

**City of St. Petersburg**  
**Committee of the Whole Agenda**  
**September 23, 2021 @ 2:00 PM**

Members: Chair Ed Montanari, Vice-Chair Gina Driscoll, Councilmembers Robert Blackmon  
Brandi Gabbard, Darden Rice, Deborah Figgs-Sanders, Lisa Wheeler-Bowman, and Amy Foster

Support Staff: Reneé Long, City Council Legislative Aide

1. Call to Order and Roll Call
2. Approval of Agenda
3. Approval of the August 26, 2021 minutes
4. New Business
  - a. Disparity Study (Eilerman)
  - b. Discussion on a Second Location for the Greenhouse to be located in South St. Petersburg (Eilerman)
  - c. Science Center (Councilmember Blackmon)
    - Joe Hamilton- The St. Petersburg Group & Representatives from Pathfinder Outdoor Education
    - Alison Barlow- St. Pete Innovation District
5. Upcoming Meeting Date and Tentative Agenda Item(s)
  - a. October 28, 2021
    - i. City Initiated Historic Designation (Abernethy & Kilborn)
    - ii. Continued Discussion of the Potentially Eligible List (Abernethy & Kilborn)

Attachments:

- August 26, 2021 Minutes
- COW Referral List
- New Business Item Support Material

**St. Petersburg City Council  
Committee of the Whole Report  
August 26, 2021**

**Present:** Chair Ed Montanari, Vice-Chair Gina Driscoll, and Councilmembers Robert Blackmon, Deborah Figgs-Sanders, Amy Foster, Darden Rice, and Lisa Wheeler-Bowman

**Also Present:** City Administrator Kanika Tomalin, Liz Abernethy, Susan Ajoc, Christina Boussias, Jennifer Bryla, Michael Dema, Robert Gerdes, Dave Goodwin, Derek Kilborn, Jackie Kovilaritch, Brett Pettigrew, Ann Vickstrom, Britton Wilson

**Absent:** Councilmember Brandi Gabbard

**Support Staff:** Reneé Long, Legislative Aide

**Approval of Agenda and July 29, 2021 Minutes – Passed unanimously**

**New Business: St. Pete 2050 Implementation: Comprehensive Plan Update to Include Residential Land Development Regulations (LDR) Update**

Elizabeth Abernethy, Planning & Development Director, gave an update on the St. Pete 2050 implementation comprehensive plan. Abernethy began the presentation by giving the project schedule which included project initiation in the fall of 2019, project development in spring 2020, plan delivery anticipated for fall 2020, and plan implementation in 2021. She then gave overview of the theme, mission, and vision followed by the implementation steps, plan structure, and element update highlights. Next, Abernethy went over the future land use element update including focus areas: sustainability, (1) urban design and community/neighborhood character, (2) housing development opportunities, (3) transit-oriented development, and (4) industrial land utilization. Next steps are the community workshops planned for this fall, staff is scheduled to go before the Housing, Land Use, and Transportation committee October 14, 2021, the comprehensive plan adoption public hearings tentatively scheduled for November/December 2020, staff presentations at neighborhood and business association meetings, returning to the Committee of the Whole January 27, 2022, and LDR/MAP adoption public hearings scheduled for spring/summer 2022. Abernethy then opened the floor to the committee for discussion.

Councilmember (CM) Figgs-Sanders asked where staff was with the tiny homes in which Abernethy replied that tiny home is a term that generally represents us a smaller unit, an accessory dwelling unit. A tiny home can either be a smaller unit that's provided on a property, that term also generally covers tiny homes on wheels, if it's on a chassis, then that would be allowed in a mobile home park, but not in a backyard. If somebody wanted to build an accessory dwelling unit or tiny home, they can do that currently on almost 85% of the lots in traditional neighborhood districts, however there are requirements that it be designed to look like the home as well as some other design regulations. But generally, a smaller home would be allowed as an accessory dwelling unit and most of the traditional neighborhoods now and with some potential changes in more neighborhoods.



CM Blackmon asked how many feet staff would say were in a block, like linear feet, because his thought is in terms of a quarter mile in different connectivity's. Abernethy replied that 300 x 600 ft. would be a typical block. CM Blackmon then referred to the slide on the peer cities review and asked if staff could provide more background on some of the notes such as the lawsuit outcome pending. Derek Kilborn, Urban Design and Historic Preservation Manager replied that they have a lot of backup material on file. He added that some of the bullets were extracted from white papers, legal briefs, and news articles. Kilborn said if there is something specific that is of interest to the CM they can go back and see what materials they have on file and share them. CM Blackmon responded that the Minneapolis lawsuit outcome pending jumped out at him and the minimal production mentioned. Kilborn stated that they have been monitoring several the peer cities over the last few years. Minneapolis, for example, has approved 3 units per property and eliminated single-family zoning, but when looking at the details of where Minneapolis and other peer cities are, we find that they're at the same steps as the City (conducting workshops, having meetings, preliminary action to make text changes to a section of the comprehensive plan), but they have not worked all through to adoption into the LDR's and execution. Abernethy added that in the review she did for Minneapolis is that when they got o the point of making zoning changes there was a lot of pushback from some neighborhood organizations who filed that lawsuit to kind of put a stop to it. To her that says that they need support to move forward on some of the proposed changes in order to prevent a situation where litigation is filed and she has always felt it was important to get outreach from stakeholders and get consensus on the changes. Portland has been working on it for several years and has incrementally made some changes, so they are monitoring these to study the evolution, lessons learned, and what the right areas are for the City to make some of the changes. CM Blackmon asked if Minneapolis is not implementing changes because of the lawsuit in which Abernethy replied yes. CM Blackmon asked about the dissatisfaction with affordable unit production in Seattle. Dave Goodwin, Special Projects Manager, replied that Seattle has been a very proactive planning city for a lot of things staff can look to (rezoning, urban village sectors, transit facilities, etc.). What Seattle hasn't seen is the growth or production of affordable housing units to keep up with demand, so they have made some changes. They adopted mandatory affordable housing in 2019 which requires the construction of affordable housing or payment in lieu into a fund that would be used for affordable housing. CM Blackmon referred to the slide on underutilization of scarce land resources and asked if they are already underutilizing, what would be the metric for the change. Abernethy responded that changing the zoning might not, which is part of the question "what does that actually yield?" There are zoning codes that set minimum amounts of development and that is something, with the station area overlays they may want to consider. The idea with the overlay is that a property owner could either develop under what they have now, or this other option, so if they're going to give another option, they might set that as a higher level to help mitigate concern of underutilization, especially where it's near transit, that they know they want higher density/ higher uses to support the transit. CM Blackmon asked when the City changed away from the historic growth trend and zoning trend that established it where it is today. Abernethy replied that there were major milestones in zoning. Zoning began in 1933 but was minimal in terms of the levels of districts and there were maybe three different residential categories. The next major zoning wave was in 1977 such as a very suburban type category that really didn't work in the city and ended up changing in 2007.

Vice-Chair (VC) Driscoll referred to the slide on peer cities and asked if two units is what staff is looking at like the principal unit and accessory dwelling unit (ADU). Abernethy replied that it is kind of the first option where they can take ADU's to the next step and allow them in more places. The next step beyond that other than single family would be a two-unit building. From there they could go up to a three-unit building or a house with two ADUs which is not uncommon. They also discussed if there were ways to incentivize someone to keep the original

home if they allow a second ADU in the back as opposed to demolishing. So, there are a lot of different tiers and options they can look at. When they brought forward NTM-1 (Neighborhood Traditional Mixed Residential) as an idea with four-units that was really directed towards being on major streets, but if they want to be able to break it down further and create a two or three-unit category they can do that. VC Driscoll asked if it would really just depend on the lot size in which Abernethy responded yes and that is 30 dwelling units per acre for four-units but if they wanted to break it down to 24 units per acre for three-units or 15 units per acre which gives two-units they could do that and look at those options. VC Driscoll referred to allowing two-unit buildings in the neighborhood if supported by a neighborhood plan and said that is a big roadblock. She added that they already have neighborhoods that would like to move forward with exploring small, reasonable density increases but are waiting because they either don't have a plan or don't have one that is updated so she would like to have that addressed one way or another; either don't require it or get the capacity in place. Additionally, VC Driscoll reference the walkability consideration with greater opportunities for neighborhood level commercial services and stated that meant they needed to also look at what kinds of non-residential will be allowed in those same areas. Rob Gerdes, Neighborhood Affairs Administrator, replied that related to neighborhood plans and increasing density inside neighborhoods, they are very supportive of the position that they would want to see neighborhood support for that. They have received correspondence from two neighborhood associations who expressed an interest in looking at increased density within the neighborhood (Campbell Park and St. Pete Heights). For Campbell Park they have brought in a consultant and are in the process of updating the neighborhood plan. St. Pete Heights does not have a neighborhood plan so Susan Ajoc, Community Services Director, and her team are dedicated to creating that new plan and Ajoc has created a strategic goal setting strategy to do quick type updates with neighborhoods just to focus on their goals. They currently have two of those updates underway. To VC Driscoll's point they are not being overwhelmed at the moment with requests related to increase in density and zoning. VC Driscoll referred to the slide about housing opportunities action plan- transit-oriented development for SunRunner BRT; 22<sup>nd</sup> St Corridor/31<sup>st</sup> St- station area overlays. Regarding the minimum 50% non-residential within project site she thought that was a bit high and inquired how staff arrived at that number. Abernethy replied that currently in that area no residential is allowed at all and if they were going to allow some flexibility that they would allow ½ to be converted to residential type uses and the keep the other half as employment generating. She added that Countywide rules also limit what can be done with industrial so that would require a Countywide plan amendment that would likely go along with the station area plans. VC Driscoll stated that her concern is having 50% non-residential versus 25% which leaves less population in the area to shop at the businesses and wants to make sure they have the right balance of people to support those non-residential businesses. Abernethy replied that it was noted, and they will continue to have these discussions on the appropriate mix as they move forward.

Chair Montanari referred to the slide that included the thirteen elements that guide the development of the city and asked what the status was regarding the private property rights that are in process. Abernethy replied that there will be a public hearing on that. In the last legislative session, a bill was passed that requires all local governments to provide a private property rights element in their comprehensive plan. The agenda item will include a series of statements about private property rights and consideration of those whenever land use decisions and policy decisions are made. Chair asked if the community character and growth statement under the St. Pete 2050 citizen-based themes was in the comprehensive plan or from the vision 2050 plan. Abernethy responded that the themes listed are in the 2050 plan. There is also a series of goals under that mission statement which talks about the need to plan and direct growth in the city. Balancing and protecting enhancing character centers and corridors as the focus of redevelopment. Chair asked where it comes from in which Abernethy responded that it

is in the 2050 plan and is one of the mission statements. Chair referenced that on the slide regarding housing development opportunities: population growth and projections the growth rate terms are high, high-medium, etc. but then under future demand there is a moderate growth scenario and strong growth scenario. He recommended using the same terminology. City Administrator, Dr. Kanika Tomalin responded saying that they could make that language match. Chair referred to the slide regarding housing development opportunities: utilization of scarce land resources and asked if staff could go over the formulas. Abernethy responded that it shows a couple of different points. (1) just because the zoning is in place, they don't necessarily get development that's commensurate with the highest level of allowable development on the property. Kilborn added that they have been looking at data and examples in the City where they have high density allowance that is being developed at a very low number. The first example shown in the slide indicates that you can build a total of 80-units, but the project is building zero. So if demand is high and at crisis level they would ask why was an office built with no residential units when they could have constructed a vertical mixed use building having the business on the ground floor and 80 residential units on top which that business would have access to. So, they are trying to figure it all out and is there truly imbalance in the supply demand equation or are there other issues that need to be dealt with. It is not exclusively a zoning related problem. Goodwin added that specific to the examples, they are very close to Bus Rapid Transit (BRT). The public is invested in public transportation, in support of the concept of higher density mixed use development and don't need as much parking. A policy response could be a minimum Floor Area Ratio (FAR), maximum vs. minimum parking number, or minimum development requirement vs. maximum development. Chair Montanari referenced the housing affordability chart by city and asked if staff could explain it. Abernethy replied that the source is Advisor Smith, dated Feb. 2021 and is modeled on national average household budgets (food allowance- 16%, housing- 23%, utilities- 10%, transportation 18.6%, health care- 9.6%, discretionary spending- 22%). Chair referenced the slide on density and affordability and asked if staff could further explain the bullet point stating "higher density does not equal affordability". Abernethy replied that there are a lot of different factors driving affordability. Changing the zoning is a very small piece of the puzzle in alleviating affordable housing. Chair asked if staff could explain the bullet point "higher density may increase displacement during redevelopment". Abernethy responded that it is based on research they've done and studies that have been done. If they allow more development options it is going to lead to teardowns that will displace people living in neighborhoods currently so they are being cognizant of that and trying to make sure people are not priced out of their neighborhoods due to redevelopment projects. Chair asked regarding ADUS in the Neighborhood Suburban (NS) districts bullet point "all NS districts with updated design standards (alleys and large lot)"; are the lots going to have to have an alley? Also; can staff define what a large lot is. Abernethy stated that the typical minimum lot size in a suburban is 5,800 sq. ft. and a double lot would be 11,600 sq. ft. A person with a double lot could tear down their house and build two single family units and the parking needed for the second unit. They would need some design standards to make sure it could fit into neighborhoods without causing concern for privacy and parking. If there is an interest in coming forward with that, they would bring forward those specific standards, provide some examples, and do some outreach. Abernethy added that she could bring some visuals (site plan, design standards) back to show Chair what it would like to have an ADU in a NS district without an alley. Chair Montanari asked how many neighborhoods are in the city and how many have neighborhood plans. Ajoc replied that there are 34 neighborhood plans and about 105 neighborhoods with various levels of activity so they could end up with about 110 neighborhoods. Chair asked if neighborhood plans ever expire. Ajoc responded no.

CM Rice referenced the underutilization of the higher density residential areas and what was said about supply and demand. CM Rice asked if also, it could be that these are in areas where maybe people don't want to live as much or is there an issue with people not wanting to live in places such as along busy roads? Abernethy replied that some of it is where things are transitioning over time, market, what areas are more desirable and how does that change with supply and demand. BRT coming in will be a pivotal transformational change along those corridors. CM Rice asked, in looking at the map of the zoning with ½ mile buffers along the high frequency routes, if they were to ground truth, they would find some areas where it's not really applicable or appropriate. Additionally, she asked if legally, are they pretty flexible as long as they're applying standards equally in a transparent way? Abernethy said it doesn't exactly have to be a ½ mile. It can be done on a segment by segment basis or using some other criteria for maybe what isn't appropriate for change. Kilborn added that currently every time a map amendment comes through, they're looking at the goals, objectives and policies of the comprehensive plan to see if the map amendment that's being requested satisfy or comply with the comprehensive plan.

VC Driscoll asked in the NTM-1 category, how many blocks does it go in currently with the way that they originally set it up in which Abernethy responded that the way they set it up was just the lots that face the major streets. VC Driscoll said rather than saying a ¼ of a mile or ½ of a mile, how many blocks approximately would it be if they did ½ mile in from the major corridor. Abernethy referred to the maps in the PowerPoint presentation and pointed out the differences between what a ¼ mile looks like vs 1/8 mile and when a ¼ mile vs. 1/8 mile is done from premium transit routes.

Chair Montanari asked staff if they have had any NTM-1 projects built in the city. Abernethy replied no, because they have not had anybody request to do a rezoning to the NTM and the city initiated plan to rezone certain segments kind of got delayed which leads to the current status where they are trying to move forward with that citywide rezoning on qualifying corridors. Chair asked how many lots are available currently that could be rezoned NTM-1. Abernethy responded stating that she had the map but wasn't sure if she had the number. She said they can do that calculation of how many lots would qualify. Chair Montanari referenced the industrial/employment action plan slide, bullet point "up to 50% restaurant, retail or entertainment FAR- must face trail" and asked if that means they want restaurants to face the trail. Abernethy responded yes and related the vision to other trails such as the Greenway in Atlanta.

CM Rice asked what specifically staff needed to hear from the committee. Abernethy replied that they are not seeking a vote at this time. The discussion was to ensure the committee understood, especially the legislative item. Also, what is supported for some of the options and what staff should move forward with.

VC Driscoll asked that since there were some committee members who indicated some interested in looking at the ½ or ¼ mile NTM, potentially with a change from four, three, or two units, can staff have something ready for the Housing, Land Use, and Transportation committee members to look at when they present October 14, 2021. Abernethy replied yes.

Chair Montanari stated that the next meeting is scheduled for September 23, 2021 and adjourned the meeting.

COMMITTEE OF THE WHOLE					September 23, 2021	
Topic	Return Date	Date of Referral	Prior Meeting	Referred by	Staff	Notes
Disparity Study Including a discussion on a second location for the Greenhouse to be located in South St. Petersburg	9/23/21 @ 2:00	7/8/21		Montanari Driscoll	Eilerman	
Science Center Discussion	9/23/21 @ 2:00	7/8/21		Blackmon		
City Initiated Historic Designation	10/28/21 @ 3:00	12/5/19		Gerdes	Abernethy Kilborn	
Continued Discussion of the Potentially Eligible List	10/28/21 @ 3:00	5/16/19	8/8/19	Foster	Abernethy Kilborn	
2022 Calendar Setting and Selection of Chair and Vice Chair Review Policy and Procedures; to include a discussion considering changes to the manual re: CM attendance	12/16/21 @ 11:00	Annual		Annual	Sheppard	
FY23 Budget Priorities	1/20/22 @ 10:00	Annual		Annual	Makofske	
Role of City Council in exercising the City's emergency powers	1/20/22 @ 10:00	4/8/21		Driscoll	Kovilaritch	
Stormwater Master Plan	1/27/22 @ 2:30	8/12/21		Administration	Prayman	
StPete 2050 Plan	Feb-22	12/17/2019	10/22/20 1/28/21 8/26/21	Administration	Abernethy	
A review of South St. Petersburg Community Redevelopment Area (CRA) grants eligibility requirements to identify areas of improvement	Feb-22	7/15/21		Figgs-Sanders	Smith	
Joint City Council/CPPC Meeting	Mar-22	Annual		Comp Plan	Abernethy Kilborn	
FY23 CIP Budget	Apr-22	Annual		Annual	Makofske	
FY23 Operating Budget	May-22	Annual		Annual	Makofske	
2020 SPHA Annual Reports	TBD	Annual		Annual	SPHA	
SPHA Board Discussion	TBD	Annual		Annual	SPHA	

# DISPARITY STUDY BACK-UP MATERIAL



**Economic & Workforce Development**  
**Memorandum**  
Committee of the Whole  
Meeting of September 23, 2021

To: The Honorable Ed Montanari, Chair, and Members of City Council  
From: Jessica R. Eilerman, Business Development Manager  
Subject: Disparity Study

---

## **Background**

The City solicited proposals from qualified consultants to design and conduct a Women- and Minority-Owned Business Enterprise Availability and Utilization Disparity Study. The consultant designed and conducted a study to examine the extent to which disparities exist in the City's utilization of qualified minority and women-owned enterprises (MWBs) as contractors and subcontractors, through City procurement practices.

The primary objectives included:

- A review of the current SBE, race and gender neutral program
- A review of the City's procurement and contracting practices as it affects SBEs and W/MBEs
- Analysis of contracts classified in three industries: Construction, Professional Services (including Architecture and Engineering), and Goods and Services
- An analysis of "availability" and "utilization" data, and an assessment of the disparity between those two characteristics, and anecdotal evidence of discrimination
- As assessment of alternative remedies
- The creation of a final report with constitutionally sound and court-tested methodology

## **Timeline - to date**

Mason Tillman Associates, Ltd. was awarded the study in late 2018 and the official project kick off was the last week of January 2019.

The draft report was received in Spring of 2020.

Review, discussion of the draft report with City Council scheduled for September 23, 2021 Committee of the Whole.

Remaining action in order for the project to be officially closed out and finalized requires official action by City Council to accept and file the report by motion.

**City Team Involved with this Project**

Mayor's Office  
Procurement & Supply Management Department  
Economic & Workforce Development  
Marketing Department  
Finance Department  
Public Works

**Included in this report are the following documents:**

- An executive summary of the disparity study findings
  - Notable findings begin on page 5
  - Disparity Analysis begin on page 8
- The complete, full draft disparity study report

CC: Mayor Kriseman  
Deputy Mayor and City Administrator Dr. Tomalin  
Assistant City Administrator Tom Greene  
Alan DeLisle, Community Development Administrator  
Fredrick Ross, Procurement and Supply Management Director



---

## ***Table of Contents***

<b>I.</b>	<b>Disparity Study Overview .....</b>	<b>1</b>
A.	Study Team .....	1
B.	Study Team .....	1
C.	Study Methodology.....	1
D.	Industries Studied.....	2
E.	Ethnic and Gender Groups Studied.....	2
F.	Prime Contract Data Sources .....	3
G.	Subcontract Data Sources .....	4
H.	Contract Thresholds .....	4
<b>II.</b>	<b>Notable Findings .....</b>	<b>5</b>
A.	Utilization Analysis .....	5
B.	Market Area Analysis .....	6
C.	Prime Contract and Subcontract Availability Analysis .....	7
D.	Disparity Analysis.....	8
E.	Anecdotal Analysis .....	11
F.	Regression Analysis.....	12
G.	Assessment of the City’s Small Business Enterprise Program.....	12
H.	Recommendations.....	13



---

## ***List of Tables***

Table 1: Business Ethnic and Gender Groups .....	3
Table 2: Informal Contract Threshold by Industry .....	4
Table 3: Formal Contract Threshold by Industry .....	5
Table 4: Prime Contractor Utilization Summary by Industry.....	6
Table 5: Construction Subcontractor Utilization Summary.....	6
Table 6: Prime Contractor Availability Analysis.....	8
Table 7: Subcontractor Availability Analysis.....	8
Table 8: Disparity Summary: Construction Prime Contract Dollars October 1, 2014 to September 30, 2018 .....	9
Table 9: Disparity Summary: Professional Services Prime Contract Dollars October 1, 2014 to September 30, 2018 .....	9
Table 10: Disparity Summary: Goods and Services Prime Contract Dollars October 1, 2014 to September 30, 2018 .....	10
Table 11: Subcontract Disparity Summary,.....	11



---

# ***Executive Summary***

## ***I. Disparity Study Overview***

### ***A. Study Team***

Mason Tillman Associates, Ltd., a public policy consulting firm in Oakland, California, performed the 2021 Disparity Study for the City of St. Petersburg, Florida. Local subconsultant All Administrative Solutions assisted Mason Tillman in the performance of the Study. The subconsultant collected surveys and conducted research.

The City of St. Petersburg's Small Business Liaison, Jessica Eilerman, managed the Study. Ms. Eilerman was instrumental in facilitating Mason Tillman's access to the procurement and contract data needed to perform the Study. Under her leadership, Mason Tillman was able to complete the Study in a timely manner.

### ***B. Study Team***

The purpose of the Study was to determine if minority and women-owned business enterprises (M/WBEs) were underutilized in the award of the City's prime contracts and subcontracts during the October 1, 2014 to September 30, 2018 study period. Under a fair and equitable system of awarding contracts, the proportion of contract dollars awarded to M/WBEs should be relatively close to the proportion of available M/WBEs in the relevant market area. If either the available M/WBE prime contractors or the available M/WBE subcontractors are underutilized, a statistical test is conducted to calculate the probability of observing the empirical disparity ratio or any event that is less probable. Thus, the test performed determines if a finding of underutilization is statistically significant.

### ***C. Study Methodology***

Mason Tillman's disparity study methodology is grounded in a thorough legal review. Its constitutionality has been upheld in two federal circuit courts without a legal challenge.<sup>1</sup>

#### ***1. Legal Framework***

The United States Supreme Court ruling in *City of Richmond v. J.A. Croson Co.*<sup>2</sup> (*Croson*) and related case law provide the legal framework for conducting the disparity study. Specifically, *Croson* set the standard by which federal courts review both local and state government minority business enterprise programs. The Court affirmed the longstanding legal precedent that programs employing racial classification would be subject to "strict scrutiny," which is the highest legal



---

<sup>1</sup> *Kossman Contr. Co. v. City of Houston*, 128 Fed. Appx. 376 (2005), *Midwest Fence Corp. v. United States Dep't of Transp.*, 84 F. Supp. 3d 705 (2015).

<sup>2</sup> *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989).

standard. Under *Croson*, government agencies, such as the City of St. Petersburg, may adopt race-conscious programs only as a remedy for discrimination identified as statistically significant, and the remedy must impose a minimal burden upon unprotected classes. The Court held that an inference of discrimination can be made *prima facie* if the disparity is statistically significant.<sup>3</sup> For this Disparity Study, this analysis was applied to M/WBEs by ethnicity and gender within the three industries.

## **2. Critical Components**

Eight critical components were performed for the City's Disparity Study:

- Legal review to define the evidentiary standard.
- Review of procurement policies to determine the contracting processes employed during the study period.
- Collection of contract records to determine the extent to which the City and its prime contractors procured construction, professional services, and goods and services from M/WBEs and non-M/WBEs.
- Identification of the market area in which the City spent its dollars.
- Availability analysis to identify businesses in the market area that were willing and able to provide construction, professional services, and goods and services procured by the City and its prime contractors.
- Disparity analysis to determine if a statistically significant underutilization of M/WBEs existed within each of the industries.
- Anecdotal analysis to describe the contemporary experiences of business owners in the market area.
- Recommendations to enhance current business practices and strategies to remedy any identified disparity.

### ***D. Industries Studied***

The analyzed contracts were classified into three industries:

- Construction
- Professional Services (including Architecture and Engineering)
- Goods and Services

### ***E. Ethnic and Gender Groups Studied***

The data in the Study are disaggregated into eight ethnic and gender groups, which are listed in Table 1.



---

<sup>3</sup> *Id.*

**Table 1: Business Ethnic and Gender Groups**

<b>Ethnicity and Gender Category</b>	<b>Definition</b>
African Americans	Businesses owned by African American males and females with origins in Africa; not including Hispanic origin
Asian Americans	Businesses owned by persons having origins from the Far East, Southeast Asia or the Pacific Islands and the Indian subcontinent
Hispanic Americans	Businesses owned by Hispanic males and females with origins in Puerto Rico, Mexico, Dominican Republic, Cuba, and Central or Southern America, regardless of race
Native Americans	Businesses owned by Indigenous Native American and Alaska Native males and females
Caucasian Females	Businesses owned by Caucasian females
Non-minority Male-owned Businesses	Businesses owned by non-minority males, and businesses that could not be identified as minority or Caucasian female-owned <sup>4</sup>
Minority-owned Business	Businesses owned by male and female African Americans, Asian Pacific Americans, Asian Indian Americans, Hispanic Americans, and Native Americans
Woman-owned Business	Businesses owned by females

#### ***F. Prime Contract Data Sources***

The prime contract data consist of contract records extracted from the City’s financial system. The purchase orders were issued during the October 1, 2014 to September 30, 2018 study period. The City’s prime contract data were normalized to conform into a consistent standard and combined to create a single prime contract dataset. Prime contracts were analyzed by contract number or purchase order number.

The dataset was scrubbed to remove duplicates and prime contracts awarded outside the study period. To assign industry, the records received from the City were analyzed by supplier name, purchase order item description, category description, or prime contract descriptions. Each prime contract was classified into one of the three industries—construction, professional services (including architecture and engineering), and goods and services. Excluded from the disparity study analysis are prime contracts with not-for-profit entities, state and other local government entities, claims/reimbursements, and utility companies.<sup>5</sup> Purchases of proprietary commodities, as

<sup>4</sup> See Section II: *Prime Contract Data Sources* for the methodology employed to identify the ethnicity and gender of the City’s utilized prime contractors.

<sup>5</sup> FULL LIST OF EXCLUSIONS: The exclusions also included: Contract Expired with no Payments Made, Contract was canceled prior to work beginning, Contributions/Donations/Sponsorship, Credit, Depositions and Expert Witness Testimony, Disbursement, Duplicate contract,



well as maintenance and service of these proprietary commodities, were also excluded. The assignment of industry classifications was reviewed and approved by the City.

### **G. Subcontract Data Sources**

The City did not maintain comprehensive data on the subcontracts awarded by its prime contractors. Consequently, research was required to reconstruct the subcontracts awarded by the City's prime contractors. The reconstruction involved collaboration with the City and its prime contractors to identify the utilized subcontractors. The research compiled the payments made to the subcontractors utilized on construction prime contracts valued at \$250,000 and greater and professional service contracts (including architecture and engineering) valued at \$200,000 and greater. Data were collected from the prime contractors over seven months, from February to September 2020.

### **H. Contract Thresholds**

The City's prime contracts awarded in each industry are analyzed at three size thresholds: (1) all prime contracts, (2) informal prime contracts, as defined by the City's Procurement code, the St. Petersburg City Code of Ordinances Chapter 2, and Article V, Divisions 2-4, 5, and 7, and (3) formal prime contracts, with the upper limits determined by a statistical calculation. While formal prime contracts are defined by the City's Procurement code, an upper limit was set for each industry to exclude outliers and ensure the integrity of the disparity analysis. Outliers are atypical contract amounts that are notably different from the other contract amounts in the dataset. Excluding outliers increases the reliability of the statistical findings.

Tables 2 and 3 present the informal and formal contract thresholds by industry.

**Table 2: Informal Contract Threshold by Industry**

Industry	Informal Contract Threshold
Construction	Less than \$100,000
Professional Services	Less than \$100,000
Goods and Services	Less than \$100,000



Educational Institutions and Services, Employees Benefits, Fees and Licenses, Financial Institutions/ Investment Company/Insurance, Food Purveyors, Government, Grant, Hotel, Individual/Reimbursements/Judgments, Mail/Courier Services, Manufacturer, Media (Radio, TV, Newspaper), Medical Supplies/Equipment, Medical/Healthcare/Rehabilitation/Custodial Care, Mega Store, Missing or Zero Amount, No releases for Master Agreement, Non-Profit, On-Line Database Service, Periodical Subscriptions, Membership, Personal Services, Public Utilities and Fuel, Publishing, Real Estate, Recreation, Redevelopment/Residential, Refund, Discount, Badge Deposit, Deductibles, Rebates, Registration and Tuition, Reimbursement, Staffing/Employment, Telecommunication, Transportation/Travel Related, Vehicle Dealerships, Out of Study Period.

**Table 3: Formal Contract Threshold by Industry**

Industry	Formal Contract Threshold
Construction	Between \$100,000 and \$2,790,000
Professional Services	Between \$100,000 and \$1,400,000
Goods and Services	Between \$100,000 and \$1,150,000

## ***II. Notable Findings***

### ***A. Utilization Analysis***

Mason Tillman documented the City’s utilization of Minority and Woman Business Enterprise (M/WBEs) and non-minority male-owned business enterprises (non-M/WBEs) by ethnicity, gender, and industry during the October 1, 2014 to September 30, 2018 study period at both the prime contractor and subcontractor levels. The contracts were classified into three industries—construction, professional services (including architecture and engineering), and goods and services. Disparity was found in the industries at both the prime and subcontract levels.

#### **1. Prime Contractor Utilization Analysis**

The prime contract utilization analysis examined 7,896 prime contracts awarded by the City during the October 1, 2014 to September 30, 2018 study period. The \$684,925,107 expended included \$410,663,577 for construction, \$67,274,605 for professional services, and \$206,986,925 for goods and services. A total of 7,896 prime contracts were analyzed, which included 555 for construction, 1,106 for professional services, and 6,235 for goods and services.

The utilization analysis was performed for prime contracts in the three industries at three-dollar thresholds: (1) all prime contracts regardless of award amount; (2) all informal prime contracts valued less than \$100,000 for construction, less than \$100,000 for professional services, and less than \$100,000 for goods and services, as defined by the City’s Procurement code, the St. Petersburg City Code of Ordinances Chapter 2, Article V, Divisions 2-4, 5, and 7; and (3) formal prime contracts, with thresholds set for each industry to eliminate outliers. Given the application of the thresholds, the formal prime contracts analyzed were valued between \$100,000 and \$2,970,000 for construction, between \$100,000 and \$1,400,000 for professional services, and between \$100,000 and \$1,150,000 for goods and services.

Table 4 presents a summary of prime contractor utilization by industry and percent of dollars awarded by ethnicity and gender.



**Table 4: Prime Contractor Utilization Summary by Industry**

<b>All Prime Contracts by Industry and Percent of Dollars Awarded by Ethnicity and Gender</b>			
<b>Ethnicity</b>	<b>Construction</b>	<b>Professional Services</b>	<b>Goods and Services</b>
African Americans	0.04%	0.66%	1.21%
Asian Americans	0.23%	3.41%	0.94%
Hispanic Americans	1.87%	2.67%	0.28%
Native Americans	0.00%	0.00%	0.34%
Caucasian Females	0.69%	8.65%	3.56%
Non-minority Males	97.17%	84.61%	93.67%

## **2. Subcontractor Utilization Analysis**

The construction and professional services subcontracts awarded by the City's prime contractors had to be reconstructed because the City did not maintain subcontract records. The subcontract utilization analysis was therefore limited to the subcontract records that could be reconstructed through the prime contractor expenditure survey. The reconstructed subcontracts examined were awarded by the City's prime contractors from October 1, 2014 to September 30, 2018 study period. The reconstructed construction and professional services subcontracts were valued at \$111,725,420, which included \$102,644,758 for construction and \$9,080,662 for professional services. A total of 609 subcontracts were analyzed, which included 499 for construction and 110 for professional services.

Table 5 presents a summary of construction subcontractor utilization.

**Table 5: Construction Subcontractor Utilization Summary**

<b>Ethnicity</b>	<b>Construction</b>
African Americans	1.06%
Asian-Pacific Americans	0.19%
Hispanic Americans	10.16%
Native Americans	0.00%
Caucasian Females	3.21%
Non-minority Males	85.38%

### **B. Market Area Analysis**



Although Croson and its progeny do not provide a bright line rule for the delineation of the local market area, when taken collectively, the case law supports a definition of the market area as the geographical boundaries of the government entity. The market area analysis revealed the City spent the majority of its dollars during the study period in Pinellas County. As a result, the Study's market area is determined to be the geographical boundaries of Pinellas County.



During the study period, the City awarded 7,896 construction, professional services, and goods and services prime contracts, valued at \$684,925,107. The City awarded 58.23% of prime contracts and 36.17% of dollars to businesses domiciled within the market area.

Construction Prime Contracts: 320, or 57.66%, of construction prime contracts were awarded to market area businesses. Construction prime contracts in the market area accounted for \$129,697,565, or 31.58%, of the total construction prime contract dollars.

Professional Services Prime Contracts: 636, or 57.50%, of professional services prime contracts were awarded to market area businesses. Professional services prime contracts in the market area accounted for \$25,315,068, or 37.63%, of the total professional services prime contract dollars.

Goods and Services Prime Contracts: 3,642, or 58.41%, of goods and services prime contracts were awarded to market area businesses. Goods and services prime contracts in the market area accounted for \$92,746,989, or 44.81%, of the total goods and services prime contract dollars.

### ***C. Prime Contract and Subcontract Availability Analysis***

The prime contract and subcontract availability analysis presents the enumeration of willing and able market area businesses by ethnicity, gender, and industry. The capacity of the enumerated businesses was assessed using four methods: (1) a review of the distribution of contracts to determine the size of the contracts that the City awarded, (2) the identification of the largest contracts awarded to minority and woman-owned businesses, (3) an analysis of the frequency distribution of the City's contracts awarded to minority and woman-owned businesses and non-minority male-owned businesses, and (4) calculating a threshold for the disparity analysis that eliminated outliers and limited the range of the formal prime contracts analyzed.

The findings from these analyses illustrate that M/WBEs have a socioeconomic profile comparable to similarly situated Caucasian male-owned businesses and the capacity to perform large City contracts. Willing and able minority-owned businesses account for 17.08% of construction, professional services, and goods and services prime contractors; woman business enterprises account for 29.61%; and non-minority male-owned business account for 58.95%. Minority-owned businesses account for 18.51% of construction subcontractors; woman business enterprises account for 28.98%; and non-minority male-owned businesses account for 59.03%. Minority-owned businesses account for 24.33% of professional services subcontractors; woman business enterprises account for 30.42%; and non-minority male-owned businesses account for 52.47%.

Table 6 presents prime contractor availability according to ethnicity, gender, and industry. The prime contractor availability analysis is based on the 1,101 willing market area businesses enumerated from three availability sources: City records, government certification lists, and business and trade association membership lists.



**Table 6: Prime Contractor Availability Analysis**

<b>Ethnicity</b>	<b>Construction</b>	<b>Professional Services</b>	<b>Goods and Services</b>
African Americans	11.11%	6.84%	3.71%
Asian Americans	0.00%	3.80%	2.02%
Hispanic Americans	6.94%	7.59%	6.24%
Native Americans	1.85%	2.78%	0.34%
Caucasian Females	13.83%	30.89%	22.09%
Non-minority Males	66.67%	48.10%	65.60%

Table 7 presents subcontractor availability according to ethnicity, gender, and industry. Subcontractor availability was not calculated for goods and other services, as the subcontracting activity in that industry was limited.

**Table 7: Subcontractor Availability Analysis**

<b>Ethnicity</b>	<b>Construction</b>	<b>Professional Services</b>
African Americans	6.53%	8.37%
Asian Americans	2.28%	3.80%
Hispanic Americans	8.50%	11.03%
Native Americans	1.21%	1.14%
Caucasian Females	22.46%	23.19%
Non-minority Males	59.03%	52.47%

#### ***D. Disparity Analysis***

A disparity analysis was performed on all prime contracts and subcontracts awarded during the study period. Disparity was found at both the prime contract and subcontract levels for several ethnic and gender groups.

##### **1. Prime Contracts**

##### **a. Construction Prime Contracts**

As indicated in Table 8, disparity was found for African American, Native American, Caucasian female, minority-owned business, and woman-owned business prime contractors on construction contracts valued less than \$100,000. Disparity was also found for African American, Hispanic American, Caucasian female, minority-owned business, and woman-owned business prime contractors on construction contracts valued between \$100,000 and \$2,790,000.



**Table 8: Disparity Summary: Construction Prime Contract Dollars  
October 1, 2014 to September 30, 2018**

Ethnicity/Gender	Construction	
	Contracts Valued under \$100,000	Contracts Valued between \$100,000 and \$2,790,000
African Americans	<i>Disparity</i>	<i>Disparity</i>
Asian Americans	----	No Disparity
Hispanic Americans	No Disparity	<i>Disparity</i>
Native Americans	<i>Disparity</i>	----
Caucasian Females	<i>Disparity</i>	<i>Disparity</i>
Minority-owned Businesses	<i>Disparity</i>	<i>Disparity</i>
Woman-owned Businesses	<i>Disparity</i>	<i>Disparity</i>

( ---- ) the statistical test could not detect the disparity because there were no contracts awarded, too few contracts awarded, or too few available businesses.

**b. Professional Services Prime Contracts**

As indicated in Table 9, disparity was found for African American, Hispanic American, Native American, Caucasian female, minority-owned business, and woman-owned business prime contractors on professional services contracts valued less than \$100,000. Disparity was also found for African American, Native American, Caucasian female, minority-owned business, and woman-owned business prime contractors on professional services contracts valued between \$100,000 and \$1,400,000.

**Table 9: Disparity Summary: Professional Services Prime Contract Dollars  
October 1, 2014 to September 30, 2018**

Ethnicity/Gender	Professional Services	
	Contracts Valued under \$100,000	Contracts Valued between \$100,000 and \$1,400,000
African Americans	<i>Disparity</i>	<i>Disparity</i>
Asian Americans	No Disparity	No Disparity
Hispanic Americans	<i>Disparity</i>	No Disparity
Native Americans	<i>Disparity</i>	<i>Disparity</i>



Ethnicity/Gender	Professional Services	
	Contracts Valued under \$100,000	Contracts Valued between \$100,000 and \$1,400,000
Caucasian Females	<i>Disparity</i>	<i>Disparity</i>
Minority-owned Businesses	<i>Disparity</i>	<i>Disparity</i>
Woman-owned Businesses	<i>Disparity</i>	<i>Disparity</i>

**c. Goods and Services Prime Contracts**

As indicated in Table 10, disparity was found for African American, Hispanic American, Caucasian female, minority-owned business, and woman-owned business prime contractors on goods and services contracts valued less than \$100,000. Disparity was also found for Hispanic American, Caucasian female, minority-owned business, and woman-owned business prime contractors on goods and services contracts valued between \$100,000 and \$1,150,000.

**Table 10: Disparity Summary: Goods and Services Prime Contract Dollars  
October 1, 2014 to September 30, 2018**

Ethnicity/Gender	Goods and Services	
	Contracts Valued under \$100,000	Contracts Valued between \$100,000 and \$1,150,000
African Americans	<i>Disparity</i>	No Disparity
Asian Americans	No Disparity	No Disparity
Hispanic Americans	<i>Disparity</i>	<i>Disparity</i>
Native Americans	----	No Disparity
Caucasian Females	<i>Disparity</i>	<i>Disparity</i>
Minority-owned Businesses	<i>Disparity</i>	<i>Disparity</i>
Woman-owned Businesses	<i>Disparity</i>	<i>Disparity</i>

( ---- ) the statistical test could not detect the disparity because there were no contracts awarded, too few contracts awarded, or too few available businesses.



## 2. Subcontracts

As indicated in Table 11, disparity was found for African American, Asian American, Native American, Caucasian female, minority-owned business, and woman-owned business subcontractors on construction contracts. Disparity was also found for African American, Hispanic American, Caucasian female, minority-owned business, and woman-owned business subcontractors on professional services contracts.

**Table 11: Subcontract Disparity Summary,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity/Gender</b>	<b>Construction</b>	<b>Professional Services</b>
<b>African Americans</b>	<i>Disparity</i>	<i>Disparity</i>
<b>Asian Americans</b>	<i>Disparity</i>	<b>No Disparity</b>
<b>Hispanic Americans</b>	<b>No Disparity</b>	<i>Disparity</i>
<b>Native Americans</b>	<i>Disparity</i>	----
<b>Caucasian Females</b>	<i>Disparity</i>	<i>Disparity</i>
<b>Minority Business Enterprises</b>	<i>Disparity</i>	<i>Disparity</i>
<b>Woman Business Enterprises</b>	<i>Disparity</i>	<i>Disparity</i>

( ---- ) the statistical test could not detect the disparity because there were no contracts awarded, too few contracts awarded, or too few available businesses.

### ***E. Anecdotal Analysis***

The importance of anecdotal evidence in assessing the presence of discrimination in a geographic market area was identified in the landmark Croson case. The Court held that a pattern of individual discriminatory acts can explain the statistical disparity findings. However, such acts cannot be used to determine the presence of discrimination in a government's contracting process. The anecdotal testimonies collected from business owners describing their perceptions of barriers in the market area were used to define best management practices to improve M/WBEs' access to the City's contracts.

An eSurvey was distributed to the dataset of 2,756 available businesses compiled for the statistical analysis. Respondents represented the ethnic and gender distribution of the businesses surveyed. The eSurvey included 37 questions yielding either a yes-or-no, multiple-choice, or rating-scale response and eight open-ended questions. The majority of respondents to the eSurvey were



Caucasian American, representing 47.50% of respondents, and African American, representing 38.60% of respondents. In addition, male-owned businesses accounted for 55.70% of respondents and woman-owned businesses accounted for 38.60%. The findings revealed that 37.10% of businesses had an M/WBE certification, 42.90% had no certifications, 15.70% had other certifications, and 40.00% had small business enterprise certifications.

When describing issues businesses have had in dealing with the City, 25.70% of respondents have experienced insufficient time for submitting bids on City contracts. When bids were rejected by the City, 15.71% of respondents who pursued a debriefing meeting found the meeting with the City to be helpful, while 8.57% of respondents did not find debriefings with the City to be helpful. Respondents also detailed the types of preferential treatment highly used contractors receive: 32.90% of respondents reported advance bid or proposal notifications, 18.60% of respondents reported the City's approval of multiple change orders or amendments, and 34.30% of respondents reported that there are bid or proposal requirements that favor large businesses. The findings revealed that 44.30% reported that the City shows preference to highly used prime contractors.

While 38.60% of respondents were SBEs, only 22.90% of respondents found the program to be helpful. Information gathered from the eSurvey was used to draft the race and gender-neutral recommendations.

#### ***F. Regression Analysis***

The analyses of the two outcome variables document disparities that could adversely affect the formation and growth of M/WBEs within the construction, professional services, and goods and services industries. In the absence of a race and gender-neutral explanation for the disparities, the regression findings point to racial and gender discrimination that depressed business ownership and business earnings. Such discrimination is a manifestation of economic conditions in the private sector that impede minorities and Caucasian females' efforts to own, expand, and sustain businesses. It can reasonably be inferred that these private sector conditions are manifested in the current M/WBEs' experiences and likely contributed to lower levels of willing and able M/WBEs.

It is important to note that there are limitations to using the regression findings in order to assess disparity between the utilization and availability of businesses. No matter how discriminatory the private sector may be, the findings cannot be used as the factual basis for a government-sponsored, race-conscious M/WBE program. Therefore, caution must be exercised in the interpretation and application of the regression findings in a disparity study. Nevertheless, the findings can be used to enhance the race-neutral recommendations to eliminate identified statistically significant disparities in the City's use of available M/WBEs.

#### ***G. Assessment of the City's Small Business Enterprise Program***

The Disparity Study documented a statistical disparity in both the City's prime contracts and subcontracts awarded during the study period. Race and gender-specific and race and gender-neutral recommendations are offered to remedy the documented statistically significant disparity in the utilization of the available Minority and Women Business Enterprises (M/WBEs). Also



offered are guidelines to establish an M/WBE Program. The chapter also assessed the Small Business Program's efficacy in achieving equitable award of City contracts.

The efficacy of the City's Small Business Enterprise (SBE) Program was assessed to determine if the program had achieved parity in the award of prime contracts and subcontracts to available M/WBEs.

The utilization of certified SBEs on the City's prime contracts awarded during the October 1, 2014 to September 30, 2018 study period was reviewed. The certified SBE prime contract utilization analysis for all industries combined revealed that non-minority males received most of the dollars awarded to SBE prime contractors. When the utilization of certified SBEs was compared to the percentages of each ethnic group on the City's list of certified SBEs, Hispanic Americans, Caucasian females, woman business enterprises, and minority business enterprises were underutilized at a statistically significant level.

The evidence indicates that the SBE Program did not achieve parity in the award of prime contracts to SBE-certified M/WBE firms even when the analysis was limited to certified small businesses. After nearly 31 years in operation, the SBE Program has been ineffective in achieving equitable participation for M/WBE prime contractors based on their availability in the City's market area.

## ***H. Recommendations***

### **1. Race and Gender-Conscious Recommendations**

The proposed race and gender-conscious recommendations are predicated on the disparity findings and limited to the ethnic groups that were underutilized at a statistically significant level. Recommendations also include gender-based remedies for the female groups that are underutilized, albeit not at a statistically significant level. Findings of discrimination for WBEs only require statistical evidence of underutilization.

