<b>35.33</b>	<b>10,385,454</b>	<b>29.55</b>	<b>15,175,621</b>	<b>26.06</b>	<b>14,476,433</b>	<b>26.07</b>	<b>17,404,392</b>	<b>40.18</b>	<b>80,602,005</b>	<b>31.27</b>
SBE	3,311,083	5.05	3,983,669	11.34	5,844,603	10.04	6,148,779	11.07	5,387,311	12.43	24,675,445	9.57
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>65,558,344</b>	<b>100.00</b>	<b>35,134,286</b>	<b>100.00</b>	<b>58,217,434</b>	<b>100.00</b>	<b>55,541,897</b>	<b>100.00</b>	<b>43,329,232</b>	<b>100.00</b>	<b>257,781,193</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

# Appendix A

## Additional Tables

**Table A.26.**  
**Non-Professional Services Utilization**  
**Payments — Counts**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>3,720</b>	<b>58.68</b>	<b>3,318</b>	<b>56.65</b>	<b>3,436</b>	<b>56.86</b>	<b>3,541</b>	<b>59.59</b>	<b>3,090</b>	<b>60.23</b>	<b>17,105</b>	<b>58.35</b>
Black or African American	468	7.38	417	7.12	615	10.18	361	6.08	546	10.64	2,407	8.21
Asian/Pacific Islander	5	0.08	11	0.19	4	0.07	-	0.00	5	0.10	25	0.09
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	18	0.35	18	0.06
Native American or American Indian	19	0.30	26	0.44	32	0.53	33	0.56	60	1.17	170	0.58
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	3	0.06	3	0.01
<i>Total Minority</i>	<i>492</i>	<i>7.76</i>	<i>454</i>	<i>7.75</i>	<i>651</i>	<i>10.78</i>	<i>394</i>	<i>6.64</i>	<i>632</i>	<i>12.32</i>	<i>2,623</i>	<i>8.95</i>
Woman-Owned (WBEs)	149	2.35	315	5.38	431	7.13	415	6.98	243	4.74	1,553	5.30
Unknown MBE	-	0.00	12	0.20	10	0.17	-	0.00	7	0.14	29	0.10
<b>Total MBE</b>	<b>641</b>	<b>10.11</b>	<b>781</b>	<b>13.33</b>	<b>1,092</b>	<b>18.08</b>	<b>809</b>	<b>13.62</b>	<b>882</b>	<b>17.20</b>	<b>4,205</b>	<b>14.35</b>
SBE	1,979	31.21	1,758	30.02	1,515	25.07	1,592	26.79	1,158	22.57	8,002	27.30
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>6,340</b>	<b>100.00</b>	<b>5,857</b>	<b>100.00</b>	<b>6,043</b>	<b>100.00</b>	<b>5,942</b>	<b>100.00</b>	<b>5,130</b>	<b>100.00</b>	<b>29,312</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

**Table A.27.  
Goods & Supplies Utilization  
Payments — Dollars  
Charleston County School District  
Nationwide, FY 2017 – FY 2021**

Race/Ethnicity/Gender	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
<b>Non-SWMBE</b>	<b>25,427,982</b>	<b>83.55</b>	<b>50,399,340</b>	<b>85.03</b>	<b>34,673,190</b>	<b>83.31</b>	<b>40,478,542</b>	<b>82.33</b>	<b>69,974,698</b>	<b>80.58</b>	<b>220,953,752</b>	<b>82.65</b>
Black or African American	1,143,755	3.76	539,647	0.91	484,300	1.16	370,946	0.75	494,615	0.57	3,033,263	1.13
Asian/Pacific Islander	27,250	0.09	-	0.00	-	0.00	3,505	0.01	49,484	0.06	80,239	0.03
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	14,629	0.02	14,629	0.01
Native American or American Indian	8,000	0.03	16,001	0.03	4,597	0.01	-	0.00	-	0.00	71,010	0.03
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	15,621	0.02	15,621	0.01
<i>Total Minority</i>	<i>1,179,005</i>	<i>3.88</i>	<i>555,648</i>	<i>0.94</i>	<i>488,897</i>	<i>1.17</i>	<i>374,451</i>	<i>0.76</i>	<i>574,350</i>	<i>0.66</i>	<i>3,214,763</i>	<i>1.21</i>
Woman-Owned (WBEs)	1,887,402	6.20	6,351,803	10.72	5,200,118	12.49	6,115,327	12.44	8,017,136	9.23	27,571,786	10.31
Unknown MBE	-	0.00	55,228	0.09	102,286	0.25	-	0.00	120,133	0.14	235,235	0.09
<b>Total MBE</b>	<b>3,066,407</b>	<b>10.08</b>	<b>6,962,679</b>	<b>11.75</b>	<b>5,791,301</b>	<b>13.91</b>	<b>6,489,778</b>	<b>13.20</b>	<b>8,711,619</b>	<b>10.03</b>	<b>31,021,784</b>	<b>11.61</b>
SBE	1,940,901	6.38	1,913,417	3.23	1,155,178	2.78	2,195,579	4.47	8,152,745	9.39	15,357,819	5.74
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>30,435,290</b>	<b>100.00</b>	<b>59,275,436</b>	<b>100.00</b>	<b>41,619,669</b>	<b>100.00</b>	<b>49,163,898</b>	<b>100.00</b>	<b>86,839,063</b>	<b>100.00</b>	<b>267,333,356</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

**Table A.28.**  
**Goods & Supplies Utilization**  
**Payments — Counts**  
**Charleston County School District**  
**Nationwide, FY 2017 – FY 2021**

	FY 2017		FY 2018		FY 2019		FY 2020		FY 2021		Period	
Race/Ethnicity/Gender	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>1,815</b>	<b>69.54</b>	<b>2,622</b>	<b>78.86</b>	<b>2,511</b>	<b>85.18</b>	<b>2,192</b>	<b>79.71</b>	<b>4,186</b>	<b>81.85</b>	<b>13,326</b>	<b>79.58</b>
Black or African American	96	3.68	172	5.17	33	1.12	22	0.80	53	1.04	375	2.24
Asian/Pacific Islander	1	0.04	-	0.00	-	0.00	3	0.11	8	0.16	12	0.07
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	3	0.06	3	0.02
Native American or American Indian	1	0.04	-	0.00	1	0.03	-	0.00	2	0.04	5	0.03
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	3	0.06	3	0.02
<i>Total Minority</i>	<i>98</i>	<i>3.76</i>	<i>172</i>	<i>5.17</i>	<i>34</i>	<i>1.15</i>	<i>25</i>	<i>0.91</i>	<i>69</i>	<i>1.36</i>	<i>398</i>	<i>2.38</i>
Woman-Owned (WBEs)	144	5.52	167	5.02	153	5.19	253	9.20	431	8.43	1,148	6.86
Unknown MBE	-	0.00	6	0.18	5	0.17	-	0.00	5	0.10	15	0.09
<b>Total MBE</b>	<b>242</b>	<b>9.28</b>	<b>345</b>	<b>10.38</b>	<b>192</b>	<b>6.51</b>	<b>278</b>	<b>10.11</b>	<b>505</b>	<b>9.89</b>	<b>1,561</b>	<b>9.33</b>
SBE	553	21.19	358	10.77	245	8.31	280	10.18	423	8.27	1,859	11.10
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>2,610</b>	<b>0.00</b>	<b>3,325</b>	<b>100.00</b>	<b>2,948</b>	<b>100.00</b>	<b>2,750</b>	<b>0.00</b>	<b>5,114</b>	<b>100.00</b>	<b>16,746</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting,

## Appendix A Additional Tables

### A.3 Purchase Order Thresholds

Table A.29. (1 of 2)  
Architecture & Engineering Utilization Thresholds  
Purchase Orders—Counts  
Charleston County School District  
State of South Carolina, FY 2017 – FY 2021

