



#LoveLife

REBECCA KAPLAN	NIKKI FORTUNATO BAS	SHENG THAO	CARROLL FIFE
Vice Mayor	Council President	President Pro Tem	Councilmember D3

Date: April 7, 2022
 To: Members of City Council and Members of the Public
 From: Vice Mayor Kaplan, Council President Fortunato Bas, Pro Tem Thao, and Councilmember Fife

Re: Resolution To Advance Equity And Better Understand Disparities Between The Availability And Utilization Of Black, Indigenous, And People Of Color, And Women Owned Businesses In The City Of Oakland By Adopting The Updated 2019 Race And Gender Disparity Study Conducted By Mason Tillman Associates LTD And Direct The City Administration To Implement The Recommendations To Remedy The Disparities Illustrated Within The Study

Dear Colleagues on the City Council and Members of the Public,

Oakland voters in 1996 added Section 808(b) to the City Charter, which required the City of Oakland to conduct a race and gender disparity evaluation to determine if the City had been an active or passive participant in actual, identifiable discrimination. Since the adoption of this ordinance, the City has conducted two disparity studies, one in 2005 and another in 2017. While the most recent disparity study was completed in 2017, updated in 2019, and presented to the City Council in 2020, the City has yet to adopt the updated 2019 study. Given that the updated 2019 Disparity Study concluded there was clear, statistical evidence that preference has been given by the City and its prime contractors in the selection of white, male-owned businesses, it is of great urgency to adopt the updated 2019 study, and implement the recommendations outlined in the study to remedy disparities.

The updated 2019 disparity study reviewed contracts and subcontracts that were awarded between 2011 and 2016, where researchers compared the proportion of contract dollars awarded to Black, Indigenous, and People of Color (BIPOC) and women-owned businesses to the proportion of available BIPOC and women-owned businesses in the relevant market area. During the study period, the City awarded over \$566 million for all prime contracts, approximately \$272 million for construction, \$122 million for professional services, \$61 million for services, and \$112 million for goods and commodities.

Following the Supreme Court ruling *City of Richmond v. J.A. Croson Co.*, which provides the legal framework for conducting disparity studies, the updated 2019 Disparity Study concluded there was clear, statistical evidence that preference has been given by the City and its prime contractors in the selection of white, male-owned businesses. Furthermore, African Americans experienced statistically significant disparities among prime contract awards *across all four industry sectors* for both small and large contract awards. Specifically - despite African Americans comprising

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16.51% of available businesses in construction, they were awarded only .32% of contracts by percent of dollars; despite comprising 9% of available businesses in professional services, they were only awarded .91% of contracts by percent of dollars; despite comprising 11.66% of businesses in services, they were awarded only 1.54% of contracts by percent of dollars; and despite comprising 9.86% of available businesses in goods and commodities, they were awarded only .43% of contracts by percent of dollars.

In addition, there was a statistically significant underutilization of Hispanic businesses in prime contracts for services, and a statistically significant underutilization of Hispanic women in awards of goods and commodities prime contracts. For Asian American and Pacific Islander businesses, there was a statistically significant underutilization in prime contracts for services, along with in goods and commodities.

Looking at the intersection between race and gender, when researchers disaggregated the data, women of color were consistently and significantly underutilized in contracting across all four industries. The anecdotal evidence portion of the disparity study cited the use of preferred contractors or “the good old boy network,” creating a barrier for BIPOC and Women-owned businesses on the City’s contracts. Additionally, many interviewees reported on instances of discriminatory behaviors by the City and the prime contractor community which prevented them from receiving construction contracts from the City and their prime contractors.

Remedying the inequities between BIPOC and women owned businesses compared to white males is an enduring and structural challenge which necessitates constant attention and immediate action. This resolution is part of that effort, and by adopting the updated 2019 Race and Gender Disparity Study, the City can begin to implement the recommendations provided within the study to remedy disparities.

We respectfully request your support for this important measure.