#### **a. Prime Contract Remedies**

The following remedies were offered to address the disparity in the award of prime contracts:

- Apply bid discount to construction prime contracts.
- Apply bid discount to goods and services prime contracts.
- Establish evaluation points for professional services prime contracts.



## **b. Subcontract Remedies**

The following remedies were offered to address the disparity in the award of subcontracts:

- Set subcontracting goals for groups with a disparity.
- Implement quantifiable good faith effort criteria.

## **2. Establish a Minority and Woman-owned Business Enterprise (M/WBE) Program**

The City should enact an ordinance to establish a Minority and Woman-owned Business Enterprise (M/WBE) Program to remedy the documented disparity in the award of both prime contracts and subcontracts to M/WBEs. Policy should include certification standards, goal-setting procedures, and monitoring and reporting requirements. Included in the program should be the following:

- Certification eligibility standards
- Subcontract goals
- Bid discounts and evaluation points for prime contracts
- Goal attainment at bid opening
- Quantifiable good faith effort criteria
- Verification of commercially useful function
- Participation counted toward the M/WBE goal
- Substitution standards for M/WBE subcontractors
- Penalties assessed for failing to achieve M/WBE subcontract goals
- M/WBE Program staffing plan
- M/WBE advisory committee
- M/WBE Program training manual
- M/WBE Program City staff training
- M/WBE Program outreach and marketing campaign
- M/WBE business outreach
- Utilization reporting standards
- Tracking and monitoring standards
- Financial assistance to M/WBEs

## **3. Race and Gender-Neutral Recommendations**

Race and gender-neutral recommendations are offered to expand the responsibility of the M/WBE Program Manager to more effectively address the barriers that market area M/WBEs and SBEs encounter while seeking to do business in the City.

### **a. Pre-Award Recommendations**

- Maximize the competitive solicitation process.
- Develop contract unbundling policy.
- Provide debriefing sessions for unsuccessful bidders.





**b. Post-Award Recommendations**

- Standardize subcontractor substitution requirements.
- Enhance prime contract financial management system.
- Publicize prime contractor payments.
- Establish dispute resolution standards.



---

## ***Appendix A: Structure of the Report***

The Disparity Study findings are presented in 11 chapters as briefly described below.

- *Chapter 1: Legal Review* presents the case law applicable to business affirmative action programs and the required methodology based on the relevant law.
- *Chapter 2: Procurement Practices and Procedures Analysis* summarizes the City's procurement policies and practices.
- *Chapter 3: Prime Contractor Utilization Analysis* presents the distribution of prime contractor purchase orders by industry, ethnicity, and gender.
- *Chapter 4: Subcontractor Utilization Analysis* presents the distribution of subcontracts by industry, ethnicity, and gender.
- *Chapter 5: Market Area Analysis* presents the legal basis for determining the geographic market area and defines the City's market area.
- *Chapter 6: Prime Contractor and Subcontractor Availability Analysis* presents the distribution of available businesses in the City's market area.
- *Chapter 7: Prime Contract Disparity Analysis* presents prime contractor utilization as compared to prime contractor availability by industry, ethnicity, and gender, and evaluates the statistical significance of any underutilization.
- *Chapter 8: Subcontract Disparity Analysis* presents subcontractor utilization compared to subcontractor availability by industry, ethnicity, and gender, and evaluates the statistical significance of any underutilization.
- *Chapter 9: Regression Analysis* examined two outcome variables to determine whether the City is passively participating in ethnic and gender discrimination.
- *Chapter 10: Anecdotal Analysis* presents the business community's perceptions of barriers and exemplary practices encountered in contracting or attempting to contract with the City.
- *Chapter 11: Recommendations* presents race and gender-conscious and race and gender-neutral remedies to enhance the City's procurement policies and procedures, as well as its contracting with M/WBEs and other small businesses.

# city of st. petersburg final report



## DISPARITY STUDY



MASON TILLMAN  
ASSOCIATES, LTD

submitted april 2021

---

# Table of Contents

<b>CHAPTER 1: Legal Review.....</b>	<b>1-1</b>
<b>I.    INTRODUCTION .....</b>	<b>1-1</b>
<b>II.   OVERVIEW OF THE ELEVENTH CIRCUIT COURT DECISIONS .....</b>	<b>1-1</b>
<b>III.  STANDARD OF REVIEW .....</b>	<b>1-3</b>
<b>IV.   BURDEN OF PROOF .....</b>	<b>1-7</b>
A.    INITIAL BURDEN OF PROOF.....	1-8
B.    ULTIMATE BURDEN OF PROOF.....	1-8
<b>V.    CROSON EVIDENTIARY FRAMEWORK.....</b>	<b>1-10</b>
A.    ACTIVE OR PASSIVE PARTICIPATION .....	1-10
B.    SYSTEMIC DISCRIMINATORY EXCLUSION .....	1-13
C.    ANECDOTAL EVIDENCE .....	1-20
D.    REMEDIAL STATUTORY SCHEME .....	1-25
<b>VI.   CONSIDERATION OF RACE-NEUTRAL OPTIONS .....</b>	<b>1-28</b>
<b>VII.  CONCLUSION.....</b>	<b>1-29</b>
<b>VIII. LIST OF AUTHORITIES .....</b>	<b>1-31</b>
<b>CHAPTER 2: Procurement Practices and Procedures Analysis .....</b>	<b>2-1</b>
<b>I.    INTRODUCTION .....</b>	<b>2-1</b>
A.    GOVERNING STATUTES, CODES, AND POLICIES .....	2-1
B.    FLORIDA STATE STATUTES.....	2-1
C.    ST. PETERSBURG CITY CODE OF ORDINANCES, CHAPTER 2, ARTICLE V .....	2-2
D.    CITY OF ST. PETERSBURG ADMINISTRATIVE POLICIES .....	2-2
E.    ST. PETERSBURG PROCUREMENT OPERATIONS MANUAL .....	2-3
F.    INDUSTRY DEFINITIONS.....	2-3
<b>II.   SMALL PURCHASES.....</b>	<b>2-3</b>
<b>III.  COMPETITIVE SEALED BIDS.....</b>	<b>2-4</b>



A.	GOODS AND SERVICES PROCUREMENT .....	2-4
B.	CONSTRUCTION PROCUREMENT .....	2-5
C.	MULTI-STEP SEALED BIDDING .....	2-6
<b>IV.</b>	<b>COMPETITIVE SEALED PROPOSALS .....</b>	<b>2-7</b>
A.	DESIGN PROFESSIONAL SERVICES .....	2-7
B.	NON-DESIGN PROFESSIONAL SERVICES .....	2-9
<b>V.</b>	<b>ALTERNATIVE COMPETITIVE PROCUREMENT METHODS.....</b>	<b>2-10</b>
A.	JOINT BIDDING .....	2-10
B.	COOPERATIVE PURCHASES .....	2-10
C.	PIGGYBACK PURCHASES.....	2-11
<b>VI.</b>	<b>EXCEPTIONS TO COMPETITIVE BIDDING .....</b>	<b>2-11</b>
A.	SOLE SOURCE PROCUREMENTS .....	2-11
B.	EMERGENCY PROCUREMENTS .....	2-11
<b>VII.</b>	<b>SMALL BUSINESS ENTERPRISE PROGRAM.....</b>	<b>2-12</b>
A.	BACKGROUND .....	2-12
B.	SBE PROGRAM ADMINISTRATION .....	2-12
C.	SBE CERTIFICATION ELIGIBILITY REQUIREMENTS .....	2-13
D.	SBE GOALS .....	2-14
E.	GOOD FAITH EFFORT REQUIREMENTS .....	2-14
F.	OTHER INITIATIVES FOR THE SBE PROGRAM .....	2-15
G.	SBE PROGRAM COMPLIANCE .....	2-15
<b>CHAPTER 3:</b>	<b>Prime Contractor Utilization Analysis.....</b>	<b>3-1</b>
<b>I.</b>	<b>INTRODUCTION .....</b>	<b>3-1</b>
<b>II.</b>	<b>PRIME CONTRACT DATA SOURCES.....</b>	<b>3-2</b>
<b>III.</b>	<b>THRESHOLDS FOR ANALYSIS.....</b>	<b>3-3</b>
A.	INFORMAL THRESHOLDS .....	3-3
B.	FORMAL THRESHOLDS.....	3-4
<b>IV.</b>	<b>PRIME CONTRACTOR UTILIZATION.....</b>	<b>3-5</b>
A.	ALL PRIME CONTRACTORS .....	3-5
B.	HIGHLY USED CONSTRUCTION PRIME CONTRACTORS .....	3-5



C.	HIGHLY USED PROFESSIONAL SERVICES PRIME CONTRACTORS.....	3-6
D.	HIGHLY USED GOODS AND SERVICES PRIME CONTRACTORS .....	3-7
E.	ALL PRIME CONTRACTS BY INDUSTRY .....	3-9
F.	INFORMAL CONTRACTS BY INDUSTRY .....	3-15
G.	FORMAL CONTRACTS BY INDUSTRY .....	3-21
V.	SUMMARY.....	3-27
<b>CHAPTER 4: Subcontractor Utilization Analysis.....</b>		<b>4-1</b>
I.	INTRODUCTION .....	4-1
II.	DATA SOURCES .....	4-1
A.	DATA COLLECTION PROCESS.....	4-1
B.	SUBCONTRACT DATA ANALYSIS .....	4-1
C.	ALL SUBCONTRACTS .....	4-2
D.	SUBCONTRACTS BY INDUSTRY .....	4-3
III.	SUMMARY.....	4-7
<b>CHAPTER 5: Market Area Analysis.....</b>		<b>5-1</b>
I.	MARKET AREA DEFINITION.....	5-1
A.	LEGAL CRITERIA FOR GEOGRAPHIC MARKET AREA.....	5-1
B.	APPLICATION OF THE CROSON STANDARD .....	5-1
II.	MARKET AREA ANALYSIS .....	5-4
A.	SUMMARY OF THE DISTRIBUTION OF ALL PRIME CONTRACTS AWARDED .....	5-4
B.	DISTRIBUTION OF CONSTRUCTION PRIME CONTRACTS.....	5-5
C.	DISTRIBUTION OF PROFESSIONAL SERVICES PRIME CONTRACTS .....	5-6
D.	DISTRIBUTION OF GOODS AND SERVICES PRIME CONTRACTS .....	5-7
III.	SUMMARY.....	5-8
<b>CHAPTER 6: Prime Contractor and Subcontractor Availability Analysis .....</b>		<b>6-1</b>
I.	INTRODUCTION .....	6-1
II.	PRIME CONTRACTOR AVAILABILITY DATA SOURCES .....	6-1
A.	IDENTIFICATION OF WILLING BUSINESSES WITHIN THE MARKET AREA.....	6-1
B.	PRIME CONTRACTOR SOURCES .....	6-2



C.	DETERMINATION OF WILLINGNESS.....	6-3
D.	DISTRIBUTION OF AVAILABLE PRIME CONTRACTORS BY SOURCE, ETHNICITY, AND GENDER.....	6-4
<b>III.</b>	<b>CAPACITY.....</b>	<b>6-6</b>
A.	PRIME CONTRACT SIZE DISTRIBUTION .....	6-7
B.	LARGEST PRIME CONTRACTS AWARDED TO MINORITY AND WOMAN-OWNED BUSINESSES .....	6-8
C.	FREQUENCY DISTRIBUTION .....	6-9
D.	FORMAL CONTRACT THRESHOLD ANALYSIS .....	6-10
E.	BUSINESS CAPACITY ASSESSMENT .....	6-11
<b>IV.</b>	<b>PRIME CONTRACTOR AVAILABILITY ANALYSIS .....</b>	<b>6-17</b>
A.	CONSTRUCTION PRIME CONTRACTOR AVAILABILITY.....	6-17
B.	PROFESSIONAL SERVICES PRIME CONTRACTOR AVAILABILITY.....	6-19
C.	GOODS AND SERVICES PRIME CONTRACTOR AVAILABILITY .....	6-21
<b>V.</b>	<b>SUBCONTRACTOR AVAILABILITY ANALYSIS .....</b>	<b>6-23</b>
A.	SOURCE OF WILLING AND ABLE SUBCONTRACTORS .....	6-23
B.	DETERMINATION OF WILLINGNESS AND CAPACITY .....	6-23
C.	CONSTRUCTION SUBCONTRACTOR AVAILABILITY .....	6-24
D.	PROFESSIONAL SERVICES SUBCONTRACTOR AVAILABILITY .....	6-26
<b>VI.</b>	<b>SUMMARY.....</b>	<b>6-28</b>
<b>CHAPTER 7:</b>	<b>Prime Contract Disparity Analysis .....</b>	<b>7-1</b>
<b>I.</b>	<b>INTRODUCTION .....</b>	<b>7-1</b>
<b>II.</b>	<b>DISPARITY ANALYSIS .....</b>	<b>7-2</b>
A.	DISPARITY ANALYSIS: INFORMAL PRIME CONTRACTS, BY INDUSTRY .....	7-4
B.	DISPARITY ANALYSIS: FORMAL PRIME CONTRACTS VALUED, BY INDUSTRY.....	7-13
<b>III.</b>	<b>DISPARITY ANALYSIS SUMMARY .....</b>	<b>7-22</b>
A.	CONSTRUCTION PRIME CONTRACTS .....	7-22
B.	PROFESSIONAL SERVICES PRIME CONTRACTS .....	7-23
C.	GOODS AND SERVICES PRIME CONTRACTS.....	7-24
<b>CHAPTER 8:</b>	<b>Subcontract Disparity Analysis .....</b>	<b>8-1</b>



<b>I.</b>	<b>INTRODUCTION .....</b>	<b>8-1</b>
<b>II.</b>	<b>DISPARITY ANALYSIS .....</b>	<b>8-1</b>
<b>III.</b>	<b>DISPARITY ANALYSIS: ALL SUBCONTRACTS BY INDUSTRY .....</b>	<b>8-3</b>
A.	CONSTRUCTION SUBCONTRACTS .....	8-3
B.	PROFESSIONAL SERVICES SUBCONTRACTS .....	8-6
<b>IV.</b>	<b>SUBCONTRACT DISPARITY SUMMARY .....</b>	<b>8-9</b>
<b>CHAPTER 9: Regression Analysis .....</b>		<b>9-1</b>
<b>I.</b>	<b>INTRODUCTION .....</b>	<b>9-1</b>
<b>II.</b>	<b>LEGAL ANALYSIS .....</b>	<b>9-2</b>
A.	PASSIVE DISCRIMINATION .....	9-2
B.	NARROW TAILORING .....	9-3
C.	CONCLUSION .....	9-4
<b>III.</b>	<b>REGRESSION ANALYSIS METHODOLOGY .....</b>	<b>9-4</b>
<b>IV.</b>	<b>DATASETS ANALYZED .....</b>	<b>9-4</b>
<b>V.</b>	<b>REGRESSION MODELS DEFINED.....</b>	<b>9-5</b>
A.	BUSINESS OWNERSHIP ANALYSIS .....	9-5
B.	THE EARNINGS DISPARITY ANALYSIS .....	9-6
<b>VI.</b>	<b>FINDINGS .....</b>	<b>9-7</b>
A.	BUSINESS OWNERSHIP ANALYSIS .....	9-7
B.	BUSINESS OWNERSHIP ANALYSIS CONCLUSION .....	9-11
C.	BUSINESS EARNINGS ANALYSIS .....	9-12
D.	BUSINESS EARNINGS ANALYSIS CONCLUSION.....	9-16
<b>VII.</b>	<b>CONCLUSION.....</b>	<b>9-17</b>
<b>CHAPTER 10: Anecdotal Analysis.....</b>		<b>10-1</b>
<b>I.</b>	<b>PURPOSE AND BACKGROUND FOR eSURVEY .....</b>	<b>10-1</b>
<b>II.</b>	<b>eSURVEY METHODOLOGY .....</b>	<b>10-1</b>





A.	eSURVEY INSTRUMENT DESIGN.....	10-1
B.	IDENTIFICATION OF THE eSURVEY POPULATION.....	10-1
C.	DISTRIBUTION OF THE eSURVEY INSTRUMENT .....	10-2
<b>III.</b>	<b>eSURVEY FINDINGS .....</b>	<b>10-2</b>
A.	PROFILE OF THE eSURVEY RESPONDENTS.....	10-2
B.	OVERVIEW OF BUSINESS PRACTICES .....	10-5
C.	SMALL BUSINESS ENTERPRISE PROGRAM.....	10-16
D.	SUMMARY .....	10-20
<b>CHAPTER 11:</b>	<b>Recommendations .....</b>	<b>11-1</b>
<b>I.</b>	<b>INTRODUCTION .....</b>	<b>11-1</b>
<b>II.</b>	<b>DISPARITY ANALYSIS FINDINGS.....</b>	<b>11-1</b>
A.	NUMBER OF PRIME PAYMENTS .....	11-1
B.	PRIME PAYMENT DISPARITY FINDINGS .....	11-2
<b>III.</b>	<b>ASSESSMENT OF THE CITY’S SMALL BUSINESS ENTERPRISE PROGRAM .....</b>	<b>11-5</b>
A.	SBE PROGRAM ADMINISTRATION .....	11-6
B.	SBE PROGRAM COMPONENTS .....	11-6
C.	SMALL BUSINESS ENTERPRISE UTILIZATION FINDINGS .....	11-7
<b>IV.</b>	<b>RACE AND GENDER-CONSCIOUS RECOMMENDATIONS.....</b>	<b>11-10</b>
A.	PRIME CONTRACT REMEDIES .....	11-10
B.	SUBCONTRACT REMEDIES .....	11-12
C.	PROCEDURES TO IMPLEMENT AN M/WBE PROGRAM .....	11-16
<b>V.</b>	<b>RACE AND GENDER-NEUTRAL RECOMMENDATIONS .....</b>	<b>11-26</b>
A.	PRE-AWARD RECOMMENDATIONS .....	11-26
B.	POST-AWARD RECOMMENDATIONS.....	11-27
<b>APPENDIX A:</b>	<b>REGRESSION ANALYSIS TECHNICAL APPENDIX .....</b>	<b>1</b>
<b>I.</b>	<b>INTRODUCTION .....</b>	<b>1</b>
<b>II.</b>	<b>PUMS CODING .....</b>	<b>1</b>
A.	DATA COLLECTION.....	1
B.	VARIABLE CLASSIFICATION.....	2
C.	GEOGRAPHIC AREA CLASSIFICATION .....	3



D.	INDUSTRY CLASSIFICATION .....	3
E.	CODING IMPLEMENTED.....	5
F.	OUTPUT .....	10
<b>APPENDIX B: ANECDOTAL QUESTIONNAIRE .....</b>		<b>1</b>



---

## ***List of Tables***

TABLE 1.1: KEY ELEVENTH CIRCUIT COURT DECISIONS .....	1-2
TABLE 2.1: GOVERNING STATUTES, CODES, AND POLICIES .....	2-1
TABLE 2.2: SMALL PURCHASES.....	2-4
TABLE 2.3: SBE GOALS - FY 2017-2020.....	2-14
TABLE 3.1: BUSINESS ETHNIC AND GENDER GROUPS .....	3-2
TABLE 3.2: INFORMAL CONTRACT THRESHOLD BY INDUSTRY .....	3-4
TABLE 3.3: FORMAL CONTRACT THRESHOLD BY INDUSTRY.....	3-5
TABLE 3.4: TOTAL PRIME CONTRACTS AND DOLLARS EXPENDED: ALL INDUSTRIES, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	3-5
TABLE 3.5: CONSTRUCTION PRIME CONTRACTS .....	3-6
TABLE 3.6: CONSTRUCTION PRIME CONTRACTS DISTRIBUTED BY NUMBER OF BUSINESSES .....	3-6
TABLE 3.7: TOP 3 HIGHLY USED CONSTRUCTION PRIME CONTRACTORS .....	3-6
TABLE 3.8: PROFESSIONAL SERVICES PRIME CONTRACTS .....	3-6
TABLE 3.9: PROFESSIONAL SERVICES PRIME CONTRACTS DISTRIBUTED BY NUMBER OF BUSINESSES .....	3-7
TABLE 3.10: TOP 12 HIGHLY USED PROFESSIONAL SERVICES PRIME CONTRACTORS .....	3-7
TABLE 3.11: GOODS AND SERVICES PRIME CONTRACTS.....	3-7
TABLE 3.12: GOODS AND SERVICES PRIME CONTRACTS DISTRIBUTED BY NUMBER OF BUSINESSES .....	3-8
TABLE 3.13: TOP 42 HIGHLY USED GOODS AND SERVICES PRIME CONTRACTORS .....	3-8
TABLE 3.14: CONSTRUCTION PRIME CONTRACT UTILIZATION: ALL CONTRACTS, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	3-10
TABLE 3.15: PROFESSIONAL SERVICES PRIME CONTRACT UTILIZATION: ALL CONTRACTS, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	3-12



TABLE 3.16: GOODS AND SERVICES PRIME CONTRACT UTILIZATION: ALL CONTRACTS, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	3-14
TABLE 3.17: CONSTRUCTION PRIME CONTRACT UTILIZATION: CONTRACTS VALUED UNDER \$100,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018.....	3-16
TABLE 3.18: PROFESSIONAL SERVICES PRIME CONTRACT UTILIZATION: CONTRACTS VALUED UNDER \$100,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	3-18
TABLE 3.19: GOODS AND SERVICES PRIME CONTRACT UTILIZATION: CONTRACTS VALUED UNDER \$100,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	3-20
TABLE 3.20: CONSTRUCTION PRIME CONTRACT UTILIZATION: CONTRACTS VALUED BETWEEN \$100,000 AND \$2,790,000,.....	3-22
TABLE 3.21: PROFESSIONAL SERVICES PRIME CONTRACT UTILIZATION: CONTRACTS VALUED BETWEEN \$100,000 AND \$1,400,000,.....	3-24
TABLE 3.22: GOODS AND SERVICES PRIME CONTRACT UTILIZATION: CONTRACTS VALUED BETWEEN \$100,000 AND \$1,150,000,.....	3-26
TABLE 4.1: SUBCONTRACTS AWARDED AND DOLLARS EXPENDED BY INDUSTRY, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	4-2
TABLE 4.2: CONSTRUCTION SUBCONTRACTOR UTILIZATION, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	4-4
TABLE 4.3: PROFESSIONAL SERVICES SUBCONTRACTOR UTILIZATION, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	4-6
TABLE 5.1: DISTRIBUTION OF ALL CONTRACTS AWARDED .....	5-4
TABLE 5.2: DISTRIBUTION OF CONSTRUCTION PRIME CONTRACTS.....	5-5
TABLE 5.3: DISTRIBUTION OF PROFESSIONAL SERVICES PRIME CONTRACTS.....	5-6
TABLE 5.4: DISTRIBUTION OF GOODS AND SERVICES PRIME CONTRACTS .....	5-7
TABLE 5.5: THE CITY’S PRIME CONTRACT DISTRIBUTION.....	5-9
TABLE 6.1: PRIME CONTRACTOR AVAILABILITY DATA SOURCES.....	6-2
TABLE 6.2: DISTRIBUTION OF PRIME CONTRACTOR AVAILABILITY DATA SOURCES, CONSTRUCTION .....	6-4



TABLE 6.3: DISTRIBUTION OF PRIME CONTRACTOR AVAILABILITY DATA SOURCES, PROFESSIONAL SERVICES.....	6-5
TABLE 6.4: DISTRIBUTION OF PRIME CONTRACTOR AVAILABILITY DATA SOURCES, GOODS AND SERVICES .....	6-5
TABLE 6.5: ALL INDUSTRY CONTRACTS BY SIZE, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	6-7
TABLE 6.6: LARGEST PRIME CONTRACTS AWARDED BY CITY OF ST. PETERSBURG TO MINORITY AND WOMAN-OWNED BUSINESSES .....	6-9
TABLE 6.7: THRESHOLD ANALYSIS BY SIZE AND INDUSTRY .....	6-10
TABLE 6.8: ETHNICITY AND GENDER OF BUSINESS OWNERS .....	6-11
TABLE 6.9: PRIMARY INDUSTRY OF BUSINESS .....	6-11
TABLE 6.10: ANNUAL GROSS REVENUE .....	6-12
TABLE 6.11: NUMBER OF EMPLOYEES .....	6-13
TABLE 6.12: NUMBER OF ANNUAL CONTRACTS .....	6-14
TABLE 6.13: YEARS IN BUSINESS.....	6-14
TABLE 6.14: EDUCATION LEVEL OF BUSINESS OWNERS .....	6-15
TABLE 6.15: AVAILABLE CONSTRUCTION PRIME CONTRACTORS, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	6-18
TABLE 6.16: AVAILABLE PROFESSIONAL SERVICES PRIME CONTRACTORS, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	6-20
TABLE 6.17: AVAILABLE GOODS AND SERVICES PRIME CONTRACTORS, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	6-22
TABLE 6.18: UNIQUE SUBCONTRACTOR AVAILABILITY DATA SOURCE.....	6-23
TABLE 6.19: AVAILABLE CONSTRUCTION SUBCONTRACTORS OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	6-25
TABLE 6.20: AVAILABLE PROFESSIONAL SERVICES SUBCONTRACTORS, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	6-27
TABLE 7.1: INFORMAL CONTRACT THRESHOLDS BY INDUSTRY.....	7-2



TABLE 7.2: FORMAL CONTRACT THRESHOLDS BY INDUSTRY .....	7-2
TABLE 7.3: STATISTICAL OUTCOME DESCRIPTIONS .....	7-3
TABLE 7.4: DISPARITY ANALYSIS: CONSTRUCTION PRIME CONTRACTS VALUED UNDER \$100,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018.....	7-5
TABLE 7.5: DISPARITY ANALYSIS: PROFESSIONAL SERVICES PRIME CONTRACTS VALUED UNDER \$100,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	7-8
TABLE 7.6: DISPARITY ANALYSIS: GOODS AND SERVICES PRIME CONTRACTS VALUED UNDER \$100,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	7-11
TABLE 7.7: DISPARITY ANALYSIS: CONSTRUCTION PRIME CONTRACTS VALUED BETWEEN \$100,000 AND \$2,790,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	7-14
TABLE 7.8: DISPARITY ANALYSIS: PROFESSIONAL SERVICES PRIME CONTRACTS VALUED BETWEEN \$100,000 AND \$1,400,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018.....	7-17
TABLE 7.9: DISPARITY ANALYSIS: GOODS AND SERVICES PRIME CONTRACTS VALUED BETWEEN \$100,000 AND \$1,150,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018.....	7-20
TABLE 7.10: DISPARITY SUMMARY: CONSTRUCTION PRIME CONTRACT DOLLARS, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	7-22
TABLE 7.11: DISPARITY SUMMARY: PROFESSIONAL SERVICES PRIME CONTRACT DOLLARS, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	7-23
TABLE 7.12: DISPARITY SUMMARY: GOODS AND SERVICES PRIME CONTRACT DOLLARS, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	7-24
TABLE 8.1: STATISTICAL OUTCOME DESCRIPTIONS .....	8-2
TABLE 8.2: DISPARITY ANALYSIS: CONSTRUCTION SUBCONTRACTS, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	8-4
TABLE 8.3: DISPARITY ANALYSIS: PROFESSIONAL SERVICES SUBCONTRACTS, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	8-7
TABLE 8.4: SUBCONTRACT DISPARITY SUMMARY, .....	8-9
TABLE 9.1: INDEPENDENT VARIABLES USED IN THE BUSINESS OWNERSHIP ANALYSIS.....	9-5



TABLE 9.2: INDEPENDENT VARIABLES USED FOR THE EARNINGS DISPARITY ANALYSIS .....	9-7
TABLE 9.3: CONSTRUCTION INDUSTRY LOGISTIC MODEL.....	9-8
TABLE 9.4: PROFESSIONAL SERVICES INDUSTRY LOGISTIC MODEL.....	9-9
TABLE 9.5: GOODS AND SERVICES INDUSTRY LOGISTIC MODEL .....	9-10
TABLE 9.6: STATISTICALLY SIGNIFICANT BUSINESS OWNERSHIP DISPARITIES.....	9-12
TABLE 9.7: CONSTRUCTION INDUSTRY OLS REGRESSION.....	9-12
TABLE 9.8: PROFESSIONAL SERVICES INDUSTRY OLS REGRESSION .....	9-14
TABLE 9.9: GOODS AND SERVICES INDUSTRY OLS REGRESSION .....	9-15
TABLE 9.10: STATISTICALLY SIGNIFICANT BUSINESS EARNINGS DISPARITIES .....	9-17
TABLE 10.1: PROFILE OF eSURVEY POPULATION BY ETHNICITY AND GENDER.....	10-2
TABLE 11.1: TOTAL PRIME PAYMENTS AND DOLLARS EXPENDED: ALL INDUSTRIES OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	11-2
TABLE 11.2: INFORMAL THRESHOLDS BY INDUSTRY .....	11-2
TABLE 11.3: FORMAL THRESHOLDS BY INDUSTRY .....	11-3
TABLE 11.4: STATISTICAL OUTCOME DESCRIPTIONS.....	11-3
TABLE 11.5: PRIME CONTRACT DISPARITY SUMMARY: CONSTRUCTION OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	11-4
TABLE 11.6: PRIME CONTRACTS DISPARITY SUMMARY: PROFESSIONAL SERVICES OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	11-4
TABLE 11.7: PRIME CONTRACTS DISPARITY SUMMARY: GOODS AND SERVICES OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	11-5
TABLE 11.8: CERTIFIED SBE PRIME CONTRACTOR UTILIZATION, ALL INDUSTRIES OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	11-8
TABLE 11.9: UTILIZATION OF CERTIFIED SBES, ALL INDUSTRIES, PRIME CONTRACTS OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 .....	11-9
TABLE 11.10: GROUPS ELIGIBLE FOR CONSTRUCTION BID DISCOUNT .....	11-11



TABLE 11.11: GROUPS ELIGIBLE FOR GOODS AND SERVICES BID DISCOUNTS .....	11-11
TABLE 11.12: GROUPS ELIGIBLE FOR PROFESSIONAL SERVICES EVALUATION POINTS.....	11-12
TABLE 11.13 SUBCONTRACT DISPARITY SUMMARY OCTOBER 1, 2014 TO SEPTEMBER 30, 2018.....	11-12
TABLE 11.14: SUBCONTRACTOR AVAILABILITY .....	11-13
TABLE A.14: REGRESSION MODELS.....	1
TABLE A.15: VARIABLE NAME IN LOGISTIC/OLS REGRESSION .....	2
TABLE A.16: PUMS INDUSTRY CLASSIFICATION .....	3





---

## ***List of Charts***

CHART 6.1: ALL INDUSTRY CONTRACTS BY SIZE, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018 ....	6-8
CHART 6.2: FORMAL INDUSTRY CONTRACTS BY SIZE, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018.....	6-10
CHART 6.3: ANNUAL GROSS REVENUE.....	6-12
CHART 6.4: NUMBER OF EMPLOYEES.....	6-13
CHART 6.5: NUMBER OF ANNUAL CONTRACTS.....	6-14
CHART 6.6: YEARS IN BUSINESS .....	6-15
CHART 6.7: EDUCATIONAL ATTAINMENT .....	6-16
CHART 7.1: DISPARITY ANALYSIS: CONSTRUCTION PRIME CONTRACTS VALUED UNDER \$100,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018.....	7-6
CHART 7.2: DISPARITY ANALYSIS: PROFESSIONAL SERVICES PRIME CONTRACTS VALUED UNDER \$100,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018.....	7-9
CHART 7.3: DISPARITY ANALYSIS: GOODS AND SERVICES PRIME CONTRACTS VALUED UNDER \$100,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018.....	7-12
CHART 7.4: DISPARITY ANALYSIS: CONSTRUCTION PRIME CONTRACTS VALUED BETWEEN \$100,000 AND \$2,790,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018.....	7-15
CHART 7.5: DISPARITY ANALYSIS: PROFESSIONAL SERVICES PRIME CONTRACTS VALUED BETWEEN \$100,000 AND \$1,400,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018.....	7-18
CHART 7.6: DISPARITY ANALYSIS: GOODS AND SERVICES PRIME CONTRACTS VALUED BETWEEN \$100,000 AND \$1,150,000, OCTOBER 1, 2014 TO SEPTEMBER 30, 2018.....	7-21
CHART 10.1: RESPONDENTS BY INDUSTRY .....	10-3
CHART 10.2: RESPONDENTS BY GENDER .....	10-3
CHART 10.3: BUSINESSES BY ETHNICITY .....	10-4
CHART 10.4: RESPONDENTS' CERTIFICATIONS .....	10-4



CHART 10.5: BUSINESSES BY NUMBER OF YEARS IN OPERATION .....	10-5
CHART 10.6: PRIME CONTRACT BIDS OR PROPOSALS SUBMITTALS .....	10-6
CHART 10.7: SUBCONTRACT BIDS OR PROPOSALS SUBMITTALS .....	10-6
CHART 10.8: PRIME CONTRACT AWARDS .....	10-7
CHART 10.9: SUBCONTRACT AWARDS .....	10-7
CHART 10.10: PRESSURE TO REDUCE BID OR PROPOSAL .....	10-8
CHART 10.11: INSUFFICIENT LEAD TIME TO SUBMIT A BID OR PROPOSAL .....	10-8
CHART 10.12: SUBCONTRACTORS UTILIZED BY PRIME CONTRACTORS .....	10-9
CHART 10.13: PERFORMANCE REQUIREMENTS .....	10-9
CHART 10.14: UNPAID INVOICES BY PRIME CONTRACTORS .....	10-10
CHART 10.15: LATE PAYMENTS BY THE CITY .....	10-10
CHART 10.16: DEBRIEFING REQUESTS FROM UNSUCCESSFUL BIDDERS OR PROPOSERS .....	10-11
CHART 10.17: HELPFULNESS OF DEBRIEFING MEETINGS .....	10-11
CHART 10.18: MULTI-YEAR AGREEMENT AWARDS .....	10-12
CHART 10.19: NUMBER OF MULTI-YEAR AGREEMENTS .....	10-12
CHART 10.20: HIGHLY USED PRIME CONTRACTORS .....	10-13
CHART 10.21: PREFERENTIAL TREATMENT TO PREFERRED CONTRACTORS .....	10-13
CHART 10.22: BOND WAIVER APPLICATION REQUESTS .....	10-14
CHART 10.23: BOND WAIVER AWARDS .....	10-14
CHART 10.24: BOND WAIVER REQUIREMENTS CONSISTENT WITH SCOPE OF WORK .....	10-15
CHART 10.25: PROHIBITIVE BONDING REQUIREMENTS .....	10-15
CHART 10.26: SUBCONTRACT BONDING REQUIREMENTS .....	10-16
CHART 10.27: RESPONDENTS BY SBE CERTIFICATION .....	10-17



CHART 10.28: SBE PROGRAM BENEFIT .....	10-17
CHART 10.29: NUMBER OF CONTRACTS USED TO MEET SBE GOALS .....	10-18
CHART 10.30: SBE CERTIFICATION EXPEDITING PROCESS .....	10-19
CHART 10.31: NEED FOR M/WBE PROGRAM .....	10-19



---

# CHAPTER 1: Legal Review

## I. Introduction

The standard for measuring evidence of disparity in public contracting is set forth in the 1989 United States Supreme Court decision of *City of Richmond v. J.A. Croson Co.* (“*Croson*”). This chapter summarizes the legal standard decided in *Croson* and its progeny as applied to contracting programs for minority, woman, local, and small-owned business enterprises. The Disparity Study applies this legal standard to the examination of the utilization of available minority and women-owned business enterprises (M/WBEs) on the City of St. Petersburg’s (City) contracts awarded during the October 1, 2014 through September 30, 2018 study period.

This chapter is organized into eight sections. This first section is the Introduction. Section II: Overview of the Eleventh Circuit Court Decisions summarizes the legal framework that local governments in the Eleventh Circuit must adhere to satisfy the *Croson* standard. Section III: Standard of Review provides an overview of the constitutional parameters applicable to race and gender-conscious programs and race and gender-neutral programs. A factual predicate is set forth in Section IV: Burden of Proof, which describes the documented evidence of past discrimination that must be demonstrated by the City of St. Petersburg before the implementation of race and gender remedial measures. The *Croson* Evidentiary Framework is discussed in Section V. The framework must include a strong basis in evidence of past discrimination and “narrowly tailored” race-conscious remedies. A Consideration of Race-Neutral Options, described in Section VI, references remedial initiatives to be considered in addition to race and gender-conscious remedies. The Conclusion and List of Authorities are contained in Section VII and Section VIII, respectively.

## II. Overview of the Eleventh Circuit Court Decisions

The Eleventh Circuit decisions constitute binding judicial authority governing the City’s equity and inclusion contracting programs. The Eleventh Circuit has consistently held that there is a compelling governmental interest in remedying documented disparity. Since 1994, courts in the Eleventh Circuit have reviewed several challenges to M/WBE programs enacted by the State of Florida and its local governments. The courts have abided by *Croson*’s requirement that a government’s race-conscious program must establish a factual predicate with statistical evidence of discrimination. And the program’s race-conscious remedies must be narrowly tailored to the statistical findings.

*Engineering Contractors Association of South Florida Inc. v. Metropolitan Dade County*<sup>1</sup> was the first Eleventh Circuit appellate decision to apply the *Croson* legal standard. Dade County had relied on census data to compare the proportion of Black-owned construction firms in the Standard Industrial Classification (SIC) codes to majority firms relative to the proportion of their overall revenue. The court concluded that there was not a strong basis in evidence to justify the program because the census data did not account for firms that were actually qualified to perform the

---

<sup>1</sup> 122 F.3d 895 (11th Cir. 1997).



contract requirements nor the size of the identified firms. The court decided that company size would impact the dollar value of contracts the businesses could perform. In 1999, the Eleventh Circuit also weighed in on availability in *Webster v. Fulton County*.<sup>2</sup> It rejected the bidding data relied on, pointing out that it overstated availability because of the “unavailability of minority firms to bid on and obtain large construction contracts.”<sup>3</sup>

The most recent Eleventh Circuit case, *Florida AGC Council, Inc. v. Florida (AGC)*, was decided in 2004.<sup>4</sup> The issue before the court in *AGC* was whether the statute’s race and gender-conscious goals were narrowly tailored to further a compelling governmental interest. The AGC challenged the State’s M/WBE program, enacted as Florida Statute, Title XIX, Chapter 287.09451, authorized race and gender-conscious remedial measures to increase the participation of MWBEs on the State’s contracts. State agencies were encouraged to spend 21% of their total dollars with M/WBEs on construction contracts, 25% on architecture and engineering contracts, 24% on commodities, and 50.5% on contractual services contracts. The AGC argued that the statute violated the Equal Protection Clause of the Fourteenth Amendment. The Northern District Court held that the State failed to establish the requisite factual predicate, demonstrating statistical evidence of discrimination within its relevant market area. The State was required to discontinue the application of race and gender-conscious remedial measures without first establishing a factual predicate pursuant to the legal standards set forth in *Croson* and its progeny.

Table 1.1 presents the Eleventh Circuit cases that have reviewed the application of race in public contracting following the *Croson* decision. The holdings in these cases are discussed in detail within this chapter.

**Table 1.1: Key Eleventh Circuit Court Decisions**

Eleventh Circuit Florida, Georgia, Alabama	
Case Name	Holding
<i>Cone Corporation v. Hillsborough County</i> , 908 F.2d 908 (11 <sup>th</sup> Cir. 1990).	The Eleventh Circuit held that the County’s program was constitutional because the evidence demonstrated that the County’s program was based on statistics showing prior discrimination in the construction industry by the County, and the County had unsuccessfully tried less restrictive measures for remedying such discrimination.
<i>Engineering Contractors Assoc. of South Florida Inc., v. Metropolitan Dade County</i> , 122 F.3d 895 (11 <sup>th</sup> Cir. 1997).	The Eleventh Circuit agreed with the trial court that the disparities documented in the study were better explained by the size of the companies rather than by discrimination. The Eleventh Circuit ruled that the studies had limited probative value and failed to account for other non-discriminatory factors. The anecdotal evidence did indicate discrimination, but it was not sufficient in the absence of probative statistical evidence.

<sup>2</sup> *Daniel Webster v. Fulton County*, 51 F.Supp.2d 1354 (N.D. Georgia, Atlanta Division 1999).

<sup>3</sup> *Id.*

<sup>4</sup> *Florida AGC Council, Inc. v. Florida*, 303 F. Supp. 2d 1307 (N.D. Fla. 2004).



Eleventh Circuit	
Florida, Georgia, Alabama	
Case Name	Holding
<i>Phillips Engineering Contractors Assn. v. Metro. Dade County</i> , 122 F.3d 895 (11 <sup>th</sup> Cir. (Fla. 1997).	The Eleventh Circuit ruled that the County's program was unconstitutional because the documented disparities failed to take firm size into account.
<i>Phillips &amp; Jordan, Inc. v. Watts</i> , 13 F. Supp. 2d 1308 (N.D. Fla. 1998).	The Northern District Court in Florida held that the program was unconstitutional because the disparity study "assumed" all minority firms included were willing or able to bid on road maintenance. and the identity of the wrongdoers was unknown. The court enjoined the department from setting aside State funded highway maintenance contracts for competing solely among minority businesses.
<i>Webster v. Fulton County</i> , 51 F. Supp. 2d 1354 (N.D. GA 1999).	The Northern District Court in Georgia held the County's affirmative action program was unconstitutional because the methodology was "novel" and lacked the accepted statistical and scientific methodology to withstand scrutiny. The court enjoined the County from further application of the minority enterprise program.
<i>Engineering Contractors Ass'n v. Metropolitan Dade County</i> , 943 F.Supp. 1546 (S.D.Fla.1996), aff'd, 122 F.3d 895 (11th Cir.1997)	The Eleventh Circuit upheld the district court ruling that Miami-Dade County's Minority and Women Business Enterprise program violated the Fourteenth Amendment's equal protection clause as applied to the construction contracting industry.
<i>Florida AGC Council, Inc. v. Florida</i> , 303 F. Supp. 2d 1307 (N.D. Fla. 2004).	The Northern District Court in Florida held that the State's MWBE program was unconstitutional because they failed to establish the requisite factual predicate demonstrating statistical evidence of discrimination within its relevant market area.

### III. Standard of Review

*Croson* examined the City of Richmond's Minority Business Enterprise (MBE) Program and decided that programs employing racial classifications would be subject to "strict scrutiny," the highest legal standard. Broad notions of equity or general allegations of historical and societal discrimination against minorities fail to meet the requirements of strict scrutiny. Where there are identified statistical findings of discrimination sufficient to warrant remediation, the remedy must also impose a minimal burden upon unprotected classes. In this section, the standard of review refers to the level of scrutiny a court applies during its analysis of whether or not a particular law is constitutional.

#### 1. Minority Business Enterprise Programs

In *Croson*, the United States Supreme Court affirmed that, pursuant to the Fourteenth Amendment, the proper standard of review for state and local race-based MBE programs is strict scrutiny.<sup>5</sup> Specifically, the government must show that the race-conscious remedies are narrowly tailored to achieve a compelling state interest.<sup>6</sup> The Court recognized that a state or local entity may take

<sup>5</sup> *Croson*, 488 U.S. at 493-95.

<sup>6</sup> *Id.* at 493.



action, in the form of an MBE program, to rectify the effects of *identified, systemic racial discrimination* within its jurisdiction.<sup>7</sup> Justice O'Connor, speaking for the majority, articulated various methods of demonstrating discrimination and set forth guidelines for crafting MBE programs that are “narrowly tailored” to address systemic racial discrimination.<sup>8</sup>

## 2. Women Business Enterprise Programs

Since *Croson*, which dealt exclusively with the review of race-conscious plans, the United States Supreme Court has remained silent with respect to the appropriate standard of review for geographically based Women Business Enterprise (WBE) programs and Local Business Enterprise (LBE) programs. In other contexts, however, the United States Supreme Court has ruled that gender classifications are not subject to the rigorous strict scrutiny standard applied to racial classifications. Instead, gender classifications have been subject only to an “intermediate” standard of review, regardless of which gender is favored.

Notwithstanding the fact that the United States Supreme Court has not ruled on a WBE program, the consensus among the federal circuit courts of appeals is that WBE programs are subject to intermediate scrutiny, rather than the more exacting strict scrutiny standard to which race-conscious programs are subject.<sup>9</sup> Intermediate scrutiny requires the governmental entity to demonstrate that the action taken furthers an “important governmental objective,” employing a method that bears a fair and substantial relation to the goal.<sup>10</sup> The courts have also described the test as requiring an “exceedingly persuasive justification” for classifications based on gender.<sup>11</sup> The United States Supreme Court acknowledged that in “limited circumstances a gender-based classification favoring one sex can be justified if it intentionally and directly assists the members of that sex who are disproportionately burdened.”<sup>12</sup>

Consistent with the United States Supreme Court’s finding with regard to gender classification, the Third Circuit in *Contractors Association of Eastern Pennsylvania v. City of Philadelphia* (“*Philadelphia IV*”) ruled in 1993 that the standard of review governing WBE programs is different from the standard imposed upon MBE programs.<sup>13</sup> The Third Circuit held that, whereas

---

<sup>7</sup> *Id.* at 509.

<sup>8</sup> *Id.* at 501-2. Cases involving education and employment frequently refer to the principal concepts applicable to the use of race in government contracting: compelling interest and narrowly tailored remedies. The Supreme Court in *Croson* and subsequent cases provides fairly detailed guidance on how those concepts are to be treated in contracting. In education and employment, the concepts are not explicated to nearly the same extent. Therefore, references in those cases to “compelling governmental interest” and “narrow tailoring” for purposes of contracting are essentially generic and of little value in determining the appropriate methodology for disparity studies.

<sup>9</sup> See *Coral Constr. Co. v. King Cnty.*, 941 F.2d 910, 930 (9th Cir. 1991); *Contractors Ass’n of E. Pa. v. City of Philadelphia* (“*Philadelphia VI*”), 91 F.3d 586, 596-98 (3d Cir. 1996); *Eng’g Constr. Ass’n v. Metro. Dade Cnty.* (“*Dade County II*”), 122 F.3d 895, 907-08 (11th Cir. 1997); see also *Concrete Works of Colo. v. City & Cnty. of Denver*, 321 F.3d 950, 960 (10th Cir. 2003) (“*Concrete Works IV*”); and *H.B. Rowe Co. v. N.C. Dep’t of Transp.*, 615 F.3d 233, 236 (4th Cir. 2010) (“*Rowe*”).

<sup>10</sup> *Miss. Univ. for Women v. Hogan*, 458 U.S. 718, 726 (1982); see also *United States v. Virginia*, 518 U.S. 515, 524 (1996) (“*Virginia*”).