Race/Ethnicity/Gender	Below 5K		5K-10K		10K-50K		50K-100K		100K-250K	
	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>51</b>	<b>24.64</b>	<b>20</b>	<b>12.66</b>	<b>23</b>	<b>9.91</b>	<b>4</b>	<b>8.33</b>	<b>5</b>	<b>19.23</b>
Black or African American	2	0.97	1	0.63	-	0.00	-	0.00	-	0.00
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic or Latino	-	0.00	1	0.63	-	0.00	-	0.00	-	0.00
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	<i>2</i>	<i>0.97</i>	<i>2</i>	<i>1.27</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>
Woman-Owned (WBEs)	11	5.31	11	6.96	39	16.81	8	16.67	7	26.92
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>13</b>	<b>6.28</b>	<b>13</b>	<b>8.23</b>	<b>39</b>	<b>16.81</b>	<b>8</b>	<b>16.67</b>	<b>7</b>	<b>26.92</b>
SBE	143	69.08	125	79.11	170	73.28	36	75.00	14	53.85
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>207</b>	<b>100.00</b>	<b>158</b>	<b>100.00</b>	<b>232</b>	<b>100.00</b>	<b>48</b>	<b>100.00</b>	<b>26</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting



## Appendix A Additional Tables

Table A.29 cont. (2 of 2) Architecture & Engineering Utilization Thresholds Purchase Orders—Counts Charleston County School District State of South Carolina, FY 2017 – FY 2021												
Race/Ethnicity/Gender	250K-500K		500K-1M		1M-5M		5M-10M		Above 10M		TOTAL	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	-	<b>0.00</b>	<b>1</b>	<b>16.67</b>	<b>2</b>	<b>28.57</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>106</b>	<b>15.45</b>
Black or African American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	3	0.44
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	1	0.15
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	<b>4</b>	<b>0.58</b>
Woman-Owned (WBEs)	1	50.00	3	50.00	1	14.29	-	0.00	-	0.00	81	11.81
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>1</b>	<b>50.00</b>	<b>3</b>	<b>50.00</b>	<b>1</b>	<b>14.29</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>85</b>	<b>12.39</b>
SBE	1	50.00	2	33.33	4	57.14	-	0.00	-	0.00	495	72.16
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>2</b>	<b>100.00</b>	<b>6</b>	<b>100.00</b>	<b>7</b>	<b>100.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>686</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

# Appendix A

## Additional Tables

Table A.30. (1 of 2) Construction and Construction-Related Services Utilization Thresholds Purchase Orders—Counts Charleston County School District Nationwide, FY 2017 – FY 2021										
	Below 5K		5K-10K		10K-50K		50K-100K		100K-250K	
Race/Ethnicity/Gender	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>48</b>	<b>33.57</b>	<b>25</b>	<b>40.32</b>	<b>43</b>	<b>39.09</b>	<b>11</b>	<b>31.43</b>	<b>16</b>	<b>36.36</b>
Black or African American	45	31.47	19	30.65	25	22.73	8	22.86	11	25.00
Asian/Pacific Islander	3	2.10	1	1.61	4	3.64	2	5.71	6	13.64
Hispanic or Latino	2	1.40	1	1.61	11	10.00	-	0.00	-	0.00
Native American or American Indian	2	1.40	-	0.00	-	0.00	1	2.86	1	2.27
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	<i>52</i>	<i>36.36</i>	<i>21</i>	<i>33.87</i>	<i>40</i>	<i>36.36</i>	<i>11</i>	<i>31.43</i>	<i>18</i>	<i>40.91</i>
Woman-Owned (WBEs)	22	15.38	6	9.68	16	14.55	9	25.71	2	4.55
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>74</b>	<b>51.75</b>	<b>27</b>	<b>43.55</b>	<b>56</b>	<b>50.91</b>	<b>20</b>	<b>57.14</b>	<b>20</b>	<b>45.45</b>
SBE	21	14.69	10	16.13	11	10.00	4	11.43	8	18.18
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>143</b>	<b>100.00</b>	<b>62</b>	<b>100.00</b>	<b>110</b>	<b>100.00</b>	<b>35</b>	<b>100.00</b>	<b>44</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

# Appendix A

## Additional Tables

Table A.30 cont. (2 of 2)												
Construction and Construction-Related Services Utilization Thresholds												
Purchase Orders—Counts												
Charleston County School District												
Nationwide, FY 2017 – FY 2021												
	250K-500K		500K-1M		1M-5M		5M-10M		Above 10M		TOTAL	
Race/Ethnicity/Gender	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>21</b>	<b>75.00</b>	<b>9</b>	<b>42.86</b>	<b>10</b>	<b>30.30</b>	<b>7</b>	<b>58.33</b>	<b>11</b>	<b>91.67</b>	<b>201</b>	<b>40.20</b>
Black or African American	3	10.71	5	23.81	8	24.24	2	16.67	-	0.00	126	25.20
Asian/Pacific Islander	-	0.00	1	4.76	2	6.06	-	0.00	-	0.00	19	3.80
Hispanic or Latino	-	0.00	1	4.76	3	9.09	-	0.00	-	0.00	18	3.60
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	4	0.80
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<i>Total Minority</i>	<i>3</i>	<i>10.71</i>	<i>7</i>	<i>33.33</i>	<i>13</i>	<i>39.39</i>	<i>2</i>	<i>16.67</i>	<i>-</i>	<i>0.00</i>	<i>167</i>	<i>33.40</i>
Woman-Owned (WBEs)	3	10.71	3	14.29	3	9.09	1	8.33	-	0.00	65	13.00
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>6</b>	<b>21.43</b>	<b>10</b>	<b>47.62</b>	<b>16</b>	<b>48.48</b>	<b>3</b>	<b>25.00</b>	<b>-</b>	<b>0.00</b>	<b>232</b>	<b>46.40</b>
SBE	1	3.57	2	9.52	7	21.21	2	16.67	1	8.33	67	13.40
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>28</b>	<b>100.00</b>	<b>21</b>	<b>100.00</b>	<b>33</b>	<b>100.00</b>	<b>12</b>	<b>100.00</b>	<b>306,043,935</b>	<b>100.00</b>	<b>500</b>	<b>100.00</b>

Source CCSD Purchase Order Data, M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.31. (1 of 2) Professional Utilization Thresholds Purchase Orders—Counts Charleston County School District Nationwide, FY 2017 – FY 2021</b>										
	<b>Below 5K</b>		<b>5K-10K</b>		<b>10K-50K</b>		<b>50K-100K</b>		<b>100K-250K</b>	
<b>Race/Ethnicity/Gender</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>178</b>	<b>34.56</b>	<b>99</b>	<b>41.95</b>	<b>248</b>	<b>61.39</b>	<b>68</b>	<b>75.56</b>	<b>49</b>	<b>61.25</b>
Black or African American	47	9.13	22	9.32	31	7.67	5	5.56	5	6.25
Asian/Pacific Islander	-	0.00	-	0.00	1	0.25	-	0.00	-	0.00
Hispanic or Latino	-	0.00	-	0.00	1	0.25	-	0.00	-	0.00
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	9	1.75	3	1.27	4	0.99	-	0.00	1	1.25
<i>Total Minority</i>	<i>56</i>	<i>10.87</i>	<i>25</i>	<i>10.59</i>	<i>37</i>	<i>9.16</i>	<i>5</i>	<i>5.56</i>	<i>6</i>	<i>7.50</i>
Woman-Owned (WBEs)	180	34.95	66	27.97	58	14.36	7	7.78	12	15.00
Unknown MBE	10	1.94	3	1.27	-	0.00	-	0.00	-	0.00
<b>Total MBE</b>	<b>246</b>	<b>47.77</b>	<b>94</b>	<b>39.83</b>	<b>95</b>	<b>23.51</b>	<b>12</b>	<b>13.33</b>	<b>18</b>	<b>22.50</b>
SBE	91	17.67	43	18.22	61	15.10	10	11.11	13	16.25
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>515</b>	<b>100.00</b>	<b>236</b>	<b>100.00</b>	<b>404</b>	<b>100.00</b>	<b>90</b>	<b>100.00</b>	<b>80</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

## Appendix A Additional Tables

Table A.31 cont. (2 of 2) Professional Services Utilization Thresholds Purchase Orders—Counts Charleston County School District Nationwide, FY 2017 – FY 2021												
Race/Ethnicity/Gender	250K-500K		500K-1M		1M-5M		5M-10M		Above 10M		TOTAL	
	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>19</b>	<b>82.61</b>	<b>6</b>	<b>85.71</b>	<b>4</b>	<b>100.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>671</b>	<b>49.37</b>
Black or African American	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	110	8.09
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	1	0.07
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	1	0.07
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	17	1.25
<i>Total Minority</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	-	<i>0.00</i>	<i>129</i>	<i>9.49</i>
Woman-Owned (WBEs)	1	4.35	1	14.29	-	0.00	-	0.00	-	0.00	325	23.91
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	13	0.96
<b>Total MBE</b>	<b>1</b>	<b>4.35</b>	<b>1</b>	<b>14.29</b>	-	<b>0.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>467</b>	<b>34.36</b>
SBE	3	13.04	-	0.00	-	0.00	-	0.00	-	0.00	221	16.26
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>23</b>	<b>100.00</b>	<b>7</b>	<b>100.00</b>	<b>4</b>	<b>100.00</b>	-	<b>0.00</b>	-	<b>0.00</b>	<b>1,359</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.32. (1 of 2)</b>										
<b>Non-Professional Services Utilization Thresholds</b>										
<b>Purchase Orders—Counts</b>										
<b>Charleston County School District</b>										
<b>Nationwide, FY 2017 – FY 2021</b>										
	<b>Below 5K</b>		<b>5K-10K</b>		<b>10K-50K</b>		<b>50K-100K</b>		<b>100K-250K</b>	
<b>Race/Ethnicity/Gender</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	1,546	49.85	525	42.82	748	42.67	196	56.48	127	53.59
Black or African American	597	19.25	234	19.09	386	22.02	39	11.24	37	15.61
Asian/Pacific Islander	1	0.03	-	0.00	9	0.51	-	0.00	1	0.42
Hispanic or Latino	4	0.13	1	0.08	-	0.00	3	0.86	2	0.84
Native American or American Indian	56	1.81	42	3.43	67	3.82	5	1.44	2	0.84
Other Minorities	1	0.03	1	0.08	1	0.06	-	0.00	-	0.00
<i>Total Minority</i>	659	21.25	278	22.68	463	26.41	47	13.54	42	17.72
Woman-Owned (WBEs)	344	11.09	124	10.11	200	11.41	46	13.26	40	16.88
Unknown MBE	5	0.16	9	0.73	3	0.17	-	0.00	-	0.00
<b>Total MBE</b>	1008	32.51	411	33.52	666	37.99	93	26.80	82	34.60
SBE	547	17.64	290	23.65	339	19.34	58	16.71	28	11.81
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>3,101</b>	<b>100.00</b>	<b>1,226</b>	<b>100.00</b>	<b>1,753</b>	<b>100.00</b>	<b>347</b>	<b>100.00</b>	<b>237</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

## Appendix A Additional Tables

Table A.32 cont. (2 of 2) Non-Professional Services Utilization Thresholds Purchase Orders—Counts Charleston County School District Nationwide, FY 2017 – FY 2021												
	250K-500K		500K-1M		1M-5M		5M-10M		Above 10M		TOTAL	
Race/ Ethnicity/ Gender	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>45</b>	<b>50.00</b>	<b>19</b>	<b>51.35</b>	<b>22</b>	<b>70.97</b>	<b>1</b>	<b>100.00</b>	<b>2</b>	<b>100.00</b>	<b>3,231</b>	<b>47.34</b>
Black or African American	23	25.56	8	21.62	3	9.68	-	0.00	-	0.00	1,327	19.44
Asian/Pacific Islander	1	1.11	-	0.00	-	0.00	-	0.00	-	0.00	12	0.18
Hispanic or Latino	1	1.11	-	0.00	-	0.00	-	0.00	-	0.00	11	0.16
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	172	2.52
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	3	0.04
<i>Total Minority</i>	<i>25</i>	<i>27.78</i>	<i>8</i>	<i>21.62</i>	<i>3</i>	<i>9.68</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>1,525</i>	<i>22.34</i>
Woman-Owned (WBEs)	15	16.67	5	13.51	4	12.90	-	0.00	-	0.00	778	11.40
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	17	0.25
<b>Total MBE</b>	<b>40</b>	<b>44.44</b>	<b>13</b>	<b>35.14</b>	<b>7</b>	<b>22.58</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>2320</b>	<b>33.99</b>
SBE	5	5.56	5	13.51	2	6.45	-	0.00	-	0.00	1,274	18.67
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>90</b>	<b>100.00</b>	<b>37</b>	<b>100.00</b>	<b>31</b>	<b>100.00</b>	<b>1</b>	<b>100.00</b>	<b>2</b>	<b>100.00</b>	<b>6,825</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.33. (1 of 2) Goods &amp; Supplies Utilization Thresholds Purchase Orders—Counts Charleston County School District Nationwide, FY 2017 – FY 2021</b>										
	<b>Below 5K</b>		<b>5K-10K</b>		<b>10K-50K</b>		<b>50K-100K</b>		<b>100K-250K</b>	
<b>Race/Ethnicity/Gender</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>3,841</b>	<b>80.04</b>	<b>1,107</b>	<b>78.62</b>	<b>1,651</b>	<b>81.94</b>	<b>286</b>	<b>80.79</b>	<b>218</b>	<b>67.70</b>
Black or African American	65	1.35	55	3.91	41	2.03	8	2.26	5	1.55
Asian/Pacific Islander	7	0.15	1	0.07	2	0.10	-	0.00	-	0.00
Hispanic or Latino	2	0.04	1	0.07	-	0.00	-	0.00	-	0.00
Native American or American Indian	2	0.04	-	0.00	2	0.10	-	0.00	-	0.00
Other Minorities	1	0.02	-	0.00	1	0.05	-	0.00	-	0.00
<i>Total Minority</i>	<i>77</i>	<i>1.60</i>	<i>57</i>	<i>4.05</i>	<i>46</i>	<i>2.28</i>	<i>8</i>	<i>2.26</i>	<i>5</i>	<i>1.55</i>
Woman-Owned (WBEs)	378	7.88	116	8.24	138	6.85	34	9.60	79	24.53
Unknown MBE	1	0.02	2	0.14	4	0.20	2	0.56	-	0.00
<b>Total MBE</b>	<b>456</b>	<b>9.50</b>	<b>175</b>	<b>12.43</b>	<b>188</b>	<b>9.33</b>	<b>44</b>	<b>12.43</b>	<b>84</b>	<b>26.09</b>
SBE	502	10.46	126	8.95	176	8.73	24	6.78	20	6.21
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>4,799</b>	<b>100.00</b>	<b>1,408</b>	<b>100.00</b>	<b>2,015</b>	<b>100.00</b>	<b>354</b>	<b>100.00</b>	<b>322</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting



## Appendix A Additional Tables

Table A.33 cont. (2 of 2) Goods & Supplies Utilization Thresholds Purchase Orders—Counts Charleston County School District Nationwide, FY 2017 – FY 2021												
	250K-500K		500K-1M		1M-5M		5M-10M		Above 10M		TOTAL	
Race/Ethnicity/Gender	#	%	#	%	#	%	#	%	#	%	#	%
<b>Non-SWMBE</b>	<b>130</b>	<b>84.97</b>	<b>51</b>	<b>94.44</b>	<b>16</b>	<b>84.21</b>	<b>4</b>	<b>100.00</b>	-	<b>0.00</b>	<b>7,304</b>	<b>80.02</b>
Black or African American	1	0.65	-	0.00	-	0.00	-	0.00	-	0.00	175	1.92
Asian/Pacific Islander	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	10	0.11
Hispanic or Latino	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	3	0.03
Native American or American Indian	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	4	0.04
Other Minorities	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	2	0.02
<i>Total Minority</i>	<i>1</i>	<i>0.65</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>-</i>	<i>0.00</i>	<i>194</i>	<i>2.13</i>
Woman-Owned (WBEs)	14	9.15	2	3.70	1	5.26	-	0.00	-	0.00	762	8.35
Unknown MBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	9	0.10
<b>Total MBE</b>	<b>15</b>	<b>9.80</b>	<b>2</b>	<b>3.70</b>	<b>1</b>	<b>5.26</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>965</b>	<b>10.57</b>
SBE	8	5.23	1	1.85	2	10.53	-	0.00	-	0.00	859	9.41
VBE	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00	-	0.00
<b>Grand Total</b>	<b>153</b>	<b>100.00</b>	<b>54</b>	<b>100.00</b>	<b>19</b>	<b>100.00</b>	<b>4</b>	<b>100.00</b>	<b>-</b>	<b>0.00</b>	<b>9,128</b>	<b>100.00</b>