<sup>11</sup> *Hogan*, 458 U.S. at 751; see also *Mich. Rd. Builders Ass’n, Inc. v. Milliken*, 834 F.2d 583, 595 (6th Cir. 1987).

<sup>12</sup> *Hogan*, 458 U.S. at 728; see also *Schlesinger v. Ballard*, 419 U.S. 498, 508 (1975) (“*Ballard*”).

<sup>13</sup> *Contractors Ass’n of E. Pa. v. City of Philadelphia* (“*Philadelphia IV*”), 6 F. 3d 990, 1001 (3d Cir. 1993).



MBE programs must be “narrowly tailored” to a “compelling state interest,” WBE programs must be “substantially related” to “important governmental objectives.”<sup>14</sup> In contrast, an MBE program would survive constitutional scrutiny only by demonstrating a pattern and practice of systemic racial exclusion or discrimination in which a state or local government was an active or passive participant.<sup>15</sup>

The Ninth Circuit in *Associated General Contractors of California v. City and County of San Francisco* (“AGCC I”) held that classifications based on gender require an “exceedingly persuasive justification.”<sup>16</sup> The justification is valid only if members of the gender benefited by the classification actually suffer a disadvantage related to the classification, and the classification does not reflect or reinforce archaic and stereotyped notions of the roles and abilities of women.<sup>17</sup>

The Eleventh Circuit United States Court of Appeals (Eleventh Circuit) also applied intermediate scrutiny.<sup>18</sup> In its review and affirmation of the district court’s holding, in *Engineering Contractors Association of South Florida v. Metropolitan Dade County* (“Dade County II”), the Eleventh Circuit cited the Third Circuit’s 1993 formulation in *Philadelphia IV*: “[T]his standard requires the [County] to present probative evidence in support of its stated rationale for the gender preference, discrimination against women-owned contractors.”<sup>19</sup> Although the *Dade County II* appellate court ultimately applied the intermediate scrutiny standard, it queried whether the United States Supreme Court decision in *United States v. Virginia*,<sup>20</sup> finding the all-male program at Virginia Military Institute unconstitutional, signaled a heightened level of scrutiny.<sup>21</sup> In the case of *United States v. Virginia*, the U.S. Supreme Court held that parties who seek to defend gender-based government action must demonstrate an “exceedingly persuasive justification” for that action.<sup>22</sup> While the Eleventh Circuit United States Court of Appeals echoed that speculation, it concluded that “[u]nless and until the U.S. Supreme Court tells us otherwise, intermediate scrutiny remains the applicable constitutional standard in gender discrimination cases, and a gender preference may be upheld so long as it is substantially related to an important governmental objective.”<sup>23</sup>

---

<sup>14</sup> *Philadelphia IV*, 6 F.3d at 1009-10.

<sup>15</sup> *Id.* at 1002.

<sup>16</sup> *Associated Gen. Contractors of Cal. v. City & Cnty. of San Francisco*, 813 F.2d 922, 940 (9th Cir. 1987) (“AGCC I”).

<sup>17</sup> *Ballard*, 419 U.S. at 508.

<sup>18</sup> *Ensley Branch N.A.A.C.P. v. Seibels*, 31 F. 3d 1548, 1579-80 (11th Cir. 1994).

<sup>19</sup> *Dade County II*, 122 F.3d at 909 (citing *Philadelphia IV*, 6 F.3d at 1010; see also *Saunders v. White*, 191 F. Supp. 2d 95, 134 (D.D.C. 2002) (stating “[g]iven the gender classifications explained above, the initial evaluation procedure must satisfy intermediate scrutiny to be constitutional.”).

<sup>20</sup> *Virginia*, 518 U.S. at 534.

<sup>21</sup> *Dade County II*, 122 F.3d at 907-08.

<sup>22</sup> *Virginia*, 518 U.S. at 534.

<sup>23</sup> *Dade County II*, 122 F.3d at 908.





In *Dade County II*, the Eleventh Circuit court noted that the Third Circuit in *Philadelphia IV* was the only federal appellate court that explicitly attempted to clarify the evidentiary requirement applicable to WBE programs.<sup>24</sup> *Dade County II* interpreted that standard to mean that “evidence offered in support of a gender preference must not only be ‘probative’ [but] must also be ‘sufficient.’”<sup>25</sup>

It also reiterated two principal guidelines of intermediate scrutiny evidentiary analysis: (1) under this test, a local government must demonstrate some past discrimination against women, but not necessarily discrimination by the government itself;<sup>26</sup> and (2) the intermediate scrutiny evidentiary review is not to be directed toward mandating that gender-conscious affirmative action is used only as a “last resort”<sup>27</sup> but instead ensuring that the affirmative action is “a product of analysis rather than a stereotyped reaction based on habit.”<sup>28</sup>

This determination requires “evidence of past discrimination in the economic sphere at which the affirmative action program is directed.”<sup>29</sup> The court also stated that “a gender-conscious program need not closely tie its numerical goals to the proportion of qualified women in the market.”<sup>30</sup>

### 3. Local Business Enterprise Programs

In *AGCC I*, a pre-*Croson* case, the Ninth Circuit Court of Appeals applied the rational basis standard when evaluating the City and County of San Francisco’s Local Business Enterprise (LBE) program, holding that a local government may give a preference to local businesses to address the economic disadvantages those businesses face in doing business within the City and County of San Francisco.<sup>31</sup>

To survive a constitutional challenge under a rational basis review, the government entity need only demonstrate that the governmental action or program is rationally related to a legitimate government interest.<sup>32</sup> The Supreme Court cautioned government agencies seeking to meet the rational basis standard by advising that, if a race- and gender-neutral program is subjected to a

---

<sup>24</sup> *Id.* at 909.

<sup>25</sup> *Id.* at 910.

<sup>26</sup> *Id.* (quoting *Ensley Branch*, 31 F.3d at 1580).

<sup>27</sup> *Id.* (quoting *Hayes v. N. State Law Enforcement Officers Ass’n.*, 10 F.3d 207, 217 (4th Cir. 1993) (racial discrimination case)).

<sup>28</sup> *Id.* (quoting *Philadelphia IV*, 6 F.3d at 1010).

<sup>29</sup> *Id.* (quoting *Ensley Branch*, 31 F.3d at 1581).

<sup>30</sup> *Id.* at 929; cf. *Builders Ass’n of Greater Chi. v. Cnty. of Cook*, 256 F. 3d 642, 644 (7th Cir. 2001) (questioned why there should be a lesser standard where the discrimination was against women rather than minorities.).

<sup>31</sup> *AGCC I*, 813 F.2d at 943; *Lakeside Roofing Company v. State of Missouri*, et al., 2012 WL 709276 (E.D.Mo. Mar. 5, 2012) (Note that federal judges will generally rule the way that a previous court ruled on the same issue following the doctrine of *stare decisis* – the policy of courts to abide by or adhere to principles established by decisions in earlier cases; however, a decision reached by a different circuit is not legally binding on another circuit court, it is merely persuasive and instructional on the issue).

<sup>32</sup> *Armour v. City of Indianapolis, Ind.*, 132 S. Ct. 2073, 2080 (2012) (quoting *Heller v. Doe*, 509 U.S. 312, 319–320 (1993)).



constitutional attack, the facts upon which the program is predicated will be subject to judicial review.<sup>33</sup> The rational basis standard of review does not have to be the government's actual interest. Rather, if the court can merely hypothesize a legitimate interest served by the challenged action, it will withstand the rational basis review.<sup>34</sup> The term rational must convince an impartial lawmaker that the classification would serve a legitimate public purpose that transcends the harm to the members of the disadvantaged class.<sup>35</sup>

San Francisco conducted a detailed study of the economic disadvantages faced by San Francisco-based businesses as compared to businesses located in other jurisdictions. The study showed a competitive disadvantage in public contracting for businesses located within the City as compared to businesses from other jurisdictions.

San Francisco-based businesses incurred higher administrative costs in doing business within the City. Such costs included higher taxes, rents, wages, insurance rates, and benefits for labor. In upholding the LBE Ordinance, the Ninth Circuit held “. . . the city may rationally allocate its own funds to ameliorate disadvantages suffered by local businesses, particularly where the city itself creates some of the disadvantages.”<sup>36</sup>

#### **4. Small Business Enterprise Programs**

A government entity may implement a Small Business Enterprise (SBE) program predicated upon a rational basis to ensure adequate small business participation in government contracting. Rational basis is the lowest level of scrutiny and the standard the courts apply to race- and gender-neutral public contracting programs.<sup>37</sup>

### ***IV. Burden of Proof***

The procedural protocol established by *Croson* imposes an initial burden of proof upon the government to demonstrate that the challenged MBE program is supported by a strong factual predicate, i.e., documented evidence of past discrimination. Notwithstanding this requirement, the plaintiff bears the ultimate burden of proof to persuade the court that the MBE program is unconstitutional. The plaintiff may challenge a government's factual predicate on any of the following grounds:<sup>38</sup>

---

<sup>33</sup> *Id.*

<sup>34</sup> *Lakeside Roofing*, 2012 WL 709276; see KATHLEEN M. SULLIVAN & GERALD GUNTHER, CONSTITUTIONAL LAW FOUNDATION PRESS Chapter 9 (16th ed. 2007).

<sup>35</sup> *Croson*, 488 U.S. at 515.

<sup>36</sup> *AGCC I*, 813 F.2d at 943.

<sup>37</sup> *Doe I v. Lower Merion Sch. Dist.*, 689 F. Supp. 2d 742, 748 (E.D. Pa. 2010).

<sup>38</sup> *Contractors Ass'n v. City of Philadelphia*, 893 F. Supp. 419, 430, 431, 433, 437 (E.D. Pa. 1995) (“*Philadelphia V*”) (These were the issues on which the district court in Philadelphia reviewed the disparity study before it).



- Disparity exists due to race-neutral reasons
- Methodology is flawed
- Data are statistically insignificant
- Controverting data exist

### **A. Initial Burden of Proof**

*Croson* requires defendant jurisdictions to produce a “strong basis in evidence” that the objective of the challenged MBE program is to rectify the effects of past identified discrimination.<sup>39</sup> Whether the government has produced a strong basis in evidence is a question of law.<sup>40</sup> The defendant in a constitutional claim against a disparity study has the initial burden of proof to show that there was past discrimination.<sup>41</sup> Once the defendant meets this initial burden, the burden shifts to the plaintiff to prove that the program is unconstitutional. Because the sufficiency of the factual predicate supporting the MBE program is at issue, factual determinations relating to the accuracy and validity of the proffered evidence underlie the initial legal conclusion to be drawn.<sup>42</sup>

The adequacy of the government’s evidence is “evaluated in the context of the breadth of the remedial program advanced by the [jurisdiction].”<sup>43</sup> The onus is upon the jurisdiction to provide a factual predicate that is sufficient in scope and precision to demonstrate that contemporaneous discrimination necessitated the adoption of the MBE program.<sup>44</sup>

### **B. Ultimate Burden of Proof**

The party challenging an MBE program will bear the ultimate burden of proof throughout the course of the litigation—despite the government’s obligation to produce a strong factual predicate to support its program.<sup>45</sup> The plaintiff must persuade the court that the program is constitutionally flawed either by challenging the government’s factual predicate for the program or by demonstrating that the program is overly broad.

Joining the majority in stating that the ultimate burden rests with the plaintiff, Justice O’Connor explained the nature of the plaintiff’s burden of proof in her concurring opinion in *Wygant v. Jackson Board of Education* (“Wygant”):<sup>46</sup>

<sup>39</sup> *Philadelphia VI*, 91 F.3d at 586 (citing *Concrete Works of Colo. v. Denver*, 36 F.3d 1513, 1522 (10th Cir. 1994)(“*Concrete Works II*”)); see *Croson*, 488 U.S. at 510.

<sup>40</sup> *Id.* (citing *Associated Gen. Contractors v. New Haven*, 791 F. Supp. 941, 944 (D. Conn. 1992)).

<sup>41</sup> *Concrete Works II*, 36 F.3d at 1521-22 (citing *Wygant v. Jackson Bd. of Educ.*, 476 U.S. 267, 292 (1986)).

<sup>42</sup> *Id.* at 1522.

<sup>43</sup> *Id.* (citing *Croson*, 488 U.S. at 498).

<sup>44</sup> See *Croson*, 488 U.S. at 488.

<sup>45</sup> See *Wygant*, 476 U.S. at 277-78, 293.

<sup>46</sup> *Id.* (O’Connor, S., concurrence).



[I]t is incumbent upon the nonminority [plaintiffs] to prove their case; they continue to bear the ultimate burden of persuading the court that the [government'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>47</sup>

In *Philadelphia VI*, the Third Circuit Court of Appeals clarified this allocation of the burden of proof and the constitutional issue of whether facts constitute a "strong basis" in evidence for race-based remedies.<sup>48</sup> That Court wrote that the allocation of the burden of persuasion is dependent upon the plaintiff's argument against the constitutionality of the program. If the plaintiff's theory is that an agency has adopted race-based preferences with a purpose other than remedying past discrimination, the plaintiff has the burden of convincing the court that the identified remedial motivation is a pretext and that the real motivation was something else.<sup>49</sup> If, on the other hand, the plaintiff argues there is no existence of past discrimination within the agency, the plaintiff must successfully rebut the agency's evidentiary facts and prove their inaccuracy.<sup>50</sup>

However, the ultimate issue of whether sufficient evidence exists to prove past discrimination is a question of law. The burden of persuasion in the traditional sense plays no role in the court's resolution of that ultimate issue.<sup>51</sup>

*Concrete Works VI* made clear that the plaintiff's burden is an evidentiary one; it cannot be discharged simply by argument. The court cited its opinion in *Adarand Constructors Inc. v. Slater*, 228 F.3d 1147, 1173 (10th Cir. 2000): "[g]eneral criticism of disparity studies, as opposed to particular evidence undermining the reliability of the particular disparity study, is of little persuasive value."<sup>52</sup> The requisite burden of proof needed to establish a factual predicate for race- and gender-conscious goals as set forth by *Croson* and its progeny is described below in *Section IV*.

The Tenth Circuit and the Eleventh Circuit present alternative approaches to the legal evidentiary requirements of the shifting burden of proof in racial classification cases. This split among the circuits pertains to the allocation of the burden of proof once the initial burden of persuading the court is met, that persisting vestiges of discrimination exist.<sup>53</sup>

---

<sup>47</sup> *Wygant*, 476 U.S. at 277-78.

<sup>48</sup> *Philadelphia VI*, 91 F.3d at 597.

<sup>49</sup> *Id.* at 597.

<sup>50</sup> *Id.* at 597-598.

<sup>51</sup> At first glance, the Third Circuit and the Eleventh Circuit positions appear to be inconsistent as to whether the issue at hand is a legal issue or a factual issue. However, the two courts were examining the issues in different scenarios. For instance, the Third Circuit was examining whether enough facts existed to determine if past discrimination existed, and the Eleventh Circuit was examining whether the remedy the agency utilized was the appropriate response to the determined past discrimination. Therefore, depending upon the Plaintiff's arguments, a court reviewing an MBE program is likely to be presented with questions of law and fact.

<sup>52</sup> *Concrete Works VI*, 321 F.3d at 979.

<sup>53</sup> *Hershell Gill Consulting Eng'rs, Inc. v. Miami-Dade Cnty.*, 333 F. Supp. 2d 1305, 1325 (S.D. Fla. 2004).



The Tenth Circuit’s opinion in *Concrete Works VI* states that the burden of proof remains with the plaintiff to demonstrate that an ordinance is unconstitutional.<sup>54</sup> On the other hand, the Eleventh Circuit in *Hershell* contends that the government, as the proponent of the classification, bears the burden of proving that its consideration of race- is narrowly tailored to serve a compelling state interest, and that the government must always maintain a “strong basis in evidence” for undertaking affirmative action programs.<sup>55</sup> Therefore, the proponent of the classification must meet a substantial burden of proof, a standard largely allocated to the government to prove that sufficient vestiges of discrimination exist to support the conclusion that remedial action is necessary. Within the Eleventh Circuit, judicial review of a challenged affirmative action program focuses primarily on whether the government entity can meet the burden of proof.

In practice, the standards prescribed in the Eleventh Circuit for proving the constitutionality of a proposed M/WBE framework are rooted in *Engineering Contractors Ass’n v. Metropolitan Dade County*, the same Eleventh Circuit case that was cited to in the Tenth Circuit.<sup>56</sup> In *Dade County I*, the court found that a municipality can justify affirmative action by demonstrating “gross statistical disparities” between the proportion of minorities awarded contracts and the proportion of minorities willing and able to do the work, or by presenting anecdotal evidence – especially if buttressed by statistical data.<sup>57</sup>

## **V. *Croson* Evidentiary Framework**

Government entities must construct a strong evidentiary framework to stave off legal challenges and ensure that the adopted MBE program comports with the requirements of the Equal Protection Clause of the United States Constitution. The framework must comply with the stringent requirements of the strict scrutiny standard. Accordingly, there must be a strong basis in evidence that tends to show past discrimination, and the race-conscious remedy must be “narrowly tailored,” as set forth in *Croson*.<sup>58</sup> A summary of the appropriate types of evidence to satisfy the first element of the *Croson* standard follows.

### **A. *Active or Passive Participation***

*Croson* requires that the local entity seeking to adopt an MBE program must have perpetuated the discrimination to be remedied by the program.<sup>59</sup> However, the local entity need not have been an active perpetrator of such discrimination. Passive participation will satisfy this part of the Court’s

<sup>54</sup> *Concrete Works VI*, 321 F.3d at 959 (quoting *Adarand v. Peña*, 228 F.3d 1147, 1176 (10th Cir. 2000) (“We reiterate that the ultimate burden of proof remains with the challenging party to demonstrate the unconstitutionality of an affirmative-action program.”)).

<sup>55</sup> *Hershell*, 333 F. Supp. 2d at 1305 (stating that *Concrete Works* is not persuasive because it conflicts with the allocation of the burden of proof stated by Eleventh Circuit precedent in *Johnson v. Board of Regents of the University of Georgia*, 263 F.3d 1234, 1244 (11th Cir. 2001)).

<sup>56</sup> 943 F. Supp. 1546 (S.D. Fla. 1996) (“*Dade County I*”).

<sup>57</sup> *Id.* at 907.

<sup>58</sup> *Croson*, 488 U.S. at 486.

<sup>59</sup> *Id.* at 488.



strict scrutiny review.<sup>60</sup> An entity will be considered an “active” participant if the evidence shows that it created barriers that actively exclude MBEs from its contracting opportunities. An entity will be considered to be a “passive” participant in private sector discriminatory practices if it has infused tax dollars into that discriminatory industry.<sup>61</sup>

Until *Concrete Works I*, the inquiry regarding passive discrimination was limited to the subcontracting practices of government prime contractors. The Tenth Circuit, in *Concrete Works I*, considered a purely private sector definition of passive discrimination, holding that evidence of a government entity infusing its tax dollars into a discriminatory system can satisfy passive discrimination.<sup>62</sup>

In *Concrete Works I*, the district court granted summary judgment in favor of the City of Denver in 1993.<sup>63</sup> Concrete Works appealed to the Tenth Circuit, in *Concrete Works II*, in which the summary judgment in favor of the City of Denver was reversed and the case was remanded to the district court for trial.<sup>64</sup> The case was remanded with specific instructions permitting the parties “to develop a factual record to support their competing interpretations of the empirical data.”<sup>65</sup> On remand, the district court entered a judgment in favor of the plaintiff holding that the City’s ordinances violated the Fourteenth Amendment.<sup>66</sup>

The district court in *Concrete III* rejected the four disparity studies the city offered to support the continuation of Denver’s M/WBE program.<sup>67</sup> The court surmised that (1) the methodology employed in the statistical studies was not “designed to answer the relevant questions,”<sup>68</sup> (2) the collection of data was flawed, (3) important variables were not accounted for in the analyses, and (4) the conclusions were based on unreasonable assumptions.<sup>69</sup> The court deemed that the “most fundamental flaw” in the statistical evidence was the lack of “objective criteria [to] define who is entitled to the benefits of the program and [which groups should be] excluded from those benefits.”<sup>70</sup> The statistical analysis relied upon by the City to support its M/WBE program was conducted as a result of the ensuing litigation. The statistical evidence proffered by the City to the court was not objective in that it lacked a correlation to the current M/WBE program goals.

---

<sup>60</sup> *Id.* at 509.

<sup>61</sup> *Id.* at 492, accord *Coral Constr.*, 941 F.2d at 916.

<sup>62</sup> *Concrete Works of Colo., Inc. v. City & Cnty. of Denver*, 823 F. Supp. 821, 824 (D. Colo. 1993) (“*Concrete Works I*”), rev’d, 36 F.3d 1513 (10th Cir. 1994), rev’d, 86 F. Supp. 2d 1042 (D. Colo. 2000), rev’d, 321 F.3d 950 (10th Cir. 2003).

<sup>63</sup> *Concrete Works I*, 823 F. Supp. at 994.

<sup>64</sup> *Concrete Works II*, 36 F.3d at 1530-31.

<sup>65</sup> *Id.*

<sup>66</sup> *Concrete Works of Colo., Inc. v. City & Cnty. of Denver*, 86 F. Supp. 2d 1042, 1079 (D. Colo. 2000) (“*Concrete Works III*”).

<sup>67</sup> *Id.* at 1065-68.

<sup>68</sup> *Id.* at 1067.

<sup>69</sup> *Id.* at 1057-58, 1071.

<sup>70</sup> *Id.* at 1068.



The Tenth Circuit on appeal rejected the district court's analysis because the district court's queries required Denver to prove the existence of discrimination. Moreover, the Tenth Circuit explicitly held that "passive" participation included private sector discrimination in the marketplace. The court found that marketplace discrimination is relevant where the agency's prime contractors' practices are discriminatory against their subcontractors:

The Court, however, did set out two conditions which must be met for the governmental entity to show a compelling interest. "First, the discrimination must be identified discrimination." (citation omitted). The City can satisfy this condition by identifying the discrimination "*public or private*, with some specificity." (internal quotes and citation omitted).<sup>71</sup>

In *Concrete Works IV*, the Tenth Circuit held that the governmental entity must also have a "strong basis in evidence to conclude that remedial action was necessary."<sup>72</sup> The Tenth Circuit further held that the city was correct in its attempt to show that it "indirectly contributed to private discrimination by awarding public contracts to firms that in turn discriminated against MBE and/or WBE subcontractors in other private portions of their business."<sup>73</sup> While the Tenth Circuit noted that the record contained "extensive evidence" of private sector discrimination, the question of the adequacy of private sector discrimination as the factual predicate for a race-based remedy was not before the court.<sup>74</sup>

Ten months after *Concrete Works IV*, the question of whether a particular public sector race-based remedy is narrowly tailored when it is based solely on business practices within the private sector was at issue in *Builders Association of Greater Chicago v. City of Chicago*.<sup>75</sup> The plaintiff in *Builders Association of Greater Chicago* challenged the City's construction set-aside program. The court considered pre-enactment and post-enactment evidence in support of the six-year-old M/WBE program.<sup>76</sup> The challenged program consisted of a 16.9 percent MBE subcontracting goal, a 10-percent MBE prime contracting goal, a 4.5 percent WBE subcontracting goal and a 1 percent WBE prime contracting goal.<sup>77</sup>

The district court found that private sector business practices offered by the city, which were based on United States Census data and surveys, constituted discrimination against minorities in the Chicago market area.<sup>78</sup> However, the district court did not find the City's M/WBE subcontracting goal to be a narrowly tailored remedy given the factual predicate. The court found that the study

---

<sup>71</sup> *Concrete Works IV*, 321 F.3d at 975-76.

<sup>72</sup> *Id.* at 976 (quoting *Shaw v. Hunt*, 517 U.S. 804, 909 (1996)).

<sup>73</sup> *Id.* at 976.

<sup>74</sup> *Id.* at 959, 977, 990.

<sup>75</sup> *Builders Ass'n of Greater Chi. v. City of Chi.*, 298 F. Supp. 2d 725, 732 (N.D. Ill. 2003).

<sup>76</sup> *Id.* at 726, 729, 733-34.

<sup>77</sup> *Id.* at 729.

<sup>78</sup> *Id.* at 735-37.



did not provide a meaningful, individualized review of M/WBEs in order to formulate remedies “more akin to a laser beam than a baseball bat.”<sup>79</sup> The City was ordered to suspend its M/WBE goals program.

As recently as 2010, the Fourth Circuit in *H.B. Rowe Co. v. Tippet* ruled that the State of North Carolina could not rely on private-sector data to demonstrate that prime contractors underutilized women subcontractors in the general construction industry.<sup>80</sup> The court found that the private sector data did not test whether the underutilization was statistically significant or just mere chance.<sup>81</sup>

## **B. Systemic Discriminatory Exclusion**

*Croson* established that a local government enacting a race-conscious contracting program must demonstrate identified systemic discriminatory exclusion on the basis of race or any other illegitimate criteria (arguably gender).<sup>82</sup> Thus, it is essential to demonstrate a pattern and practice of such discriminatory exclusion in the relevant market area.<sup>83</sup> Using appropriate evidence of the entity’s active or passive participation in the discrimination, as discussed above, past discriminatory exclusion must be identified for each racial group to which a remedy would apply.<sup>84</sup> Mere statistics and broad assertions of purely societal discrimination will not suffice to support a race- or gender-conscious program.

*Croson* enumerates two ways an entity may establish the requisite factual predicate of discrimination. First, a significant statistical disparity between the number of qualified minority contractors willing and able to perform a particular service and the number of such contractors actually engaged by an entity or by the entity’s prime contractors may support an inference of discriminatory exclusion.<sup>85</sup> In other words, when the relevant statistical pool is used, a showing of statistically significant underutilization “may constitute prima facie proof of a pattern or practice of discrimination[.]”<sup>86</sup>

---

<sup>79</sup> *Id.* at 737-39, 742.

<sup>80</sup> *Rowe*, 615 F.3d at 236.

<sup>81</sup> *Id.*

<sup>82</sup> *Croson*, 488 U.S. at 492; see *Monterey Mech. Co. v. Pete Wilson*, 125 F.3d 702, 713 (9th Cir. 1997); see also *W.H. Scott Constr. Co. v. City of Jackson*, 199 F.3d 206, 218-20 (1999) (held the City’s MBE program was unconstitutional for construction contracts because minority participation goals were arbitrarily set and not based on any objective data. Moreover, the Court noted that had the City implemented the recommendations from the disparity study it commissioned, the MBE program may have withstood judicial scrutiny (the City was not satisfied with the study and chose not to adopt its conclusions)).

<sup>83</sup> *Croson*, 488 U.S. at 509.

<sup>84</sup> *Id.* at 506. (The Court stated in *Croson*, “[t]he random inclusion of racial groups that, as a practical matter, may never have suffered from discrimination in the construction industry in Richmond suggests that perhaps the city’s purpose was not in fact to remedy past discrimination”); See *N. Shore Concrete & Assoc. v. City of New York*, 1998 U.S. Dist. LEXIS 6785 \* 55 (E.D.N.Y. April 12, 1998) (rejected the inclusion of Native Americans and Alaskan Natives in the City’s program).

<sup>85</sup> *Croson*, 488 U.S. at 509.

<sup>86</sup> *Id.* at 501 (citing *Hazelwood Sch. Dist. v. United States*, 433 U.S. 299, 307-08 (1977)).





The *Croson* Court made clear that both prime contract and subcontracting data were relevant.<sup>87</sup> The Court observed that “[w]ithout any information on minority participation in subcontracting, it is quite simply impossible to evaluate overall minority representation in the city’s construction expenditures.”<sup>88</sup> Subcontracting data is also an important means by which to assess suggested future remedial actions. Because the decision makers are different for the awarding of prime contracts and subcontracts, the remedies for discrimination identified at a prime contractor versus subcontractor level might also be different.

Second, “evidence of a pattern of individual discriminatory acts can, if supported by appropriate statistical proof, lend support to a local government’s determination that broader remedial relief is justified.”<sup>89</sup> Thus, if a local government has statistical evidence that non-minority contractors are systematically excluding minority businesses from subcontracting opportunities, it may act to end the discriminatory exclusion.<sup>90</sup> Once an inference of discriminatory exclusion arises, the entity may act to dismantle the closed business system “*by taking appropriate measures against those who discriminate* on the basis of race or other illegitimate criteria.”<sup>91</sup> *Croson* further states, “*In the extreme case*, some form of narrowly tailored racial preference might be necessary to break down patterns of deliberate exclusion.”<sup>92</sup>

In *Coral Construction*, the Ninth Circuit Court of Appeals further elaborated upon the type of evidence needed to establish the factual predicate that justifies a race-conscious remedy.<sup>93</sup> The Court held that both statistical and anecdotal evidence should be relied upon in establishing systemic discriminatory exclusion in the relevant marketplace as the factual predicate for an MBE program.<sup>94</sup> The court explained that statistical evidence, standing alone, often does not account for the complex factors and motivations guiding contracting decisions, many of which may be entirely race-neutral.<sup>95</sup>

Likewise, anecdotal evidence, standing alone, is unlikely to establish a systemic pattern of discrimination.<sup>96</sup> Nonetheless, anecdotal evidence is important because the individuals who testify about their personal experiences bring “the cold numbers convincingly to life.”<sup>97</sup>

---

<sup>87</sup> *Id.* at 502-03.

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

<sup>89</sup> *Croson*, 488 U.S. at 509.

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

<sup>91</sup> *Id.* (emphasis added).

<sup>92</sup> *Id.* (emphasis added).

<sup>93</sup> *Coral Constr.*, 941 F.2d at 917-18, 920-26.

<sup>94</sup> *Id.* at 919.

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

<sup>96</sup> *Id.*

<sup>97</sup> *Id.* (quoting *Int’l Bhd. of Teamsters v. United States*, 431 U.S. 324, 339 (1977) (“*Teamster*”)).



## 1. Geographic Market

*Croson* did not speak directly to how the geographic market is to be determined. In *Coral Construction*, the Ninth Circuit Court of Appeals held that “an MBE program must limit its geographical scope to the boundaries of the enacting jurisdiction.”<sup>98</sup> Conversely, in *Concrete Works I*, the district court specifically approved the Denver Metropolitan Statistical Area (MSA) as the appropriate market area since 80 percent of the construction contracts were based there.<sup>99</sup> Read together, these cases support a definition of market area that is reasonable rather than dictated by a specific formula. Because *Croson* and its progeny did not provide a bright line rule for local market area, the determination should be fact-based. An entity may include consideration of evidence of discrimination within its own jurisdiction.<sup>100</sup> Extra-jurisdictional evidence may be permitted, when it is reasonably related to where the jurisdiction contracts.<sup>101</sup>

## 2. Current Versus Historical Evidence

In assessing the existence of identified discrimination through demonstration of a disparity between MBE utilization and availability, the entity should examine disparity data both prior to and after the entity’s current MBE program was enacted. This is referred to as “pre-program” versus “post-program” data.

*Croson* requires that an MBE program be “narrowly tailored” to remedy current evidence of discrimination.<sup>102</sup> Thus, goals must be set according to the evidence of disparity found. For example, if there is a current disparity between the percentage of an entity’s utilization of Hispanic construction contractors and the availability of Hispanic construction contractors in that entity’s marketplace, then that entity can set a goal to bridge that disparity.

It is not mandatory to examine a long history of an entity’s utilization to assess current evidence of discrimination. In fact, *Croson* indicates that it may be legally fatal to justify an MBE program based upon outdated evidence.<sup>103</sup> Therefore, the most recent two or three years of an entity’s utilization data would suffice to determine whether a statistical disparity exists between current M/WBE utilization and availability.<sup>104</sup>

---

<sup>98</sup> *Coral Constr.*, 941 F.2d at 925.

<sup>99</sup> *Concrete Works I*, 823 F. Supp. at 835-836 (D. Colo. 1993); *rev’d on other grounds*, 36 F.3d 1513 (10th Cir. 1994).

<sup>100</sup> *Cone Corp. v. Hillsborough Cnty.*, 908 F.2d 908, 915 (11th Cir. 1990); *Associated Gen. Contractors v. Coal. for Econ. Equity*, 950 F.2d 1401, 1415 (9th Cir. 1991) (“AGCC II”).

<sup>101</sup> There is a related question of which firms can participate in a remedial program. In *Coral Construction*, the Court held that the definition of “minority business” used in King County’s MBE program was over-inclusive. The Court reasoned that the definition was overbroad because it included businesses other than those who were discriminated against in the King County business community. The program would have allowed, for instance, participation by MBEs who had no prior contact with the County. Hence, location within the geographic area is not enough. An MBE had to have shown that it previously sought business or is currently doing business in the market area.

<sup>102</sup> *See Croson*, 488 U.S. at 509-10.

<sup>103</sup> *Croson*, 488 U.S. at 499 (stating, “[i]t is sheer speculation how many minority firms there would be in Richmond absent past societal discrimination”).

<sup>104</sup> *See AGCC II*, 950 F.2d at 1414 (consultant study looked at City’s MBE utilization over a one-year period).



### 3. Statistical Evidence

To determine whether statistical evidence is adequate to give rise to an inference of discrimination, courts have looked to the “disparity index,” which consists of the percentage of minority or women contractor participation in local contracts divided by the percentage of minority or women contractor availability or composition in the population of available firms in the local market area.<sup>105</sup> Disparity indexes have been found highly probative evidence of discrimination where they ensure that the “relevant statistical pool” of minority or women contractors is being considered.<sup>106</sup>

The Third Circuit Court of Appeals, in *Philadelphia VI*, ruled that the “relevant statistical pool” includes those businesses that not only exist in the marketplace but also are qualified and interested in performing the public agency’s work. In that case, the Third Circuit rejected a statistical disparity finding where the pool of minority businesses used in comparing utilization to availability was composed of those merely licensed to operate in the City of Philadelphia. A license to do business with the City, standing alone, does not indicate either willingness or capability to do work for the City. The Court concluded that this particular statistical disparity did not satisfy *Croson*.<sup>107</sup>

When using a pool of relevant statistical evidence, a disparity between the utilization and availability of M/WBEs can be shown in more than one way. First, the number of M/WBEs utilized by an entity can be compared to the number of available M/WBEs. This is a strict *Croson* “disparity” formula. A significant statistical disparity between the number of M/WBEs that an entity utilizes in a given industry and the number of available M/WBEs in the relevant market area specializing in the specified product/service category would give rise to an inference of discriminatory exclusion.

Second, M/WBE dollar participation can be compared to M/WBE availability. This comparison could show a disparity between an entity’s award of contracts to available market area non-minority male businesses and the award of contracts to M/WBEs. Thus, in *AGCC II*, the court found constitutional the comparison of an independent consultant’s study which “compared the number of available MBE prime construction contractors in San Francisco with the amount of

---

<sup>105</sup> Although the disparity index is a common category of statistical evidence considered, other types of statistical evidence have been taken into account. In addition to looking at Dade County’s contracting and subcontracting statistics, the district court also considered marketplace data statistics (which looked at the relationship between the race, ethnicity, and gender of surveyed firm owners and the reported sales and receipts of those firms), the County’s Wainwright study (which compared construction business ownership rates of M/WBEs to those of non-M/WBEs and analyzed disparities in personal income between M/WBE and non-M/WBE business owners), and the County’s Brimmer Study (which focused only on Black-owned construction firms and looked at whether disparities existed when the sales and receipts of Black-owned construction firms in Dade County were compared with the sales and receipts of all Dade County construction firms). The court affirmed the judgment that declared appellant’s affirmative action plan for awarding county construction contracts unconstitutional and enjoined the plan’s operation because there was no statistical evidence of past discrimination and appellant failed to consider race and ethnic-neutral alternatives to the plan.

<sup>106</sup> *Rowe*, 615 F.3d at 236; see *Dade County I*, 943 F. Supp. at 1546, *aff’d*, 122 F.3d 895 (11th Cir. 1997); see also *Concrete Works II*, 36 F.3d at 1513.

<sup>107</sup> *Philadelphia VI*, 91 F.3d at 601-602. The courts have not spoken to the non-M/WBE component of the disparity index. However, if only as a matter of logic, the “availability” of non-M/WBEs requires that their willingness to be government contractors be established. The same measures used to establish the interest of M/WBEs should be applied to non-M/WBEs.



contract dollars awarded by the City to San Francisco-based MBEs” over a one-year period.<sup>108</sup> The study that was under review in *AGCC I* found that available MBEs received far fewer construction contract dollars in proportion to their numbers than their available non-minority counterparts.<sup>109</sup> *AGCC I* argued to the Ninth Circuit that the preferences given to MBEs violated the equal protection clause of the Fourteenth Amendment of the United States Constitution. The district court determined that *AGCC* only demonstrated a possibility of irreparable injury on the ground that such injury is assumed where constitutional rights have been alleged to be violated, but failed to demonstrate a likelihood of success on the merits.<sup>110</sup> On appeal, The Ninth Circuit affirmed the district court’s ruling.<sup>111</sup>

Whether a disparity index supports an inference that there is discrimination in the market area depends not only on what is being compared, but also on the statistical significance of any such disparity. In *Croson*, Justice O’Connor opined, “[w]here the gross statistical disparities can be shown, they alone, in a proper case, may constitute a *prima facie* proof of a pattern or practice of discrimination.”<sup>112</sup> However, the Court has not assessed or attempted to cast bright lines for determining if a disparity index is sufficient to support an inference of discrimination. In the absence of such a formula, the Tenth Circuit determined that the analysis of the disparity index and the findings of its significance are to be judged on a case-by-case basis.<sup>113</sup>

Following the dictates of *Croson*, courts may carefully examine whether there is data that show MBEs are qualified, ready, willing, and able to perform.<sup>114</sup> *Concrete Works II* made the same point: capacity—i.e., whether the firm is “able to perform”—is a ripe issue when a disparity study is examined on the merits:

[Plaintiff] has identified a legitimate factual dispute about the accuracy of Denver’s data and questioned whether Denver’s reliance on the percentage of MBEs and WBEs available in the marketplace overstates “the ability of MBEs or WBEs to conduct business relative to the industry as a whole because M/WBEs tend to be smaller and less experienced than non-minority owned firms.” In other words, a disparity index calculated on the basis of the absolute number of MBEs in the local market may show greater underutilization than does data that takes into consideration the size of MBEs and WBEs.<sup>115</sup>

---

<sup>108</sup> *AGCC II*, 950 F.2d at 1414 (discussing *AGCC I*, 813 F.2d 922 (9th Cir. 1987)).

<sup>109</sup> *AGCC I*, 214 F.3d 730 (6th Cir. 2000); *Id.* at 1414. Specifically, the study found that MBE availability was 49.5 percent for prime construction, but MBE dollar participation was only 11.1 percent; that MBE availability was 36 percent prime equipment and supplies, but MBE dollar participation was 17 percent; and that MBE availability for prime general services was 49 percent, but dollar participation was 6.2 percent.

<sup>110</sup> *AGCC I*, 813 F.2d 922 (9th Cir. 1987).

<sup>111</sup> *Id.* at 1401.

<sup>112</sup> *Croson*, 488 U.S. at 501 (quoting *Hazelwood Sch. Dist.*, 433 U.S. at 307-308).

<sup>113</sup> *Concrete Works II*, 36 F.3d at 1522.

<sup>114</sup> The *Philadelphia* study was vulnerable on this issue.

<sup>115</sup> *Concrete Works II*, 36 F.3d at 1528.



Notwithstanding that appellate concern, the disparity studies before the district court on remand did not examine the issue of M/WBE capacity to perform Denver’s public sector contracts.

The Sixth Circuit Court of Appeals, in *Associated General Contractors of Ohio, Inc. v. Drabik* (“*Drabik*”), concluded that for statistical evidence to meet the legal standard of *Croson*, it must consider the issue of capacity.<sup>116</sup> The State’s factual predicate study based its statistical evidence on the percentage of MBE businesses in the population. The statistical evidence “did not take into account the number of minority businesses that were construction firms, let alone how many were qualified, willing, and able to perform state contracts.”<sup>117</sup> The court reasoned as follows:

Even statistical comparisons that might be apparently more pertinent, such as with the percentage of all firms qualified in some minimal sense, to perform the work in question, would also fail to satisfy the Court’s criteria. If MBEs comprise 10 percent of the total number of contracting firms in the State, but only get 3 percent of the dollar value of certain contracts that does not alone show discrimination, or even disparity. It does not account for the relative size of the firms, either in terms of their ability to do particular work or in terms of the number of tasks they have resources to complete.<sup>118</sup>

*Drabik* also pointed out that the State not only relied upon the wrong type of statistical data, but also that the datasets were more than twenty years old. Therefore, an entity must study current data that indicate the availability and qualifications of the MBEs.

The opinions in *Philadelphia VI*<sup>119</sup> and *Dade County I*,<sup>120</sup> regarding disparity studies involving public sector contracting, are particularly instructive in defining availability. In *Philadelphia VI*, the earlier of the two decisions, contractors’ associations challenged a city ordinance that created set-asides for minority subcontractors on city public works contracts. A summary judgment was granted for the contractors.<sup>121</sup> The Third Circuit upheld the third appeal, affirming that there was no firm basis in evidence for finding that race-based discrimination existed to justify a race-based program and that the program was not narrowly tailored to address past discrimination by the City.<sup>122</sup>

The Third Circuit reviewed the evidence of discrimination in prime contracting and stated that whether it is strong enough to infer discrimination is a “close call” which the court “chose not to

---

<sup>116</sup> *Associated Gen. Contractors of Ohio, Inc. v. Drabik*, 214 F.3d 730, 734-38 (6th Cir. 2000) (“*Drabik*”). The Court reviewed Ohio’s 1980, pre-*Croson*, program, which the Sixth Circuit found constitutional in *Ohio Contractors Ass’n v. Keip*, 713 F.2d 167, 176 (6th Cir. 1983), finding the program unconstitutional under *Croson*.

<sup>117</sup> *Drabik*, 214 F.3d at 736.

<sup>118</sup> *Id.*

<sup>119</sup> *Philadelphia VI*, 91 F.3d at 604-605.

<sup>120</sup> *Dade County I*, 943 F. Supp. at 1582-83.

<sup>121</sup> *Philadelphia VI*, 91 F.3d at 590.

<sup>122</sup> *Id.* at 609-10.



make.”<sup>123</sup> It was unnecessary to make this determination because the court found that even if there was a strong basis in evidence for the program, a subcontracting program was not narrowly tailored to remedy prime contracting discrimination.<sup>124</sup>

When the court looked at subcontracting, it found that a firm basis in evidence did not exist. The only subcontracting evidence presented was a review of a random 25 to 30 percent of project engineer logs on projects valued at more than \$30,000.<sup>125</sup> The consultant determined that no MBEs were used during the study period based upon recollections of the former general counsel to the General and Specialty Contractors Association of Philadelphia regarding whether the owners of the utilized firms were MBEs. The court found this evidence insufficient as a basis for finding that prime contractors in the market area were discriminating against subcontractors.<sup>126</sup>

The Third Circuit has recognized that consideration of qualifications can be approached at different levels of specificity and that the practicality of the approach should also be weighed. The Court of Appeals found that “[i]t would be highly impractical to review the hundreds of contracts awarded each year and compare them to each and every MBE” and that it was a “reasonable choice” under the circumstances to use a list of M/WBE certified contractors as a source for available firms.<sup>127</sup> Although theoretically it may have been possible to adopt a more refined approach, the court found that using the list of certified contractors was a rational approach to identifying qualified firms.<sup>128</sup>

In order to qualify for certification, the federal certification program required firms to detail their bonding capacity, size of prior contracts, number of employees, financial integrity, and equipment owned. According to the court, “the process by which the firms were certified [suggests that] those firms were both qualified and willing to participate in public works projects.”<sup>129</sup> The court found certification to be an adequate process of identifying capable firms, recognizing that the process may even understate the availability of MBE firms.<sup>130</sup> Therefore, the court was somewhat flexible in evaluating the appropriate method of determining the availability of MBE firms in the statistical analysis of a disparity.

Furthermore, the court discussed whether bidding was required in prime construction contracts as the measure of “willingness” and stated, “[p]ast discrimination in a marketplace may provide

---

<sup>123</sup> *Id.* at 605.

<sup>124</sup> *Philadelphia VI*, 91 F.3d at 605.

<sup>125</sup> *Id.* at 600.

<sup>126</sup> Another problem with the program was that the 15 percent goal was not based on data indicating that minority businesses in the market area were available to perform 15 percent of the City’s contracts. The court noted, however, that “we do not suggest that the percentage of the preferred group in the universe of qualified contractors is necessarily the ceiling for all set-asides.” The court also found the program flawed because it did not provide sufficient waivers and exemptions, as well as consideration of race-neutral alternatives.

<sup>127</sup> *Philadelphia VI*, 91 F.3d at 603.

<sup>128</sup> *Philadelphia VI*, 91 F.3d at 603-605, 609.

<sup>129</sup> *Id.* at 603.

<sup>130</sup> *Id.*



reason to believe the minorities who would otherwise be willing are discouraged from trying to secure work.”<sup>131</sup>

In *Dade County I*, the district court held that the County had not shown the compelling interest required to institute a race-conscious program, because the statistically significant disparities upon which the County relied disappeared when the size of the M/WBEs was taken into account.<sup>132</sup> The *Dade County* district court accepted the disparity study’s limiting of “available” prime construction contractors to those that had bid at least once in the study period. However, it must be noted that relying solely on bidders to identify available firms may have limitations. If the solicitation of bidders is biased, then the results of the bidding process will be biased.<sup>133</sup> In addition, a comprehensive count of bidders is dependent on the adequacy of the agency’s record-keeping.<sup>134</sup>

The appellate court in *Dade County* did not determine whether the County presented sufficient evidence to justify the M/WBE program. It merely ascertained that the lower court was not clearly erroneous in concluding that the County lacked a strong basis in evidence to justify race-conscious affirmative action.<sup>135</sup> The appellate court did not prescribe the district court’s analysis or any other specific analysis for future cases.

### **C. Anecdotal Evidence**

In *Croson*, Justice O’Connor opined that “evidence of a pattern of individual discriminatory acts can, if supported by appropriate statistical proof, lend support to a local government’s determination that broader remedial relief is justified.”<sup>136</sup> Anecdotal evidence should be gathered to determine if minority contractors are systematically being excluded from contracting opportunities in the relevant market area. Remedial measures fall along a sliding scale determined by their intrusiveness on non-targeted groups. At one end of the spectrum are race-neutral measures and policies, such as outreach to all segments of the business community regardless of race. They are not intrusive and, in fact, require no evidence of discrimination before implementation. Conversely, race-conscious measures, such as set-asides, fall at the other end of the spectrum and require a larger amount of evidence.<sup>137</sup>

---

<sup>131</sup> *Id.*

<sup>132</sup> *Dade County I*, 943 F. Supp. at 1560.

<sup>133</sup> *Cf. League of United Latin Am. Citizens v. Santa Ana*, 410 F. Supp. 873, 897 (C.D. Cal. 1976); *Reynolds v. Sheet Metal Workers, Local 102*, 498 F. Supp. 952, 964 n. 12 (D. D.C. 1980), *aff’d*, 702 F.2d 221 (D.C. Cir. 1981) (involving the analysis of available applicants in the employment context).

<sup>134</sup> *Cf. EEOC v. Am. Nat’l Bank*, 652 F.2d 1176, 1196-1197 (4th Cir. 1981), *cert. denied*, 459 U.S. 923 (1981) (in the employment context, actual applicant flow data may be rejected where race coding is speculative or nonexistent).

<sup>135</sup> *Dade County I*, 943 F. Supp. at 1557.

<sup>136</sup> *Croson*, 488 U.S. at 509; *see Teamsters*, 431 U.S. at 338.

<sup>137</sup> *Cf. AGCC II*, 950 F.2d at 1417-18 (in finding that an ordinance providing for bid preferences was narrowly tailored, the Ninth Circuit stated that the program encompassed the required flexibility and stated that “the burdens of the bid preferences on those not entitled to them appear relatively light and well distributed. In addition, in contrast to remedial measures struck down in other cases, those bidding have no settled expectation of receiving a contract. [Citations omitted.]”).



As discussed below, anecdotal evidence alone is insufficient to establish the requisite predicate for a race-conscious program. Its great value lies in pointing to remedies that are “narrowly tailored,” the second prong of a *Croson* study. The following types of anecdotal evidence have been presented to and relied upon by the Ninth Circuit in both *Coral Construction* and *AGCC II*, to justify the existence of an M/WBE program:

- M/WBEs denied contracts despite being the low bidders — *Philadelphia*<sup>138</sup>
- Prime contractors showing MBE bids to non-minority subcontractors to find a non-minority firm to underbid the MBEs — *Cone Corporation v. Hillsborough County*<sup>139</sup>
- M/WBEs’ inability to obtain contracts for private sector work — *Coral Construction*<sup>140</sup>
- M/WBEs told that they were not qualified, although they were later found to be qualified when evaluated by outside parties — *AGCC II*<sup>141</sup>
- Attempts to circumvent M/WBE project goals — *Concrete Works II*<sup>142</sup>
- Harassment of M/WBEs by an entity’s personnel to discourage them from bidding on an entity’s contracts — *AGCC II*<sup>143</sup>

Courts must assess the extent to which relief measures disrupt settled “rights and expectations” when determining the appropriate corrective measures.<sup>144</sup> Presumably, courts would look more favorably upon anecdotal evidence in support of a less intrusive program than it would in support of a more intrusive one. For example, if anecdotal accounts related experiences of discrimination in obtaining bonds, they may be sufficient evidence to support a bonding program that assists M/WBEs.<sup>145</sup> However, these accounts would not be evidence of a statistical availability that would justify a racially limited program such as a set-aside.

As noted above, the *Croson* Court found that the City of Richmond’s MBE program was unconstitutional, because the City failed to provide a factual basis to support its MBE program. However, the Court opined that “evidence of a pattern of individual discriminatory acts can, if supported by appropriate statistical proof, lend support to a local government’s determination that broader remedial relief is justified.”<sup>146</sup>

---

<sup>138</sup> *Philadelphia IV*, 6 F.3d at 1002.

<sup>139</sup> *Cone Corp.*, 908 F.2d at 916.

<sup>140</sup> For instance, where a small percentage of an MBE or WBE’s business comes from private contracts and most of its business comes from race or gender-based set-asides, this would demonstrate exclusion in the private industry. *Coral Constr.*, 941 F.2d at 933 (WBE’s affidavit indicated that less than 7 percent of the firm’s business came from private contracts and that most of its business resulted from gender-based set-asides).

<sup>141</sup> *AGCC II*, 950 F.2d at 1415.

<sup>142</sup> *Concrete Works II*, 36 F.3d at 1530.

<sup>143</sup> *AGCC II*, 950 F.2d at 1415.

<sup>144</sup> *Wygant*, 476 U.S. at 283.

<sup>145</sup> *Teamsters*, 431 U.S. at 339; *Coral Constr.*, 941 F.2d at 919.

<sup>146</sup> *Croson*, 488 U.S. at 509 (citing *Teamsters*, 431 U.S. at 338).





In part, it was the absence of statistical evidence that proved fatal to the program. The Supreme Court stated that “[t]here was no direct evidence of race discrimination on the part of the city in letting contracts or any evidence that the city’s prime contractors had discriminated against minority-owned subcontractors.”<sup>147</sup>

This was not the situation confronting the Ninth Circuit in *Coral Construction*. There, the 700-plus page appellate records contained the affidavits of “at least 57 minority or women contractors, each of whom complain in varying degree of specificity about discrimination within the local construction industry . . . These affidavits certainly suggest that ongoing discrimination may be occurring in much of the King County business community.”<sup>148</sup>

Nonetheless, this anecdotal evidence alone was insufficient to justify King County’s MBE program since “[n]otably absent from the record, however, is *any* statistical data in support of the County’s MBE program.”<sup>149</sup> After noting the Supreme Court’s reliance on statistical data in Title VII employment discrimination cases and cautioning that statistical data must be carefully used, the court elaborated on its mistrust of purely anecdotal evidence:

Unlike the cases resting exclusively upon statistical deviations to prove an equal protection violation, the record here contains a plethora of anecdotal evidence. However, anecdotal evidence, standing alone, suffers the same flaws as statistical evidence. Indeed, anecdotal evidence may even be less probative than statistical evidence in the context of proving discriminatory patterns or practices.<sup>150</sup>

The court concluded its discourse on the potency of anecdotal evidence in the absence of a statistical showing of disparity by observing that “rarely, if ever, can such evidence show a systemic pattern of discrimination necessary for the adoption of an affirmative action plan.”<sup>151</sup>

Two other circuit courts also suggested that anecdotal evidence might be dispositive in rare and exceptional cases, if ever, while rejecting it in the specific case before them. For example, in *Philadelphia IV*, the Third Circuit Court of Appeals noted that the Philadelphia City Council had “received testimony from at least fourteen minority contractors who recounted personal experiences with racial discrimination,” which the district court had “discounted” because it deemed this evidence to be “impermissible” for consideration under *Croson*.<sup>152</sup> The Third Circuit Court disapproved of the district court’s actions because in its view the court’s rejection of this

---

<sup>147</sup> *Id.* at 480.

<sup>148</sup> *Coral Constr.*, 941 F.2d at 917-18.

<sup>149</sup> *Id.* at 918 (emphasis added) (additional statistical evidence gathered after the program had been implemented was also considered by the court and the case was remanded to the lower court for an examination of the factual predicate).

<sup>150</sup> *Coral Constr.*, 941 F.2d at 919.

<sup>151</sup> *Id.*

<sup>152</sup> *Philadelphia IV*, 6 F.3d at 1002.



evidence betrayed the court’s role in disposing of a motion for summary judgment.<sup>153</sup> “Yet,” the court stated:

Given *Croson*’s emphasis on statistical evidence, even had the district court credited the City’s anecdotal evidence, we do not believe this amount of anecdotal evidence is sufficient to satisfy strict scrutiny [quoting *Coral*, supra]. Although anecdotal evidence alone may, in an exceptional case, be so dominant or pervasive that it passes muster under *Croson*, it is insufficient here.<sup>154</sup>

The District of Columbia Circuit Court echoed the Ninth Circuit’s acknowledgment of the rare case in which anecdotal evidence is singularly potent in *O’Donnell Construction v. District of Columbia*.<sup>155</sup> The court found that, in the face of conflicting statistical evidence, the anecdotal evidence there was not sufficient:

It is true that in addition to statistical information, the Committee received testimony from several witnesses attesting to problems they faced as minority contractors. Much of the testimony related to bonding requirements and other structural impediments any firm would have to overcome, no matter what the race of its owners. (internal citation omitted.) The more specific testimony about discrimination by white firms could not in itself support an industry-wide remedy (internal quotes and citation omitted). Anecdotal evidence is most useful as a supplement to strong statistical evidence—which the Council did not produce in this case.<sup>156</sup>

The Eleventh Circuit in *Dade County II* is also in accord. In applying the “clearly erroneous” standard to its review of the district court’s decision in *Dade County II*, it commented that “[t]he picture painted by the anecdotal evidence is not a good one.”<sup>157</sup> However, it held that this was not the “exceptional case” where, unreinforced by statistics, the anecdotal evidence was enough.<sup>158</sup> In *Concrete Works II*, the Tenth Circuit Court of Appeals described the anecdotal evidence that is most compelling as evidence within a statistical context. In approving of the anecdotal evidence marshaled by the City of Denver in the proceedings below, the court recognized that “[w]hile a fact finder should accord less weight to personal accounts of discrimination that reflect isolated incidents, anecdotal evidence of a municipality’s institutional practices carries more weight due to the systemic impact that such institutional practices have on market conditions.”<sup>159</sup> The court noted that the City had provided such systemic evidence.

---

<sup>153</sup> *Id.* at 1003.

<sup>154</sup> *Id.*

<sup>155</sup> 963 F. 2d 420, 427 (D.C. Cir. 1992).

<sup>156</sup> *O’Donnell*, 963 F.2d at 427.

<sup>157</sup> *Dade County II*, 122 F.3d at 925.

<sup>158</sup> *Id.* at 926.

<sup>159</sup> *Concrete Works II*, 36 F.3d at 1530.



The Ninth Circuit Court of Appeals has articulated what it deems to be permissible anecdotal evidence in *AGCC II*.<sup>160</sup> There, the court approved a “vast number of individual accounts of discrimination,” which included (1) numerous reports of MBEs denied contracts despite being the low bidder, (2) MBEs told that they were not qualified although they were later found to be qualified when evaluated by outside parties, (3) MBEs refused work even after they were awarded the contracts as low bidder, and (4) MBEs being harassed by city personnel to discourage them from bidding on city contracts. On appeal, the City pointed to numerous individual accounts of discrimination to substantiate its findings that discrimination exists in the city’s procurement processes, an “old boy’s network” still exists, and racial discrimination is still prevalent within the San Francisco construction industry.<sup>161</sup> Based on *AGCC II*, it would appear that the Ninth Circuit’s standard for acceptable anecdotal evidence is more lenient than other Circuits that have considered the issue.

Taken together, these statements constitute a taxonomy of appropriate anecdotal evidence. Anecdotal evidence alone may, in exceptional cases, show a systemic pattern of discrimination necessary for the adoption of an affirmative action plan, but it must be so dominant and pervasive that it passes muster under the *Croson* standards.<sup>162</sup> Pursuant to *Croson* and its progeny, case law suggests that, to be optimally persuasive, anecdotal evidence collectively should satisfy six particular requirements. These requirements are that the accounts:

- Are gathered from minority contractors, preferably those that are “qualified”<sup>163</sup>
- Concern specific, verifiable instances of discrimination<sup>164</sup>
- Involve the actions of governmental officials<sup>165</sup>
- Involve events within the relevant jurisdiction’s market area<sup>166</sup>
- Discuss the harm that the improper conduct has inflicted on the businesses in question<sup>167</sup>
- Collectively reveal that discriminatory exclusion and impaired contracting opportunities are systemic rather than isolated or sporadic.<sup>168</sup>

Given that neither *Croson*, nor its progeny identify the circumstances under which anecdotal evidence alone will carry the day, it is not surprising that none of these cases explicate bright line rules specifying the quantity of anecdotal evidence needed to support an MBE program. However,

---

<sup>160</sup> *AGCC II*, 950 F.2d at 1401.

<sup>161</sup> *AGCC II*, 950 F.2d at 1415.

<sup>162</sup> *Philadelphia IV*, 6 F.3d at 1003. The anecdotal evidence must be “dominant or pervasive.”

<sup>163</sup> *Philadelphia VI*, 91 F.3d at 603.

<sup>164</sup> *Coral Constr.*, 941 F.2d at 917-18; *but see Concrete Works IV*, 321 F.3d at 989 (“There is no merit to [plaintiff’s] argument that the witnesses’ accounts must be verified to provide support for Denver’s burden.”).

<sup>165</sup> *Croson*, 488 U.S. at 509.

<sup>166</sup> *Coral Constr.*, 941 F.2d at 925.

<sup>167</sup> *O’Donnell*, 963 F.2d at 427.

<sup>168</sup> *Coral Constr.*, 941 F.2d at 919.



the foregoing cases provide some guidance by implication. *Philadelphia IV* makes clear that 14 anecdotal accounts standing alone will not suffice.<sup>169</sup> The court then turned to the statistical data.<sup>170</sup> While the matter is not free of countervailing considerations, 57 accounts, many of which appeared to be of the type referenced above, were insufficient without statistical data to justify the program in *Coral Construction*. Therefore, no court has provided rules on the number of anecdotal evidence that is needed in conjunction with statistical evidence to pass constitutional muster.

The quantum of anecdotal evidence that a court would likely find acceptable will depend on the proposed remedy. The remedies that are least burdensome to non-targeted groups would likely require a lesser degree of evidence. Those remedies that are more burdensome on the non-targeted groups would require a stronger factual basis likely extending to verification.

#### **D. Remedial Statutory Scheme**

*H.B. Rowe Company v. Tippet*, (“Rowe”) challenged the constitutionality of the North Carolina General Assembly’s Statute 136-28.4 (Statute), promulgated in 1983.<sup>171</sup> The Statute set forth a general policy to promote the use of small, minority, physically handicapped, and women contractors in non-federally funded State construction projects.<sup>172</sup> The 1983 Statute directed North Carolina Department of Transportation (NCDOT) to encourage and promote the policy.<sup>173</sup> Seven years later, in 1990, the Statute was amended to include specific participation goals on state funded transportation construction contracts for minority and women-owned businesses.<sup>174</sup>

As a result of the amendment, NCDOT created a Minority Business Enterprise and Women Business Enterprise Program (M/WBE Program) for non-federally funded highway and bridge construction contracts.<sup>175</sup> In 1991, the constitutionality of the Statute was challenged.<sup>176</sup> The court ruled in favor of the plaintiff stating that, in order to implement race-conscious measures to remedy discrimination, the governmental entity must identify with “some specificity” the racial discrimination it seeks to remedy.<sup>177</sup> As a result of the challenge, NCDOT suspended its M/WBE program in 1991.<sup>178</sup>

---

<sup>169</sup> *Philadelphia IV*, 6 F.3d. at 1002-03.

<sup>170</sup> *Id.*

<sup>171</sup> *Rowe*, 615 F.3d at 236.

<sup>172</sup> *Id.*

<sup>173</sup> *Id.*

<sup>174</sup> *Id.*

<sup>175</sup> *Id.*

<sup>176</sup> *Id.* at 237; see *Dickerson Carolina, Inc. v. Harrelson*, 114 N.C. App. 693 (1994).

<sup>177</sup> *Rowe*, 615 F.3d at 237 (citing *Croson*, 488 U.S. at 504).

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



In 1993, NCDOT commissioned a disparity study on state-funded transportation construction contracts.<sup>179</sup> The study determined that minority and women subcontractors were underutilized at a statistically significant level and the M/WBE Program was re-implemented.<sup>180</sup> In 1998, the North Carolina General Assembly again commissioned an update to the 1993 study.<sup>181</sup> The 1998 update study concluded that minority and women-owned businesses continued to be underutilized in state-funded road construction contracts.<sup>182</sup>

In 2002, H.B. Rowe Company was denied a NCDOT contract because the company's bid included 6.6 percent women subcontractor participation and no minority subcontractor participation.<sup>183</sup> NCDOT claimed that H.B. Rowe Company failed to meet the good faith effort requirements of the M/WBE program.<sup>184</sup> A third study was commissioned in 2004 to again study minority and women contractor participation in the State's highway construction industry.<sup>185</sup> In 2006, relying on the 2004 study, the North Carolina General Assembly amended Statute 136-28.4.<sup>186</sup> The principal modifications were:

- Remedial action should be taken only when there is a strong basis in evidence of ongoing effects of past or present discrimination that prevents, or limits disadvantaged minority and women-owned businesses from participating as subcontractors in State-funded projects.
- The minority/women classification was limited to those groups that suffered discrimination.
- A disparity study should be performed every five years to respond to changing conditions.
- Inclusion of a sunset provision.<sup>187</sup>

First, the court considered whether the statutory scheme as it relates to minorities survives the strict scrutiny standard. The Fourth Circuit Court of Appeals reviewed the statistical evidence detailed in the 2004 disparity study to determine if the statutory scheme was based on strong statistical evidence to implement race-conscious subcontractor goals.<sup>188</sup> The statistical evidence was also examined to determine if the statute's definition of minorities was over-inclusive by

---

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

<sup>180</sup> *Rowe*, 615 F.3d at 237.

<sup>181</sup> *Id.*

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

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

<sup>184</sup> *Id.*

<sup>185</sup> *Id.* at 238.

<sup>186</sup> *Id.*

<sup>187</sup> *Id.* at 238-39.

<sup>188</sup> *Id.* at 238.



including minority groups that did not suffer discrimination pursuant to the statistical results of the 2004 disparity study.<sup>189</sup>

The court did not consider whether the statistical methodology employed in the 2004 disparity study was sufficient to support a compelling state interest. Rather, the court accepted the disparity index as the measure by which to determine the statistical significance of the underutilization of minorities in the State's subcontracts.<sup>190</sup> The methodology used in the 2004 disparity study calculated a disparity at .05 confidence level.<sup>191</sup> A statistical calculation is significant at the .05 confidence level because the probability of that result occurring by chance is 5 percent or less.<sup>192</sup> The .05 confidence level is used in social sciences as a marker of when a result is a product of some external influence, rather than ordinary variation or sampling error.<sup>193</sup>

While the circuit court found that "*the study itself* sets out the standard by which one could confidently conclude that discrimination was at work[.]" the standard was not followed in the State's statutory scheme.<sup>194</sup> The statistical evidence in the 2004 disparity study demonstrated that African American and Native American subcontractors were underutilized at a disparity index of less than 80 and that Hispanic American and Asian American subcontractors also were underutilized, but not at a .05 confidence level.<sup>195</sup> The 2004 Study determined that the underutilization of Hispanic American and Asian American contractors was not statistically significant.

Therefore, the only statutory scheme ruled narrowly tailored to achieve the State's compelling interest was the one related to African American and Native American subcontractors. The statutory scheme pertaining to Hispanic American and Asian American subcontractors was deemed unconstitutional.<sup>196</sup> Thus, the State only provided a strong basis in evidence for the minority subcontractor participation goals pertaining to African American and Native American subcontractors.

---

<sup>189</sup> Rowe, 615 F.3d at 239.

<sup>190</sup> *Id.* at 243-44.

<sup>191</sup> *Id.* at 244.

<sup>192</sup> *Id.* at 261 n.12 (*citing* SHERRI L. JACKSON, RESEARCH METHODS AND STATISTICS: A CRITICAL THINKING APPROACH 168-69 (3d ed. 2006) (noting that the .05 confidence level is generally used in the social sciences as indication that the result was produced as a consequence of an external influence)).

<sup>193</sup> Rowe, 615 F.3d at 261 n. 12 (*citing* EARL BABBIE, THE PRACTICE OF SOCIAL RESEARCH 483 (11th ed. 2007)).

<sup>194</sup> *Id.* at 261.

<sup>195</sup> *Id.* at 245.

<sup>196</sup> *Id.* at 254.



Second, the court considered whether the statutory scheme as it relates to women survives the intermediate scrutiny standard. The evidence demonstrated that the State’s prime contractors “substantially over-utilized” women-owned businesses on public road construction projects.<sup>197</sup> The 2004 disparity study calculated the overutilization of women subcontractors as statistically significant at a .05 confidence level.<sup>198</sup> The circuit court further noted that the private sector evidence was insufficient to overcome the strong evidence of overutilization.<sup>199</sup> Consequently, the circuit court determined that the evidence in the 2004 disparity study did not provide “exceedingly persuasive justification” to include women-owned businesses in gender-based remedies.<sup>200</sup>

In light of the *Rowe* decision, caution should be exercised when determining which minority or gender group is appropriate for race-conscious or gender-conscious remedies. For an MBE program to be narrowly tailored there must be a statistical finding of underutilization of minority subcontractors. Where the underutilization of a minority group is not found to be statistically significant the minority group should not be included in race-conscious remedies.

The intermediate scrutiny standard for gender classifications can be met with statistical evidence of underutilization that is not statistically significant. However, this does not apply when there is demonstrated overutilization. Women-owned businesses should be considered for gender-based remedies when the statistical evidence demonstrates that the overutilization is not statistically significant.

## ***VI. Consideration of Race-Neutral Options***

A remedial program must address the source of the disadvantage faced by minority businesses. If it is found that race discrimination places MBEs at a competitive disadvantage, an MBE program may seek to counteract the situation by providing MBEs with a counterbalancing advantage.<sup>201</sup> An MBE program cannot stand if the sole barrier to M/WBE participation is a barrier that is faced by all new businesses, regardless of ownership.<sup>202</sup> If the evidence demonstrates that the sole barrier to M/WBE participation is that M/WBEs disproportionately lack capital or cannot meet bonding requirements, then only a race-neutral program of financing for all small firms would be justified.<sup>203</sup> In other words, if the barriers to minority participation are race-neutral, then the program must be race-neutral.

The requirement that race-neutral measures be considered does not mean that they must be exhausted before race-conscious remedies can be employed. The Supreme Court explained that

---

<sup>197</sup> *Rowe*, 615 F.3d at 254.

<sup>198</sup> *Id.* at 254-55.

<sup>199</sup> *Id.* at 255.

<sup>200</sup> *Id.*

<sup>201</sup> *AGCC II*, 950 F.2d at 1404.

<sup>202</sup> *Croson*, 488 U.S. at 508.

<sup>203</sup> *Id.* at 507.



although “narrow tailoring does not require exhaustion of every conceivable race-neutral alternative” it “does require serious, good faith consideration of workable race-neutral alternatives that will achieve ... diversity[.]”<sup>204</sup>

If the barriers appear race-related but are not systemic, then the remedy should be aimed at the specific arena in which exclusion or disparate impact has been found as detailed above in *Section IV*. If the evidence shows that in addition to capital and bonding requirements, which are race-neutral, MBEs also face race discrimination in the awarding of contracts, then a race-conscious program will stand, so long as it also includes race-neutral measures to address the capital and bonding barriers.<sup>205</sup>

The Ninth Circuit Court of Appeals in *Coral Construction* ruled that there is no requirement that an entity exhaust every possible race-neutral alternative.<sup>206</sup> Instead, an entity must make a serious, good faith consideration of race-neutral measures in enacting an MBE program. Thus, in assessing MBE utilization, it is imperative to examine barriers to MBE participation that go beyond “small business problems.” The impact on the distribution of contract programs that have been implemented to improve MBE utilization should also be measured.<sup>207</sup>

## ***VII. Conclusion***

The decision of the United States Supreme Court in the *Croson* case changed the legal landscape for local governments’ business affirmative action programs. The United States Supreme Court altered the authority of a local government to use local funds to institute remedial race-conscious public contracting programs. This chapter has examined what *Croson* and its progeny require for a local government to institute a constitutional race and/or gender-conscious public contracting program.

Consistent with the case law, any race or gender-conscious recommendations for the City’s Code of Ordinances that are presented in this Disparity Study will be based on a constitutionally sound factual predicate. The methodology employed to conduct the Disparity Study will determine if the City has a compelling interest to implement a race or gender-based program. The analysis is based on statistical evidence that is limited to the City’s market area, and the statistical model used in the disparity analysis is consistent with the standards proscribed in *Croson* progeny and tailored to the Eleventh Circuit precedent. The disparity findings for prime contracts and subcontracts are calculated separately by industry, ethnicity, and gender.

---

<sup>204</sup> *Grutter v. Bollinger*, 539 U.S. 306, 339 (2003).

<sup>205</sup> *Croson*, 488 U.S. at 507 (upholding MBE program where it operated in conjunction with race-neutral measures aimed at assisting all small businesses).

<sup>206</sup> *Coral Constr.*, 941 F.2d at 910.

<sup>207</sup> *Dade County II*, 122 F.3d at 927. At the same time, the Eleventh Circuit’s caveat in *Dade County* should be kept in mind: “Supreme Court decisions teach that a race-conscious remedy is not merely one of many equally acceptable medications that a government may use to treat race-based problems. Instead, it is the strongest of medicines, with many potentially harmful side-effects, and must be reserved to those severe cases that are highly resistant to conventional treatment.” For additional guidance, *see supra* section II, Standard of Review for the discussion of narrow tailoring in *Concrete Works IV*, *Adarand*, *County of Cook*, and *City of Chicago*.





Depending on the statistical findings of the Disparity Study, the City of St. Petersburg may consider race and gender-based remedies in the award of its contracts. Given the case law discussed in this chapter, any race or gender-conscious affirmative action contracting program recommended in this Disparity Study will be based on a constitutionally sound factual predicate.



## VIII. List of Authorities

Cases	Pages
<i>Adarand Constructors, Inc. v. Slater</i> , 228 F.3d 1147 (10th Cir. 2000) .....	9
<i>Armour v. City of Indianapolis, Ind.</i> , 132 S. Ct. 2073 (2012) .....	6
<i>Associated Gen. Contractors of Cal. v. City &amp; Cnty. of San Francisco (“AGCC I”)</i> , 813 F.2d 922 (9th Cir. 1987) .....	4, 6
<i>Associated Gen. Contractors v. Coal. for Econ. Equity (“AGCC II”)</i> , 950 F.2d 1401 (9th Cir. 1991) .....	<i>passim</i>
<i>Associated Gen. Contractors of Ohio, Inc. v. Drabik (“Drabik”)</i> , 214 F.3d 730 (6th Cir. 2000) .....	17
<i>Associated Gen. Contractors v. New Haven</i> , 791 F. Supp. 941 (D. Conn. 1992) .....	7
<i>Builders Ass’n of Greater Chi. v. City of Chi.</i> , 298 F. Supp. 2d 725 (N.D. Ill. 2003) .....	12
<i>Builders Ass’n of Greater Chicago v. Cnty. of Cook</i> , 256 F.3d 642 (7th Cir. 2001) .....	5
<i>City of Richmond v. J.A. Croson Co. (“Croson”)</i> , 488 U.S. 469 (1989) .....	<i>passim</i>
<i>Concrete Works of Colo., Inc. v. City &amp; Cnty. of Denver (“Concrete Works I”)</i> , 823 F. Supp. 821 (D. Colo. 1993) .....	<i>passim</i>
<i>Concrete Works of Colo., Inc. v. City &amp; Cnty. of Denver (“Concrete Works II”)</i> , 36 F.3d 1513 (10th Cir. 1994) .....	<i>passim</i>
<i>Concrete Works of Colo., Inc. v. City &amp; Cnty. of Denver (“Concrete Works III”)</i> , 86 F. Supp. 2d 1042 (D. Colo. 2000) .....	10, 11
<i>Concrete Works of Colo., Inc. v. City &amp; Cnty. of Denver (“Concrete Works IV”)</i> , 321 F.3d 950 (10th Cir. 2003) .....	4, 9, 10, 11
<i>Cone Corp. v. Hillsborough Cnty.</i> , 908 F.2d 908 (11th Cir. 1990) .....	14, 20



<i>Contractors Ass’n of E. Pa. v. City of Philadelphia (“Philadelphia IV”),</i> 6 F.3d 990 (3d Cir. 1993) .....	4, 5, 20, 22, 23, 24
<i>Contractors Ass’n of E. Pa. v. City of Philadelphia (“Philadelphia V”),</i> 893 F. Supp. 419 (E.D. Pa.1995) .....	7
<i>Contractors Ass’n of E. Pa v. City of Philadelphia (“Philadelphia VI”),</i> 91 F.3d 586 (3rd Cir. 1996) .....	passim
<i>Coral Constr. Co. v. King Cnty.,</i> 941 F.2d 910 (9th Cir. 1991) .....	passim
<i>Dickerson Carolina, Inc. v. Harrelson,</i> 114 N.C. App. 693 (1994) .....	25
<i>Doe I v. Lower Merion Sch. Dist.,</i> 689 F. Supp. 2d 742 (E.D. Pa. 2010) .....	7
<i>EEOC v. Am. Nat’l Bank,</i> 652 F.2d 1176 (4th Cir. 1981) .....	19
<i>Eng’g Contractors Ass’n v. Metro. Dade Cnty. (“Dade County I”),</i> 943 F. Supp. 1546 (S.D. Fla. 1996) .....	9, 15, 18, 19, 20
<i>Eng’g Contractors Ass’n v. Metro. Dade Cnty. (“Dade County II”),</i> 122 F.3d 895 (11th Cir. 1997) .....	3, 4, 5, 15, 23, 28
<i>Ensley Branch N.A.A.C.P. v. Seibels,</i> 31 F.3d 1548 (11th Cir. 1994) .....	4, 5
<i>Florida AGC Council, Inc. v. Florida,</i> 303 F. Supp. 2d 1307 (N.D. Fla. 2004) .....	3
<i>Grutter v. Bollinger,</i> 539 U.S. 306 (2003) .....	28
<i>Hayes v. N. State Law Enforcement Officers Ass’n,</i> 10 F.3d 207 (4th Cir. 1993) .....	5
<i>Hazelwood Sch. Dist. v. United States,</i> 433 U.S. 299 (1977) .....	13, 16
<i>H.B. Rowe Co. v. N.C. Dep’t of Transp. (“Rowe”),</i> 615 F.3d 233 (4th Cir. 2010) .....	passim



<i>Hershell Gill Consulting Eng'rs, Inc. v. Miami-Dade Cnty.</i> , 333 F. Supp. 2d 1305 (S.D. Fla. 2004) .....	9
<i>Int'l Bhd. of Teamsters v. United States ("Teamsters")</i> , 431 U.S. 324 (1977) .....	14, 21
<i>Johnson v. Board of Regents of the University of Georgia</i> , 263 F.3d 1234, 1244 (11th Cir. 2001) .....	9
<i>Lakeside Roofing Company v. State of Missouri, et al.</i> , 2012 WL 709276 (E.D.Mo. Mar. 5, 2012) .....	4
<i>League of United Latin Am. Citizens v. Santa Ana</i> , 410 F. Supp. 873 (C.D. Cal. 1976) .....	19
<i>Mich. Rd. Builders Ass'n v. Milliken</i> , 834 F.2d 583 (6th Cir. 1987) .....	4
<i>Miss. Univ. for Women v. Hogan</i> , 458 U.S. 718 (1982) .....	4
<i>Monterey Mech. Co. v. Pete Wilson et al.</i> , 125 F.3d 702 (9th Cir. 1997).....	12
<i>N. Shore Concrete &amp; Ass'n v. City of N.Y.</i> , 1998 U.S. Dist. LEXIS 6785 (EDNY 1998).....	13
<i>O'Donnell Constr. Co. v. D.C.</i> , 963 F.2d 420 (D.C. Cir. 1992) .....	22, 24
<i>Ohio Contractors Ass'n v. Keip.</i> , 1983 U.S. App. LEXIS 24185 (6th Cir. 1983).....	17
<i>Reynolds v. Sheet Metal Workers, Local 102</i> , 498 F. Supp. 952 (D. D.C. 1980) .....	19
<i>Schlesinger v. Ballard</i> , 419 U.S. 498 (1975) .....	4
<i>Shaw v. Hunt</i> , 517 U.S. 899 (1996) .....	11
<i>United States v. Virginia</i> , 518 U.S. 515 (1996) .....	4, 5



*W.H. Scott Constr. Co. v. City of Jackson*,  
199 F.3d 206 (1999) ..... 12

*Wygant v. Jackson Bd. of Educ.*,  
476 U.S. 267 (1986) ..... 7, 8, 21



---

## ***CHAPTER 2: Procurement Practices and Procedures Analysis***

### ***I. Introduction***

This chapter is a summary of the policies that governed the City of St. Petersburg's (City's) procurement and the small business program. This review considers the policies governing procurement for each of the three industries examined in this study, including construction, professional services, and goods and services.

St. Petersburg is the fifth-most populous city in Florida and one of 283 cities in the State. Its legislative authority is the City Council, which is comprised of a Council Chair, Council Vice Chair, and six council members. Procurement authority is conferred to the Procurement Department. The Procurement Director is responsible for the procurement functions and the implementation of the provisions of the St. Petersburg Procurement Code of Ordinances.

#### ***A. Governing Statutes, Codes, and Policies***

The applicable State statutes and administrative laws governing the City of St. Petersburg's purchase of construction, professional services, and goods and services are listed in Table 2.1.

**Table 2.1: Governing Statutes, Codes, and Policies**

<b>Florida State Statutes</b>
Title XVIII, Chapter 255 (Public Property and Publicly Owned Buildings) Title XIX, Chapter 287 Procurement of Personal Property and Services, Part I Commodities, Insurance, and Contractual Services (CCNA) Title XVIII, Chapter 255 (Public Property and Publicly Owned Buildings)
<b>St. Petersburg City Code of Ordinances and Administrative Policies</b>
St. Petersburg City Code of Ordinances Chapter 2, Article V, Divisions 2-4, 5, and 7 St. Petersburg Administrative Policies # 050100 – 050900, and 090504
<b>Procurement Operations Manual</b>
City of St. Petersburg Procurement Operations Manual, revised December 2017 City of St. Petersburg Procurement Operations Manual, revised July 2018

#### ***B. Florida State Statutes***

##### ***1. Title XVIII, Chapter 255***

Title XVIII, Chapter 255, Section 255.20 of the Florida Statutes, Public Lands and Property, governs the construction and improvement of public property and publicly-owned buildings. Section 255.20 establishes standards for the procurement of contracts for public construction



works and requires that local governments employ competitive solicitation processes to award contracts to an appropriately licensed contractor for each project that falls within its jurisdiction.<sup>208</sup>

## **2. Title XIX, Chapter 287, Part I, Section 287.055**

Title XIX, Chapter 287, Part I, Section 287.055 of the Florida Statutes, referred to as the Consultants' Competitive Negotiation Act (CCNA), governs the procurement of design services and professional services related to construction projects valued at \$325,000 or greater and studies that meet the minimum threshold requirement of \$35,000. Design services, as set forth in the CCNA, include architecture and engineering, landscape architecture, design-build, and registered surveying and mapping.<sup>209</sup>

### **C. St. Petersburg City Code of Ordinances, Chapter 2, Article V**

The City's Code of Ordinances, Chapter 2, Article V, codifies the Florida Statutes pertaining to public contracting laws. The relevant provisions include:

- *Division 2 – Contracts and Public Works*
- *Division 3 – Procurement Code*
- *Division 4 – Small Business Enterprise Assistance Program*
- *Division 5 – Construction Incentive Program*
- *Division 7 – Major Construction Project Requirements*

### **D. City of St. Petersburg Administrative Policies**

The procurement requirements set forth in the City's Administrative Policies are standards for implementing the statutes, codes, and policies governing the purchase of construction, professional services, and goods and services. The Mayor has the authority to adopt and amend the Administrative Policies. The policies reviewed are listed below.

- Policy 050200 - Development of Specifications, effective 5-17-99
- Policy 050300 - Methods of Source Selections, Part 1, effective 8-24-17
- Policy 050375 - Job Ordering Contracting, effective 3-30-18
- Policy 050400 – Payment of Invoices, effective 12-30-13
- Policy 050450 – Contracts Compliance Program, effective 1-7-18
- Policy 050600 – Blanket Purchase Agreement effective 12-6-16
- Policy 050800 – Purchasing Card, effective 8-26-16
- Policy 050900 – Small Business Enterprise Program, effective 3-20-18
- 090504 – Selecting and Contracting for Architectural, Engineering, or Land Surveying Professional Services, effective 12-9-13



<sup>208</sup> FLA. STAT. TIT. XVIII, § 255.20 (2014).

<sup>209</sup> FLA. STAT. TIT. XIX, § 287.055 (2014).

## ***E. St. Petersburg Procurement Operations Manual***

The Procurement Operations Manual describes the administrative procedures to implement the City Code of Ordinances set forth in Chapter 2, Article V, Division 3, Sections, 2-237 through 2-260 and the Administrative Policies issued by the Mayor.

## ***F. Industry Definitions***

**Construction:** all labor, services, and materials provided in connection with the construction, alteration, repair, demolition, reconstruction, or any other improvements to real property.<sup>210</sup>

**Architecture and Engineering:** services within the scope of the practice of architecture, professional engineering, landscape architecture, registered surveying and mapping, or those performed by any architect, professional engineer, landscape architect, registered surveyor and mapper in connection with professional employment or practice.<sup>211</sup>

**Professional Services:** brokerage and financial investing, accounting, auditing, claim review, health services and medical exams, retirement plan service providers, and those professional services defined in Florida Statutes Section 287.055 that include architect, engineering, landscape architecture, and registered surveying.<sup>212</sup>

**Services:** furnishing of labor, time, or effort by a person or entity, not involving the delivery of a specific end product other than reports that are merely incidental to the required performance. Services do not include employment agreements or collective bargaining agreements.<sup>213</sup>

**Goods:** property, including but not limited to, equipment, materials, and leases of personal property. Supplies do not include land or a permanent interest in land.<sup>214</sup>

## ***II. Small Purchases***

Purchases for construction, professional services and goods and services valued at less than \$100,000 may be procured using the small purchase procurement standards pursuant to Division 3, Section 2-248 of the City of St. Petersburg's municipal code. However, a procurement cannot be artificially unbundled to constitute a small purchase. One or more quotes are required to make a small purchase except when using a purchasing card (P-card). Table 2.2 presents the required quotations for solicitation of small purchases.

---

<sup>210</sup> City of St. Petersburg Procurement Operations Manual, revised December 2017.

<sup>211</sup> FLA. STAT. TIT. XIX, § 287.055(2)(A) (2014).

<sup>212</sup> City of St. Petersburg Code of Ordinances Chapter 2, Article V, Division 3, Section 2-240.

<sup>213</sup> City of St. Petersburg Code of Ordinances Chapter 2, Article V, Division 3, Section 2-240.

<sup>214</sup> City of St. Petersburg Code of Ordinances Chapter 2, Article V, Division 3, Section 2-240.





**Table 2.2: Small Purchases**

Required Quotes for Small Purchases			
Estimated Quotation Amount	Number of Quotes	Approval of Award	Solicitation Payment System
Under \$4,999	1	User department	IProcurement
\$5,000 to \$9,999	3	User department	IProcurement
\$10,000 to \$99,999	5	Procurement Department	IProcurement

Quotes for purchases over \$10,000 are solicited online by the Procurement Department. They are tabulated, evaluated, and awarded to the lowest and best quote.

### ***III. Competitive Sealed Bids***

The competitive sealed bids solicitation method is used for the procurement of goods and services and construction services valued at \$100,000 and over. The procurement procedures are governed by Administrative Policy 050300, Chapter 2, Article V, Division Section 2-244 and the City's Procurement Operations Manual.

#### ***A. Goods and Services Procurement***

Formal competitive procurement of goods and services requires the use of Competitive Sealed Bids. The types of agreements that can be executed using this source selection method include the standard purchase order and the contract purchase agreement also used for procurement of professional services. Additionally, a blanket purchase order can be used for the purchase of goods and services. The blanket purchase order authorizes repetitive purchases from a vendor for a pre-determined period of time.

##### **1. Purchases \$100,000 and Over**

The procurement of goods and services contracts valued at \$100,000 and over must use the formal competitive sealed bid source method. The user department defines the specifications in the requisition for the goods or services. The solicitation for bids includes purchase description, evaluation factors, delivery and performance schedule. Other business-related information, such as warranties and bonding may be specified in the solicitation. The bid submission schedule, location, and method are also detailed in the solicitation. The solicitation will have a field for the insertion of the bid price and acknowledgement of any amendments.



*i. Public Notice*

The solicitation must be published to generate competition for the procurement. The notice shall be furnished to a sufficient number of vendors, including those on the City's vendor list. It should stipulate the date, time, and location for submitting a bid. The notification methods include general circulation print and industry media, electronic distribution using a City vendor list, posting on the internet and the City's website. In addition, the notice can be placed in other publicly accessible electronic media and government publications.

*ii. Evaluation of the Bids*

The bids are tabulated and opened at the date, time, and location specified in the solicitation. The evaluation of the bids for responsiveness is performed by a procurement analyst using the evaluation criteria stipulated in the solicitation. The award is made to the lowest responsive bidder. If two or more responsive bidders submit the same price, prioritized steps are used to break the tie. The first priority is to award to an SBE bidder. In the absence of an SBE in the tie, the priority is based on location. Highest priority is to a business located within the City, then County, and the last priority is a four-county region. If this method fails to break the tie, a coin is flipped to determine the bidder to be recommended for the award. When the responsive low bidder is determined, a written recommendation to award is prepared.

*iii. Award of the Contract*

The recommendation to award must be approved by the Budget Office. The City Attorney's Office prepares the board resolution recommending that the award must be made by the City Council. The Procurement Department issues the purchase order to authorize the delivery of the goods and services in accordance with the specific terms and conditions stipulated in the bid. Depending on the scope of the procurement, the department may issue a standard purchase order, a blanket purchase order, or a contract purchase agreement.

*iv. Notice of Award*

Notification of an award is sent to the successful bidder and the notice of award is published on the City's website.

**B. Construction Procurement**

The construction services procurement methods are set forth in the City of St. Petersburg City Code Chapter 2, Article V. Division 3, Procurement Code Section 2-244 through 2-250. The solicitation methods are Invitation for Bids and Multi-Step Sealed Bidding.



## **1. Procurements Valued \$100,000 and Over**

The competitive sealed bid source method must be used when the procurement is \$100,000 or more. An Invitation for Bids (IFB) is the solicitation method used to solicit bids for construction. The solicitation includes purchase description, evaluation factors, delivery, and performance schedule. Other business-related information, such as warranties and bonding may be specified in the IFB. The bid submission schedule, location, and method are also detailed in the solicitation.

### *i. Public Notice*

The notice must be furnished to a sufficient number of vendors, including those on the City's vendor list. It should stipulate the date, time, and location for submitting a bid. The solicitation must be published to generate competition for the procurement. The notification methods include general circulation print and industry media, electronic distribution using a City vendor list, posting on the internet, and the City's website. In addition, the notice can be placed in other publicly accessible electronic media and government publications.

### *ii. Evaluation of the Bids*

The bids are tabulated and opened at the date, time, and location specified in the solicitation. The evaluation of the bids for responsiveness is performed using the evaluation criteria stipulated in the solicitation. The award is made to the lowest responsive bidder. If two or more responsive bidders submit the same price, prioritized steps are used to break the tie. The first priority is to award to an SBE bidder. In the absence of an SBE in the tie, the priority is based on location. Highest priority is to a business located within the City, then County, and the last priority is a four-county region. If this method fails to break the tie, a coin is flipped to determine the bidder to be recommended for the award. When the responsive low bidder is determined, a written recommendation to award is prepared.

### *iii. Award of the Contract*

The award is approved by the City Council approval.

### *iv. Notice of Award*

Notification of an award is sent to the successful bidder. Each unsuccessful bidder may be notified of the award. Notice of award will be published on the City's website.

## **C. Multi-Step Sealed Bidding**

This is a two-step procurement process that solicits a request for proposals in the first phase and a separate request for a bid proposal in the second phase. The procurement method is designed to allow the evaluation of the technical proposal without consideration of price. However, the decision to award is made to the responsive proposal with the lowest price.



The user department issues the requisition for technical proposals and the Procurement Department prepares the multi-phase invitation to bid. The solicitation asks for a technical proposal without a price. The price may be requested with the technical proposal, but in a separate sealed envelope or as a separate submittal. The solicitation specifies that the price will be considered in the second phase, and only the cost proposals of the short-listed proposers will be opened.

#### ***IV. Competitive Sealed Proposals***

The competitive sealed proposals solicitation method is used for the procurement of non-design professional services valued at \$100,000 and greater and design professional services for a construction project valued at \$325,000 and greater. The procurement procedures are governed by Administrative Policy 050300 and 09504, Chapter 2, Article V, Division Section 2-246 and the City's Procurement Operations Manual.

There are two standards for soliciting competitive sealed proposals. One is used to solicit design professional services and the other for all other professional services. Two types of agreements can be executed using the competitive sealed proposals solicitation method. One is a standard purchase order and the other is a contract purchase agreement. The standard purchase order is an agreement that authorizes the delivery of specific services under certain terms and conditions. It also acknowledges that payment will be made upon receipt of the service. A contract purchase agreement authorizes the delivery of services for a predetermined time, but the specific services are not specified.

##### ***A. Design Professional Services***

Design professional services for construction projects valued at \$325,000 or greater, and planning and study projects valued at \$35,000 or greater must be procured in compliance with the Florida Statute 287.055, the Consultants Competitive Negotiations Act (CCNA). The provisions of CCNA<sup>215</sup> define the procurement standard for professional architectural, engineering, landscape architectural, surveying, and mapping services.<sup>216</sup> The procurement standard has three statutorily-defined steps: (1) public announcement and qualification;<sup>217</sup> (2) competitive selection;<sup>218</sup> and (3) competitive negotiation.<sup>219</sup>

---

<sup>215</sup> Palm Beach County, FL., PPM CW-O-48 (December 1, 2013) (states that the purpose of the PPM is to establish procedures for the acquisition of professional services according to the rules established under the State of Florida's "Consultant's Competitive Negotiation Act").

<sup>216</sup> FLA. Stat. tit. XIX, § 287.055 (2014).

<sup>217</sup> *Id.* at § 287.055(3).

<sup>218</sup> *Id.* at § 287.055(4).

<sup>219</sup> *Id.* at § 287.055(5).



*i. Public Notice*

Public notice must be given to solicit qualification from professionals in the practice of architecture, professional engineering, landscape architecture, surveying, mapping, and planning to submit their qualifications. The City requires that the notice, and the publication of the notice, encourage professionals in the field to submit their statements of qualifications.

*ii. Certification of the Design Professional's Qualifications*

The City must certify that the professionals are qualified to perform services under the provisions of CCNA and hold a current and appropriate state-issued professional license.

*iii. Evaluation of the Design Professionals' Qualifications*

CCNA requires the City to evaluate no less than three proposals or statements of work in response to a solicitation. The evaluation criteria must be stipulated in the solicitation and the evaluation process must be open to the public and conducted by a committee. To determine if a consultant is qualified, the City must consider the seven factors set forth in the CCNA: (1) the ability of professional personnel; (2) whether or not a firm is a certified MBE; (3) past performance; (4) willingness to meet time and budget requirements; (5) location; (6) recent, current, and projected workloads of the firm; and (7) the volume of work previously awarded to the firm by the City, with the objective of effecting an equitable distribution of contracts among equally qualified firms.<sup>220</sup>

The design consultants' credentials are reviewed by an evaluation committee chaired by the Engineering and Capital Improvements Director. The committee is minimally staffed by a representative from the user department, facility, or the asset to be impacted by the project. To comply with CCNA, the evaluation process must short list at least three respondents, applying the factors set forth in the CCNA. The evaluation committee must produce a ranking, conduct interviews, and prepare a written recommendation for award. Certification that the ranked respondents are certified by the appropriate state licensing board is also the responsibility of the evaluation committee.