Source: CCSD Purchase Order Data, M<sup>3</sup> Consulting

## Appendix A Additional Tables

### A.4 Top Ten Awardees based on Contract Awards

<b>Table A.34.</b>				
<b>Architecture &amp; Engineering</b>				
<b>Top 10 Payees – Contract Awards</b>				
<b>Charleston County School District</b>				
<b>Nationwide, FY 2017 – FY 2021</b>				
<b>Vendor Name</b>	<b>\$</b>	<b>%</b>	<b>Ethnicity</b>	<b>Location</b>
Mcmillan Pazdan Smith LLC	4,873,908.77	12.40	SBE	In City
Sga Narmourwright Design, Pa	4,006,656.53	10.19	SBE	In State
Ls3p Associates, Ltd	3,337,341.71	8.49	WBE	Nationwide
Rosenblum Coe Architects Inc	3,074,450.28	7.82	SBE	In City
Stevens & Wilkinson Sc, Inc.	2,932,093.25	7.46	Non-MWBE	In State
Red Iron Architect	1,965,501.44	5.00	WBE	In City
Liollo Architecture, Inc	1,581,070.92	4.02	WBE	In City
Merchant Iron Works, Inc.	1,408,120.57	3.58	SBE	In State
Brph Architects-Engineers Inc	1,350,253.00	3.44	SBE	Nationwide
Davis & Floyd Inc	1,278,388.61	3.25	SBE	In State
<b>Top 10 Subtotal</b>	<b>25,807,785.08</b>	<b>65.66</b>		
<b>A&amp;E TOTAL Payments</b>	<b>39,303,097.43</b>	<b>100.00</b>		

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.35. Construction Top 10 Payees - Payments Charleston County School District Nationwide, FY 2017 – FY 2021</b>				
<b>Vendor Name</b>	<b>\$</b>	<b>%</b>	<b>Ethnicity</b>	<b>Location</b>
Contract Construction Inc	126,123,982.53	27.40	Non-MWBE	In State
T Q Constructors Inc	86,828,635.46	18.87	Non-MWBE	Nationwide
Mcknight Construction Co., Inc.	41,995,242.08	9.12	Non-MWBE	Nationwide
J.E. Dunn Construction Company	38,401,613.52	8.34	Non-MWBE	Nationwide
Cumming Managment Group, Inc.	33,135,916.53	7.20	Non-MWBE	In State
Hill Construction Services Of Charleston	21,988,402.87	4.78	Non-MWBE	In City
Brantley Construction	15,854,717.42	3.44	SBE	In City
Gulf Stream Construction Company	9,558,320.97	2.08	SBE	In City
M B Kahn Construction Company	8,615,336.02	1.87	SBE	In State
Carbra Construction And Design, Inc.	7,534,284.67	1.64	African American	In State
<b>Top 10 Subtotal</b>	<b>390,036,452.07</b>	<b>84.75</b>		
<b>Construction TOTAL Payments</b>	<b>460,232,864.82</b>	<b>100.00</b>		

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.36. Non-Professional Services Top 10 Payees - Payments Charleston County School District Nationwide, FY 2017 – FY 2021</b>				
<b>Vendor Name</b>	<b>\$</b>	<b>%</b>	<b>Ethnicity</b>	<b>Location</b>
Durham School Services	54,279,588.56	21.06	Non-MWBE	Nationwide
Thompson Construction Group, Inc.	24,008,817.57	9.31	WBE	In State
Ssc Service Solutions	13,406,673.61	5.20	Non-MWBE	Nationwide
Exterior Building Services LLC	9,746,817.77	3.78	WBE	In City
G C A Services Group	9,065,930.35	3.52	Non-MWBE	Nationwide
Mary Sue Warner	6,859,413.23	2.66	Non-MWBE	In State
S & A Enterprises, Inc	4,555,430.16	1.77	African American	In State
First Student, Inc.	4,467,673.92	1.73	Non-MWBE	Nationwide
Winchester Xavier & Associates Inc	4,332,633.43	1.68	African American	In City
Bonitz Flooring Group Inc	4,264,999.18	1.65	Non-MWBE	In State
<b>Top 10 Subtotal</b>	<b>134,987,977.78</b>	<b>52.37</b>		
<b>Non-Professional TOTAL Payments</b>	<b>257,781,193.29</b>	<b>100.00</b>		

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.37. Professional Services Top 10 Payees - Payments Charleston County School District Nationwide, FY 2017 – FY 2021</b>				
<b>Vendor Name</b>	<b>\$</b>	<b>%</b>	<b>Ethnicity</b>	<b>Location</b>
Public Consulting Group	4,047,750.48	9.75	Non-MWBE	Nationwide
Education Elements, Inc.	2,496,500.00	6.01	Non-MWBE	Nationwide
Nwea	1,821,878.10	4.39	Non-MWBE	Nationwide
University Instructors Inc	1,561,015.14	3.76	Non-MWBE	Nationwide
Edgenuity Inc	1,492,420.55	3.59	Non-MWBE	Nationwide
Engaging Creative Minds	1,389,603.34	3.35	WBE	In City
Achieve 3000 Inc	1,267,494.11	3.05	Non-MWBE	Nationwide
University Of Fl Leadership &	1,249,475.00	3.01	Non-MWBE	Nationwide
Mcgraw-Hill Education Inc	1,070,557.91	2.58	Non-MWBE	Nationwide
Reading Partners	1,003,500.00	2.42	Non-MWBE	Nationwide
<b>Top 10 Subtotal</b>	<b>17,400,194.63</b>	<b>41.89</b>		
<b>Services TOTAL Payments</b>	<b>41,533,178.26</b>	<b>100.00</b>		

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.38. Goods &amp; Supplies Top 10 Payees - Payments Charleston County School District Nationwide, FY 2017 – FY 2021</b>				
<b>Vendor Name</b>	<b>\$</b>	<b>%</b>	<b>Ethnicity</b>	<b>Location</b>
Dell Computer Corporation	31,324,765.22	11.72	Non-MWBE	Nationwide
Durham School Services	19,397,850.11	7.26	Non-MWBE	Nationwide
Herald Office Systems	18,984,137.09	7.10	Non-MWBE	In City
Netsource Educational Technologies, LLC	14,332,280.31	5.36	WBE	In State
Apple Store	13,990,617.70	5.23	Non-MWBE	Nationwide
First Student, Inc.	12,731,207.82	4.76	Non-MWBE	Nationwide
Bonitz Flooring Group Inc	8,146,313.14	3.05	Non-MWBE	In State
Encore Technology Group Llc	6,550,552.93	2.45	Non-MWBE	In State
Cullum Constructors, Inc.	5,339,972.17	2.00	Non-MWBE	In City
W.W. Grainger Inc	4,899,404.93	1.83	Non-MWBE	In City
<b>Top 10 Subtotal</b>	<b>135,697,101.42</b>	<b>50.76</b>		
<b>Goods &amp; Supplies TOTAL Payments</b>	<b>267,333,355.64</b>	<b>100.00</b>		

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

### A.5 Purchase Orders Exclusive of Outliers

Table A.39.

Architecture & Engineering  
Purchase Order—Dollars Exclusive of Outliers  
Charleston County School District  
Nationwide, FY 2017 – FY 2021

Race/Ethnicity/Gender	Dollars		Dollars Exclusive of Outliers	
	\$	%	\$	%
<b>Non-SWMBE</b>	<b>6,231,023</b>	<b>19.19</b>	<b>8,014,186</b>	<b>20.03</b>
Black or African American	8,866	0.03	8,866	0.02
Asian/Pacific Islander	-	0.00	-	0.00
Hispanic or Latino	7,009	0.02	8,509	0.02
Native American or American Indian	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00
<i>Total Minority</i>	<i>15,874</i>	<i>0.05</i>	<i>17,374</i>	<i>0.04</i>
Woman-Owned (WBEs)	8,206,291	25.27	12,128,133	30.31
Unknown MBE	-	0.00	-	0.00
<b>Total MBE</b>	<b>8,222,165</b>	<b>25.32</b>	<b>12,145,507</b>	<b>30.35</b>
SBE	18,019,207	55.49	19,859,465	49.62
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>32,472,395</b>	<b>100.00</b>	<b>40,019,159</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

Table A.40. Architecture & Engineering Purchase Order—Counts Exclusive of Outliers Charleston County School District State of South Carolina, FY 2017 – FY 2021				
Race/Ethnicity/Gender	Counts		Counts Exclusive of Outliers	
	#	%	#	%
<b>Non-SWMBE</b>	<b>106</b>	<b>15.45</b>	<b>207</b>	<b>24.24</b>
Black or African American	3	0.44	3	0.35
Asian/Pacific Islander	-	0.00	-	0.00
Hispanic or Latino	1	0.15	4	0.47
Native American or American Indian	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00
<i>Total Minority</i>	<i>4</i>	<i>0.58</i>	<i>7</i>	<i>0.82</i>
Woman-Owned (WBEs)	81	11.81	107	12.53
Unknown MBE	-	0.00	-	0.00
<b>Total MBE</b>	<b>85</b>	<b>12.39</b>	<b>114</b>	<b>13.35</b>
SBE	495	72.16	533	62.41
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>686</b>	<b>100.00</b>	<b>854</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting



## Appendix A Additional Tables

<b>Table A.41. Construction and Construction-Related Services Purchase Order—Dollars Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021</b>				
<b>Race/Ethnicity/Gender</b>	<b>Dollars</b>		<b>Dollars Exclusive of Outliers</b>	
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>380,670,154</b>	<b>76.27</b>	<b>161,582,834</b>	<b>57.70</b>
Black or African American	41,617,883	8.34	41,617,883	14.86
Asian/Pacific Islander	6,058,610	1.21	6,058,610	2.16
Hispanic or Latino	6,363,149	1.27	6,363,149	2.27
Native American or American Indian	255,987	0.05	255,987	0.09
Other Minorities	-	0.00	-	0.00
<i>Total Minority</i>	<i>54,295,629</i>	<i>10.88</i>	<i>54,295,629</i>	<i>19.39</i>
Woman-Owned (WBEs)	14,561,273	2.92	14,561,273	5.20
Unknown MBE	-	0.00	-	0.00
<b>Total MBE</b>	<b>68,856,902</b>	<b>13.80</b>	<b>68,856,902</b>	<b>24.59</b>
SBE	49,576,529	9.93	49,576,529	17.70
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>499,103,586</b>	<b>100.00</b>	<b>280,016,265</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

Table A.42. Construction and Construction-Related Services Purchase Order—Counts Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021				
Race/Ethnicity/Gender	Counts		Counts Exclusive of Outliers	
	#	%	#	%
<b>Non-SWMBE</b>	<b>201</b>	<b>40.20</b>	<b>190</b>	<b>38.85</b>
Black or African American	126	25.20	126	25.77
Asian/Pacific Islander	19	3.80	19	3.89
Hispanic or Latino	18	3.60	18	3.68
Native American or American Indian	4	0.80	4	0.82
Other Minorities	-	0.00	-	0.00
<i>Total Minority</i>	<i>167</i>	<i>33.40</i>	<i>167</i>	<i>34.15</i>
Woman-Owned (WBEs)	65	13.00	65	13.29
Unknown MBE	-	0.00	-	0.00
<b>Total MBE</b>	<b>232</b>	<b>46.40</b>	<b>232</b>	<b>47.44</b>
SBE	67	13.40	67	13.70
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>500</b>	<b>100.00</b>	<b>489</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.43.</b>				
<b>Non-Professional Services</b>				
<b>Purchase Order—Dollars Exclusive of Outliers</b>				
<b>Charleston County School District</b>				
<b>Nationwide, FY 2017 – FY 2021</b>				
<b>Race/Ethnicity/Gender</b>	<b>Dollars</b>		<b>Dollars Exclusive of Outliers</b>	
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>166,745,556</b>	<b>62.82</b>	<b>112,065,594</b>	<b>53.17</b>
Black or African American	37,095,225	13.97	37,095,225	17.60
Asian/Pacific Islander	875,923	0.33	875,923	0.42
Hispanic or Latino	1,085,102	0.41	1,085,102	0.51
Native American or American Indian	2,791,853	1.05	2,791,853	1.32
Other Minorities	35,847	0.01	35,847	0.02
<i>Total Minority</i>	<i>41,883,950</i>	<i>15.78</i>	<i>41,883,950</i>	<i>19.87</i>
Woman-Owned (WBEs)	29,732,335	11.20	29,732,335	14.11
Unknown MBE	162,817	0.06	162,817	0.08
<b>Total MBE</b>	<b>71,779,102</b>	<b>27.04</b>	<b>71,779,102</b>	<b>34.06</b>
SBE	26,921,609	10.14	26,921,609	12.77
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>265,446,267</b>	<b>100.00</b>	<b>210,766,305</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.44. Non-Professional Services Purchase Order—Counts Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021</b>				
<b>Race/Ethnicity/Gender</b>	<b>Counts</b>		<b>Counts Exclusive of Outliers</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>3,231</b>	<b>47.34</b>	<b>2,929</b>	<b>44.90</b>
Black or African American	1,327	19.44	1,327	20.34
Asian/Pacific Islander	12	0.18	12	0.18
Hispanic or Latino	11	0.16	11	0.17
Native American or American Indian	172	2.52	172	2.64
Other Minorities	3	0.04	3	0.05
<i>Total Minority</i>	<i>1,525</i>	<i>22.34</i>	<i>1,525</i>	<i>23.38</i>
Woman-Owned (WBEs)	778	11.40	778	11.93
Unknown MBE	17	0.25	17	0.26
<b>Total MBE</b>	<b>2320</b>	<b>33.99</b>	<b>2,320</b>	<b>35.57</b>
SBE	1,274	18.67	1,274	19.53
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>6,825</b>	<b>100.00</b>	<b>6,523</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

Table A.45. Professional Services Purchase Order—Dollars Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021				
Race/Ethnicity/Gender	Dollars		Dollars Exclusive of Outliers	
	\$	%	\$	%
<b>Non-SWMBE</b>	<b>35,211,615</b>	<b>73.14</b>	<b>35,098,585</b>	<b>73.08</b>
Black or African American	1,929,697	4.01	1,929,697	4.02
Asian/Pacific Islander	24,000	0.05	24,000	0.05
Hispanic or Latino	10,000	0.02	10,000	0.02
Native American or American Indian	-	0.00	-	0.00
Other Minorities	282,668	0.59	282,668	0.59
<i>Total Minority</i>	<i>2,246,365</i>	<i>4.67</i>	<i>2,246,365</i>	<i>4.68</i>
Woman-Owned (WBEs)	5,034,043	10.46	5,034,043	10.48
Unknown MBE	39,864	0.08	39,864	0.08
<b>Total MBE</b>	<b>7,320,272</b>	<b>15.21</b>	<b>7,320,272</b>	<b>15.24</b>
SBE	5,611,021	11.65	5,611,021	11.68
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>48,142,909</b>	<b>100.00</b>	<b>48,029,879</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