When the most qualified firm is selected, the City enters into the competitive negotiation process to negotiate a contract that is fair, competitive, and reasonable.<sup>221</sup> To ensure the consultant's fee is fair, competitive, and reasonable, a detailed cost analysis of the services required is conducted. The cost analysis considers the complexity of the scope of services to make the determination. Under the CCNA provisions, the City, if unable to negotiate a contract with the firm considered to be the most qualified at a price determined to be fair, competitive, and reasonable, is required to



<sup>220</sup> FLA. STAT. tit. XIX, § 287.055(4)(a) (2014); Palm Beach County, FL., PPM CW-O-48(V) (December 1, 2013).

<sup>221</sup> Palm Beach County, FL., PPM CW-F-064; FLA. STAT. tit. XIX, § 287.055(5) (2014); Palm Beach County, FL., PPM CW-O-48(IX) (December 1, 2013).

formally terminate the negotiations and undertake negotiations with the second-most qualified firm.<sup>222</sup>

*iv. Award of the Contract*

When the determination is made, and the negotiations have otherwise concluded, the contract must be approved by the City Council, or if the purchase is for construction, consulting, or professional services exceeding \$50,000, City Council approval is required. Unsuccessful bidders are notified of the award and are offered a debriefing.

***B. Non-Design Professional Services***

The user department prepares the scope of work, evaluation criteria, and the schedule for performance of the items of work. Instructions to the respondents are prepared by the Procurement Department, which also issues the request for proposals. Price and technical offerings are submitted by vendors and are evaluated by the department.

*i. Public Notice*

The solicitation must be published to generate competition for the procurement. The notification methods include general circulation print and industry media, electronic distribution using a City vendor list, posting on the internet, and the City's website. In addition, the notice can be placed in other publicly accessible electronic media and government publications.

*ii. Evaluation of Proposals*

The proposals are tabulated and opened at the date and time specified in the solicitation. The evaluation of the proposals is performed by either a procurement analyst or an evaluation committee. If the evaluation is performed by an evaluation committee, the body is convened by the Procurement Department, otherwise the procurement analyst is assigned the responsibility to evaluate the proposals.

The proposals are evaluated in accordance with the evaluation criteria stipulated in the request for proposals. The proposals are ranked, and a short-list or competitive range is established based on the scores assigned to each proposal. During the proposal evaluation process, a decision is made regarding the necessity to hold interviews or request written information from the proposers on the short-list. Following the interviews with the short-listed proposers, the evaluators may also request a written best and final offer. When requested, the best and final must be evaluated in accordance with the published evaluation criteria. Following the evaluation process, a written recommendation to award is prepared.



---

<sup>222</sup> FLA. STAT. tit. XIX, § 287.055(5)(b) (2014).

The recommendation to award is forwarded to the user department for approval. The user department is authorized to change the recommendation by submitting a written justification to the Procurement Department. The user department's alternative recommendation must be approved by the Procurement Director. An award can be made without discussion with the proposers when the proposal price and evaluation criteria are considered advantageous to the City.

*iii. Award of Contract*

The Office of the City Attorney prepares the board resolution recommending the award and the award must be made by the City Council. The Procurement Department issues the purchase order to authorize the delivery of the services in accordance specific terms and conditions. Depending on the scope of the procurement, the department will issue a standard purchase order or a contract purchase agreement. Under a contract purchase order, the services will be delivered upon request to fill the recurring needs of one or more departments.

*iv. Notice of Award*

Notification of an award is sent to the all proposers. The unsuccessful vendors are afforded an opportunity to have a debriefing.

## ***V. Alternative Competitive Procurement Methods***

The Chapter 2, Article V, Division Section 2-256 authorizes several procurement methods that do not require the use of the City's competitive solicitation method.

### ***A. Joint Bidding***

The City is permitted to combine its purchase requirements with one or more local entities into one invitation for bids. The Cooperative Purchasing Council designates a lead agency to prepare and solicit bids on behalf of the cooperative purchasing participants. The lead agency is responsible for preparing the specifications, bid package, and bidders list. The solicitation for bids is issued by the lead agency, which receives and tabulates the bids. The lead agency is also responsible for ensuring the evaluation is based on the criteria set forth in the solicitation.

If the purchase is valued at \$100,000 or greater, it must be submitted to the City Council for approval. The City is responsible for issuing its own purchase order or contract and the management of the contract.

### ***B. Cooperative Purchases***

The City is permitted to participate in cooperative purchases for supplies or services with another governmental entity, including joint contracts, multi-party contracts, and open-ended state contracts. Cooperative purchases allow the City to combine its purchasing requirements with one or more public entities to obtain lower prices and reduced administrative costs through volume



buying. The City may also accept a competitively bid proposal or contract from the state, county government, municipality, or agency.

### ***C. Piggyback Purchases***

Goods and services may be purchased under a contract awarded by another governmental entity if the entity utilized a competitive award process similar to the City. The purchase must be based on the same terms and conditions agreed on with the contractor.

The Procurement Department is responsible for reviewing the purchase request, state contract, or contract of the other governmental entity to determine if the City's requirements are met and if the price is reasonable. All purchases valued at \$100,000 or greater must be submitted to the City Council for approval.

## ***VI. Exceptions to Competitive Bidding***

### ***A. Sole Source Procurements***

Construction, professional services, and goods and services may be purchased as a sole source procurement if the supply or service is only available from one source. There must be an explanation of why no other vendor would be suitable or acceptable and why the good or service is only available through one source.<sup>223</sup> When the procurement is under \$100,000 for goods and services or under \$50,000 for construction or professional services, the user department must prepare a purchase requisition for procurement analyst. Sole source procurements valued at \$100,000 or more, or if the purchase is for construction, consulting, or professional services exceeding \$50,000, City Council's approval is required for contract award.

### ***B. Emergency Procurements***

The Mayor is authorized to negotiate, enter into contracts, or secure the purchase of any supply, service, or construction in response to the emergency situation. Emergency procurements are defined by the Mayor when he/she determines "that a disruption of essential operations or conditions is adversely affecting the safety, health, or security of people or property in the City and that it is infeasible to remedy such disruption through the use of the competitive bidding procedures."<sup>224</sup>

Additionally, the Mayor authorizes emergency procurements if the competitive bidding process could delay the purchase of any commodity or execution of any contract that could be detrimental to the best interest of the City. If a state of emergency is in effect for any portion of the City by the Governor or President or in accordance with article VIII, Division 2 of the municipal code, the Mayor has the authority to authorize emergency procurements.



<sup>223</sup> Palm Beach County, FL., PPM CW-L-008(II)(H) (2) (a) -(c) (April 23, 2012).

<sup>224</sup> St. Petersburg Municipal Code Section 2-250.



The Mayor must inform the City Council of the emergency procurement during the subsequent regularly scheduled session of the City Council. For emergency purchases for construction services exceeding \$200,000, the contractor must submit a performance bond, payment bond, and insurance certificates to the Procurement Department. If the emergency purchase is valued at over \$100,000, the Budget Department and the user department must review and sign the procurement and forward it to the City Clerk's Office for distribution to the City Council for approval.

## ***VII. Small Business Enterprise Program***

### ***A. Background***

The City's commitment to ensuring small, minority, and women business enterprises have equal access to its prime and subcontracts is a longstanding policy. In 1982, the City adopted Ordinance No. 554-F enacting its first Minority Business Enterprise (MBE) participation goal of five percent on goods and services procurement.

After the 1989 *Croson* decision, the City suspended its MBE ordinance and commissioned a disparity study in compliance with the requirements set forth in the Supreme Court decision. When the Disparity Study was adopted in 1990, the City Council approved an MBE Ordinance, with an eight (8) percent goal for African Americans, and seven (7) percent goal for Hispanic Americans and Women business enterprises.

The 1990 MBE Ordinance was suspended in 2001 and the City Council adopted a Small Disadvantaged Business Enterprise (SDBE) Ordinance 457-G. The SDBE Ordinance established the SDBE Program and included a goal to provide small and disadvantaged businesses domiciled in St. Petersburg access to the City's goods and services procurements. In 2006, the SDBE program was expanded to include construction contracts. The geographic eligibility criteria for the SDBE program was also broadened to include Pinellas, Hillsborough, Pasco, Polk, and Manatee counties.

The City's SBE program was last amended in 2017 by the adoption of Ordinance 293-H and codified in Chapter 2, Article 5, Division 4 of the St. Petersburg Code of Ordinances. The amendment included setting annual citywide goals for SBE participation, corrective action and penalties for non-compliance, the addition of two citizens to the SBE committee, and quarterly updates to the City Council regarding the awarding of contracts to small business enterprises. The components of the City's SBE program are described below.

### ***B. SBE Program Administration***

The administration of the SBE program is managed by the Greenhouse, a one-stop facility to assist with the growth of small businesses. The primary responsibilities of the Greenhouse are:

- Establish administrative policies and procedures to implement the provisions of Chapter 2, Article 5, Division 4 of the St. Petersburg Code of Ordinances and assist SBEs meet their contractual obligations



- Provide staff to assist businesses with learning how to do business with the City, including training programs
- Publicize procurement procedures designed to assist businesses, in particular SBEs, with learning how to do business with the City
- Compile, maintain, and disseminate the certified SBE directory
- Ensure SBEs are included on solicitation mailing lists
- Establish procedures to assure City departments solicit SBEs procurement pursuant to their expertise
- Establish a procedure to certify and recertify SBEs
- Apply discounts for evaluation purposes only, to bids and quotes submitted by SBEs for goods and services, and construction projects under \$50,000
- Reduce or modify bonding requirements in Section 2-245 to the extent allowed by State law
- Establish progress payment provisions to encourage SBE participation in the procurement process
- Create and promulgate administrative procedures for a sheltered market program to provide contract opportunities for SBEs

### ***C. SBE Certification Eligibility Requirements***

The eligibility requirements are based on business size and location. The certification of eligibility is managed by the Greenhouse. Reciprocal certification is not accepted from other municipalities, counties, and the state or federal government. Applicant business must meet the following eligibility requirements:

- Minimum of one year in operation
- Fewer than 50 full-time permanent employees
- Previous three years average sales revenues of:
  - \$5,000,000 or less for goods, services, or supplies
  - \$8,000,000 or less for construction
- Domiciled in Pinellas, Hillsborough, Pasco, Manatee, or Polk counties. Post office box as documentation for residency is insufficient.
- SBE certification is effective for three years. An eligible business must recertify every three years.

SBEs must perform a commercially useful function. A commercially useful function is defined as the execution of a distinct element of a contract, and actually performing, managing, and supervising the required scope of work.

SBEs are required to attend workshops within 90 days of their certification to understand the City's procurement process.



#### **D. SBE Goals**

The overall SBE program goal is set annually. The SBE goals for the period 2017 through 2020 are presented in Table 2.3 below:

**Table 2.3: SBE Goals - FY 2017-2020**

<b>Fiscal Year</b>	<b>Annual Goal</b>
2017	8%
2018	10%
2019	12 %
2020	14%

The SBE goal for construction is set on a contract by contract basis goal on projects valued at \$50,000 or greater. The SBE committee sets the contract specific SBE goal.<sup>225</sup> The SBE committee members are comprised of City staff and two residents. One resident is appointed by the Mayor and the other by the City Council Chair.

The engineer's estimate must be provided to the SBE committee. The items of work and estimated costs in the engineers' estimate must be specified in sufficient detail for the Committee determining the subcontracting opportunities and scope of work. The Greenhouse is responsible for reviewing the SBE directory to identify available subcontractors to perform the identified scopes of work.

A responsive bidder must submit at the time of bid opening (1) a list of certified SBEs to be utilized as subcontractors, (2) a letter of intent from each SBE intending to perform as a subcontractor or material supplier, (3) a description of the work to be performed or supplies to be provided by the SBE subcontractor or material supplier, and (4) the agreed upon dollar value for work or supplies to be subcontracted. The City notifies professional services SBEs of contracting opportunities to encourage participation.

#### **E. Good Faith Effort Requirements**

Prime contractors are required to document their good faith efforts if they fail to meet the construction SBE goal. The good faith effort forms must be submitted in the bid package. The bid may be rejected for non-compliance with the good faith effort requirements. Minimally, the following criteria are considered to determine if a good faith effort has been established:

- One monthly outreach event hosted by the prime contractor
- Publications in local newspapers, trade associations, and small business periodicals of subcontracting opportunities at least ten days prior to the bid opening date



<sup>225</sup> The SBE committee participants are comprised of City staff and two City residents. One City residents is appointed by the Mayor or his/her POD and the other appointed by the City Council Chair.

- Documented responses to subcontracting solicitations or quotes and reasons why an agreement was not met
- List of each SBE contacted that was determined to be unavailable, including documentation from the SBE

## ***F. Other Initiatives for the SBE Program***

### **1. Sheltered Market Program**

The Greenhouse administers the City's sheltered market program for construction and supplies and services procurements. The program is utilized when the committee establishes that there are sufficient available SBEs to the annual City-wide goal. The construction projects included in the sheltered market program are included on a contract-by-contract basis. The POD has the authority to include construction contracts valued at under \$50,000 in the sheltered market program without the consent of the SBE committee. Approval of the committee is needed for construction contracts valued at \$50,000 and over. Construction subcontractors should perform at least 20% of the total contract value, including materials, goods, and supplies.

### **2. Job Order Contracts**

All job order contracts are reviewed by the Procurement Director on a job order basis to establish an SBE participation goal. Contractors must demonstrate a good faith effort if the contractor fails to meet the SBE participation goal.

### **3. Bonding Assistance**

The Procurement Director has the authority to waive, reduce, or modify the types of bonding required on construction contracts less than \$100,000.

## ***G. SBE Program Compliance***

The Greenhouse is required to monitor contracts and vendors for compliance with the SBE participation requirements throughout the duration of the contract. Non-compliant contractors are required to submit a corrective plan within 30 days of notice from the Greenhouse. The corrective plan must be approved by the Greenhouse, which will also provide a deadline for completion. The contractor can be subjected to the following penalties for failure to complete the corrective action plan within the specified deadline:

- Withhold retainer for first violation
- Suspension from bidding on City contracts for one year for second violation
- Suspension from bidding on City contracts for three year for third violation



---

# CHAPTER 3: Prime Contractor Utilization Analysis

## I. Introduction

This chapter documents City of St. Petersburg's (City's) utilization of Minority and Woman Business Enterprise (M/WBE) and non-minority male-owned business enterprise (non-M/WBE) prime contractors by ethnicity, gender, and industry during the October 1, 2014 to September 30, 2018 study period. The City's contracts examined were classified into three industries – construction, professional services (including architecture and engineering), and goods and services.

- **Construction:** means the process of 1) building, altering, repairing, improving, or demolishing any public structure, building, or roadway, or 2) making other improvements to any public real property. Construction does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.<sup>226</sup>
- **Professional Services:** means brokerage and financial investing, accounting, auditing, claim review, health services and medical exams, retirement plan service providers, and those professional services defined in Florida Statutes § 287.055 (which include architecture, engineering, landscape architecture, and registered surveying).<sup>227</sup>
- **Goods and Services:** Goods means property, including, but not limited to, equipment, materials, and leases of personal property. Supplies do not include land or a permanent interest in land.<sup>228</sup> Services means furnishing of labor, time, or effort by a person or entity, not involving the delivery of a specific end product other than reports that are merely incidental to the required performance. Services do not include employment agreements or collective bargaining agreements.<sup>229</sup>

The data in the Disparity Study (Study) are disaggregated into eight ethnic and gender groups, listed in Table 3.1.



---

<sup>226</sup> City of St. Petersburg Code of Ordinances Chapter 2, Article V, Division 3, Section 2-240.

<sup>227</sup> City of St. Petersburg Code of Ordinances Chapter 2, Article V, Division 3, Section 2-240.

<sup>228</sup> City of St. Petersburg Code of Ordinances Chapter 2, Article V, Division 3, Section 2-240.

<sup>229</sup> City of St. Petersburg Code of Ordinances Chapter 2, Article V, Division 3, Section 2-240.

**Table 3.1: Business Ethnic and Gender Groups**

<b>Ethnicity and Gender Category</b>	<b>Definition</b>
African Americans	Businesses owned by African American males and females with origins in Africa; not including Hispanic origin
Asian Americans	Businesses owned by persons having origins from the Far East, Southeast Asia, or the Pacific Islands, and the Indian subcontinent
Hispanic Americans	Businesses owned by Hispanic males and females with origins in Puerto Rico, Mexico, Dominican Republic, Cuba, Central or Southern America, regardless of race
Native Americans	Businesses owned by Indigenous Native American and Alaska Native males and females
Caucasian Females	Businesses owned by Caucasian females
Non-minority Male-owned Businesses	Businesses owned by non-minority males, and businesses that could not be identified as minority or Caucasian female-owned <sup>230</sup>
Minority-owned Business	Businesses owned by male and female African Americans, Asian Pacific Americans, Asian Indian Americans, Hispanic Americans, and Native Americans
Woman-owned Business	Businesses owned by females

## ***II. Prime Contract Data Sources***

The prime contract data consists of contract records extracted from the City’s financial system. The purchase orders were issued during the October 1, 2014 to September 30, 2018 study period. The City’s prime contract data were normalized, to conform into a consistent standard, and combined to create a single prime contract dataset. Prime contracts were analyzed by contract number or purchase order number.

The dataset was scrubbed to remove duplicates and prime contracts awarded outside the study period. To assign industry, the records received from the City were analyzed by supplier name, purchase order item description, category description, or prime contract descriptions. Each prime contract was classified into one of the three industries—construction, professional services (including architecture and engineering), and goods and services. Excluded from the disparity study analysis are prime contracts with not-for-profit entities, state and other local government

<sup>230</sup> See Section II: *Prime Contract Data Sources* for the methodology employed to identify the ethnicity and gender of the City’s utilized prime contractors.



entities, claims/reimbursements, and utility companies.<sup>231</sup> Purchases of proprietary commodities, as well as maintenance and service of these proprietary commodities, were also excluded. The assignment of industry classifications was reviewed and approved by the City.

A number of steps were taken to determine the ethnicity and gender of each prime contractor. The initial step determined whether or not the contractor was certified by the City or another certifying agency. Where available, the ethnicity and gender of the certified firms were derived from the certification record. Additional sources used to determine the ethnicity and gender of non-certified contractors included internet research and contractor surveys. Internet research was conducted to examine the company's website, social media, digital media, and business listings to determine the business owner's ethnicity and gender. The contractor survey solicited ethnicity and gender information directly from the businesses. Prime contractors whose ethnicity and gender could not be verified as minority or female-owned were classified as non-M/WBE. The non-M/WBE category also included publicly traded corporations, employee-owned businesses, and 50/50 partnerships in which the partners were neither a minority nor a woman.

### ***III. Thresholds for Analysis***

The City's prime contracts awarded in each industry are analyzed at three size thresholds: 1) all prime contracts, 2) informal prime contracts, as defined by the City's Procurement code, the St. Petersburg City Code of Ordinances Chapter 2, Article V, Divisions 2-4, 5, and 7, and 3) formal prime contracts, with the upper limits determined by a statistical calculation. While formal prime contracts are defined by the City's Procurement code, an upper limit was set for each industry to exclude outliers. The methodology for defining the upper limits of the formal size threshold for each industry is detailed below.

#### ***A. Informal Thresholds***

There are three thresholds for analysis of the City's informal prime contracts, one for each industry.<sup>232</sup> The informal threshold for each industry is shown in Table 3.2.

---

<sup>231</sup> FULL LIST OF EXCLUSIONS: The exclusions also included: Contract Expired with no Payments Made, Contract was canceled prior to work beginning, Contributions/Donations/Sponsorship, Credit, Depositions and Expert Witness Testimony, Disbursement, Duplicate contract, Educational Institutions and Services, Employees Benefits, Fees and Licenses, Financial Institutions/ Investment Company/Insurance, Food Purveyors, Government, Grant, Hotel, Individual/Reimbursements/Judgments, Mail/Courier Services, Manufacturer, Media (Radio, TV, Newspaper), Medical Supplies/Equipment, Medical/Healthcare/Rehabilitation/Custodial Care, Mega Store, Missing or Zero Amount, No releases for Master Agreement, Non-Profit, On-Line Database Service, Periodical Subscriptions, Membership, Personal Services, Public Utilities and Fuel, Publishing, Real Estate, Recreation, Redevelopment/Residential, Refund, Discount, Badge Deposit, Deductibles, Rebates, Registration and Tuition, Reimbursement, Staffing/Employment, Telecommunication, Transportation/Travel Related, Vehicle Dealerships, Out of Study Period.

<sup>232</sup> City of St. Petersburg Code of Ordinances Chapter 2, Article V, Division 3, Section 2-240.



**Table 3.2: Informal Contract Threshold by Industry**

Industry	Informal Contract Threshold
Construction	Under \$100,000
Professional Services	Under \$100,000
Goods and Services	Under \$100,000

### ***B. Formal Thresholds***

The formal contract threshold is defined in the *City's Procurement Regulations* for each industry. To perform the statistical analysis of formal procurement the contracts were reviewed to ensure there were no outliers in the data set. Outliers are the atypical contract values notably different from the rest of the contract values in the dataset. Outliers skew the statistical findings. This chapter presents the utilization analysis of contracts with and without the outliers.

A distribution cluster analysis was undertaken to determine the characteristics of the data given the wide range of contract amounts in the City's dataset. The distribution analysis revealed the presence of outliers in the dataset. To define the outliers the 1.5 x interquartile range (IQR) rule was applied.<sup>233</sup>

Calculating the interquartile range required identifying the value of the contract at the first quartile and the value of the contract at the third quartile. The distance, or the difference in value, between the first and third quartile was designated as the interquartile range. The interquartile range multiplied by 1.5 was subtracted from the first quartile to identify the lower limit of the accepted contract amount. The value of 1.5 multiplied by the interquartile range was then added to the third quartile to identify the upper limit of the accepted contract amount. Contracts that had an amount outside of the upper range were considered outliers and excluded from the disparity analysis of the formal contracts presented in *Chapter 7 – Prime Contract Disparity Analysis*.

The utilization analysis presented in this chapter includes the contract dataset with outliers to illustrate the City's total spending during the study period. The high roller analysis in this chapter also includes the outliers. In addition, the contract dataset with the outliers removed are included in this chapter.

Formal thresholds for each industry with the outliers removed are valued between \$100,000 and \$2,790,000 for construction, \$100,000 and \$1,400,000 for professional services, and \$100,000 and \$1,150,000 for goods and services. Table 3.3 shows the formal contract thresholds for each of the industries with the outliers removed.

<sup>233</sup> The interquartile range (IQR) is a measure of variability, based on dividing a data set into quartiles.





**Table 3.3: Formal Contract Threshold by Industry**

Industry	Formal Contract Threshold
Construction	Between \$100,000 and \$2,790,000
Professional Services	Between \$100,000 and \$1,400,000
Goods and Services	Between \$100,000 and \$1,150,000

#### ***IV. Prime Contractor Utilization***

##### ***A. All Prime Contractors***

As shown in Table 3.4, the City issued 7,896 prime contracts during the October 1, 2014 to September 30, 2018 study period.

The 7,896 total number of prime contracts included 555 for construction, 1,106 for professional services, and 6,235 for goods and services. The payments made by the City during the study period totaled \$684,925,107 for all 7,896 prime contracts. Payments included \$410,663,577 for construction, \$67,274,605 for professional services, and \$206,986,925 for goods and services.

**Table 3.4: Total Prime Contracts and Dollars Expended:  
All Industries, October 1, 2014 to September 30, 2018**

Industry	Total Number of Contracts	Total Dollars Expended
Construction	555	\$410,663,577
Professional Services	1,106	\$67,274,605
Goods and Services	6,235	\$206,986,925
<b>Total Expenditures</b>	<b>7,896</b>	<b>\$684,925,107</b>

##### ***B. Highly Used Construction Prime Contractors***

The City awarded a total of 555 construction contracts during the study period. As shown in Table 3.5, the City's 555 construction prime contracts were awarded to 247 unique businesses.



**Table 3.5: Construction Prime Contracts**

Total Prime Contracts	555
Total Utilized Businesses	247
<b>Total Expenditures</b>	<b>\$410,663,577</b>

Table 3.6 shows the distribution of the City's construction prime contracts by the number of businesses. Seven of the 247 businesses received \$285,610,219, or 70%, of the total construction prime contract dollars. The findings show that a small group of prime contractors received the majority of construction prime contract dollars awarded by the City.

**Table 3.6: Construction Prime Contracts Distributed by Number of Businesses**

<b>Businesses</b>	<b>Total Dollars</b>	<b>Percent of Dollars<sup>234</sup></b>	<b>Number of Contracts</b>	<b>Percent of Contracts<sup>235</sup></b>
7 Highly Used Businesses	\$285,610,219	70%	26	5%
240 Businesses	\$125,053,358	30%	529	95%
<b>247 Total Businesses</b>	<b>\$410,663,577</b>	<b>100%</b>	<b>555</b>	<b>100%</b>

Table 3.7 shows the ethnicity and gender of the most highly used construction prime contractors who received approximately 50% of the construction prime contract dollars. The most highly used prime contractors were non-minority males. The contracts received by these three businesses ranged from \$262,600 to \$61,729,374.

**Table 3.7: Top 3 Highly Used Construction Prime Contractors**

<b>Ethnicity/ Gender</b>	<b>Total Dollars</b>	<b>Percent of Dollars</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>
Non-minority Males	\$222,182,413	54.10%	9	1.62%

**C. Highly Used Professional Services Prime Contractors**

The City awarded a total of 1,106 professional services contracts during the study period. As shown in Table 3.8, City's 1,106 professional services prime contracts were received by 328 unique businesses.

**Table 3.8: Professional Services Prime Contracts**

Total Prime Contracts	1,106
Total Utilized Businesses	328
<b>Total Expenditures</b>	<b>\$67,274,605</b>



<sup>234</sup> Percentages are rounded to the nearest whole number.

<sup>235</sup> Percentages are rounded to the nearest whole number.

Table 3.9 shows the distribution of the City’s professional services prime contracts by the number of businesses. Twenty-five of the 328 businesses received \$47,075,046, or 70%, of the total professional services prime contract dollars. The findings show that a small group of prime contractors received the majority of professional services prime contract dollars spent by the City.

**Table 3.9: Professional Services Prime Contracts Distributed by Number of Businesses**

<b>Businesses</b>	<b>Total Dollars</b>	<b>Percent of Dollars<sup>236</sup></b>	<b>Number of Contracts</b>	<b>Percent of Contracts<sup>237</sup></b>
24 Highly Used Businesses	\$47,075,046	70%	148	13%
304 Businesses	\$20,199,559	30%	958	87%
<b>328 Total Businesses</b>	<b>\$67,274,605</b>	<b>100%</b>	<b>1,106</b>	<b>100%</b>

Table 3.10 shows the ethnicity and gender of the most highly used professional services prime contractors, who received approximately 50% of the professional services prime contract dollars. The twelve most highly used prime contractors were Asian Americans, Caucasian females, and non-minority males. The contracts received by these twelve businesses ranged from \$775 to \$4,254,376.

**Table 3.10: Top 12 Highly Used Professional Services Prime Contractors**

<b>Ethnicity/ Gender</b>	<b>Total Dollars</b>	<b>Percent of Dollars</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>
Asian Americans	\$1,619,578	2.41%	4	0.36%
Caucasian Females	\$2,762,159	4.11%	2	0.18%
Non-minority Males	\$29,610,095	44.01%	76	6.87%

#### ***D. Highly Used Goods and Services Prime Contractors***

The City awarded a total of 6,235 goods and services contracts during the study period. As shown in Table 3.11, the City’s 6,235 goods and services prime contracts were received by 1,030 unique businesses.

**Table 3.11: Goods and Services Prime Contracts**

Total Prime Contracts	6,235
Total Utilized Businesses	1,030
<b>Total Expenditures</b>	<b>\$206,986,925</b>

Table 3.12 shows the distribution of the City’s goods and services prime contracts by the number of businesses. Ninety-three of the 1,030 businesses received \$145,098,693, or 70%, of the total

<sup>236</sup> Percentages are rounded to the nearest whole number.

<sup>237</sup> Percentages are rounded to the nearest whole number.



goods and services prime contract dollars. The findings show that a small group of prime contractors received the majority of goods and services prime contract dollars spent by the City.

**Table 3.12: Goods and Services Prime Contracts Distributed by Number of Businesses**

<b>Businesses</b>	<b>Total Dollars</b>	<b>Percent of Dollars<sup>238</sup></b>	<b>Number of Contracts</b>	<b>Percent of Contracts<sup>239</sup></b>
93 Highly Used Businesses	\$145,098,693	70%	1,649	26%
937 Businesses	\$61,888,232	30%	4,586	74%
<b>1,030 Total Businesses</b>	<b>\$206,986,925</b>	<b>100%</b>	<b>6,235</b>	<b>100%</b>

Table 3.13 presents the ethnicity and gender of the most highly used goods and services prime contractors, who received approximately 50% of the goods and services prime contract dollars. The 42 most highly used prime contractors were non-minority males and Caucasian females. The contracts received by these 42 businesses ranged from \$100 to \$8,412,130.

**Table 3.13: Top 42 Highly Used Goods and Services Prime Contractors**

<b>Ethnicity/ Gender</b>	<b>Total Dollars</b>	<b>Percent of Dollars</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>
Non-minority Males	\$102,658,132	49.60%	733	11.76%
Caucasian Females	\$1,195,347	0.58%	2	0.03%



<sup>238</sup> Percentages are rounded to the nearest whole number.

<sup>239</sup> Percentages are rounded to the nearest whole number.

## ***E. All Prime Contracts by Industry***

### **1. Construction Prime Contract Utilization: All Contracts**

Table 3.14 summarizes all prime contract dollars expended by the City on construction prime contracts. Minority Business Enterprises (MBE) received 2.14% of the construction prime contract dollars; Woman-owned Business Enterprises (WBE) received 0.84%; and non-minority males-owned businesses (non-M/WBEs ) received 97.17%.

***African Americans*** received 3, or 0.54%, of all construction prime contracts awarded during the study period, representing \$161,064 or 0.04%, of the construction prime contract dollars.

***Asian Americans*** received 4, or 0.72%, of all construction prime contracts awarded during the study period, representing \$951,141 or 0.23%, of the construction prime contract dollars.

***Hispanic Americans*** received 22, or 3.96%, of all construction prime contracts awarded during the study period, representing \$7,685,666 or 1.87%, of the construction prime contract dollars.

***Native Americans*** received none of the construction prime contracts awarded during the study period.

***Caucasian Females*** received 36, or 6.49%, of all construction prime contracts awarded during the study period, representing \$2,826,647 or 0.69%, of the construction prime contract dollars.

***Non-minority Males*** received 490, or 88.29%, of all construction prime contracts awarded during the study period, representing \$399,039,059 or 97.17%, of the construction prime contract dollars.

***Minority Businesses Enterprises*** received 29, or 5.23%, of all construction prime contracts awarded during the study period, representing \$8,797,871 or 2.14%, of the construction prime contract dollars.

***Woman Business Enterprises*** received 44, or 7.93%, of all construction prime contracts awarded during the study period, representing \$3,451,630 or 0.84%, of the construction prime contract dollars.



**Table 3.14: Construction Prime Contract Utilization:  
All Contracts, October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African Americans	3	0.54%	\$161,064	0.04%
Asian Americans	4	0.72%	\$951,141	0.23%
Hispanic Americans	22	3.96%	\$7,685,666	1.87%
Native Americans	0	0.00%	\$0	0.00%
Caucasian Females	36	6.49%	\$2,826,647	0.69%
Non-minority Males	490	88.29%	\$399,039,059	97.17%
<b>TOTAL</b>	<b>555</b>	<b>100.00%</b>	<b>\$410,663,577</b>	<b>100.00%</b>
<b>Ethnicity and Gender</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African American Females	0	0.00%	\$0	0.00%
African American Males	3	0.54%	\$161,064	0.04%
Asian American Females	1	0.18%	\$292,449	0.07%
Asian American Males	3	0.54%	\$658,692	0.16%
Hispanic American Females	7	1.26%	\$332,534	0.08%
Hispanic American Males	15	2.70%	\$7,353,132	1.79%
Native American Females	0	0.00%	\$0	0.00%
Native American Males	0	0.00%	\$0	0.00%
Caucasian Females	36	6.49%	\$2,826,647	0.69%
Non-minority Males	490	88.29%	\$399,039,059	97.17%
<b>TOTAL</b>	<b>555</b>	<b>100.00%</b>	<b>\$410,663,577</b>	<b>100.00%</b>
<b>Minority and Women</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
Minority Business Enterprises	29	5.23%	\$8,797,871	2.14%
Woman Business Enterprises	44	7.93%	\$3,451,630	0.84%



## 2. Professional Services Prime Contract Utilization: All Contracts

Table 3.15 summarizes all contract dollars expended by the City on professional services prime contracts. MBEs received 6.74% of the professional services prime contract dollars; WBEs received 12.09%; and non-M/WBEs received 84.61%.

*African Americans* received 19, or 1.72%, of all professional services prime contracts awarded during the study period, representing \$446,316 or 0.66%, of the professional services prime contract dollars.

*Asian Americans* received 23, or 2.08%, of all professional services prime contracts awarded during the study period, representing \$2,292,328 or 3.41%, of the professional services prime contract dollars.

*Hispanic Americans* received 23, or 2.08%, of all professional services prime contracts awarded during the study period, representing \$1,795,558 or 2.67%, of the professional services prime contract dollars.

*Native Americans* received none of the construction prime contracts awarded during the study period.

*Caucasian Females* received 53, or 4.79%, of all professional services prime contracts awarded during the study period, representing \$5,822,186 or 8.65%, of the professional services prime contract dollars.

*Non-minority Males* received 988, or 89.33%, of all professional services prime contracts awarded during the study period, representing \$56,918,218 or 84.61%, of the professional services prime contract dollars.

*Minority Business Enterprises* received 65, or 5.88%, of all professional services prime contracts awarded during the study period, representing \$4,534,202 or 6.74%, of the professional services prime contract dollars.

*Woman Business Enterprises* received 65, or 5.88%, of all professional services prime contracts awarded during the study period, representing \$8,132,933 or 12.09%, of the professional services prime contract dollars.



**Table 3.15: Professional Services Prime Contract Utilization:  
All Contracts, October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African Americans	19	1.72%	\$446,316	0.66%
Asian Americans	23	2.08%	\$2,292,328	3.41%
Hispanic Americans	23	2.08%	\$1,795,558	2.67%
Native Americans	0	0.00%	\$0	0.00%
Caucasian Females	53	4.79%	\$5,822,186	8.65%
Non-minority Males	988	89.33%	\$56,918,218	84.61%
<b>TOTAL</b>	<b>1,106</b>	<b>100.00%</b>	<b>\$67,274,605</b>	<b>100.00%</b>
<b>Ethnicity and Gender</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African American Females	2	0.18%	\$5,073	0.01%
African American Males	17	1.54%	\$441,243	0.66%
Asian American Females	9	0.81%	\$2,044,485	3.04%
Asian American Males	14	1.27%	\$247,843	0.37%
Hispanic American Females	1	0.09%	\$261,190	0.39%
Hispanic American Males	22	1.99%	\$1,534,369	2.28%
Native American Females	0	0.00%	\$0	0.00%
Native American Males	0	0.00%	\$0	0.00%
Caucasian Females	53	4.79%	\$5,822,186	8.65%
Non-minority Males	988	89.33%	\$56,918,218	84.61%
<b>TOTAL</b>	<b>1,106</b>	<b>100.00%</b>	<b>\$67,274,605</b>	<b>100.00%</b>
<b>Minority and Women</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
Minority Business Enterprises	65	5.88%	\$4,534,202	6.74%
Woman Business Enterprises	65	5.88%	\$8,132,933	12.09%





### 3. Goods and Services Prime Contract Utilization: All Contracts

Table 3.16 summarizes all contract dollars expended by the City on goods and services prime contracts. MBEs received 2.77% of the goods and services prime contract dollars; WBEs received 3.85%; and non-M/WBEs received 93.67%.

*African Americans* received 84, or 1.35%, of all goods and services prime contracts awarded during the study period, representing \$2,505,571 or 1.21%, of the goods and services prime contract dollars.

*Asian Americans* received 127, or 2.04%, of all goods and services prime contracts awarded during the study period, representing \$1,939,618 or 0.94%, of the goods and services prime contract dollars.

*Hispanic Americans* received 80, or 1.28%, of all goods and services prime contracts awarded during the study period, representing \$573,989 or 0.28%, of the goods and services prime contract dollars.

*Native Americans* received 3, or 0.05%, of all goods and services prime contracts awarded during the study period, representing \$711,257 or 0.34%, of the goods and services prime contract dollars.

*Caucasian Females* received 603, or 9.67%, of all goods and services prime contracts awarded during the study period, representing \$7,375,634 or 3.56%, of the goods and services prime contract dollars.

*Non-minority Males* received 5,338, or 85.61%, of all goods and services prime contracts awarded during the study period, representing \$193,880,857 or 93.67%, of the goods and services prime contract dollars.

*Minority Business Enterprises* received 294, or 4.72%, of all goods and services prime contracts awarded during the study period, representing \$5,730,434 or , 2.77% of the goods and services prime contract dollars.

*Woman Business Enterprises* received 707, or 11.34%, of all goods and services prime contracts awarded during the study period, representing \$7,967,505 or 3.85%, of the goods and services prime contract dollars.



**Table 3.16: Goods and Services Prime Contract Utilization:  
All Contracts, October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African Americans	84	1.35%	\$2,505,571	1.21%
Asian Americans	127	2.04%	\$1,939,618	0.94%
Hispanic Americans	80	1.28%	\$573,989	0.28%
Native Americans	3	0.05%	\$711,257	0.34%
Caucasian Females	603	9.67%	\$7,375,634	3.56%
Non-minority Males	5,338	85.61%	\$193,880,857	93.67%
<b>TOTAL</b>	<b>6,235</b>	<b>100.00%</b>	<b>\$206,986,925</b>	<b>100.00%</b>
<b>Ethnicity and Gender</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African American Females	1	0.02%	\$14,754	0.01%
African American Males	83	1.33%	\$2,490,817	1.20%
Asian American Females	79	1.27%	\$308,407	0.15%
Asian American Males	48	0.77%	\$1,631,211	0.79%
Hispanic American Females	24	0.38%	\$268,710	0.13%
Hispanic American Males	56	0.90%	\$305,279	0.15%
Native American Females	0	0.00%	\$0	0.00%
Native American Males	3	0.05%	\$711,257	0.34%
Caucasian Females	603	9.67%	\$7,375,634	3.56%
Non-minority Males	5,338	85.61%	\$193,880,857	93.67%
<b>TOTAL</b>	<b>6,235</b>	<b>100.00%</b>	<b>\$206,986,925</b>	<b>100.00%</b>
<b>Minority and Women</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
Minority Business Enterprises	294	4.72%	\$5,730,434	2.77%
Woman Business Enterprises	707	11.34%	\$7,967,505	3.85%



## ***F. Informal Contracts by Industry***

### **1. Construction Prime Contract Utilization: Contracts Valued Under \$100,000**

Table 3.17 summarizes all contract dollars expended by the City on construction prime contracts valued under \$100,000. MBEs received 6.59% of the construction prime contract dollars; WBEs received 12.80%; and non-M/WBEs received 83.66%.

*African Americans* received 2, or 0.52%, of the construction prime contracts valued under \$100,000 awarded during the study period, representing \$11,064 or 0.20%, of the construction prime contract dollars.

*Asian Americans* received none of the construction prime contracts awarded during the study period.

*Hispanic Americans* received 17, or 4.38%, of the construction prime contracts valued under \$100,000 awarded during the study period, representing \$345,441 or 6.39%, of the construction prime contract dollars.

*Native Americans* received none of the construction prime contracts awarded during the study period.

*Caucasian Females* received 27, or 6.96%, of the construction prime contracts valued under \$100,000 awarded during the study period, representing \$526,933 or 9.75%, of the construction prime contract dollars.

*Non-minority Males* received 342, or 88.14%, of the construction prime contracts valued under \$100,000 awarded during the study period, representing \$4,522,498 or 83.66%, of the construction prime contract dollars.

*Minority Business Enterprises* received 19, or 4.90%, of the construction prime contracts valued under \$100,000 awarded during the study period, representing \$356,505 or 6.59%, of the construction prime contract dollars.

*Woman Business Enterprises* received 33, or 8.51%, of the construction prime contracts valued under \$100,000 awarded during the study period, representing \$691,773 or 12.80%, of the construction prime contract dollars.



**Table 3.17: Construction Prime Contract Utilization:  
Contracts Valued Under \$100,000, October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African Americans	2	0.52%	\$11,064	0.20%
Asian Americans	0	0.00%	\$0	0.00%
Hispanic Americans	17	4.38%	\$345,441	6.39%
Native Americans	0	0.00%	\$0	0.00%
Caucasian Females	27	6.96%	\$526,933	9.75%
Non-minority Males	342	88.14%	\$4,522,498	83.66%
<b>TOTAL</b>	<b>388</b>	<b>100.00%</b>	<b>\$5,405,936</b>	<b>100.00%</b>
<b>Ethnicity and Gender</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African American Females	0	0.00%	\$0	0.00%
African American Males	2	0.52%	\$11,064	0.20%
Asian American Females	0	0.00%	\$0	0.00%
Asian American Males	0	0.00%	\$0	0.00%
Hispanic American Females	6	1.55%	\$164,841	3.05%
Hispanic American Males	11	2.84%	\$180,600	3.34%
Native American Females	0	0.00%	\$0	0.00%
Native American Males	0	0.00%	\$0	0.00%
Caucasian Females	27	6.96%	\$526,933	9.75%
Non-minority Males	342	88.14%	\$4,522,498	83.66%
<b>TOTAL</b>	<b>388</b>	<b>100.00%</b>	<b>\$5,405,936</b>	<b>100.00%</b>
<b>Minority and Women</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
Minority Business Enterprises	19	4.90%	\$356,505	6.59%
Woman Business Enterprises	33	8.51%	\$691,773	12.80%



## 2. Professional Services Prime Contract Utilization: Contracts Valued Under \$100,000

Table 3.18 summarizes all contract dollars expended by the City on professional services prime contracts valued under \$100,000. MBEs received 9.42% of the professional services prime contract dollars; WBEs received 6.26%; and non-M/WBEs received 85.91%.

*African Americans* received 18, or 1.80%, of the professional services prime contracts valued under \$100,000 awarded during the study period, representing \$46,316 or 0.54%, of the professional services prime contract dollars.

*Asian Americans* received 19, or 1.90%, of the professional services prime contracts valued under \$100,000 awarded during the study period, representing \$279,572 or 3.25%, of the professional services prime contract dollars.

*Hispanic Americans* received 19, or 1.90%, of the professional services prime contracts valued under \$100,000 awarded during the study period, representing \$484,369 or 5.63%, of the professional services prime contract dollars.

*Native Americans* received none of the construction prime contracts awarded during the study period.

*Caucasian Females* received 46, or 4.60%, of the professional services prime contracts valued under \$100,000 awarded during the study period, representing \$401,562 or 4.67%, of the professional services prime contract dollars.

*Non-minority Males* received 898, or 89.80%, of the professional services prime contracts valued under \$100,000 awarded during the study period, representing \$7,386,892 or 85.91%, of the professional services prime contract dollars.

*Minority Business Enterprises* received 56, or 5.60%, of the professional services prime contracts valued under \$100,000 awarded during the study period, representing \$810,257 or 9.42%, of the professional services prime contract dollars.

*Woman Business Enterprises* received 54, or 5.40%, of the professional services prime contracts valued under \$100,000 awarded during the study period, representing \$538,364 or 6.26%, of the professional services prime contract dollars.



**Table 3.18: Professional Services Prime Contract Utilization:  
Contracts Valued Under \$100,000, October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African Americans	18	1.80%	\$46,316	0.54%
Asian Americans	19	1.90%	\$279,572	3.25%
Hispanic Americans	19	1.90%	\$484,369	5.63%
Native Americans	0	0.00%	\$0	0.00%
Caucasian Females	46	4.60%	\$401,562	4.67%
Non-minority Males	898	89.80%	\$7,386,892	85.91%
<b>TOTAL</b>	<b>1,000</b>	<b>100.00%</b>	<b>\$8,598,710</b>	<b>100.00%</b>
<b>Ethnicity and Gender</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African American Females	2	0.20%	\$5,073	0.06%
African American Males	16	1.60%	\$41,243	0.48%
Asian American Females	6	0.60%	\$131,730	1.53%
Asian American Males	13	1.30%	\$147,843	1.72%
Hispanic American Females	0	0.00%	\$0	0.00%
Hispanic American Males	19	1.90%	\$484,369	5.63%
Native American Females	0	0.00%	\$0	0.00%
Native American Males	0	0.00%	\$0	0.00%
Caucasian Females	46	4.60%	\$401,562	4.67%
Non-minority Males	898	89.80%	\$7,386,892	85.91%
<b>TOTAL</b>	<b>1,000</b>	<b>100.00%</b>	<b>\$8,598,710</b>	<b>100.00%</b>
<b>Minority and Women</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
Minority Business Enterprises	56	5.60%	\$810,257	9.42%
Woman Business Enterprises	54	5.40%	\$538,364	6.26%



### 3. Goods and Services Prime Contract Utilization: Contracts Valued Under \$100,000

Table 3.19 summarizes all contract dollars expended by the City on goods and services prime contracts valued under \$100,000. MBEs received 4.70% of the goods and services prime contract dollars; WBEs received 8.23%; and non-M/WBEs received 89.03%.

*African Americans* received 77, or 1.31%, of the goods and services prime contracts valued under \$100,000 awarded during the study period, representing \$319,449 ,or 1.06%, of the goods and services prime contract dollars.

*Asian Americans* received 122, or 2.07%, of the goods and services prime contracts valued under \$100,000 awarded during the study period, representing \$524,758 or 1.73%, of the goods and services prime contract dollars.

*Hispanic Americans* received 80, or 1.36%, of the goods and services prime contracts valued under \$100,000 awarded during the study period, representing \$573,989 , or 1.90%, of the goods and services prime contract dollars.

*Native Americans* received 1, or 0.02%, of the goods and services prime contracts valued under \$100,000 awarded during the study period, representing \$2,992 or 0.01%, of the goods and services prime contract dollars.

*Caucasian Females* received 584, or 9.92%, of the goods and services prime contracts valued under \$100,000 awarded during the study period, representing \$1,898,109 or 6.27%, of the goods and services prime contract dollars.

*Non-minority Males* received 5,022, or 85.32%, of the goods and services prime contracts valued under \$100,000 awarded during the study period, representing \$26,947,106 or 89.03%, of the goods and services prime contract dollars.