Table A.46. Professional Services Purchase Order—Counts Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021				
Race/Ethnicity/Gender	Counts		Counts Exclusive of Outliers	
	#	%	#	%
<b>Non-SWMBE</b>	<b>671</b>	<b>49.37</b>	<b>668</b>	<b>49.26</b>
Black or African American	110	8.09	110	8.11
Asian/Pacific Islander	1	0.07	1	0.07
Hispanic or Latino	1	0.07	1	0.07
Native American or American Indian	-	0.00	-	0.00
Other Minorities	17	1.25	17	1.25
<i>Total Minority</i>	<i>129</i>	<i>9.49</i>	<i>129</i>	<i>9.51</i>
Woman-Owned (WBEs)	325	23.91	325	23.97
Unknown MBE	13	0.96	13	0.96
<b>Total MBE</b>	<b>467</b>	<b>34.36</b>	<b>467</b>	<b>34.44</b>
SBE	221	16.26	221	16.30
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>1,359</b>	<b>100.00</b>	<b>1,356</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

Table A.47. Goods & Supplies Purchase Order—Dollars Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021				
Race/Ethnicity/Gender	Dollars		Dollars Exclusive of Outliers	
	\$	%	\$	%
<b>Non-SWMBE</b>	<b>244,075,760</b>	<b>83.58</b>	<b>224,062,222</b>	<b>82.37</b>
Black or African American	3,025,418	1.04	3,025,418	1.11
Asian/Pacific Islander	54,597	0.02	54,597	0.02
Hispanic or Latino	14,629	0.01	14,629	0.01
Native American or American Indian	71,010	0.02	71,010	0.03
Other Minorities	15,621	0.01	15,621	0.01
<i>Total Minority</i>	<i>3,181,276</i>	<i>1.09</i>	<i>3,181,276</i>	<i>1.17</i>
Woman-Owned (WBEs)	27,450,366	9.40	27,450,366	10.09
Unknown MBE	226,302	0.08	226,302	0.08
<b>Total MBE</b>	<b>30,857,944</b>	<b>10.57</b>	<b>30,857,944</b>	<b>11.34</b>
SBE	17,095,012	5.85	17,095,012	6.28
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>292,028,716</b>	<b>100.00</b>	<b>272,015,178</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

Table A.48. Goods & Supplies Purchase Order—Counts Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021				
Race/Ethnicity/Gender	Counts		Counts Exclusive of Outliers	
	#	%	#	%
<b>Non-SWMBE</b>	<b>7,304</b>	<b>80.02</b>	<b>7,031</b>	<b>79.40</b>
Black or African American	175	1.92	175	1.98
Asian/Pacific Islander	10	0.11	10	0.11
Hispanic or Latino	3	0.03	3	0.03
Native American or American Indian	4	0.04	4	0.05
Other Minorities	2	0.02	2	0.02
<i>Total Minority</i>	<i>194</i>	<i>2.13</i>	<i>194</i>	<i>2.19</i>
Woman-Owned (WBEs)	762	8.35	762	8.61
Unknown MBE	9	0.10	9	0.10
<b>Total MBE</b>	<b>965</b>	<b>10.57</b>	<b>965</b>	<b>10.90</b>
SBE	859	9.41	859	9.70
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>9,128</b>	<b>100.00</b>	<b>8,855</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting



## Appendix A Additional Tables

### A.6 Payments Exclusive of Outliers

Table A.49. Architecture & Engineering Payments—Dollars Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021				
Race/Ethnicity/Gender	Dollars		Dollars Exclusive of Outliers	
	\$	%	\$	%
<b>Non-SWMBE</b>	<b>7,481,957</b>	<b>19.04</b>	<b>7,481,956</b>	<b>19.04</b>
Black or African American	8,866	0.02	8,865	0.02
Asian/Pacific Islander	-	0.00	-	0.00
Hispanic or Latino	1,500	0.00	1,500	0.00
Native American or American Indian	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00
<i>Total Minority</i>	<i>10,366</i>	<i>0.03</i>	<i>10,365</i>	<i>0.03</i>
Woman-Owned (WBEs)	7,812,762	19.88	7,812,761	19.88
Unknown MBE	-	0.00	-	0.00
<b>Total MBE</b>	<b>7,823,127</b>	<b>19.90</b>	<b>7,823,127</b>	<b>19.90</b>
SBE	23,998,014	61.06	23,998,013	61.06
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>39,303,097</b>	<b>100.00</b>	<b>39,303,097</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

Table A.50. Architecture & Engineering Payments—Counts Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021				
Race/Ethnicity/Gender	Counts		Counts Exclusive of Outliers	
	#	%	#	%
<b>Non-SWMBE</b>	<b>544</b>	<b>19.59</b>	<b>544</b>	<b>19.59</b>
Black or African American	3	0.11	3	0.11
Asian/Pacific Islander	-	0.00	-	0.00
Hispanic or Latino	3	0.11	3	0.11
Native American or American Indian	-	0.00	-	0.00
Other Minorities	-	0.00	-	0.00
<i>Total Minority</i>	<i>6</i>	<i>0.22</i>	<i>6</i>	<i>0.22</i>
Woman-Owned (WBEs)	482	17.36	482	17.36
Unknown MBE	-	0.00	-	0.00
<b>Total MBE</b>	<b>488</b>	<b>17.57</b>	<b>488</b>	<b>17.57</b>
SBE	1,745	62.84	1,745	62.84
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>2,777</b>	<b>100.00</b>	<b>2,777</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.51. Construction and Construction-Related Services Payments—Dollars Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021</b>				
<b>Race/Ethnicity/Gender</b>	<b>Dollars</b>		<b>Dollars Exclusive of Outliers</b>	
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>370,557,995</b>	<b>80.52</b>	<b>157,605,377</b>	<b>63.74</b>
Black or African American	26,965,700	5.86	26,965,700	10.90
Asian/Pacific Islander	5,452,161	1.18	5,452,161	2.20
Hispanic or Latino	4,863,016	1.06	4,863,016	1.97
Native American or American Indian	72,310	0.02	72,310	0.03
Other Minorities	-	0.00	-	0.00
<i>Total Minority</i>	<i>37,353,188</i>	<i>8.12</i>	<i>37,353,187</i>	<i>15.11</i>
Woman-Owned (WBEs)	12,462,213	2.71	12,462,212	5.04
Unknown MBE	-	0.00	-	0.00
<b>Total MBE</b>	<b>49,815,400</b>	<b>10.82</b>	<b>49,815,400</b>	<b>20.15</b>
SBE	39,859,469	8.66	39,859,469	16.12
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>460,232,865</b>	<b>100.00</b>	<b>247,280,246</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

Table A.52. Construction and Construction-Related Services Payments—Counts Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021				
Race/Ethnicity/Gender	Counts		Counts Exclusive of Outliers	
	#	%	#	%
<b>Non-SWMBE</b>	<b>1,176</b>	<b>61.57</b>	<b>937</b>	<b>56.07</b>
Black or African American	307	16.07	307	18.37
Asian/Pacific Islander	55	2.88	55	3.29
Hispanic or Latino	29	1.52	29	1.74
Native American or American Indian	5	0.26	5	0.30
Other Minorities	-	0.00	-	0.00
<i>Total Minority</i>	<i>396</i>	<i>20.73</i>	<i>396</i>	<i>23.70</i>
Woman-Owned (WBEs)	116	6.07	116	6.94
Unknown MBE	-	0.00	-	0.00
<b>Total MBE</b>	<b>512</b>	<b>26.81</b>	<b>512</b>	<b>30.64</b>
SBE	222	11.62	222	13.29
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>1,910</b>	<b>100.00</b>	<b>1,671</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.53.</b>				
<b>Non-Professional Services</b>				
<b>Payments—Dollars Exclusive of Outliers</b>				
<b>Charleston County School District</b>				
<b>Nationwide, FY 2017 – FY 2021</b>				
<b>Race/Ethnicity/Gender</b>	<b>Dollars</b>		<b>Dollars Exclusive of Outliers</b>	
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>152,503,743</b>	<b>59.16</b>	<b>98,224,154</b>	<b>48.27</b>
Black or African American	28,800,787	11.17	28,800,787	14.15
Asian/Pacific Islander	875,043	0.34	875,042	0.43
Hispanic or Latino	1,085,102	0.42	1,085,101	0.53
Native American or American Indian	2,521,652	0.98	2,521,651	1.24
Other Minorities	32,564	0.01	32,563	0.02
<i>Total Minority</i>	<i>33,315,147</i>	<i>12.92</i>	<i>33,315,147</i>	<i>16.37</i>
Woman-Owned (WBEs)	47,164,606	18.30	47,164,606	23.18
Unknown MBE	122,251	0.05	122,251	0.06
<b>Total MBE</b>	<b>80,602,005</b>	<b>31.27</b>	<b>80,602,004</b>	<b>39.61</b>
SBE	24,675,445	9.57	24,675,445	12.13
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>257,781,193</b>	<b>100.00</b>	<b>203,501,604</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.54. Non-Professional Services Payments—Counts Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021</b>				
<b>Race/Ethnicity/Gender</b>	<b>Counts</b>		<b>Counts Exclusive of Outliers</b>	
	<b>#</b>	<b>%</b>	<b>#</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>17,105</b>	<b>58.35</b>	<b>15,716</b>	<b>56.28</b>
Black or African American	2,407	8.21	2,407	8.62
Asian/Pacific Islander	25	0.09	25	0.09
Hispanic or Latino	18	0.06	18	0.06
Native American or American Indian	170	0.58	170	0.61
Other Minorities	3	0.01	3	0.01
<i>Total Minority</i>	<i>2,623</i>	<i>8.95</i>	<i>2,623</i>	<i>9.39</i>
Woman-Owned (WBEs)	1,553	5.30	1,553	5.56
Unknown MBE	29	0.10	29	0.10
<b>Total MBE</b>	<b>4,205</b>	<b>14.35</b>	<b>4,205</b>	<b>15.06</b>
SBE	8,002	27.30	8,002	28.66
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>29,312</b>	<b>100.00</b>	<b>27,923</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

<b>Table A.55. Professional Services Payments—Dollars Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021</b>				
<b>Race/Ethnicity/Gender</b>	<b>Dollars</b>		<b>Dollars Exclusive of Outliers</b>	
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Non-SWMBE</b>	<b>30,497,498</b>	<b>73.43</b>	<b>30,386,577</b>	<b>73.36</b>
Black or African American	1,754,526	4.22	1,754,526	4.24
Asian/Pacific Islander	24,000	0.06	24,000	0.06
Hispanic or Latino	10,000	0.02	10,000	0.02
Native American or American Indian	-	0.00	-	0.00
Other Minorities	239,828	0.58	239,828	0.58
<i>Total Minority</i>	<i>2,028,355</i>	<i>4.88</i>	<i>2,028,354</i>	<i>4.90</i>
Woman-Owned (WBEs)	4,081,402	9.83	4,081,401	9.85
Unknown MBE	56,203	0.14	56,202	0.14
<b>Total MBE</b>	<b>6,165,959</b>	<b>14.85</b>	<b>6,165,959</b>	<b>14.89</b>
SBE	4,869,721	11.72	4,869,721	11.76
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>41,533,178</b>	<b>100.00</b>	<b>41,422,258</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

Table A.56. Professional Services Payments—Counts Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021				
Race/Ethnicity/Gender	Counts		Counts Exclusive of Outliers	
	#	%	#	%
<b>Non-SWMBE</b>	<b>1,597</b>	<b>46.34</b>	<b>1,583</b>	<b>46.12</b>
Black or African American	398	11.55	398	11.60
Asian/Pacific Islander	1	0.03	1	0.03
Hispanic or Latino	1	0.03	1	0.03
Native American or American Indian	-	0.00	-	0.00
Other Minorities	22	0.64	22	0.64
<i>Total Minority</i>	<i>422</i>	<i>12.25</i>	<i>422</i>	<i>12.30</i>
Woman-Owned (WBEs)	764	22.17	764	22.26
Unknown MBE	30	0.87	30	0.87
<b>Total MBE</b>	<b>1,216</b>	<b>35.29</b>	<b>1,216</b>	<b>35.43</b>
SBE	633	18.37	633	18.44
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>3,446</b>	<b>100.00</b>	<b>3,423</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting



## Appendix A Additional Tables

Table A.57. Goods & Supplies Payments—Dollars Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021				
Race/Ethnicity/Gender	Dollars		Dollars Exclusive of Outliers	
	\$	%	\$	%
<b>Non-SWMBE</b>	<b>220,953,752</b>	<b>82.65</b>	<b>201,555,901</b>	<b>81.29</b>
Black or African American	3,033,263	1.13	3,033,262	1.22
Asian/Pacific Islander	80,239	0.03	80,239	0.03
Hispanic or Latino	14,629	0.01	14,629	0.01
Native American or American Indian	71,010	0.03	71,010	0.03
Other Minorities	15,621	0.01	15,621	0.01
<i>Total Minority</i>	<i>3,214,763</i>	<i>1.20</i>	<i>3,214,762</i>	<i>1.30</i>
Woman-Owned (WBEs)	27,571,786	10.31	27,571,785	11.12
Unknown MBE	235,235	0.09	235,235	0.09
<b>Total MBE</b>	<b>31,021,784</b>	<b>11.60</b>	<b>31,021,784</b>	<b>12.51</b>
SBE	15,357,819	5.74	15,357,819	6.19
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>267,333,356</b>	<b>100.00</b>	<b>247,935,505</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

Table A.58. Goods & Supplies Payments—Counts Exclusive of Outliers Charleston County School District Nationwide, FY 2017 – FY 2021				
Race/Ethnicity/Gender	Counts		Counts Exclusive of Outliers	
	#	%	#	%
<b>Non-SWMBE</b>	<b>13,326</b>	<b>79.58</b>	<b>12,249</b>	<b>78.17</b>
Black or African American	375	2.24	375	2.39
Asian/Pacific Islander	12	0.07	12	0.08
Hispanic or Latino	3	0.02	3	0.02
Native American or American Indian	5	0.03	5	0.03
Other Minorities	3	0.02	3	0.02
<i>Total Minority</i>	<i>398</i>	<i>2.38</i>	<i>398</i>	<i>2.54</i>
Woman-Owned (WBEs)	1,148	6.86	1,148	7.33
Unknown MBE	15	0.09	15	0.10
<b>Total MBE</b>	<b>1,561</b>	<b>9.32</b>	<b>1,561</b>	<b>9.96</b>
SBE	1,859	11.10	1,859	11.86
VBE	-	0.00	-	0.00
<b>Grand Total</b>	<b>16,746</b>	<b>100.00</b>	<b>15,669</b>	<b>100.00</b>

Source: M<sup>3</sup> Consulting

## Appendix A Additional Tables

### A.7 Regressions

<b>Table A.59. "Odds Ratio" For Self-Employment for Minority Groups Relative to Non-Minority Males Controlling for Economic and Demographic Factors- Professional Services Only</b>		
<b>Race/Ethnic Group</b>	<b>Odds Coefficient</b>	<b>Odds Ratio Inverse</b>
Asian or Other Pacific Islander	0.45493	2.19813
Black American	0.30673	3.26018
Other Races	0.16668	5.99964
White Female	0.57527	1.73832
Hispanic vs non-Hispanic	0.18276	5.47169

Source: M3 Consulting, Inc.; PUMS US Census Bureau;  
Other Races includes American Indian or Alaska Native;