*Minority Business Enterprises* received 280, or 4.76%, of the goods and services prime contracts valued under \$100,000 awarded during the study period, representing \$1,421,187 or 4.70%, of the goods and services prime contract dollars.

*Woman Business Enterprises* received 688, or 11.69%, of the goods and services prime contracts valued under \$100,000 awarded during the study period, representing \$2,489,980 or 8.23%, of the goods and services prime contract dollars.



**Table 3.19: Goods and Services Prime Contract Utilization:  
Contracts Valued Under \$100,000, October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African Americans	77	1.31%	\$319,449	1.06%
Asian Americans	122	2.07%	\$524,758	1.73%
Hispanic Americans	80	1.36%	\$573,989	1.90%
Native Americans	1	0.02%	\$2,992	0.01%
Caucasian Females	584	9.92%	\$1,898,109	6.27%
Non-minority Males	5,022	85.32%	\$26,947,106	89.03%
<b>TOTAL</b>	<b>5,886</b>	<b>100.00%</b>	<b>\$30,266,402</b>	<b>100.00%</b>
<b>Ethnicity and Gender</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African American Females	1	0.02%	\$14,754	0.05%
African American Males	76	1.29%	\$304,695	1.01%
Asian American Females	79	1.34%	\$308,407	1.02%
Asian American Males	43	0.73%	\$216,351	0.71%
Hispanic American Females	24	0.41%	\$268,710	0.89%
Hispanic American Males	56	0.95%	\$305,279	1.01%
Native American Females	0	0.00%	\$0	0.00%
Native American Males	1	0.02%	\$2,992	0.01%
Caucasian Females	584	9.92%	\$1,898,109	6.27%
Non-minority Males	5,022	85.32%	\$26,947,106	89.03%
<b>TOTAL</b>	<b>5,886</b>	<b>100.00%</b>	<b>\$30,266,402</b>	<b>100.00%</b>
<b>Minority and Women</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
Minority Business Enterprises	280	4.76%	\$1,421,187	4.70%
Woman Business Enterprises	688	11.69%	\$2,489,980	8.23%





## **G. Formal Contracts by Industry**

### **1. Construction Prime Contract Utilization: Contracts Valued Between \$100,000 and \$2,790,000**

Table 3.20 summarizes all contract dollars expended by the City on construction prime contracts valued between \$100,000 and \$2,790,000. MBEs received 6.06% of the construction prime contract dollars; WBEs received 3.39%; and non-M/WBEs received 91.11%.

*African Americans* received 1, or 0.71%, of the construction prime contracts valued between \$100,000 and \$2,790,000 awarded during the study period, representing \$150,000 or 0.18%, of the construction prime contract dollars.

*Asian Americans* received 4, or 2.84%, of the construction prime contracts valued between \$100,000 and \$2,790,000 awarded during the study period, representing \$951,141 or 1.17%, of the construction prime contract dollars.

*Hispanic Americans* received 4, or 2.84%, of the construction prime contracts valued between \$100,000 and \$2,790,000 awarded during the study period, representing \$3,836,293 or 4.71%, of the construction prime contract dollars.

*Native Americans* received none of the construction prime contracts awarded during the study period.

*Caucasian Females* received 9, or 6.38%, of the construction prime contracts valued between \$100,000 and \$2,790,000 awarded during the study period, representing \$2,299,715 or 2.82%, of the construction prime contract dollars.

*Non-minority Males* received 123, or 87.23%, of the construction prime contracts valued between \$100,000 and \$2,790,000 awarded during the study period, representing \$74,195,666 or 91.11%, of the construction prime contract dollars.

*Minority Business Enterprises* received 9, or 6.38%, of the construction prime contracts valued between \$100,000 and \$2,790,000 awarded during the study period, representing \$4,937,434 or 6.06%, of the construction prime contract dollars.

*Woman Business Enterprises* received 11, or 7.80%, of the construction prime contracts valued between \$100,000 and \$2,790,000 awarded during the study period, representing \$2,759,856 or 3.39%, of the construction prime contract dollars.



**Table 3.20: Construction Prime Contract Utilization:  
Contracts Valued Between \$100,000 and \$2,790,000,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African Americans	1	0.71%	\$150,000	0.18%
Asian Americans	4	2.84%	\$951,141	1.17%
Hispanic Americans	4	2.84%	\$3,836,293	4.71%
Native Americans	0	0.00%	\$0	0.00%
Caucasian Females	9	6.38%	\$2,299,715	2.82%
Non-minority Males	123	87.23%	\$74,195,666	91.11%
<b>TOTAL</b>	<b>141</b>	<b>100.00%</b>	<b>\$81,432,814</b>	<b>100.00%</b>
<b>Ethnicity and Gender</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African American Females	0	0.00%	\$0	0.00%
African American Males	1	0.71%	\$150,000	0.18%
Asian American Females	1	0.71%	\$292,449	0.36%
Asian American Males	3	2.13%	\$658,692	0.81%
Hispanic American Females	1	0.71%	\$167,693	0.21%
Hispanic American Males	3	2.13%	\$3,668,600	4.51%
Native American Females	0	0.00%	\$0	0.00%
Native American Males	0	0.00%	\$0	0.00%
Caucasian Females	9	6.38%	\$2,299,715	2.82%
Non-minority Males	123	87.23%	\$74,195,666	91.11%
<b>TOTAL</b>	<b>141</b>	<b>100.00%</b>	<b>\$81,432,814</b>	<b>100.00%</b>
<b>Minority and Women</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
Minority Business Enterprises	9	6.38%	\$4,937,434	6.06%
Woman Business Enterprises	11	7.80%	\$2,759,856	3.39%



## 2. Professional Services Prime Contract Utilization: Contracts Valued Between \$100,000 and \$1,400,000

Table 3.21 summarizes all contract dollars expended by the City on professional services prime contracts valued between \$100,000 and \$1,400,000. MBEs received 8.83% of the professional services prime contract dollars; WBEs received 11.52%; and non-M/WBEs received 84.80%.

*African Americans* received 1, or 0.99%, of the professional services prime contracts valued between \$100,000 and \$1,400,000 awarded during the study period, representing \$400,000 or 0.95%, of the professional services prime contract dollars.

*Asian Americans* received 4, or 3.96%, of the professional services prime contracts valued between \$100,000 and \$1,400,000 awarded during the study period, representing \$2,012,755 or 4.77%, of the professional services prime contract dollars.

*Hispanic Americans* received 4, or 3.96%, of the professional services prime contracts valued between \$100,000 and \$1,400,000 awarded during the study period, representing \$1,311,190 or 3.11%, of the professional services prime contract dollars.

*Native Americans* received none of the construction prime contracts awarded during the study period.

*Caucasian Females* received 6, or 5.94%, of the professional services prime contracts valued between \$100,000 and \$1,400,000 awarded during the study period, representing \$2,688,465 or 6.37%, of the professional services prime contract dollars.

*Non-minority Males* received 86, or 85.15%, of the professional services prime contracts valued between \$100,000 and \$1,400,000 awarded during the study period, representing \$35,784,967 or 84.80%, of the professional services prime contract dollars.

*Minority Business Enterprises* received 9, or 8.91%, of the professional services prime contracts valued between \$100,000 and \$1,400,000 awarded during the study period, representing \$3,723,945 or 8.83%, of the professional services prime contract dollars.

*Woman Businesses Enterprises* received 10, or 9.90%, of the professional services prime contracts valued between \$100,000 and \$1,400,000 awarded during the study period, representing \$4,862,410 or 11.52%, of the professional services prime contract dollars.



**Table 3.21: Professional Services Prime Contract Utilization:  
Contracts Valued Between \$100,000 and \$1,400,000,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African Americans	1	0.99%	\$400,000	0.95%
Asian Americans	4	3.96%	\$2,012,755	4.77%
Hispanic Americans	4	3.96%	\$1,311,190	3.11%
Native Americans	0	0.00%	\$0	0.00%
Caucasian Females	6	5.94%	\$2,688,465	6.37%
Non-minority Males	86	85.15%	\$35,784,967	84.80%
<b>TOTAL</b>	<b>101</b>	<b>100.00%</b>	<b>\$42,197,377</b>	<b>100.00%</b>
<b>Ethnicity and Gender</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African American Females	0	0.00%	\$0	0.00%
African American Males	1	0.99%	\$400,000	0.95%
Asian American Females	3	2.97%	\$1,912,755	4.53%
Asian American Males	1	0.99%	\$100,000	0.24%
Hispanic American Females	1	0.99%	\$261,190	0.62%
Hispanic American Males	3	2.97%	\$1,050,000	2.49%
Native American Females	0	0.00%	\$0	0.00%
Native American Males	0	0.00%	\$0	0.00%
Caucasian Females	6	5.94%	\$2,688,465	6.37%
Non-minority Males	86	85.15%	\$35,784,967	84.80%
<b>TOTAL</b>	<b>101</b>	<b>100.00%</b>	<b>\$42,197,377</b>	<b>100.00%</b>
<b>Minority and Women</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
Minority Business Enterprises	9	8.91%	\$3,723,945	8.83%
Woman Business Enterprises	10	9.90%	\$4,862,410	11.52%



### **3. Goods and Services Prime Contract Utilization: Contracts Between \$100,000 and \$1,150,000**

Table 3.22 summarizes all contract dollars expended by the City on goods and services prime contracts valued between \$100,000 and \$1,150,000. MBEs received 4.27% of the goods and services prime contract dollars; WBEs received 4.24%; and non-M/WBEs received 91.50%.

*African Americans* received 7, or 2.22%, of the goods and services prime contracts valued between \$100,000 and \$1,150,000 awarded during the study period, representing \$2,186,122 or 2.16%, of the goods and services prime contract dollars.

*Asian Americans* received 5, or 1.58%, of the goods and services prime contracts valued between \$100,000 and \$1,150,000 awarded during the study period, representing \$1,414,860 or 1.40%, of the goods and services prime contract dollars.

*Hispanic Americans* received none of the construction prime contracts awarded during the study period.

*Native Americans* received 2, or 0.63%, of the goods and services prime contracts valued between \$100,000 and \$1,150,000 awarded during the study period, representing \$708,265 or 0.70%, of the goods and services prime contract dollars.

*Caucasian Females* received 18, or 5.70%, of the goods and services prime contracts valued between \$100,000 and \$1,150,000 awarded during the study period, representing \$4,282,645 or 4.24%, of the goods and services prime contract dollars.

*Non-minority Males* received 284, or 89.87%, of the goods and services prime contracts valued between \$100,000 and \$1,150,000 awarded during the study period, representing \$92,444,549 or 91.50%, of the goods and services prime contract dollars.

*Minority Business Enterprises* received 14, or 4.43%, of the goods and services prime contracts valued between \$100,000 and \$1,150,000 awarded during the study period, representing \$4,309,247 or 4.27%, of the goods and services prime contract dollars.

*Woman Business Enterprises* received 18, or 5.70%, of the goods and services prime contracts valued between \$100,000 and \$1,150,000 awarded during the study period, representing \$4,282,645 or 4.24%, of the goods and services prime contract dollars.



**Table 3.22: Goods and Services Prime Contract Utilization:  
Contracts Valued Between \$100,000 and \$1,150,000,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African Americans	7	2.22%	\$2,186,122	2.16%
Asian Americans	5	1.58%	\$1,414,860	1.40%
Hispanic Americans	0	0.00%	\$0	0.00%
Native Americans	2	0.63%	\$708,265	0.70%
Caucasian Females	18	5.70%	\$4,282,645	4.24%
Non-minority Males	284	89.87%	\$92,444,549	91.50%
<b>TOTAL</b>	<b>316</b>	<b>100.00%</b>	<b>\$101,036,440</b>	<b>100.00%</b>
<b>Ethnicity and Gender</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African American Females	0	0.00%	\$0	0.00%
African American Males	7	2.22%	\$2,186,122	2.16%
Asian American Females	0	0.00%	\$0	0.00%
Asian American Males	5	1.58%	\$1,414,860	1.40%
Hispanic American Females	0	0.00%	\$0	0.00%
Hispanic American Males	0	0.00%	\$0	0.00%
Native American Females	0	0.00%	\$0	0.00%
Native American Males	2	0.63%	\$708,265	0.70%
Caucasian Females	18	5.70%	\$4,282,645	4.24%
Non-minority Males	284	89.87%	\$92,444,549	91.50%
<b>TOTAL</b>	<b>316</b>	<b>100.00%</b>	<b>\$101,036,440</b>	<b>100.00%</b>
<b>Minority and Women</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
Minority Business Enterprises	14	4.43%	\$4,309,247	4.27%
Woman Business Enterprises	18	5.70%	\$4,282,645	4.24%



## **V. Summary**

The prime contract utilization analysis examined 7,896 prime contracts awarded by the City during the October 1, 2014 to September 30, 2018 study period. The \$684,925,107 expended included \$410,663,577 for construction, \$67,274,605 for professional services, and \$206,986,925 for goods and services. A total of 7,896 prime contracts were analyzed, which included 555 for construction, 1,106 for professional services, and 6,235 for goods and services.

The utilization analysis was performed for prime contracts in the three industries at three-dollar thresholds: 1) all prime contracts regardless of award amount, 2) all informal prime contracts valued under \$100,000 for construction, under \$100,000 for professional services, and under \$100,000 for goods and services, as defined by the City's Procurement code, the St. Petersburg City Code of Ordinances Chapter 2, Article V, Divisions 2-4, 5, and 7, and 3) formal prime contracts, with thresholds set for each industry to eliminate outliers. Given the application of the thresholds, the formal prime contracts analyzed were valued between \$100,000 and \$2,970,000 for construction, between \$100,000 and \$1,400,000 for professional services, and between \$100,000 and \$1,150,000 for goods and services. *Chapter 7: Prime Contract Disparity Analysis* presents the statistical analysis of disparity in each of the three industries.



---

# **CHAPTER 4: Subcontractor Utilization Analysis**

## **I. Introduction**

A disparity study, as required by *Croson*, must document the local government's utilization of available Minority and Woman-owned Business Enterprises (M/WBEs), and non-minority male-owned businesses (non-M/WBEs) as prime contractors and subcontractors. The objective of this chapter is to present the utilization of subcontractors by ethnicity, gender, and industry on the City of St. Petersburg's construction and professional services (including architecture and engineering) prime contracts. The prime contracts examined were awarded during the October 1, 2014 to September 30, 2018 study period.

## **II. Data Sources**

### **A. Data Collection Process**

The City did not maintain comprehensive data on the subcontracts awarded by its prime contractors. Consequently, research was required to reconstruct the subcontracts awarded by the City's prime contractors. The reconstruction involved collaboration with the City and its prime contractors to identify the utilized subcontractors. The research compiled the payments made to the subcontractors utilized on construction prime contracts valued \$at 250,000 and over and professional service contracts (including architecture and engineering) valued at \$200,000 and over. Data was collected from the prime contractors over seven months, from February to September 2020.

To collect the data from the contractors, a survey was conducted. Each construction prime contractor awarded one or more contracts valued at \$250,000 and over and professional services prime contractors awarded one or more contracts valued at \$200,000 and over was asked to provide the name and payment amount for the subcontractor used on each contract. The survey, which was emailed to the prime contractors, contained a list of their awarded contracts and requested the name, award, and payment amount for all subcontractors, subconsultants, suppliers, and truckers who worked on each contract. To maximize the response rate, a letter from the City's Director of Purchasing requesting the prime contractor's cooperation accompanied each survey. Mason Tillman made follow-up telephone calls to each prime contractor to address questions concerning the Study and encourage the business to submit its subcontract records. Of the 94 prime contractors surveyed, 36 provided subcontract data.

### **B. Subcontract Data Analysis**

The compiled subcontract records were appended to the relational database and cleaned to remove duplicate records. The ethnicity and gender of each subcontractor was determined through a combination of certification directories, internet research, and telephone surveys. When the data





were cleaned, the subcontract utilization tables were prepared reporting the dollars and number of subcontracts awarded to each ethnic and gender group. This information is presented in the tables below.

### **C. All Subcontracts**

As shown in Table 4.2, 609 subcontracts were analyzed. The subcontracts included 499 for construction and 110 for professional services contracts for a total of \$111,725,420 dollars. These dollars included \$102,644,758 for construction and \$9,080,662 for professional services subcontracts.

**Table 4.1: Subcontracts Awarded and Dollars Expended by Industry,  
October 1, 2014 to September 30, 2018**

<b>Industry</b>	<b>Total Number of Subcontracts</b>	<b>Total Amount Expended</b>
Construction	499	\$102,644,758
Professional Services	110	\$9,080,662
<b>Total</b>	<b>609</b>	<b>\$111,725,420</b>



## **D. Subcontracts by Industry**

### **1. Construction Subcontracts**

Table 4.3 shows the identified construction subcontracts awarded by the City's prime contractors. Minority-owned businesses (MBEs) received 11.41%; woman-owned businesses (WBEs) received 4.00%; and non-minority male-owned businesses (non-M/WBEs) received 85.38% of the construction subcontract dollars.

*African Americans* received 13 or 2.61% of the City's construction subcontracts during the study period, representing \$1,085,161 or 1.06% of the construction subcontract dollars.

*Asian Americans* received 4 or 0.80% of the City's construction subcontracts during the study period, representing \$198,303 or 0.19% of the construction subcontract dollars.

*Hispanic Americans* received 22 or 4.41% of the City's construction subcontracts during the study period, representing \$10,425,611 or 10.16% of the construction subcontract dollars.

*Native Americans* received none of the City's construction subcontracts during the study period.

*Caucasian Females* received 62 or 12.42% of the City's construction subcontracts during the study period, representing \$3,294,927 or 3.21% of the construction subcontract dollars.

*Non-minority Males* received 398 or 79.76% of the City's construction subcontracts during the study period, representing \$87,640,756 or 85.38% of the construction subcontract dollars.

*Minority Business Enterprises* received 39 or 7.82% of the City's construction subcontracts during the study period, representing \$11,709,075 or 11.41% of the construction subcontract dollars.

*Woman Business Enterprises* received 68 or 13.63% of the City's construction subcontracts during the study period, representing \$4,103,304 or 4.00% of the construction subcontract dollars.



**Table 4.2: Construction Subcontractor Utilization,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African Americans	13	2.61%	\$1,085,161	1.06%
Asian Americans	4	0.80%	\$198,303	0.19%
Hispanic Americans	22	4.41%	\$10,425,611	10.16%
Native Americans	0	0.00%	\$0	0.00%
Caucasian Females	62	12.42%	\$3,294,927	3.21%
Non-minority Males	398	79.76%	\$87,640,756	85.38%
<b>TOTAL</b>	<b>499</b>	<b>100.00%</b>	<b>\$102,644,758</b>	<b>100.00%</b>
<b>Ethnicity and Gender</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African American Females	2	0.40%	\$109,866	0.11%
African American Males	11	2.20%	\$975,295	0.95%
Asian American Females	1	0.20%	\$3,950	0.00%
Asian American Males	3	0.60%	\$194,353	0.19%
Hispanic American Females	3	0.60%	\$694,561	0.68%
Hispanic American Males	19	3.81%	\$9,731,050	9.48%
Native American Females	0	0.00%	\$0	0.00%
Native American Males	0	0.00%	\$0	0.00%
Caucasian Females	62	12.42%	\$3,294,927	3.21%
Non-minority Males	398	79.76%	\$87,640,756	85.38%
<b>TOTAL</b>	<b>499</b>	<b>100.00%</b>	<b>\$102,644,758</b>	<b>100.00%</b>
<b>Minority and Women</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
Minority Business Enterprises	39	7.82%	\$11,709,075	11.41%
Woman Business Enterprises	68	13.63%	\$4,103,304	4.00%



## 2. Professional Services Subcontracts

Table 4.5 shows the professional services subcontracts issued by the City's prime contractors. MBEs received 3.33%; WBEs received 2.46%; and non-M/WBEs received 94.50% of the professional services subcontract dollars.

*African Americans* received 2 or 1.82% of the City's professional services subcontracts during the study period, representing \$211,819 or 2.33% of the professional services subcontract dollars.

*Asian Americans* received 2 or 1.82% of the City's professional services subcontracts during the study period, representing \$30,570 or 0.34% of the professional services subcontract dollars.

*Hispanic Americans* received 3 or 2.73% of the City's professional services subcontracts during the study period, representing \$59,602 or 0.66% of the professional services subcontract dollars.

*Native Americans* received none of the City's professional services subcontracts during the study period.

*Caucasian Females* received 11 or 10.00% of the City's professional services subcontracts during the study period, representing \$197,319 or 2.17% of the professional services subcontract dollars.

*Non-minority Males* received 92 or 83.64% of the City's professional services subcontracts during the study period, representing \$8,581,353 or 94.50% of the professional services subcontract dollars.

*Minority Business Enterprises* received 7 or 6.36% of the City's professional services subcontracts during the study period, representing \$301,991 or 3.33% of the professional services subcontract dollars.

*Woman Business Enterprises* received 12 or 10.91% of the City's professional services subcontracts during the study period, representing \$223,569 or 2.46% of the professional services subcontract dollars.



**Table 4.3: Professional Services Subcontractor Utilization,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African Americans	2	1.82%	\$211,819	2.33%
Asian Americans	2	1.82%	\$30,570	0.34%
Hispanic Americans	3	2.73%	\$59,602	0.66%
Native Americans	0	0.00%	\$0	0.00%
Caucasian Females	11	10.00%	\$197,319	2.17%
Non-minority Males	92	83.64%	\$8,581,353	94.50%
<b>TOTAL</b>	<b>110</b>	<b>100.00%</b>	<b>\$9,080,662</b>	<b>100.00%</b>
<b>Ethnicity and Gender</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African American Females	0	0.00%	\$0	0.00%
African American Males	2	1.82%	\$211,819	2.33%
Asian American Females	1	0.91%	\$26,250	0.29%
Asian American Males	1	0.91%	\$4,320	0.05%
Hispanic American Females	0	0.00%	\$0	0.00%
Hispanic American Males	3	2.73%	\$59,602	0.66%
Native American Females	0	0.00%	\$0	0.00%
Native American Males	0	0.00%	\$0	0.00%
Caucasian Females	11	10.00%	\$197,319	2.17%
Non-minority Males	92	83.64%	\$8,581,353	94.50%
<b>TOTAL</b>	<b>110</b>	<b>100.00%</b>	<b>\$9,080,662</b>	<b>100.00%</b>
<b>Minority and Women</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
Minority Business Enterprises	7	6.36%	\$301,991	3.33%
Woman Business Enterprises	12	10.91%	\$223,569	2.46%



### ***III. Summary***

The construction and professional services subcontracts awarded by the City's prime contractors had to be reconstructed because the City did not maintain any subcontract records. The subcontract utilization analysis was therefore limited to the subcontract records that could be reconstructed through the prime contractor expenditure survey. The reconstructed subcontracts examined were awarded by the City's prime contractors from October 1, 2014 to September 30, 2018. The reconstructed construction and professional services subcontracts were valued at \$111,725,420. The \$111,725,420 expended included \$102,644,758 for construction and \$9,080,662 for professional services. A total of 609 subcontracts were analyzed, which included 499 for construction and 110 for professional services.



---

# CHAPTER 5: Market Area Analysis

## I. Market Area Definition

### A. Legal Criteria for Geographic Market Area

The Supreme Court's decision in *City of Richmond v. J.A. Croson Co.*<sup>240</sup> (*Croson*) held that programs established by local governments to set goals for the participation of Minority-owned Business Enterprises (MBEs) must be supported by evidence of past discrimination in the award of their contracts. Prior to the *Croson* decision, local governments could implement race-conscious programs without developing a detailed public record to document the underutilization of MBEs in their award of contracts. Instead, they relied on widely recognized societal patterns of discrimination.<sup>241</sup>

*Croson* established that a local government could not rely on society-wide discrimination as the basis for a race-based contracting program. Instead, a local government was required to identify discrimination within its own contracting jurisdiction.<sup>242</sup> In *Croson*, the United States Supreme Court found the City of Richmond, Virginia's MBE construction program to be unconstitutional because there was insufficient evidence of discrimination in the local construction market.

*Croson* was explicit in saying that the local construction market was the appropriate geographical framework within which to perform statistical comparisons of business availability to business utilization. Therefore, the identification of the local market area is particularly important because it establishes the parameters within which to conduct a disparity study.

### B. Application of the Croson Standard

While *Croson* emphasized the importance of the local market area, it provided little assistance in defining its parameters. However, it is informative to review the Court's definition of the City of Richmond, Virginia's market area. In discussing the geographic parameters of the constitutional violation that must be investigated, the Court interchangeably used the terms "relevant market," "Richmond construction industry,"<sup>243</sup> and "city's construction industry."<sup>244</sup> These terms were used to define the proper scope for examining the existence of discrimination within the City. This interchangeable use of terms lends support to a definition of market area that coincides with the boundaries of a contracting jurisdiction.

---

<sup>240</sup> *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989).

<sup>241</sup> *United Steelworkers v. Weber*, 433 U.S. 193, 198, n. 1 (1979).

<sup>242</sup> *Croson*, 488 U.S. at 497.

<sup>243</sup> *Id.* at 500.

<sup>244</sup> *Id.* at 470.



An analysis of the cases following *Croson* provides additional guidance for defining the market area. The body of cases examining the *reasonable* market area definition is *fact-based*—rather than dictated by a specific formula.<sup>245</sup> In *Cone Corporation v. Hillsborough County*,<sup>246</sup> the United States Eleventh Circuit Court of Appeals considered a disparity study in support of Hillsborough County, Florida’s MBE Program. The MBE program used minority contractors located in Hillsborough County as the measure of available firms. The program was found to be constitutional under the compelling governmental interest element of the strict scrutiny standard.

Hillsborough County’s program was based on statistics indicating that specific discrimination existed in the construction contracts awarded by Hillsborough County, not in the construction industry in general. Hillsborough County extracted data from within its own jurisdictional boundaries and assessed the percentage of minority businesses available in Hillsborough County. The Court stated that the disparity study was properly conducted within the “local construction industry.”<sup>247</sup>

Similarly, in *Associated General Contractors v. Coalition for Economic Equity (AGCCII)*,<sup>248</sup> the United States Ninth Circuit Court of Appeals found the City and County of San Francisco, California’s MBE Program to have the factual predicate necessary to survive strict scrutiny. The San Francisco MBE Program was supported by a disparity study that assessed the number of available MBE contractors within the City and County of San Francisco, California. The Court found it appropriate to use the City and County as the relevant market area within which to conduct a disparity study.<sup>249</sup>

In *Coral Construction v. King County*, the United States Ninth Circuit Court of Appeals held that “a set-aside program is valid only if actual, identifiable discrimination has occurred within the local industry affected by the program.”<sup>250</sup> In support of its MBE program, King County, Washington offered studies compiled by other jurisdictions, including entities completely within the County, others coterminous with the boundaries of the County, as well as a jurisdiction significantly distant from King County. The plaintiffs contended that *Croson* required King County, Washington, to compile its own data and cited *Croson* as prohibiting data sharing.

The Court found that data sharing could potentially lead to the improper use of societal discrimination data as the factual basis for a local MBE program and that innocent third parties could be unnecessarily burdened if an MBE program were based on data outside the government’s jurisdictional boundaries. However, the Court also found that the data from entities within King

---

<sup>245</sup> See e.g., *Concrete Works of Colorado v. City of Denver, Colorado*, 36 F.3d 1513, 1528 (10th Cir. 1994) (“*Concrete Works*”).

<sup>246</sup> *Cone Corporation v. Hillsborough County*, 908 F.2d 908 (11th Cir. 1990).

<sup>247</sup> *Id.* at 915.

<sup>248</sup> *Associated General Contractors of California v. Coalition for Economic Equity and City and County of San Francisco*, 950 F.2d 1401 (9th Cir. 1991).

<sup>249</sup> *AGCCII*, 950 F.2d at 1415.

<sup>250</sup> *Coral Construction Co. v. King County*, 941 F.2d 910 (9th Cir. 1991).





County and from coterminous jurisdictions were relevant to discrimination in the County. They also found that the data posed no risk of unfairly burdening innocent third parties.

The Court concluded that data gathered by a neighboring county could not be used to support King County's MBE program. The Court noted, "It is vital that a race-conscious program align itself as closely to the scope of the problem sought to be rectified by the governmental entity. To prevent overbreadth, the enacting jurisdiction should limit its factual inquiry to the presence of discrimination within its own boundaries."<sup>251</sup> However, the Court did note that the "world of contracting does not conform itself neatly to jurisdictional boundaries."<sup>252</sup>

There are other situations in which courts have approved a market area definition that extended beyond a jurisdiction's geographic boundaries. In *Concrete Works v. City and County of Denver* (*Concrete Works*),<sup>253</sup> the United States Tenth Circuit Court of Appeals directly addressed the issue of whether extra-jurisdictional evidence of discrimination can be used to determine the "local market area" for a disparity study. In *Concrete Works*, the defendant relied on evidence of discrimination in the six-county Denver, Colorado Metropolitan Statistical Area (Denver MSA) to support its MBE program. Plaintiffs argued that the federal constitution prohibited consideration of evidence beyond jurisdictional boundaries. The Court of Appeals disagreed.

Critical to the Court's acceptance of the Denver MSA as the relevant local market was the finding that more than 80% of construction and design contracts awarded by the City and County of Denver were awarded to contractors within the Denver MSA. Another consideration was that the City and County of Denver's analysis was based on United States Census data, which was available for the Denver MSA but not for the City of Denver itself. There was no undue burden placed on nonculpable parties, as the City and County of Denver had expended a majority of its construction contract dollars within the area defined as the local market. Citing *AGCC II*,<sup>254</sup> the Court noted "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>255</sup>

Similarly, New York State conducted a disparity study in which the geographic market consisted of New York State and eight counties in northern New Jersey. The geographic market was defined as the area encompassing the location of businesses that received more than 90% of the dollar value of all contracts awarded by the agency.<sup>256</sup>

State and local governments must pay special attention to the geographical scope of their disparity studies. *Croson* determined that the statistical analysis should focus on the number of qualified

---

<sup>251</sup> *Coral Construction Co. v. King County*, 941 F.2d at 917.

<sup>252</sup> *Id.*

<sup>253</sup> *Concrete Works*, 36 F.3d at 1528.

<sup>254</sup> *AGCC II*, 950 F.2d at 1401.

<sup>255</sup> *Concrete Works*, 36 F.3d at 1528.

<sup>256</sup> *Opportunity Denied! New York State's Study*, 26 Urban Lawyer No. 3, Summer 1994.



minority business owners in the government’s marketplace.<sup>257</sup> The text of *Croson* itself suggests that the geographical boundaries of the government entity comprise an appropriate market area and other courts have agreed with this finding.

It follows then that an entity may limit consideration of evidence of discrimination to discrimination occurring within its own jurisdiction.

## ***II. Market Area Analysis***

Although *Croson* and its progeny do not provide a bright line rule for the delineation of the local market area, when taken collectively, the case law supports a definition of the market area as the geographical boundaries of the government entity. The market area analysis revealed the City spent the majority of its dollars during the study period in Pinellas County. The Study’s market area is determined to be the geographical boundaries of the Pinellas County.

### ***A. Summary of the Distribution of All Prime Contracts Awarded***

The City awarded 7,896 prime contracts valued at \$684,925,107 from October 1, 2014 to September 30, 2018. The distribution of all prime contracts awarded, and dollars received by all firms domiciled inside and outside of the market area is shown below in Table 5.1.

**Table 5.1: Distribution of All Contracts Awarded**

<b>Geographic Area</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Total Dollars</b>	<b>Percent of Dollars</b>
Pinellas	4,598	58.23%	\$247,759,622	36.17%
Hillsborough	1,011	12.80%	\$147,440,817	21.53%
Duval	206	2.61%	\$122,417,573	17.87%
Orange	268	3.39%	\$26,287,779	3.84%
Polk	124	1.57%	\$14,639,573	2.14%
Manatee	59	0.75%	\$13,822,379	2.02%
Sarasota	100	1.27%	\$13,143,295	1.92%
Miami-dade	112	1.42%	\$11,404,794	1.67%
Lee	12	0.15%	\$6,979,338	1.02%
Citrus	4	0.05%	\$5,845,722	0.85%
Seminole	204	2.58%	\$5,320,442	0.78%
Alachua	21	0.27%	\$3,447,702	0.50%
Pasco	50	0.63%	\$1,838,563	0.27%
Lake	27	0.34%	\$1,397,864	0.20%
Broward	34	0.43%	\$828,323	0.12%
St. Lucie	12	0.15%	\$776,665	0.11%
Suwannee	1	0.01%	\$691,921	0.10%

<sup>257</sup> *Croson*, 488 U.S. at 501.



Geographic Area	Number of Contracts	Percent of Contracts	Total Dollars	Percent of Dollars
Charlotte	5	0.06%	\$680,366	0.10%
Marion	12	0.15%	\$679,607	0.10%
Highlands	2	0.03%	\$526,151	0.08%
Leon	10	0.13%	\$416,314	0.06%
Bay	1	0.01%	\$294,499	0.04%
Osceola	4	0.05%	\$222,948	0.03%
Palm Beach	18	0.23%	\$210,930	0.03%
Volusia	12	0.15%	\$174,193	0.03%
Walton	1	0.01%	\$95,200	0.01%
Escambia	2	0.03%	\$53,838	0.01%
Columbia	2	0.03%	\$48,046	0.01%
Indian River	9	0.11%	\$36,992	0.01%
Brevard	3	0.04%	\$22,344	0.00%
Martin	2	0.03%	\$10,757	0.00%
Collier	2	0.03%	\$3,600	0.00%
Jackson	1	0.01%	\$2,600	0.00%
Madison	2	0.03%	\$567	0.00%
Sumter	1	0.01%	\$261	0.00%
Hernando	1	0.01%	\$148	0.00%
Out of State	954	12.08%	\$57,185,165	8.35%
Out of Country	9	0.11%	\$218,212	0.03%
<b>Total</b>	<b>7,896</b>	<b>100.00%</b>	<b>\$684,925,107</b>	<b>100.00%</b>

### ***B. Distribution of Construction Prime Contracts***

The City awarded 555 construction prime contracts, valued at \$410,663,577, during the study period. Businesses located in the market area received 57.66% of the construction prime contracts and 31.58% of the dollars. The distribution of the construction prime contracts awarded, and dollars received by all firms domiciled inside and outside of the market area is shown below in Table 5.2.

**Table 5.2: Distribution of Construction Prime Contracts**

Geographic Area	Number of Contracts	Percent of Contracts	Total Dollars	Percent of Dollars
Pinellas	320	57.66%	\$129,697,565	31.58%
Duval	19	3.42%	\$112,750,671	27.46%
Hillsborough	88	15.86%	\$92,470,202	22.52%
Orange	7	1.26%	\$17,461,682	4.25%
Manatee	8	1.44%	\$12,694,705	3.09%
Miami-dade	8	1.44%	\$7,333,755	1.79%



Geographic Area	Number of Contracts	Percent of Contracts	Total Dollars	Percent of Dollars
Lee	5	0.90%	\$6,652,125	1.62%
Sarasota	14	2.52%	\$5,928,409	1.44%
Polk	17	3.06%	\$5,878,234	1.43%
Citrus	1	0.18%	\$5,370,078	1.31%
Alachua	4	0.72%	\$3,336,713	0.81%
Seminole	10	1.80%	\$1,965,379	0.48%
Pasco	17	3.06%	\$955,760	0.23%
Lake	5	0.90%	\$519,759	0.13%
Bay	1	0.18%	\$294,499	0.07%
Charlotte	1	0.18%	\$87,750	0.02%
Broward	1	0.18%	\$64,789	0.02%
Marion	1	0.18%	\$22,447	0.01%
Osceola	2	0.36%	\$13,807	0.00%
Leon	1	0.18%	\$9,764	0.00%
Volusia	1	0.18%	\$7,251	0.00%
Indian River	2	0.36%	\$3,900	0.00%
Collier	2	0.36%	\$3,600	0.00%
Jackson	1	0.18%	\$2,600	0.00%
Out of State	19	3.42%	\$7,138,134	1.74%
<b>Total</b>	<b>555</b>	<b>100.00%</b>	<b>\$410,663,577</b>	<b>100.00%</b>

### ***C. Distribution of Professional Services Prime Contracts***

The City awarded 1,106 professional services prime contracts, valued at \$67,274,605 during the study period. Businesses located in the market area received 57.50% of the professional services prime contracts and 37.63% of the dollars. The distribution of the professional services prime contracts awarded, and dollars received by all firms domiciled inside and outside of the market area is shown below in Table 5.3.

**Table 5.3: Distribution of Professional Services Prime Contracts**

Geographic Area	Number of Contracts	Percent of Contracts	Total Dollars	Percent of Dollars
Pinellas	636	57.50%	\$25,315,068	37.63%
Hillsborough	156	14.10%	\$22,788,948	33.87%
Duval	23	2.08%	\$6,553,596	9.74%
Orange	37	3.35%	\$3,513,954	5.22%
Sarasota	22	1.99%	\$2,682,666	3.99%
Pasco	6	0.54%	\$321,423	0.48%
Leon	5	0.45%	\$281,764	0.42%
Miami-dade	66	5.97%	\$245,189	0.36%
Palm Beach	3	0.27%	\$144,971	0.22%
Seminole	13	1.18%	\$137,310	0.20%
Polk	2	0.18%	\$45,086	0.07%



Geographic Area	Number of Contracts	Percent of Contracts	Total Dollars	Percent of Dollars
Lee	1	0.09%	\$9,415	0.01%
Volusia	1	0.09%	\$7,475	0.01%
Broward	2	0.18%	\$4,273	0.01%
Manatee	2	0.18%	\$4,060	0.01%
Alachua	1	0.09%	\$100	0.00%
Out of State	125	11.30%	\$5,159,801	7.67%
Out of Country	5	0.45%	\$59,507	0.09%
<b>Total</b>	<b>1,106</b>	<b>100.00%</b>	<b>\$67,274,605</b>	<b>100.00%</b>

#### ***D. Distribution of Goods and Services Prime Contracts***

The City awarded 6,235 goods and services prime contracts, valued at \$206,986,925 during the study period. Businesses located in the market area received 58.41% of the goods and services prime contracts and 44.81% of the dollars. The distribution of the goods and services prime contracts awarded, and dollars received by all firms domiciled inside and outside of the market area is shown below in Table 5.4.

**Table 5.4: Distribution of Goods and Services Prime Contracts**

Geographic Area	Number of Contracts	Percent of Contracts	Total Dollars	Percent of Dollars
Pinellas	3,642	58.41%	\$92,746,989	44.81%
Hillsborough	767	12.30%	\$32,181,667	15.55%
Polk	105	1.68%	\$8,716,253	4.21%
Orange	224	3.59%	\$5,312,143	2.57%
Sarasota	64	1.03%	\$4,532,219	2.19%
Miami-dade	38	0.61%	\$3,825,850	1.85%
Seminole	181	2.90%	\$3,217,753	1.55%
Duval	164	2.63%	\$3,113,306	1.50%
Manatee	49	0.79%	\$1,123,614	0.54%
Lake	22	0.35%	\$878,105	0.42%
St. Lucie	12	0.19%	\$776,665	0.38%
Broward	31	0.50%	\$759,261	0.37%
Suwannee	1	0.02%	\$691,921	0.33%
Marion	11	0.18%	\$657,160	0.32%
Charlotte	4	0.06%	\$592,616	0.29%
Pasco	27	0.43%	\$561,380	0.27%
Highlands	2	0.03%	\$526,151	0.25%
Citrus	3	0.05%	\$475,645	0.23%
Lee	6	0.10%	\$317,797	0.15%
Osceola	2	0.03%	\$209,141	0.10%
Volusia	10	0.16%	\$159,467	0.08%
Leon	4	0.06%	\$124,787	0.06%
Alachua	16	0.26%	\$110,889	0.05%



Geographic Area	Number of Contracts	Percent of Contracts	Total Dollars	Percent of Dollars
Walton	1	0.02%	\$95,200	0.05%
Palm Beach	15	0.24%	\$65,959	0.03%
Escambia	2	0.03%	\$53,838	0.03%
Columbia	2	0.03%	\$48,046	0.02%
Indian River	7	0.11%	\$33,092	0.02%
Brevard	3	0.05%	\$22,344	0.01%
Martin	2	0.03%	\$10,757	0.01%
Madison	2	0.03%	\$567	0.00%
Sumter	1	0.02%	\$261	0.00%
Hernando	1	0.02%	\$148	0.00%
Out of State	810	12.99%	\$44,887,230	21.69%
Out of Country	4	0.06%	\$158,705	0.08%
<b>Total</b>	<b>6,235</b>	<b>100.00%</b>	<b>\$206,986,925</b>	<b>100.00%</b>

### ***III. Summary***

During the study period, the City awarded 7,896 construction, professional services, and goods and services prime contracts, valued at \$684,925,107. The City awarded 58.23% of prime contracts and 36.17% of dollars to businesses domiciled within the market area.

Table 5.5 below presents an overview of the number of construction, professional services, and goods and services prime contracts the City awarded, and the dollars spent in the market area.

*Construction Prime Contracts:* 320 or 57.66%, of construction prime contracts were awarded to market area businesses. Construction prime contracts in the market area accounted for \$129,697,565, or 31.58%, of the total construction prime contract dollars.

*Professional Services Prime Contracts:* 636 or 57.50%, of professional services prime contracts were awarded to market area businesses. Professional services prime contracts in the market area accounted for \$25,315,068, or 37.63%, of the total professional services prime contract dollars.

*Goods and Services Prime Contracts:* 3,642 or 58.41%, of goods and services prime contracts were awarded to market area businesses. Goods and services prime contracts in the market area accounted for \$92,746,989, or 44.81%, of the total goods and services prime contract dollars.



**Table 5.5: The City's Prime Contract Distribution**

<b>Geographic Area</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Total Dollars</b>	<b>Percent of Dollars</b>
<b>Combined Industries</b>				
Market Area	4,598	58.23%	\$247,759,622	36.17%
Outside Market Area	3,298	41.77%	\$437,165,486	63.83%
<b>TOTAL</b>	<b>7,896</b>	<b>100.00%</b>	<b>\$684,925,107</b>	<b>100.00%</b>
<b>Construction</b>				
Market Area	320	57.66%	\$129,697,565	31.58%
Outside Market Area	235	42.34%	\$280,966,012	68.42%
<b>TOTAL</b>	<b>555</b>	<b>100.00%</b>	<b>\$410,663,577</b>	<b>100.00%</b>
<b>Professional Services</b>				
Market Area	636	57.50%	\$25,315,068	37.63%
Outside Market Area	470	42.50%	\$41,959,538	62.37%
<b>TOTAL</b>	<b>1,106</b>	<b>100.00%</b>	<b>\$67,274,605</b>	<b>100.00%</b>
<b>Goods and Services</b>				
Market Area	3,642	58.41%	\$92,746,989	44.81%
Outside Market Area	2,593	41.59%	\$114,239,936	55.19%
<b>TOTAL</b>	<b>6,235</b>	<b>100.00%</b>	<b>\$206,986,925</b>	<b>100.00%</b>



---

# **CHAPTER 6: Prime Contractor and Subcontractor Availability Analysis**

## **I. Introduction**

According to *City of Richmond v. J.A. Croson Co.* (*Croson*), availability is defined as the number of businesses in the jurisdiction's market area that are ready, willing, and able to provide the goods or services procured by the jurisdiction.<sup>258</sup> To determine the availability of Minority and Woman-owned Business Enterprises<sup>259</sup> (M/WBE) and non-minority male-owned business enterprises (non-M/WBE) within the jurisdiction's market area, businesses domiciled within the market area need to be enumerated. As defined in *Chapter 5: Market Area Analysis*, the market area is the boundaries of Pinellas County (County).

When considering sources to determine the number of available M/WBEs and non-M/WBEs in the market area, the selection must be based on whether two aspects about the population in question can be gauged from the sources. One consideration is a business' interest in contracting with the jurisdiction, as implied by the term "willing." The other is the business' ability or capacity to provide a service or good, as implied by the term "able." The enumeration of available businesses met these criteria.

## **II. Prime Contractor Availability Data Sources**

### **A. Identification of Willing Businesses Within the Market Area**

Three main sources of information were used to identify willing and able businesses in Pinellas County that provide the construction, professional services, and goods and services contracts that the City procures: 1) the City's records, including utilized businesses, and bidders and vendors lists; 2) government certification directories; and 3) business association membership lists, of which only those that were determined to be willing, ready, and able. Any business listed in more than one source was only counted once in the relevant industry. If a business were willing and able to provide goods or services in more than one industry, it was listed separately in each industry.

The three sources were ranked according to their reliability in determining a business' willingness to contract with the City, with the highest ranking assigned to the utilized businesses, bidders, and vendors. Government certification lists ranked second, and business association membership lists ranked third. Therefore, the first document used to build the availability database was the City's utilized businesses. Bidders and vendor lists were then appended to the availability database. Businesses identified from federal and local government certification agencies were thereafter



---

<sup>258</sup> *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989).

<sup>259</sup> Hereinafter referred to as Minority and Caucasian woman-owned businesses in the statistical tables.



appended. The local certification lists included small, minority, and woman-owned businesses. Businesses identified from association membership lists that also affirmed their willingness through a survey of business association members were also appended. The business associations included trade organizations, professional organizations, and chambers of commerce.

## **B. Prime Contractor Sources**

Extensive targeted outreach to business associations in the market area was performed to identify and secure business membership directories. Table 6.1 lists the City's sources, certification directories, and business association listings.