## Appendix A Additional Tables

<b>Table A.60. Results of the Binary Logistic Regression Analysis for Professional Services only</b>				
<b>Dependent Variable : Self-employed (or not) Variables</b>	<b>Coefficient (β)</b>	<b>Standard Error</b>	<b>Significance (p-value)</b>	<b>Significance</b>
(Intercept)	-2.57555	1.32753	0.05658	Yes*
Age	-0.08852	0.04903	0.07553	Yes*
Age Squared	0.00102	0.00045	0.02497	Yes
Property Value	0.00000	0.00000	0.12618	No
Married	0.70768	0.28137	0.01430	Yes
Hispanic vs non-Hispanic	-1.69959	1.44685	0.24428	No
Asian or Other Pacific Islander	-0.78761	1.25350	0.53193	No
Black American	-1.18178	0.44328	0.00961	Yes
Other Races	-1.79170	1.42554	0.21317	No
White Female	-0.55292	0.21839	0.01370	Yes
1st Degree or more	1.14223	0.44828	0.01313	Yes
Some College	1.11236	0.41843	0.00981	Yes
Has Health Coverage	0.33411	0.54226	0.53989	No

Source: M3 Consulting, Inc.; PUMS US Census Bureau;  
Other Races includes American Indian or Alaska Native;

# Appendix A

## Additional Tables

**Table A.61.**  
**Linear Regression Results for the Determinants of Self-Employment Income by Race and Gender**  
**Construction**

Variables	Coefficients (β)	Standard Error	t-value	p-value	Percentage	Significant
(Intercept)	8.70968	0.66467	13.10386	0.00000		Yes
Age	0.03552	0.02766	1.28387	0.20374	3.61558	No
Age Squared	-0.00029	0.00029	-1.02040	0.31132	-0.02943	No
Mortgage Payment	0.00022	0.00010	2.11529	0.03824	0.02186	Yes
Personal Earned Income	0.00001	0.00000	7.28662	0.00000	0.00115	Yes
Married	-0.29719	0.15528	-1.91389	0.06004	-25.70974	Yes*
Hispanic vs non-Hispanic	0.82999	0.38730	2.14301	0.03586	129.33064	Yes
Has Health Coverage	0.07268	0.18578	0.39120	0.69693	7.53844	No
Non-Native	-0.48862	0.41584	-1.17500	0.24428	-38.65262	No
Asian or Other Pacific Islander	-0.10282	0.62773	-0.16380	0.87040	-9.77129	No
Black American	-0.49455	0.35927	-1.37654	0.17338	-39.01570	No
Other Races	0.22356	0.22206	1.00673	0.31780	25.05192	No
White Female	-0.27916	0.33639	-0.82987	0.40965	-24.35809	No
1st Degree or more	-0.32031	0.18052	-1.77438	0.08068	-27.40732	Yes*
Some College	-0.63893	0.24331	-2.62598	0.01076	-47.21448	Yes

Source: M3 Consulting, Inc.; PUMS US Census Bureau;

\*Significant at 90% Confidence Interval

Other Races includes American Indian or Alaska Native;

# Appendix A

## Additional Tables

**Table A.62.**  
**Linear Regression Results for the Determinants of Self-Employment Income by Race and Gender Goods and Supplies**

Variables	Coefficients (β)	Standard Error	t-value	p-value	Percentage	Significant
(Intercept)	4.03800	1.22516	3.29588	0.00159		Yes
Age	0.18856	0.04616	4.08512	0.00012	20.75039	Yes
Age Squared	-0.00155	0.00046	-3.38411	0.00121	-0.15448	Yes
Mortgage Payment	-0.00001	0.00014	-0.10160	0.91939	-0.00143	
Personal Earned Income	0.00001	0.00000	4.73687	0.00001	0.00086	Yes
Married	0.39182	0.23181	1.69024	0.09577	47.96701	Yes*
Hispanic vs non-Hispanic	0.03282	0.55014	0.05966	0.95261	3.33677	No
Has Health Coverage	-0.57778	0.33027	-1.74945	0.08493	-43.88597	Yes*
Non-Native	1.10786	0.50909	2.17615	0.03318	202.78826	Yes
Asian or Other Pacific Islander	-1.25635	0.97320	-1.29094	0.20130	-71.53075	No
Black American	-0.68375	0.40051	-1.70722	0.09255	-49.52806	Yes*
Other Races	-0.13158	0.48677	-0.27031	0.78778	-12.32890	No
White Female	-0.50543	0.28256	-1.78872	0.07832	-39.67521	Yes*
1st Degree or more	0.02743	0.29881	0.09181	0.92714	2.78118	No
Some College	0.42232	0.32922	1.28277	0.20413	52.54903	No

Source: M3 Consulting, Inc.; PUMS US Census Bureau;

\*Significant at 90% Confidence Interval

Other Races includes American Indian or Alaska Native;

## Appendix A Additional Tables

**Table A.63.  
Linear Regression Results for the Determinants of Self-Employment Income by Race and Gender  
Professional Services**

Variables	Coefficients ( $\beta$ )	Standard Error	t-value	p-value	Percentage	Significant
(Intercept)	8.04011	0.69551	11.56002	0.00000		Yes
Age	0.04785	0.02700	1.77248	0.08100	4.90114	Yes*
Age Squared	-0.00024	0.00026	-0.89436	0.37443	-0.02369	No
Mortgage Payment	0.00005	0.00007	0.72102	0.47348	0.00531	No
Personal Earned Income	0.00001	0.00000	12.37697	0.00000	0.00079	Yes
Married	0.06014	0.18522	0.32472	0.74644	6.19884	No
Hispanic vs non- Hispanic	-0.26318	0.80391	-0.32738	0.74443	-23.13994	No
Has Health Coverage	-0.74925	0.28686	-2.61188	0.01117	-52.72810	Yes
Non-Native	0.19069	0.42329	0.45049	0.65385	21.00801	No
Asian or Other Pacific Islander	0.60936	0.52611	1.15823	0.25101	83.92543	No
Black American	-0.72806	0.27764	-2.62232	0.01087	-51.71569	Yes
Other Races	-0.89742	0.58157	-1.54310	0.12766	-59.23805	No
White Female	-0.12959	0.14992	-0.86438	0.39056	-12.15441	No
1st Degree or more	-0.33952	0.21480	-1.58062	0.11882	-28.78859	No
Some College	-0.31458	0.27440	-1.14641	0.25583	-26.99039	No

Source: M3 Consulting, Inc.; PUMS US Census Bureau;

\*Significant at 90% Confidence Interval

Other Races includes American Indian or Alaska Native;

## Appendix A Additional Tables

**Table A.64.  
Linear Regression Results for the Determinants of Self-Employment Income by Race and Gender  
Non-Professional Services**

Variables	Coefficients (β)	Standard Error	t-value	p-value	Percentage	Significant
(Intercept)	5.79369	0.66984	8.64936	0.00000		Yes
Age	0.12873	0.02666	4.82864	0.00001	13.73849	Yes
Age Squared	-0.00118	0.00026	-4.50824	0.00003	-0.11784	Yes
Mortgage Payment	0.00022	0.00006	3.58992	0.00064	0.02232	Yes
Personal Earned Income	0.00001	0.00000	10.01917	0.00000	0.00106	Yes
Married	0.08134	0.14867	0.54712	0.58617	8.47385	No
Hispanic vs non-Hispanic	0.54774	0.31214	1.75479	0.08401	72.93375	Yes*
Has Health Coverage	-0.23747	0.15621	-1.52023	0.13330	-21.13796	No
Non-Native	-0.14366	0.23937	-0.60014	0.55050	-13.38169	No
Asian or Other Pacific Islander	0.65339	0.28117	2.32384	0.02327	92.20531	Yes
Black American	0.39722	0.20078	1.97844	0.05212	48.76852	Yes*
Other Races	-0.76858	0.48694	-1.57838	0.11933	-53.63300	No
White Female	0.14716	0.16927	0.86937	0.38784	15.85399	No
1st Degree or more	-0.58161	0.15557	-3.73853	0.00039	-44.10045	Yes
Some College	-0.39702	0.14541	-2.73040	0.00813	-32.76803	Yes

Source: M3 Consulting, Inc.; PUMS US Census Bureau;

\*Significant at 90% Confidence Interval

Other Races includes American Indian or Alaska Native;