**Table 6.1: Prime Contractor Availability Data Sources**

Source	Type of Information
<b>City of St. Petersburg Sources</b>	
Contract List, Multi-Year - Comprehensive	M/WBE and Non-minority Male
Contract List, Single Project - 2013-2017	M/WBE and Non-minority Male
PO_Suppliers_Active	M/WBE and Non-minority Male
<b>Government Certification Directories</b>	
Florida Department of Management Services, Office of Supplier Diversity	M/WBE and Non-minority Male
Florida Unified Certification Program Disadvantaged Business Enterprise Program	M/WBE and Non-minority Male
U.S. SBA _St. Pete_Pinellas County_Hubzone	M/WBE and Non-minority Male
U.S. SBA _St. Pete_Pinellas County_SDB	M/WBE and Non-minority Male
U.S. SBA_St. Pete_Pinellas County 8(a) Business Development Program	M/WBE and Non-minority Male
U.S. SBA_St. Pete_Pinellas County_Veterans	M/WBE and Non-minority Male
U.S. SBA_St. Pete_Pinellas County_Women Owned	M/WBE
<b>Association Membership Lists</b>	
African American Chamber of Commerce of Central Florida	M/WBE and Non-minority Male
Asian American Chamber of Commerce of Central Florida	Non-minority Male
Associated Builders and Contractors, Inc. Florida Gulf Coast Chapter	M/WBE and Non-minority Male
Associated General Contractors, South Florida Chapter	Non-minority Male
Clearwater Beach Chamber of Commerce	M/WBE
Clearwater Regional Chamber	M/WBE and Non-minority Male
Dunedin Chamber of Commerce	M/WBE and Non-minority Male
Florida Independent Concrete & Associated Products, Inc	Non-minority Male
Florida Marine Contractors Association, Tampa Bay Chapter	Non-minority Male
Florida Roofing and Sheet Metal Contractors Association, Inc.	Non-minority Male
Florida Surveying and Mapping Society	M/WBE and Non-minority Male
Florida Transportation Builders Association, Inc.	Non-minority Male



Source	Type of Information
Greater Palm Harbor Area Chamber of Commerce	M/WBE and Non-minority Male
Independent Electrical Contractors, Florida West Coast Chapter	M/WBE and Non-minority Male
Masonry Association of Florida	Non-minority Male
Mechanical Contractors Association of America of South Florida	Non-minority Male
Pinellas County Small Business Enterprise Program	M/WBE and Non-minority Male
Pinellas Park-Gateway Chamber of Commerce	M/WBE and Non-minority Male
Plumbing-Heating-Cooling Contractors Association, Pinellas	Non-minority Male
Safety Harbor Chamber of Commerce	M/WBE and Non-minority Male
St. Petersburg Area Chamber of Commerce	M/WBE and Non-minority Male
Tarpon Springs Chamber of Commerce	M/WBE
Treasure Island & Madeira Beach Chamber of Commerce	M/WBE and Non-minority Male

### ***C. Determination of Willingness***

From the three sources described in Section A above, 1,101 unique market area businesses that can provide goods or services in one or more of the three industries were identified. An accounting of the willing businesses derived by source is listed below.

#### **1. City of St. Petersburg's Records**

A total of 571 unique market area businesses were added to the availability database from City records.

#### **2. Government Certification Lists**

A total of 411 unique market area businesses were added to the availability database from government certification lists.

#### **3. Business Association Membership Lists**

A total of 119 unique market area businesses were identified from business association membership lists. These businesses were surveyed to determine their willingness to contract with the City. Of the 1,056 surveyed businesses, 194 refused to participate, 37 telephone number were disconnected, 610 did not respond, and 215 businesses completed the survey. Of the 215 businesses that completed the survey, 119 were deemed willing and added to the availability database.



**D. Distribution of Available Prime Contractors by Source, Ethnicity, and Gender**

Table 6.2 through Table 6.4 present the distribution of willing prime contractors by source. A distribution of available businesses by source also was calculated for each industry. As noted in Table 6.2, 83.80% of the construction businesses identified were derived from the City's records and government certification lists. Companies identified through the business association membership lists represent 16.20% of the willing businesses.

**Table 6.2: Distribution of Prime Contractor Availability Data Sources, Construction**

Sources	M/WBEs Percentage	Non-M/WBEs Percentage	Source Percentage
Prime Contractor Utilization	18.06%	75.69%	56.48%
Certification Lists	66.67%	7.64%	27.31%
<b>Subtotal</b>	<b>84.72%</b>	<b>83.33%</b>	<b>83.80%</b>
Willingness Survey	5.56%	14.58%	11.57%
Business Survey	9.72%	2.08%	4.63%
<b>Subtotal</b>	<b>15.28%</b>	<b>16.67%</b>	<b>16.20%</b>
<b>Grand Total*</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\*The percentages may not total 100% due to rounding.

Table 6.3 shows the data sources for the available professional services prime contractors. As noted, 90.13% of the professional services businesses identified were derived from the City's records and government certification lists. Companies identified through the business association membership lists represent 9.87% of the willing businesses.



**Table 6.3: Distribution of Prime Contractor Availability Data Sources,  
Professional Services**

Sources	M/WBEs Percentage	Non-M/WBEs Percentage	Source Percentage
Prime Contractor Utilization	11.22%	58.95%	34.18%
Certification Lists	80.00%	29.47%	55.70%
<b>Subtotal</b>	<b>91.71%</b>	<b>88.42%</b>	<b>90.13%</b>
Willingness Survey	5.85%	9.47%	7.59%
Business Survey	2.44%	2.11%	2.28%
<b>Subtotal</b>	<b>8.29%</b>	<b>11.58%</b>	<b>9.87%</b>
<b>Grand Total*</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\*The percentages may not total 100% due to rounding.

Table 6.4 shows the data sources for the available goods and other services prime contractors. As noted, 90.56% of the goods and other services businesses identified were derived from the City's records and government certification lists. Companies identified through the business association membership lists represent 9.44% of the willing businesses.

**Table 6.4: Distribution of Prime Contractor Availability Data Sources,  
Goods and Services**

Sources	M/WBEs Percentage	Non-M/WBEs Percentage	Source Percentage
Prime Contractor Utilization	26.47%	84.58%	64.59%
Certification Lists	64.22%	5.91%	25.97%
<b>Subtotal</b>	<b>90.69%</b>	<b>90.49%</b>	<b>90.56%</b>
Willingness Survey	8.33%	8.74%	8.60%
Business Survey	0.98%	0.77%	0.84%
<b>Subtotal</b>	<b>9.31%</b>	<b>9.51%</b>	<b>9.44%</b>
<b>Grand Total*</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\*The percentages may not total 100% due to rounding.



### III. Capacity

The second component of the availability analysis requirement set forth in *Croson* is to assess the capacity or ability of a business to perform the contracts awarded by the government entity.<sup>260</sup> Capacity requirements are not delineated in *Croson*, but capacity has been considered in subsequent cases. Among the first circuit courts to address capacity was the Third Circuit, which held certification to be a valid method of defining availability.<sup>261</sup> In 1996, *Contractors Association of Eastern Pennsylvania v. City of Philadelphia (Philadelphia)*, the court held that utilizing a list of certified contractors was a rational approach to identify qualified, willing firms.<sup>262</sup> The court stated “[a]n analysis is not devoid of probative value simply because it may theoretically be possible to adopt a more refined approach [of qualification].”<sup>263</sup> As noted in *Philadelphia*, “[t]he issue of qualifications can be approached at different levels of specificity[.]”<sup>264</sup>

Researchers have attempted to define capacity by profiling the age of the business, education of the business owner, revenue, number of employees, and bonding limits using census data. Although these conventional socio-economic indices are themselves impacted by race and gender-based discrimination they also have been considered in analyzing the capacity of the willing businesses.<sup>265</sup> Four methods were used to compare the capacity of M/WBEs to similarly situated non-minority male-owned businesses.

- A review of the distribution of contracts to determine the size of the contracts that the City awarded to M/WBEs and non-minority male-owned businesses.
- The identification of the largest contracts awarded to M/WBEs.
- An analysis of the frequency distribution of the City contracts comparing the median of contracts awarded to M/WBEs and non-minority male-owned businesses.
- An assessment of capacity-related economic factors of M/WBEs and non-minority male-owned businesses using the results of the capacity eSurvey.

In a further effort to address capacity, large contracts that required considerable capacity to perform were removed from the analysis. Limiting the range of the formal prime contracts ensured that the disparity analysis was not distorted by the presence of prime contracts that required a significant capacity to perform.

---

<sup>260</sup> *Croson*, 488 U.S. 469.

<sup>261</sup> *Contractors Ass’n of E. Pa. v. City of Philadelphia* (“*Philadelphia VI*”), 91 F.3d 586, at 603 (3d Cir. 1996).

<sup>262</sup> *Id.*

<sup>263</sup> *Id.* at 603; see also, *Concrete Works IV*, 321 F.3d at 966 (noting a less sophisticated method to calculate availability does not render a disparity study flawed.)

<sup>264</sup> *Contractors Ass’n of E. Pa.*, 91 F.3d at 610.

<sup>265</sup> David G. Blanchflower & Phillip B. Levine & David J. Zimmerman, 2003. “*Discrimination in the Small-Business Credit Market*,” *The Review of Economics and Statistics*, MIT Press, vol. 85(4).



### **A. Prime Contract Size Distribution**

All of the City's contracts were ordered by the size of the award to determine the distribution of the awarded contracts. The purpose of this distribution was to gauge the capacity required to perform the City's contracts. In Table 6.5, contract awards in the three industries were grouped into nine ranges and are presented by minority females, minority males, Caucasian females, and non-minority males.

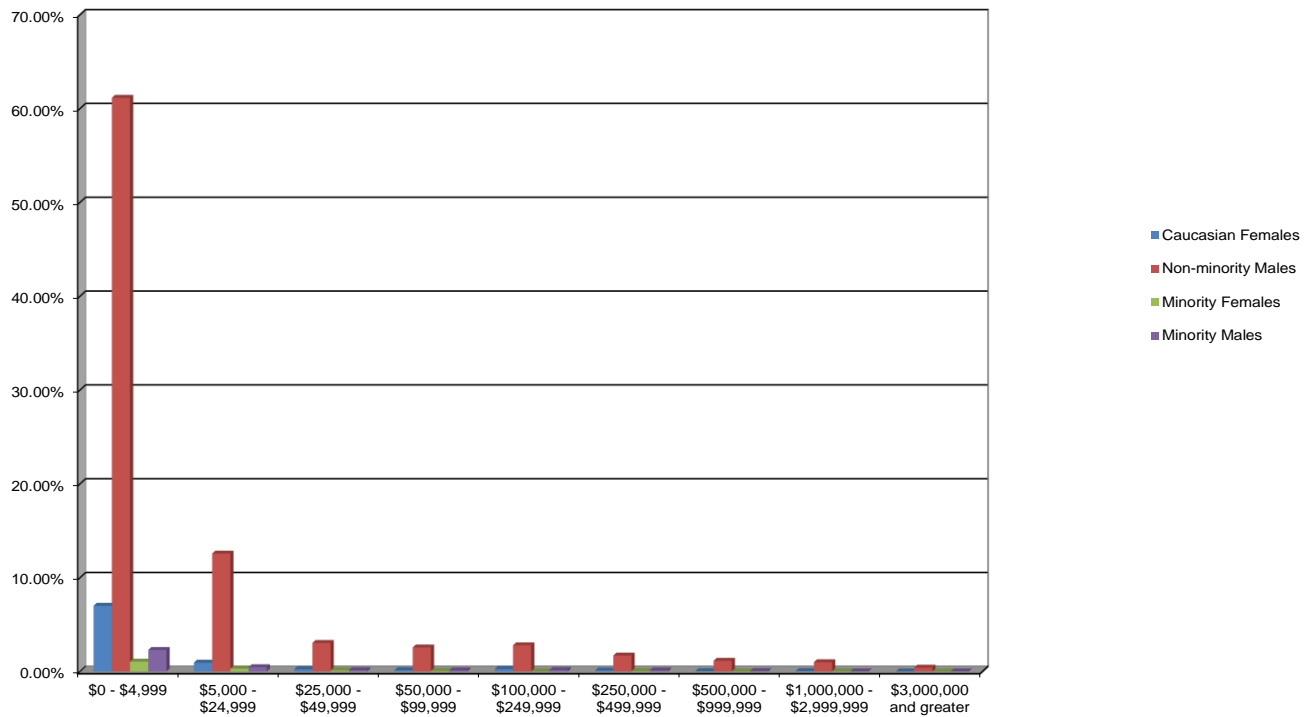
The data revealed that most of the prime contracts awarded by the City were small. Table 6.5 shows that 92.12% of the prime contracts awarded by the City were less than \$100,000. Additionally, 95.34% were less than \$250,000, 97.29% were less than \$500,000, 98.53% were less than \$1,000,000, and 99.58% were less than \$3,000,000. Only 0.42% of the awarded prime contracts were valued \$3,000,000 and greater.

**Table 6.5: All Industry Contracts by Size,  
October 1, 2014 to September 30, 2018**

Size	Non-minority				Minority					
	Females		Males		Females		Males		Total	
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
\$0 - \$4,999	553	7.00%	4,828	61.14%	83	1.05%	181	2.29%	5,645	71.49%
\$5,000 - \$24,999	74	0.94%	992	12.56%	23	0.29%	36	0.46%	1,125	14.25%
\$25,000 - \$49,999	19	0.24%	240	3.04%	8	0.10%	11	0.14%	278	3.52%
\$50,000 - \$99,999	11	0.14%	202	2.56%	4	0.05%	9	0.11%	226	2.86%
\$100,000 - \$249,999	21	0.27%	220	2.79%	1	0.01%	12	0.15%	254	3.22%
\$250,000 - \$499,999	8	0.10%	134	1.70%	3	0.04%	9	0.11%	154	1.95%
\$500,000 - \$999,999	3	0.04%	90	1.14%	1	0.01%	4	0.05%	98	1.24%
\$1,000,000 - \$2,999,999	3	0.04%	78	0.99%	1	0.01%	1	0.01%	83	1.05%
\$3,000,000 and greater	0	0.00%	32	0.41%	0	0.00%	1	0.01%	33	0.42%
Total	692	8.76%	6,816	86.32%	124	1.57%	264	3.34%	7,896	100.00%



**Chart 6.1: All Industry Contracts by Size,  
October 1, 2014 to September 30, 2018**



The size of the City’s prime contracts is a determinant of the capacity that a willing business needs to be competitive at the prime contract level. The fact that more than 92.12% of the City’s contracts are less than \$100,000 illustrates that the capacity needed to perform a significant number of the City’s contracts is not considerable.

### ***B. Largest Prime Contracts Awarded to Minority and Woman-Owned Businesses***

Table 6.6 shows that minority and woman-owned businesses demonstrated the capacity to perform contracts as large as \$3,503,932 in construction, \$2,732,159 in professional services, and \$1,194,880 in goods and services. The size of the largest prime contracts that the City awarded to minority and woman-owned businesses illustrates that these businesses have the capacity to perform substantial formal prime contracts.



**Table 6.6: Largest Prime Contracts Awarded by City of St. Petersburg to  
Minority and Woman-owned Businesses**

<b>Ethnic/Gender Group</b>	<b>Construction</b>	<b>Professional Services (Including Architecture and Engineering)</b>	<b>Goods and Services</b>
African American Female	----	\$4,073	\$14,754
African American Male	\$150,000	\$400,000	\$635,004
Asian American Female	\$292,449	\$1,000,000	\$66,575
Asian American Male	\$311,937	\$100,000	\$590,425
Hispanic American Female	\$167,693	\$261,190	\$90,000
Hispanic American Male	\$3,503,932	\$400,000	\$90,000
Native American Female	----	----	----
Native American Male	----	----	\$560,500
Caucasian Female	\$783,046	\$2,732,159	\$1,194,880
<b>Largest Dollar Amounts MBEs</b>	\$3,503,932	\$1,000,000	\$635,004
<b>Largest Dollar Amounts WBEs</b>	\$783,046	\$2,732,159	\$1,194,880

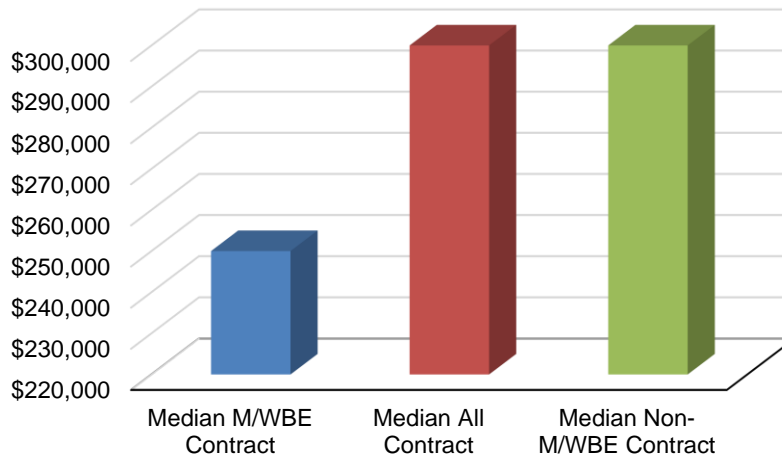
### ***C. Frequency Distribution***

The City's formal contracts range from \$100,000 to \$61,729,374. A frequency distribution was calculated for all of the City's prime contracts to determine the median contract size. The same distribution was calculated separately for minority and woman-owned businesses and non-minority male-owned businesses. As shown in Chart 6.2, the median of all City prime contracts was \$300,000. This median or center point marks the value at which 50.00% of contracts were above and below \$300,000. The median prime contract awarded to minority and woman-owned businesses was \$250,000 and to non-minority male-owned businesses was \$300,000.





**Chart 6.2: Formal Industry Contracts by Size,  
October 1, 2014 to September 30, 2018**



This finding illustrates that minority and woman-owned businesses have the capacity to perform a significant number of the prime contracts awarded by the City. The fact also highlights that minority and woman-owned businesses have the capacity to perform very large contracts (Chart 6.2). It is also notable that there are other methods commonly used by prime contractors to increase their capacity in response to contract requirements. These practices include subcontracting, joint ventures, and staff augmentation.

#### ***D. Formal Contract Threshold Analysis***

As a further measure to ensure that the available businesses have the capacity to perform the contracts analyzed in the disparity analysis, the prime contracts subject to the statistical analysis was limited. As discussed in *Chapter 3: Prime Contractor Utilization Analysis*, the analysis of formal contracts was limited to the awarded contracts with a dollar value beneath the 75<sup>th</sup> percentile. The decision to limit the analysis of disparity to contracts at or below the 75<sup>th</sup> percentile was made to eliminate outliers, which increased the reliability of the statistical findings, and reduced the business capacity requirements. Table 6.7 illustrates the contract distribution for each industry by percentile.

**Table 6.7: Threshold Analysis by Size and Industry**

Quantiles	All Industries Combined	Construction	Professional Services (including architecture and engineering)	Goods and Services
Minimum	\$100,000	\$100,267	\$100,000	\$100,000
25%	\$167,954	\$211,408	\$183,874	\$154,860
50% Quantile	\$300,000	\$460,593	\$269,304	\$270,380
Mean	\$1,029,990	\$2,426,692	\$553,546	\$506,363
75%	\$680,000	\$1,250,000	\$670,000	\$560,000
Maximum	\$61,729,374	\$61,729,374	\$4,254,376	\$8,412,130



## ***E. Business Capacity Assessment***

In an effort to ascertain the relative capacity of the M/WBEs and non-minority male-owned businesses enumerated in the availability analysis, an eSurvey was administered to the businesses in the availability dataset. The online survey was used to collect responses about independent business-related socioeconomic factors. While the results of this survey are illustrative of the capacity of the respondents, it measures factors that are most impacted by race and gender-based discrimination.

### **1. Profile of Respondents**

Table 6.8 illustrates the ethnicity and gender of survey respondents. The business capacity survey respondents were diverse: 21.51% were African American; 1.08% were Asian American; 7.53% were Hispanic American; 0.00% were Native American; and 69.89% were Caucasian American. Of the surveys completed, 38.71% were completed by females of all ethnicities and 61.29% were completed by males of all ethnicities.

**Table 6.8: Ethnicity and Gender of Business Owners**

<b>Response</b>	<b>African American</b>	<b>Asian American</b>	<b>Hispanic American</b>	<b>Native American</b>	<b>Caucasian</b>	<b>Total</b>
Female	6.45%	1.08%	3.23%	0.00%	27.96%	38.71%
Male	15.05%	0.00%	4.30%	0.00%	41.94%	61.29%
<b>Total</b>	<b>21.51%</b>	<b>1.08%</b>	<b>7.53%</b>	<b>0.00%</b>	<b>69.89%</b>	<b>100.00%</b>

The ethnic groups were combined and analyzed as “minority males” and “minority females.” Table 6.9 illustrates that 27.96% of businesses provided construction services; 41.94% of businesses provided professional services; and 30.11% of businesses provided goods and services.

**Table 6.9: Primary Industry of Business**

<b>Industry</b>	<b>Minority Females</b>	<b>Minority Males</b>	<b>Caucasian Females</b>	<b>Caucasian Males</b>	<b>Total</b>
Construction	0.00%	10.75%	6.45%	10.75%	27.96%
Professional Services (Including Architecture and Engineering)	7.53%	6.45%	10.75%	17.20%	41.94%
Goods and Services	3.23%	2.15%	10.75%	13.98%	30.11%
<b>Total</b>	<b>10.75%</b>	<b>19.35%</b>	<b>27.96%</b>	<b>41.94%</b>	<b>100.00%</b>

### **2. Capacity Assessment Findings**

Table 6.10 illustrates business annual gross revenue according to nine different levels. It shows that 52.18% of businesses earned \$500,000 and under; 16.30% of businesses earned \$500,001 to \$1,000,000; 19.57% of businesses earned \$1,000,001 to \$3,000,000; 2.17% of businesses earned \$3,000,001 to \$5,000,000; 4.35% of businesses earned \$5,000,001 to \$10,000,000; and 5.43% of businesses earned over \$10 million.



**Table 6.10: Annual Gross Revenue**

Revenue	Minority Females	Minority Males	Caucasian Females	Caucasian Males	Total
Less than \$50,000	2.17%	1.09%	3.26%	2.17%	8.70%
\$50,000 to \$100,000	3.26%	0.00%	2.17%	3.26%	8.70%
\$100,001 to \$300,000	1.09%	4.35%	8.70%	6.52%	20.65%
\$300,001 to \$500,000	0.00%	3.26%	2.17%	8.70%	14.13%
\$500,001 to \$1,000,000	2.17%	4.35%	4.35%	5.43%	16.30%
\$1,000,001 to \$3,000,000	0.00%	3.26%	4.35%	11.96%	19.57%
\$3,000,001 to \$5,000,000	0.00%	1.09%	1.09%	0.00%	2.17%
\$5,000,001 to \$10,000,000	1.09%	1.09%	1.09%	1.09%	4.35%
More than \$10,000,000	1.09%	1.09%	0.00%	3.26%	5.43%
<b>Total</b>	<b>10.87%</b>	<b>19.57%</b>	<b>27.17%</b>	<b>42.39%</b>	<b>100.00%</b>

Chart 6.3 illustrates more than half, or 68.48%, of businesses earn less than \$1,000,000 a year. This finding indicates that the majority of businesses are small, regardless of the ethnicity or gender of the owner.

**Chart 6.3: Annual Gross Revenue**

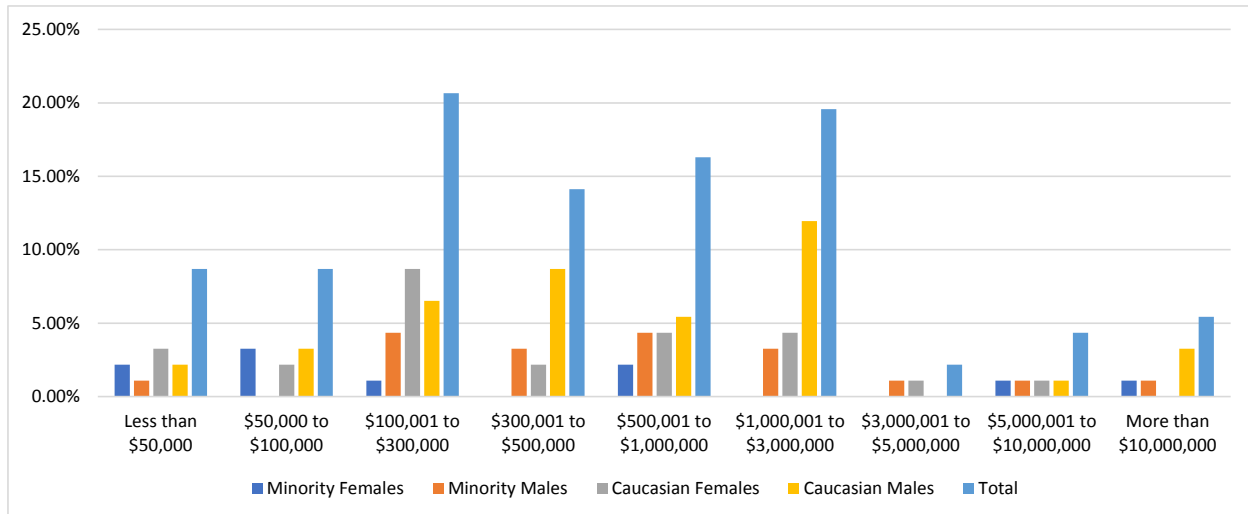


Table 6.11 shows the number of employees at each business within the four groups: minority females, minority males, Caucasian females, and non-minority males. The findings reveal that 57.47% of business had 0 to 5 employees;<sup>266</sup> 20.69% had 6 to 10 employees; 11.49% had 11 to 20 employees; 5.75% had 21 to 50 employees; and 4.60% had more than 50 employees.



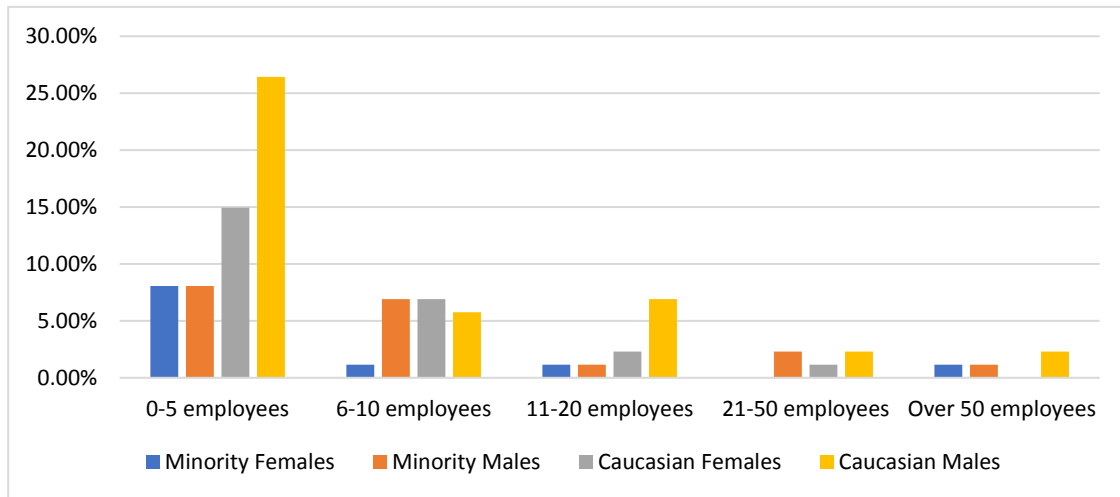
<sup>266</sup> Business owners are not counted as employees.

**Table 6.11: Number of Employees**

Number of Employees	Minority Females	Minority Males	Caucasian Females	Caucasian Males	Total
0-5 employees	8.05%	8.05%	14.94%	26.44%	57.47%
6-10 employees	1.15%	6.90%	6.90%	5.75%	20.69%
11-20 employees	1.15%	1.15%	2.30%	6.90%	11.49%
21-50 employees	0.00%	2.30%	1.15%	2.30%	5.75%
Over 50 employees	1.15%	1.15%	0.00%	2.30%	4.60%
<b>Total</b>	<b>11.49%</b>	<b>19.54%</b>	<b>25.29%</b>	<b>43.68%</b>	<b>100.00%</b>

Chart 6.4 illustrates that most businesses have fewer than five employees, regardless of the ethnicity or gender of the owner. Of all businesses, 89.65% are small, employing 20 or fewer employees. Although the surveyed businesses are small, they are similar to the average City of St. Petersburg business, as reported by ReferenceUSA (June 2020). The capacity survey illustrates that 89.65% of businesses in the City, regardless of ethnicity and gender, employ 20 or fewer employees.

**Chart 6.4: Number of Employees**



One consideration of capacity as discussed in the case law, is a contractor's ability to bid and perform multiple contracts.<sup>267</sup> This factor relates to the human and capital resources available for a business to perform multiple contracts, concurrently. Table 6.12 illustrates that businesses can perform multiple concurrent contracts within a calendar year. More than half, or 64.56%, of businesses responded that they have completed more than five contracts in a calendar year.



<sup>267</sup> See *Rothe Development Corporation v. U.S. Department of Defense*, 262 F.3d 1306 (Fed. Cir. 2001); see also *Rothe Development Corporation v. U.S. Department of Defense*, 545 F.3d 1023 (Fed. Cir. 2008).

**Table 6.12: Number of Annual Contracts**

Annual Contracts	Minority Females	Minority Males	Caucasian Females	Caucasian Males	Total
0	2.53%	2.53%	1.27%	2.53%	8.86%
1 to 5	3.80%	3.80%	8.86%	10.13%	26.58%
6 to 10	1.27%	3.80%	2.53%	5.06%	12.66%
10 to 20	0.00%	3.80%	1.27%	5.06%	10.13%
More than 20	2.53%	7.59%	11.39%	20.25%	41.77%
<b>Total</b>	<b>10.13%</b>	<b>21.52%</b>	<b>25.32%</b>	<b>43.04%</b>	<b>100.00%</b>

Chart 6.5 illustrates that more than half of the businesses performed multiple contracts within the previous calendar year. This finding illustrates that the businesses, without regard to ethnicity or gender, have successfully performed multiple contracts, concurrently.

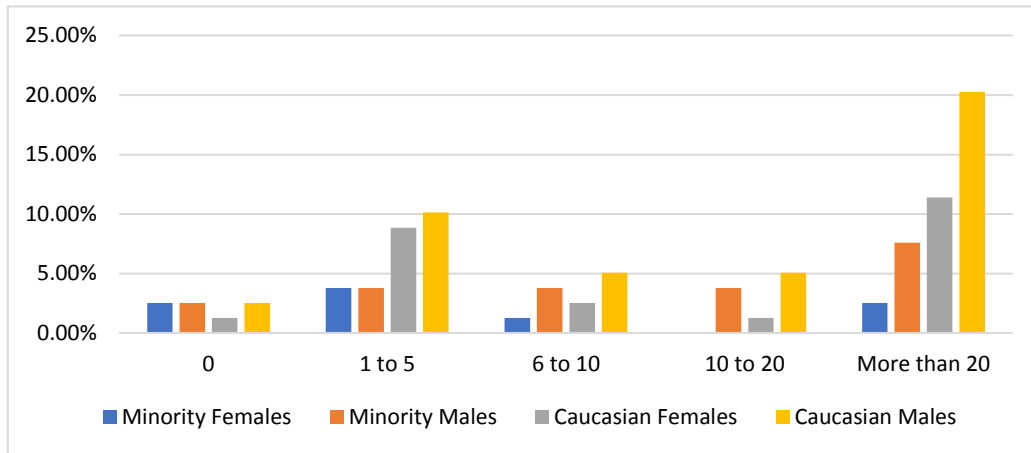
**Chart 6.5: Number of Annual Contracts**

Table 6.13 illustrates the length of time businesses have been in operation. More than half or 63.74%, of minority-owned, woman-owned, and non-minority male-owned businesses have been in business from 11 to 50 years, which illustrates that mature businesses make up the majority of the pool of available businesses.

**Table 6.13: Years in Business**

Years in Operation	Minority Females	Minority Males	Caucasian Females	Caucasian Males	Total
5 years and less	4.40%	2.20%	6.59%	5.49%	18.68%
6 -10 years	1.10%	2.20%	1.10%	7.69%	12.09%
11 - 20 years	2.20%	8.79%	10.99%	12.09%	34.07%
21 - 30 years	2.20%	5.49%	4.40%	7.69%	19.78%
31 - 50 years	0.00%	0.00%	4.40%	5.49%	9.89%
More than 50 years	1.10%	0.00%	0.00%	4.40%	5.49%
<b>Total</b>	<b>10.99%</b>	<b>18.68%</b>	<b>27.47%</b>	<b>42.86%</b>	<b>100.00%</b>



Chart 6.6 illustrates that minority and woman-owned businesses are a growing segment of the contracting market in comparison to Caucasian males. It is important to note, however, that the availability pool includes mature minority and woman-owned businesses with extensive experience in their respective fields.

**Chart 6.6: Years in Business**

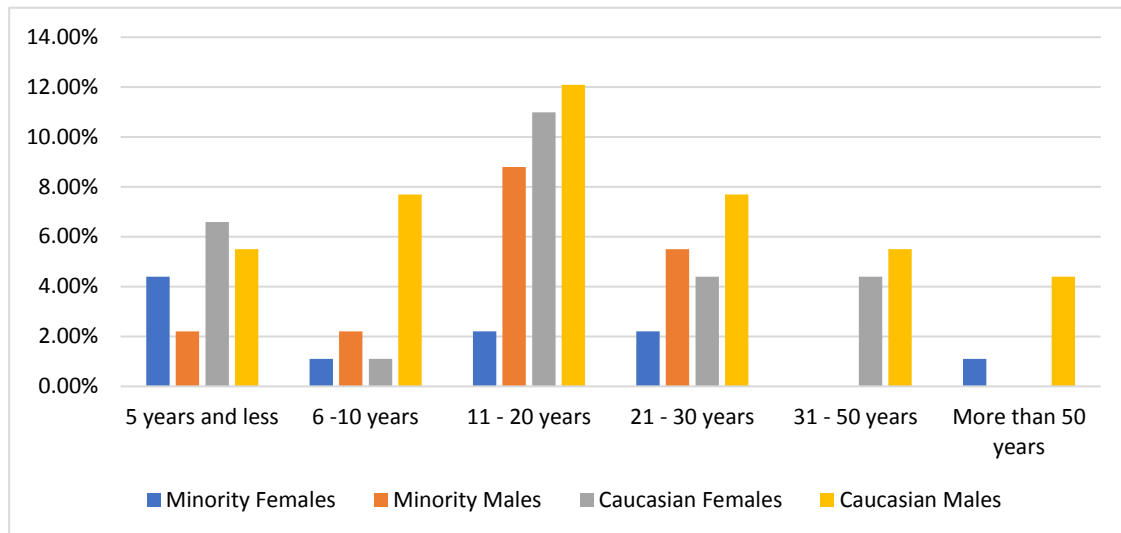


Table 6.14 illustrates the educational attainment of business owners. The data indicates that 32.61% of business owners have a bachelor's degree.

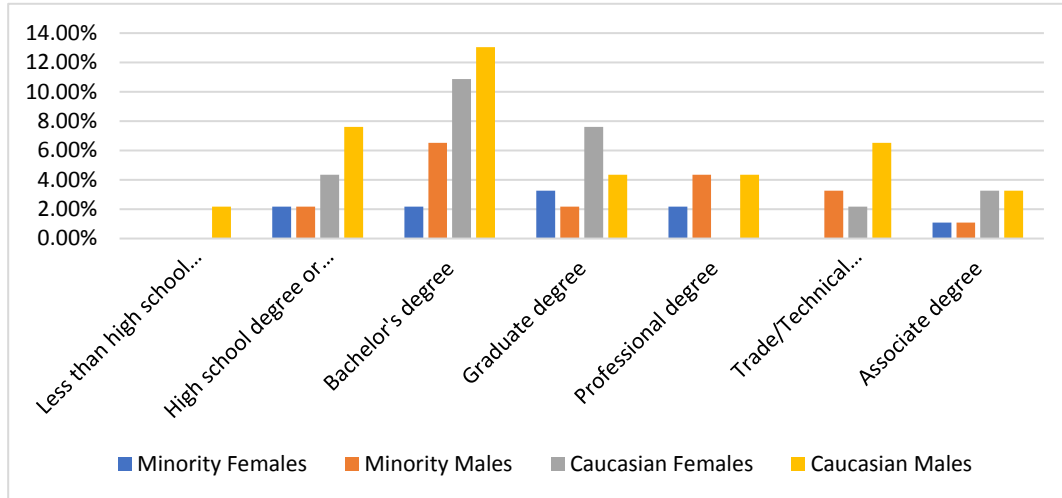
**Table 6.14: Education Level of Business Owners**

Education	Minority Females	Minority Males	Caucasian Females	Caucasian Males	Total
Less than high school degree	0.00%	0.00%	0.00%	2.17%	2.17%
High school degree or equivalent, e.g. GED	2.17%	2.17%	4.35%	7.61%	16.30%
Bachelor's degree	2.17%	6.52%	10.87%	13.04%	32.61%
Graduate degree	3.26%	2.17%	7.61%	4.35%	17.39%
Professional degree	2.17%	4.35%	0.00%	4.35%	10.87%
Trade/Technical certificate or degree	0.00%	3.26%	2.17%	6.52%	11.96%
Associate degree	1.09%	1.09%	3.26%	3.26%	8.70%
<b>Total</b>	<b>10.87%</b>	<b>19.57%</b>	<b>28.26%</b>	<b>41.30%</b>	<b>100.00%</b>

Chart 6.7 illustrates that the most common degree among business owners is a bachelor's degree. This finding indicates that most business owners, regardless of ethnicity and gender, are educated. 81.52% of business owners have pursued a degree or certification beyond a high school diploma.



**Chart 6.7: Educational Attainment**



The results of the eSurvey are evidence that willing M/WBEs have demonstrated capacity comparable to non-minority male-owned businesses. Furthermore, the analysis shows that the capacity of M/WBEs and similarly situated non-minority male-owned businesses enumerated in the availability dataset and included in the disparity analysis is comparable. The profile of most businesses in the dataset, including M/WBEs and non-minority males, have the following characteristics:

- Employ ten or fewer employees.
- Performed multiple public and private purchase orders concurrently.
- Have gross revenue of \$1,000,000 or less.
- Operated their business up to 30 years.
- Have a bachelor's degree.

Considering the metrics reviewed in this socio-economic analysis the fact that the State Agencies awarded a disproportionate number of purchase orders to non-minority males cannot be attributed to any single factor or combination of capacity measures. Given the overwhelming evidence that the M/WBEs have comparable capacity to similarly situated non-minority male-owned businesses the findings documented in the statistical analysis presented in Chapter 7: *Prime Contract Disparity* cannot be explained as the result M/WBE business capacity.



#### ***IV. Prime Contractor Availability Analysis***

The prime contractor availability analysis is based on the 1,101 willing market area businesses enumerated from the three availability sources described above. The availability of willing market area businesses is presented by ethnicity, gender, and industry in the sections below.

##### ***A. Construction Prime Contractor Availability***

The distribution of available construction prime contractors is summarized in Table 6.15 below.

***African Americans*** account for 11.11% of the construction prime contractors in the City's market area.

***Asian Americans*** account for 0.00% of the construction prime contractors in the City's market area.

***Hispanic Americans*** account for 6.94% of the construction prime contractors in the City's market area.

***Native Americans*** account for 1.85% of the construction prime contractors in the City's market area.

***Caucasian Females*** account for 13.43% of the construction prime contractors in the City's market area.

***Non-minority Males*** account for 66.67% of the construction prime contractors in the City's market area.

***Minority-owned Businesses*** account for 19.91% of the construction prime contractors in the City's market area.

***Woman-owned Businesses*** account for 18.06% of the construction prime contractors in the City's market area.





**Table 6.15: Available Construction Prime Contractors,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Percent of Businesses</b>
African Americans	11.11%
Asian Americans	0.00%
Hispanic Americans	6.94%
Native Americans	1.85%
Caucasian Females	13.43%
Non-minority Males	66.67%
TOTAL	100.00%
<b>Ethnicity and Gender</b>	<b>Percent of Businesses</b>
African American Females	2.31%
African American Males	8.80%
Asian American Females	0.00%
Asian American Males	0.00%
Hispanic American Females	1.85%
Hispanic American Males	5.09%
Native American Females	0.46%
Native American Males	1.39%
Caucasian Females	13.43%
Non-minority Males	66.67%
TOTAL	100.00%
<b>Minority and Females</b>	<b>Percent of Businesses</b>
Minority Business Enterprises	19.91%
Woman Business Enterprises	18.06%



## ***B. Professional Services Prime Contractor Availability***

The distribution of available professional services prime contractors is summarized in Table 6.16 below.

***African Americans*** account for 6.84% of the professional services prime contractors in the City's market area.

***Asian Americans*** account for 3.80% of the professional services prime contractors in the City's market area.

***Hispanic Americans*** account for 7.59% of the professional services prime contractors in the City's market area.

***Native Americans*** account for 2.78% of the professional services prime contractors in the City's market area.

***Caucasian Females*** account for 30.89% of the professional services prime contractors in the City's market area.

***Non-minority Males*** account for 48.10% of the professional services prime contractors in the City's market area.

***Minority-owned Businesses*** account for 21.01% of the professional services prime contractors in the City's market area.

***Woman-owned Businesses*** account for 38.23% of the professional services prime contractors in the City's market area.



**Table 6.16: Available Professional Services Prime Contractors,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Percent of Businesses</b>
African Americans	6.84%
Asian Americans	3.80%
Hispanic Americans	7.59%
Native Americans	2.78%
Caucasian Females	30.89%
Non-minority Males	48.10%
TOTAL	100.00%
<b>Ethnicity and Gender</b>	<b>Percent of Businesses</b>
African American Females	3.29%
African American Males	3.54%
Asian American Females	1.01%
Asian American Males	2.78%
Hispanic American Females	2.53%
Hispanic American Males	5.06%
Native American Females	0.51%
Native American Males	2.28%
Caucasian Females	30.89%
Non-minority Males	48.10%
TOTAL	100.00%
<b>Minority and Females</b>	<b>Percent of Businesses</b>
Minority Business Enterprises	21.01%
Woman Business Enterprises	38.23%



### **C. Goods and Services Prime Contractor Availability**

The distribution of available goods and services prime contractors is summarized in Table 6.17 below.

**African Americans** account for 3.71% of the goods and services prime contractors in the City's market area.

**Asian Americans** account for 2.02% of the goods and services prime contractors in the City's market area.

**Hispanic Americans** account for 6.24% of the goods and services prime contractors in the City's market area.

**Native Americans** account for 0.34% of the goods and services prime contractors in the City's market area.

**Caucasian Females** account for 22.09% of the goods and services prime contractors in the City's market area.

**Non-minority Males** account for 65.60% of the goods and services prime contractors in the City's market area.

**Minority-owned Businesses** account for 12.31% of the goods and services prime contractors in the City's market area.

**Woman-owned Businesses** account for 26.64% of the goods and services prime contractors in the City's market area.



**Table 6.17: Available Goods and Services Prime Contractors,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Percent of Businesses</b>
African Americans	3.71%
Asian Americans	2.02%
Hispanic Americans	6.24%
Native Americans	0.34%
Caucasian Females	22.09%
Non-minority Males	65.60%
<b>TOTAL</b>	<b>100.00%</b>
<b>Ethnicity and Gender</b>	<b>Percent of Businesses</b>
African American Females	1.35%
African American Males	2.36%
Asian American Females	1.01%
Asian American Males	1.01%
Hispanic American Females	2.19%
Hispanic American Males	4.05%
Native American Females	0.00%
Native American Males	0.34%
Caucasian Females	22.09%
Non-minority Males	65.60%
<b>TOTAL</b>	<b>100.00%</b>
<b>Minority and Females</b>	<b>Percent of Businesses</b>
Minority Business Enterprises	12.31%
Woman Business Enterprises	26.64%



## ***V. Subcontractor Availability Analysis***

### ***A. Source of Willing and Able Subcontractors***

Only prime contractors that provided services similar to the services provided by the subcontractors were included in the calculation of the subcontractor availability. Additional subcontractors in the City's market area were identified using the source in Table 6.18.

Subcontractor availability was not calculated for the goods and other services, as the subcontracting activity in that industry was limited.

**Table 6.18: Unique Subcontractor Availability Data Source**

Type Record	Type Information
Subcontract awards provided by the City	M/WBEs and non-M/WBEs

### ***B. Determination of Willingness and Capacity***

Utilized prime contractors, certified companies, and companies from directory sources that were surveyed and confirmed their willingness to work on the City's projects were used to prepare subcontractor availability. All businesses utilized as subcontractors were included, and only companies from the sources above that provided services similar to services provided by the subcontractors were included in the subcontractor availability. Subcontractors' NAICS Codes and keywords found in the subcontractor's names and work descriptions were used to identify businesses to be added to the subcontractor availability. Therefore, the determination of willingness and capacity was achieved. Furthermore, *Croson* does not require a separate measure of subcontractor capacity in the analysis of subcontractor availability.



### **C. Construction Subcontractor Availability**

The distribution of available construction subcontractors is summarized in Table 6.19 below.

*African Americans* account for 6.53% of the construction subcontractors in the City's market area.

*Asian Americans* account for 2.28% of the construction subcontractors in the City's market area.

*Hispanic Americans* account for 8.50% of the construction subcontractors in the City's market area.

*Native Americans* account for 1.21% of the construction subcontractors in the City's market area.

*Caucasian Females* account for 22.46% of the construction subcontractors in the City's market area.

*Non-minority Males* account for 59.03% of the construction subcontractors in the City's market area.

*Minority-owned Businesses* account for 18.51% of the construction subcontractors in the City's market area.

*Woman-owned Businesses* account for 28.98% of the construction subcontractors in the City's market area.



**Table 6.19: Available Construction Subcontractors  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Percent of Businesses</b>
African Americans	6.53%
Asian Americans	2.28%
Hispanic Americans	8.50%
Native Americans	1.21%
Caucasian Females	22.46%
Non-minority Males	59.03%
TOTAL	100.00%
<b>Ethnicity and Gender</b>	<b>Percent of Businesses</b>
African American Females	2.58%
African American Males	3.95%
Asian American Females	0.46%
Asian American Males	1.82%
Hispanic American Females	3.19%
Hispanic American Males	5.31%
Native American Females	0.30%
Native American Males	0.91%
Caucasian Females	22.46%
Non-minority Males	59.03%
TOTAL	100.00%
<b>Minority and Females</b>	<b>Percent of Businesses</b>
Minority Business Enterprises	18.51%
Woman Business Enterprises	28.98%
TOTAL	100.00%





#### ***D. Professional Services Subcontractor Availability***

The distribution of available professional services subcontractors is summarized in Table 6.20 below.

***African Americans*** account for 8.37% of the professional services subcontractors in the City's market area.

***Asian Americans*** account for 3.80% of the professional services subcontractors in the City's market area.

***Hispanic Americans*** account for 11.03% of the professional services subcontractors in the City's market area.

***Native Americans*** account for 1.14% of the professional services subcontractors in the City's market area.

***Caucasian Females*** account for 23.19% of the professional services subcontractors in the City's market area.

***Non-minority Males*** account for 52.47% of the professional services subcontractors in the City's market area.

***Minority-owned Businesses*** account for 24.33% of the professional services subcontractors in the City's market area.

***Woman-owned Businesses*** account for 30.42% of the professional services subcontractors in the City's market area.



**Table 6.20: Available Professional Services  
Subcontractors, October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Percent of Businesses</b>
African Americans	8.37%
Asian Americans	3.80%
Hispanic Americans	11.03%
Native Americans	1.14%
Caucasian Females	23.19%
Non-minority Males	52.47%
TOTAL	100.00%
<b>Ethnicity and Gender</b>	<b>Percent of Businesses</b>
African American Females	2.66%
African American Males	5.70%
Asian American Females	0.76%
Asian American Males	3.04%
Hispanic American Females	3.42%
Hispanic American Males	7.60%
Native American Females	0.38%
Native American Males	0.76%
Caucasian Females	23.19%
Non-minority Males	52.47%
TOTAL	100.00%
<b>Minority and Females</b>	<b>Percent of Businesses</b>
Minority Business Enterprises	24.33%
Woman Business Enterprises	30.42%



## ***VI. Summary***

This chapter presented the enumeration of willing and able market area businesses by ethnicity, gender, and industry. The capacity of the enumerated businesses was assessed using four methods. They included 1) a review of the distribution of contracts to determine the size of the contracts that the City awarded, 2) the identification of the largest contracts awarded to minority and woman-owned businesses, 3) an analysis of the frequency distribution of the City's contracts awarded to minority and woman-owned businesses and non-minority male-owned businesses, and 4) a threshold analysis that limited the range of the formal prime contracts analyzed by eliminating outliers.

The findings from these analyses illustrate that M/WBEs have a socioeconomic profile comparable to similarly situated Caucasian male-owned businesses and the capacity to perform large City contracts. Minority-owned businesses account for 17.08% of construction, professional services, and goods and services prime contractors, woman business enterprises account for 29.61%, and non-minority male-owned business account for 58.95%. Minority-owned businesses account for 18.51% of construction subcontractors, woman business enterprises account for 28.98%, and non-minority male-owned businesses account for 59.03%. Minority-owned businesses account for 24.33% of professional services subcontractors, woman business enterprises account for 30.42%, and non-minority male-owned businesses account for 52.47%.



---

# CHAPTER 7: Prime Contract Disparity Analysis

## I. Introduction

The objective of this chapter is to determine if available Minority and Woman-owned Business Enterprises (M/WBEs) were underutilized on City of St. Petersburg (City) prime contracts during the October 1, 2014 to September 30, 2018 study period. Under a fair and equitable system of awarding prime contracts, the proportion of prime contract dollars awarded to M/WBEs should be relatively close to the corresponding proportion of available M/WBEs<sup>268</sup> in the relevant market area. If the ratio of utilized M/WBE prime contractors compared to available M/WBE prime contractors is less than one, a statistical test is conducted to calculate the probability of observing the empirical disparity ratio. This analysis assumes a fair and equitable system.<sup>269</sup> *City of Richmond v. J.A. Croson Co. (Croson)*<sup>270</sup> states that an inference of discrimination can be made if the disparity is statistically significant. Under the *Croson* standard, non-minority male-owned businesses (non-M/WBEs) are not subjected to a statistical test of underutilization.

The first step in conducting the statistical test is to calculate the contract dollars that each ethnic and gender group is expected to receive. This value is based on each group's availability in the market area and shall be referred to as the **expected contract amount**. The next step is to compute the ratio between each ethnic and gender group's expected contract amount and the **actual contract amount** received by each group. This **disparity ratio** is computed by dividing the actual contract amount by the expected contract amount.

If the disparity ratio is found to be less than 1, for which the expected contract amount exceeds the actual contract amount, tests of statistical significance are performed. For parametric and non-parametric analyses, the p-value takes into account the number of contracts, amount of contract dollars, and variation in contract dollars. If the difference between the actual and expected number of contracts and total contract dollars has a p-value equal to or less than 0.05, the difference is statistically significant.<sup>271</sup>

In the simulation analysis, the p-value takes into account a combination of the distribution formulated from the empirical data and the contract dollar amounts. If the actual contract dollar amount, or actual contract rank, falls below the fifth percentile of the distribution, it denotes a p-value less than 0.05.

---

<sup>268</sup> Availability is defined as the number of ready, willing, and able firms. The methodology for determining willing and able firms is detailed in Chapter 6: Prime Contractor and Subcontractor Availability Analysis.

<sup>269</sup> When conducting statistical tests, a confidence level must be established as a gauge for the level of certainty that an observed occurrence is not due to chance. It is important to note that a 100-percent confidence level or a level of absolute certainty can never be obtained in statistics. A 95-percent confidence level is the statistical standard used in physical and social sciences and is thus used in the present report to determine if an inference of discrimination can be made.

<sup>270</sup> *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989).

<sup>271</sup> This study does not test statistically the overutilization of minority or gender groups or the underutilization of non-minority males.



If the p-value from any one of the three methods is less than 0.05, the finding is reported in the disparity tables as statistically significant. If the p-value is greater than 0.05, the finding is reported as not statistically significant.

## **II. Disparity Analysis**

A prime contract disparity analysis was performed on the contracts awarded in the construction, professional services (including architecture and engineering), and goods and services industries during the October 1, 2014 to September 30, 2018 study period. The informal thresholds were defined according to the City’s procurement policies. The informal threshold for each industry is listed in Table 7.1.

**Table 7.1: Informal Contract Thresholds by Industry**

Industry	Contract Threshold
Construction	Under \$100,000
Professional Services	Under \$100,000
Goods and Services	Under \$100,000

The thresholds utilized in each industry for the formal contract analysis were derived from a statistical analysis, which calculated the contract values that would skew the disparity analysis. To determine which contracts were outliers, the 1.5 x IQR rule was applied to the prime contracts in each of the four industries. Outliers over the threshold were removed for each industry. The statistical analysis performed to define the formal contract thresholds analyzed is discussed in *Chapter 3: Prime Contractor Utilization Analysis*. The formal contract thresholds for each industry are listed in Table 7.2.

**Table 7.2: Formal Contract Thresholds by Industry**

Industry	Contract Threshold
Construction	Between \$100,000 and \$2,790,000
Professional Services	Between \$100,000 and \$1,400,000
Goods and Services	Between \$100,000 and \$1,150,000

The findings from the methods employed to calculate statistical significance, as discussed on page 7-1, are presented in the subsequent sections. The outcomes of the statistical analyses are presented in the “P-Value” column of the tables. A description of these statistical outcomes, as shown in the disparity tables, is presented below in Table 7.3.



**Table 7.3: Statistical Outcome Descriptions**

<b>P-Value Outcome</b>	<b>Definition of P-Value Outcome</b>
< .05 *	This underutilization is statistically significant.
not significant	<ul style="list-style-type: none"><li>• M/WBEs: This underutilization is not statistically significant.</li><li>• Non-minority males: This overutilization is not statistically significant.</li></ul>
< .05 †	This overutilization is statistically significant.
----	While this group was underutilized, there were too few available firms to determine statistical significance.
**	This study does not test statistically the overutilization of minority or gender groups or the underutilization of non-minority males.



## **A.     *Disparity Analysis: Informal Prime Contracts, by Industry***

### **1.       Construction Prime Contracts Valued Under \$100,000**

The disparity analysis of construction prime contracts valued under \$100,000 is described below and shown in Table 7.4 and Chart 7.1.

*African Americans* represent 11.11% of the available construction businesses and received 0.20% of the dollars on construction contracts valued under \$100,000. This underutilization is statistically significant.

*Asian Americans* represent 0.00% of the available construction businesses and received 0.00% of the dollars on construction contracts valued under \$100,000. While this group was underutilized, there were too few available firms to determine statistical significance.

*Hispanic Americans* represent 6.94% of the available construction businesses and received 6.39% of the dollars on construction contracts valued under \$100,000. This underutilization is not statistically significant.

*Native Americans* represent 1.85% of the available construction businesses and received 0.00% of the dollars on construction contracts valued under \$100,000. This underutilization is statistically significant.

*Caucasian Females* represent 13.43% of the available construction businesses and received 9.75% of the dollars on construction contracts valued under \$100,000. This underutilization is statistically significant.

*Non-minority Males* represent 66.67% of the available construction businesses and received 83.66% of dollars on construction contracts valued under \$100,000. This overutilization is statistically significant.

*Minority-owned Businesses* represent 19.91% of the available construction businesses and received 6.59% of dollars on construction contracts valued under \$100,000. This underutilization is statistically significant.

*Woman-owned Businesses* represent 18.06% of the available construction businesses and received 12.80% of dollars on construction contracts valued under \$100,000. This underutilization is statistically significant.



**Table 7.4: Disparity Analysis: Construction Prime Contracts Valued Under \$100,000,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African Americans	\$11,064	0.20%	11.11%	\$600,660	-\$589,595	0.02	< .05 *
Asian Americans	\$0	0.00%	0.00%	\$0	\$0	----	----
Hispanic Americans	\$345,441	6.39%	6.94%	\$375,412	-\$29,971	0.92	not significant
Native Americans	\$0	0.00%	1.85%	\$100,110	-\$100,110	0.00	< .05 *
Caucasian Females	\$526,933	9.75%	13.43%	\$725,797	-\$198,864	0.73	< .05 *
Non-minority Males	\$4,522,498	83.66%	66.67%	\$3,603,957	\$918,541	1.25	< .05 †
<b>TOTAL</b>	<b>\$5,405,936</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$5,405,936</b>			
<b>Ethnicity and Gender</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African American Females	\$0	0.00%	2.31%	\$125,137	-\$125,137	0.00	< .05 *
African American Males	\$11,064	0.20%	8.80%	\$475,522	-\$464,458	0.02	< .05 *
Asian American Females	\$0	0.00%	0.00%	\$0	\$0	----	----
Asian American Males	\$0	0.00%	0.00%	\$0	\$0	----	----
Hispanic American Females	\$164,841	3.05%	1.85%	\$100,110	\$64,731	1.65	**
Hispanic American Males	\$180,600	3.34%	5.09%	\$275,302	-\$94,702	0.66	< .05 *
Native American Females	\$0	0.00%	0.46%	\$25,027	-\$25,027	0.00	----
Native American Males	\$0	0.00%	1.39%	\$75,082	-\$75,082	0.00	< .05 *
Caucasian Females	\$526,933	9.75%	13.43%	\$725,797	-\$198,864	0.73	< .05 *
Non-minority Males	\$4,522,498	83.66%	66.67%	\$3,603,957	\$918,541	1.25	< .05 †
<b>TOTAL</b>	<b>\$5,405,936</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$5,405,936</b>			
<b>Minority and Females</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
Minority Business Enterprises	\$356,505	6.59%	19.91%	\$1,076,182	-\$719,676	0.33	< .05 *
Woman Business Enterprises	\$691,773	12.80%	18.06%	\$976,072	-\$284,298	0.71	< .05 *

( \* ) denotes a statistically significant underutilization.

( † ) denotes a statistically significant overutilization.

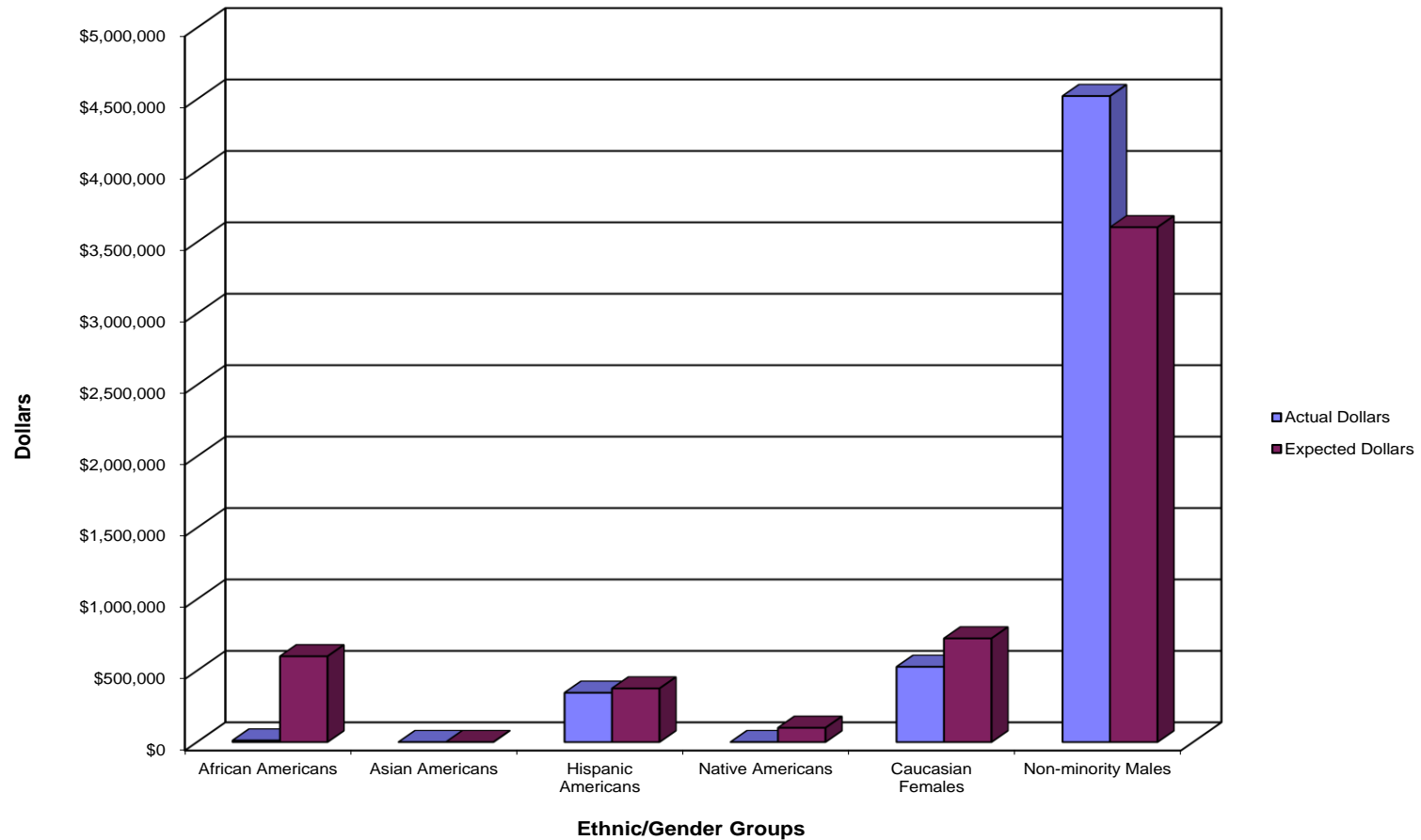
( \*\* ) this study does not test statistically the overutilization of MWBEs or the underutilization of non-minority males.

( ---- ) denotes an underutilized group with no contracts awarded, too few contracts awarded, or too few available firms to test statistical significance.





**Chart 7.1: Disparity Analysis: Construction Prime Contracts Valued Under \$100,000,  
October 1, 2014 to September 30, 2018**



## 2. Professional Services Prime Contracts Valued Under \$100,000

The disparity analysis of professional services prime contracts valued under \$100,000 is described below and shown in Table 7.5 and Chart 7.2.

**African Americans** represent 6.84% of the available professional services businesses and received 0.54% of the dollars on professional services contracts valued under \$100,000. This underutilization is statistically significant.

**Asian Americans** represent 3.80% of the available professional services businesses and received 3.25% of the dollars on professional services contracts valued under \$100,000. This underutilization is not statistically significant.

**Hispanic Americans** represent 7.59% of the available professional services businesses and received 5.63% of the dollars on professional services contracts valued under \$100,000. This underutilization is statistically significant.

**Native Americans** represent 2.78% of the available professional services businesses and received 0.00% of the dollars on professional services contracts valued under \$100,000. This underutilization is statistically significant.

**Caucasian Females** represent 30.89% of the available professional services businesses and received 4.67% of the dollars on professional services contracts valued under \$100,000. This underutilization is statistically significant.

**Non-minority Males** represent 48.10% of the available professional services businesses and received 85.91% of dollars on professional services contracts valued under \$100,000. This overutilization is statistically significant.

**Minority-owned Businesses** represent 21.01% of the available professional services businesses and received 9.42% of dollars on professional services contracts valued under \$100,000. This underutilization is statistically significant.

**Woman-owned Businesses** represent 38.23% of the available professional services businesses and received 6.26% of dollars on professional services contracts valued under \$100,000. This underutilization is statistically significant.



**Table 7.5: Disparity Analysis: Professional Services Prime Contracts Valued Under \$100,000,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African Americans	\$46,316	0.54%	6.84%	\$587,760	-\$541,444	0.08	< .05 *
Asian Americans	\$279,572	3.25%	3.80%	\$326,533	-\$46,961	0.86	not significant
Hispanic Americans	\$484,369	5.63%	7.59%	\$653,067	-\$168,698	0.74	< .05 *
Native Americans	\$0	0.00%	2.78%	\$239,458	-\$239,458	0.00	< .05 *
Caucasian Females	\$401,562	4.67%	30.89%	\$2,655,804	-\$2,254,242	0.15	< .05 *
Non-minority Males	\$7,386,892	85.91%	48.10%	\$4,136,089	\$3,250,803	1.79	< .05 †
<b>TOTAL</b>	<b>\$8,598,710</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$8,598,710</b>			
<b>Ethnicity and Gender</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African American Females	\$5,073	0.06%	3.29%	\$282,996	-\$277,923	0.02	< .05 *
African American Males	\$41,243	0.48%	3.54%	\$304,764	-\$263,522	0.14	< .05 *
Asian American Females	\$131,730	1.53%	1.01%	\$87,076	\$44,654	1.51	**
Asian American Males	\$147,843	1.72%	2.78%	\$239,458	-\$91,615	0.62	< .05 *
Hispanic American Females	\$0	0.00%	2.53%	\$217,689	-\$217,689	0.00	< .05 *
Hispanic American Males	\$484,369	5.63%	5.06%	\$435,378	\$48,991	1.11	**
Native American Females	\$0	0.00%	0.51%	\$43,538	-\$43,538	0.00	----
Native American Males	\$0	0.00%	2.28%	\$195,920	-\$195,920	0.00	< .05 *
Caucasian Females	\$401,562	4.67%	30.89%	\$2,655,804	-\$2,254,242	0.15	< .05 *
Non-minority Males	\$7,386,892	85.91%	48.10%	\$4,136,089	\$3,250,803	1.79	< .05 †
<b>TOTAL</b>	<b>\$8,598,710</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$8,598,710</b>			
<b>Minority and Females</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
Minority Business Enterprises	\$810,257	9.42%	21.01%	\$1,806,818	-\$996,561	0.45	< .05 *
Woman Business Enterprises	\$538,364	6.26%	38.23%	\$3,287,102	-\$2,748,738	0.16	< .05 *

( \* ) denotes a statistically significant underutilization.

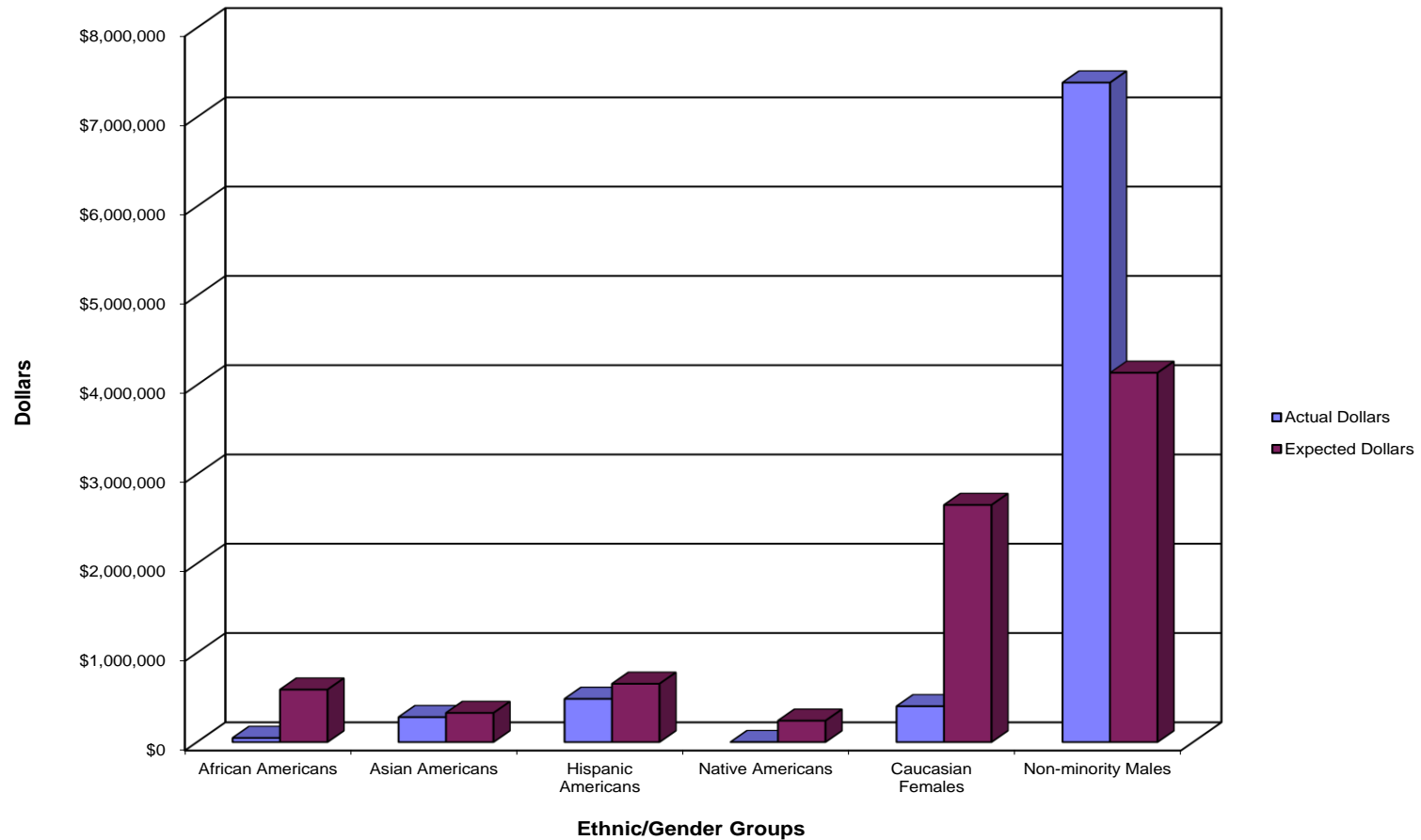
( † ) denotes a statistically significant overutilization.

( \*\* ) this study does not test statistically the overutilization of MWBEs or the underutilization of non-minority males.

( ---- ) denotes an underutilized group with no contracts awarded, too few contracts awarded, or too few available firms to test statistical significance.



**Chart 7.2: Disparity Analysis: Professional Services Prime Contracts Valued Under \$100,000,  
October 1, 2014 to September 30, 2018**



### 3. Goods and Services Prime Contracts Valued Under \$100,000

The disparity analysis of goods and services prime contracts valued under \$100,000 is described below and shown in Table 7.6 and Chart 7.3.

***African Americans*** represent 3.71% of the available goods and services businesses and received 1.06% of the dollars on goods and services contracts valued under \$100,000. This underutilization is statistically significant.

***Asian Americans*** represent 2.02% of the available goods and services businesses and received 1.73% of the dollars on goods and services contracts valued under \$100,000. This underutilization is not statistically significant.

***Hispanic Americans*** represent 6.24% of the available goods and services businesses and received 1.90% of the dollars on goods and services contracts valued under \$100,000. This underutilization is statistically significant.

***Native Americans*** represent 0.34% of the available goods and services businesses and received 0.01% of the dollars on goods and services contracts valued under \$100,000. While this group was underutilized, there were too few contracts awarded to determine statistical significance.

***Caucasian Females*** represent 22.09% of the available goods and services businesses and received 6.27% of the dollars on goods and services contracts valued under \$100,000. This underutilization is statistically significant.

***Non-minority Males*** represent 65.60% of the available goods and services businesses and received 89.03% of dollars on goods and services contracts valued under \$100,000. This overutilization is statistically significant.

***Minority-owned Businesses*** represent 12.31% of the available goods and services businesses and received 4.70% of dollars on goods and services contracts valued under \$100,000. This underutilization is statistically significant.

***Woman-owned Businesses*** represent 26.64% of the available goods and services businesses and received 8.23% of dollars on goods and services contracts valued under \$100,000. This underutilization is statistically significant.



**Table 7.6: Disparity Analysis: Goods and Services Prime Contracts Valued Under \$100,000,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African Americans	\$319,449	1.06%	3.71%	\$1,122,868	-\$803,419	0.28	< .05 *
Asian Americans	\$524,758	1.73%	2.02%	\$612,474	-\$87,716	0.86	not significant
Hispanic Americans	\$573,989	1.90%	6.24%	\$1,888,460	-\$1,314,471	0.30	< .05 *
Native Americans	\$2,992	0.01%	0.34%	\$102,079	-\$99,087	0.03	----
Caucasian Females	\$1,898,109	6.27%	22.09%	\$6,686,170	-\$4,788,061	0.28	< .05 *
Non-minority Males	\$26,947,106	89.03%	65.60%	\$19,854,352	\$7,092,755	1.36	< .05 †
<b>TOTAL</b>	<b>\$30,266,402</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$30,266,402</b>			
<b>Ethnicity and Gender</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African American Females	\$14,754	0.05%	1.35%	\$408,316	-\$393,562	0.04	< .05 *
African American Males	\$304,695	1.01%	2.36%	\$714,553	-\$409,858	0.43	< .05 *
Asian American Females	\$308,407	1.02%	1.01%	\$306,237	\$2,170	1.01	**
Asian American Males	\$216,351	0.71%	1.01%	\$306,237	-\$89,886	0.71	not significant
Hispanic American Females	\$268,710	0.89%	2.19%	\$663,513	-\$394,803	0.40	< .05 *
Hispanic American Males	\$305,279	1.01%	4.05%	\$1,224,947	-\$919,669	0.25	< .05 *
Native American Females	\$0	0.00%	0.00%	\$0	\$0	----	----
Native American Males	\$2,992	0.01%	0.34%	\$102,079	-\$99,087	0.03	----
Caucasian Females	\$1,898,109	6.27%	22.09%	\$6,686,170	-\$4,788,061	0.28	< .05 *
Non-minority Males	\$26,947,106	89.03%	65.60%	\$19,854,352	\$7,092,755	1.36	< .05 †
<b>TOTAL</b>	<b>\$30,266,402</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$30,266,402</b>			
<b>Minority and Females</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
Minority Business Enterprises	\$1,421,187	4.70%	12.31%	\$3,725,881	-\$2,304,694	0.38	< .05 *
Woman Business Enterprises	\$2,489,980	8.23%	26.64%	\$8,064,235	-\$5,574,255	0.31	< .05 *

( \* ) denotes a statistically significant underutilization.

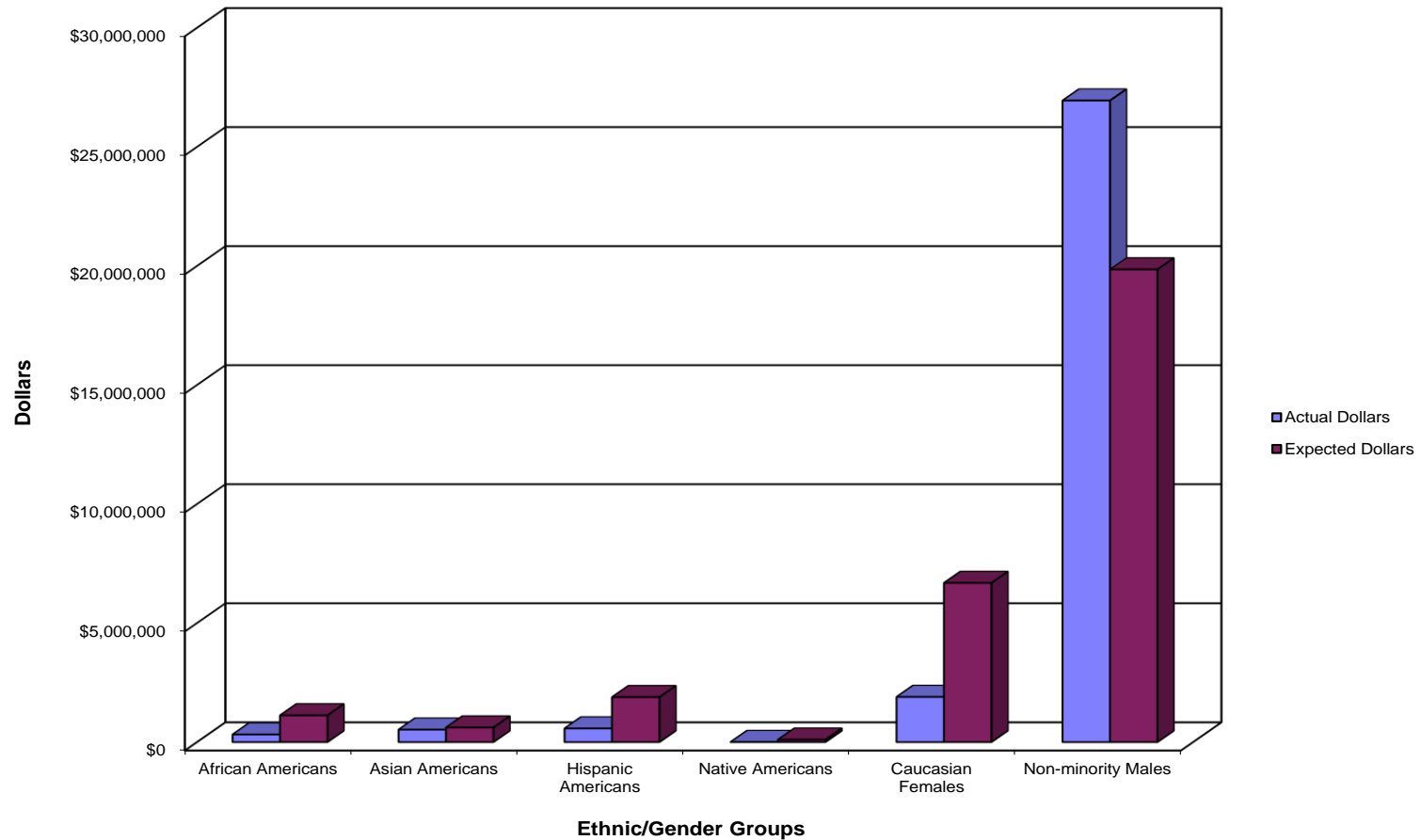
( † ) denotes a statistically significant overutilization.

( \*\* ) this study does not test statistically the overutilization of MWBEs or the underutilization of non-minority males.

( ---- ) denotes an underutilized group with no contracts awarded, too few contracts awarded, or too few available firms to test statistical significance.



**Chart 7.3: Disparity Analysis: Goods and Services Prime Contracts Valued Under \$100,000,  
October 1, 2014 to September 30, 2018**



**B. Disparity Analysis: Formal Prime Contracts Valued, by Industry**

**1. Construction Prime Contracts Valued Between \$100,000 and \$2,790,000**

The disparity analysis of construction prime contracts valued between \$100,000 and \$2,790,000 is described below and shown in Table 7.7 and Chart 7.4.

*African Americans* represent 11.11% of the available construction businesses and received 0.18% of the dollars on construction contracts valued between \$100,000 and \$2,790,000. This underutilization is statistically significant.

*Asian Americans* represent 0.00% of the available construction businesses and received 1.17% of the dollars on construction contracts valued between \$100,000 and \$2,790,000. This study does not test statistically the overutilization of M/WBEs.

*Hispanic Americans* represent 6.94% of the available construction businesses and received 4.71% of the dollars on construction contracts valued between \$100,000 and \$2,790,000. This underutilization is statistically significant.

*Native Americans* represent 1.85% of the available construction businesses and received 0.00% of the dollars on construction contracts valued between \$100,000 and \$2,790,000. While this group was underutilized, there were too few available firms to determine statistical significance.

*Caucasian Females* represent 13.43% of the available construction businesses and received 2.82% of the dollars on construction contracts valued between \$100,000 and \$2,790,000. This underutilization is statistically significant.

*Non-minority Males* represent 66.67% of the available construction businesses and received 91.11% of the dollars on construction contracts valued between \$100,000 and \$2,790,000. This overutilization is statistically significant.

*Minority-owned Businesses* represent 19.91% of the available construction businesses and received 6.06% of the dollars on construction contracts valued between \$100,000 and \$2,790,000. This underutilization is statistically significant.

*Woman-owned Businesses* represent 18.06% of the available construction businesses and received 3.39% of the dollars on construction contracts valued between \$100,000 and \$2,790,000. This underutilization is statistically significant.





**Table 7.7: Disparity Analysis: Construction Prime Contracts Valued Between \$100,000 and \$2,790,000,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African Americans	\$150,000	0.18%	11.11%	\$9,048,090	-\$8,898,090	0.02	< .05 *
Asian Americans	\$951,141	1.17%	0.00%	\$0	\$951,141	----	**
Hispanic Americans	\$3,836,293	4.71%	6.94%	\$5,655,057	-\$1,818,764	0.68	< .05 *
Native Americans	\$0	0.00%	1.85%	\$1,508,015	-\$1,508,015	0.00	----
Caucasian Females	\$2,299,715	2.82%	13.43%	\$10,933,109	-\$8,633,395	0.21	< .05 *
Non-minority Males	\$74,195,666	91.11%	66.67%	\$54,288,543	\$19,907,123	1.37	< .05 †
<b>TOTAL</b>	<b>\$81,432,814</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$81,432,814</b>			
<b>Ethnicity and Gender</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African American Females	\$0	0.00%	2.31%	\$1,885,019	-\$1,885,019	0.00	< .05 *
African American Males	\$150,000	0.18%	8.80%	\$7,163,072	-\$7,013,072	0.02	< .05 *
Asian American Females	\$292,449	0.36%	0.00%	\$0	\$292,449	----	**
Asian American Males	\$658,692	0.81%	0.00%	\$0	\$658,692	----	**
Hispanic American Females	\$167,693	0.21%	1.85%	\$1,508,015	-\$1,340,322	0.11	not significant
Hispanic American Males	\$3,668,600	4.51%	5.09%	\$4,147,041	-\$478,441	0.88	not significant
Native American Females	\$0	0.00%	0.46%	\$377,004	-\$377,004	0.00	----
Native American Males	\$0	0.00%	1.39%	\$1,131,011	-\$1,131,011	0.00	----
Caucasian Females	\$2,299,715	2.82%	13.43%	\$10,933,109	-\$8,633,395	0.21	< .05 *
Non-minority Males	\$74,195,666	91.11%	66.67%	\$54,288,543	\$19,907,123	1.37	< .05 †
<b>TOTAL</b>	<b>\$81,432,814</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$81,432,814</b>			
<b>Minority and Females</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
Minority Business Enterprises	\$4,937,434	6.06%	19.91%	\$16,211,162	-\$11,273,729	0.30	< .05 *
Woman Business Enterprises	\$2,759,856	3.39%	18.06%	\$14,703,147	-\$11,943,291	0.19	< .05 *

( \* ) denotes a statistically significant underutilization.

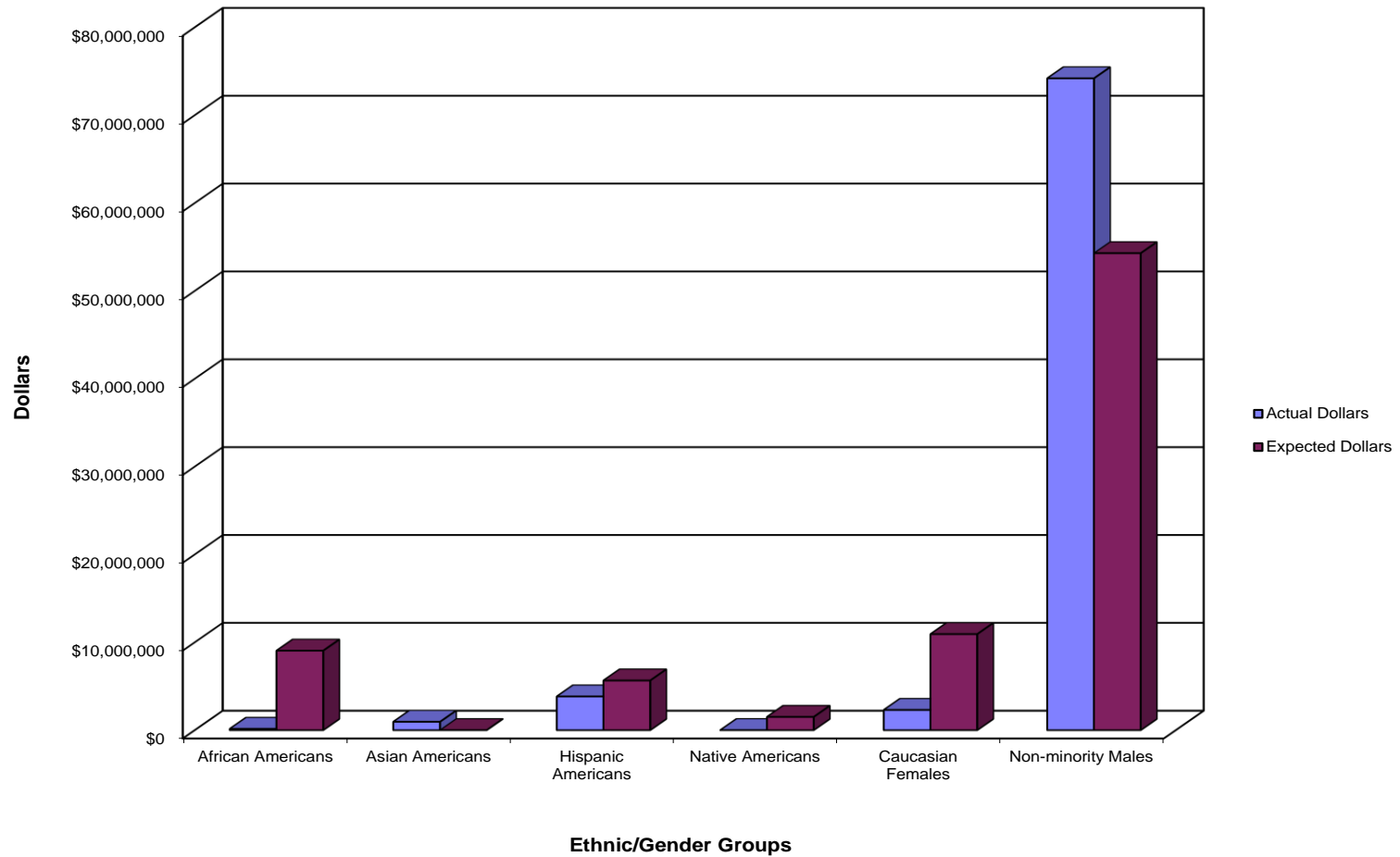
( † ) denotes a statistically significant overutilization.

( \*\* ) this study does not test statistically the overutilization of MWBEs or the underutilization of non-minority males.

( ---- ) denotes an underutilized group with no contracts awarded, too few contracts awarded, or too few available firms to test statistical significance.



**Chart 7.4: Disparity Analysis: Construction Prime Contracts Valued Between \$100,000 and \$2,790,000,  
October 1, 2014 to September 30, 2018**



## **2. Professional Services Prime Contracts Valued Between \$100,000 and \$1,400,000**

The disparity analysis of professional service prime contracts valued between \$100,000 and \$1,400,000 is described below and shown in Table 7.8 and Chart 7.5.

***African Americans*** represent 6.84% of the available professional services businesses and received 0.95% of the dollars on professional services contracts valued between \$100,000 and \$1,400,000. This underutilization is statistically significant.

***Asian Americans*** represent 3.80% of the available professional services businesses and received 4.77% of the dollars on professional services contracts valued between \$100,000 and \$1,400,000. This study does not test statistically the overutilization of M/WBEs.

***Hispanic Americans*** represent 7.59% of the available professional services businesses and received 3.11% of the dollars on professional services contracts valued between \$100,000 and \$1,400,000. This underutilization is not statistically significant.

***Native Americans*** represent 2.78% of the available professional services businesses and received 0.00% of the dollars on professional services contracts valued between \$100,000 and \$1,400,000. This underutilization is statistically significant.

***Caucasian Females*** represent 30.89% of the available professional services businesses and received 6.37% of the dollars on professional services contracts valued between \$100,000 and \$1,400,000. This underutilization is statistically significant.

***Non-minority Males*** represent 48.10% of the available professional services businesses and received 84.80% of the dollars on professional services contracts valued between \$100,000 and \$1,400,000. This overutilization is statistically significant.

***Minority-owned Businesses*** represent 21.01% of the available professional services businesses and received 8.83% of the dollars on professional services contracts valued between \$100,000 and \$1,400,000. This underutilization is statistically significant.

***Woman-owned Businesses*** represent 38.23% of the available professional services businesses and received 11.52% of the dollars on professional services contracts valued between \$100,000 and \$1,400,000. This underutilization is statistically significant.



**Table 7.8: Disparity Analysis: Professional Services Prime Contracts Valued Between \$100,000 and \$1,400,000,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African Americans	\$400,000	0.95%	6.84%	\$2,884,378	-\$2,484,378	0.14	< .05 *
Asian Americans	\$2,012,755	4.77%	3.80%	\$1,602,432	\$410,323	1.26	**
Hispanic Americans	\$1,311,190	3.11%	7.59%	\$3,204,864	-\$1,893,675	0.41	not significant
Native Americans	\$0	0.00%	2.78%	\$1,175,117	-\$1,175,117	0.00	< .05 *
Caucasian Females	\$2,688,465	6.37%	30.89%	\$13,033,114	-\$10,344,649	0.21	< .05 *
Non-minority Males	\$35,784,967	84.80%	48.10%	\$20,297,473	\$15,487,495	1.76	< .05 †
<b>TOTAL</b>	<b>\$42,197,377</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$42,197,377</b>			
<b>Ethnicity and Gender</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African American Females	\$0	0.00%	3.29%	\$1,388,774	-\$1,388,774	0.00	< .05 *
African American Males	\$400,000	0.95%	3.54%	\$1,495,603	-\$1,095,603	0.27	not significant
Asian American Females	\$1,912,755	4.53%	1.01%	\$427,315	\$1,485,440	4.48	**
Asian American Males	\$100,000	0.24%	2.78%	\$1,175,117	-\$1,075,117	0.09	not significant
Hispanic American Females	\$261,190	0.62%	2.53%	\$1,068,288	-\$807,098	0.24	not significant
Hispanic American Males	\$1,050,000	2.49%	5.06%	\$2,136,576	-\$1,086,576	0.49	not significant
Native American Females	\$0	0.00%	0.51%	\$213,658	-\$213,658	0.00	----
Native American Males	\$0	0.00%	2.28%	\$961,459	-\$961,459	0.00	----
Caucasian Females	\$2,688,465	6.37%	30.89%	\$13,033,114	-\$10,344,649	0.21	< .05 *
Non-minority Males	\$35,784,967	84.80%	48.10%	\$20,297,473	\$15,487,495	1.76	< .05 †
<b>TOTAL</b>	<b>\$42,197,377</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$42,197,377</b>			
<b>Minority and Females</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
Minority Business Enterprises	\$3,723,945	8.83%	21.01%	\$8,866,791	-\$5,142,846	0.42	< .05 *
Woman Business Enterprises	\$4,862,410	11.52%	38.23%	\$16,131,149	-\$11,268,739	0.30	< .05 *

( \* ) denotes a statistically significant underutilization.

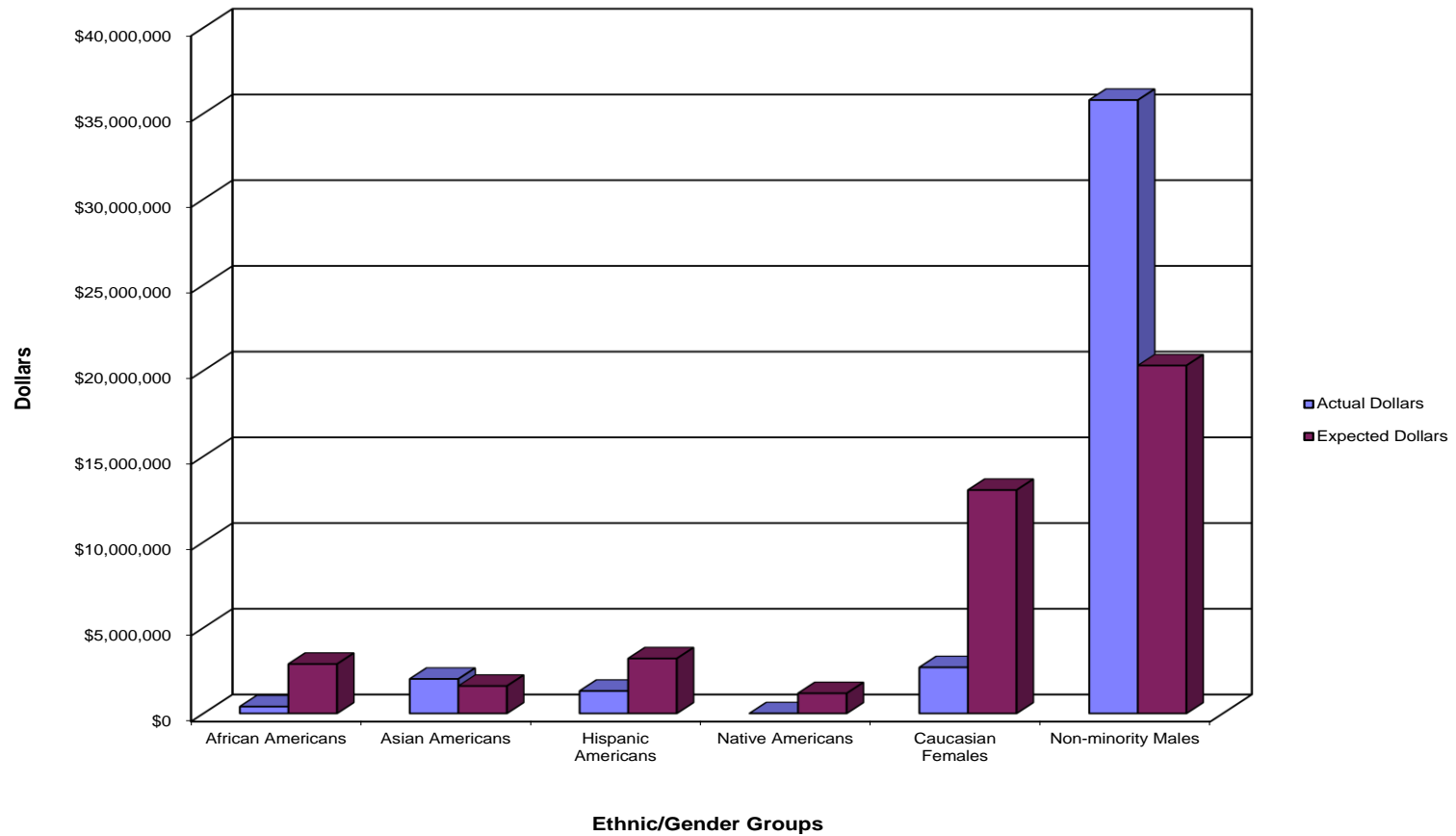
( † ) denotes a statistically significant overutilization.

( \*\* ) this study does not test statistically the overutilization of MWBEs or the underutilization of non-minority males.

( ---- ) denotes an underutilized group with no contracts awarded, too few contracts awarded, or too few available firms to test statistical significance.



**Chart 7.5: Disparity Analysis: Professional Services Prime Contracts Valued Between \$100,000 and \$1,400,000, October 1, 2014 to September 30, 2018**



### **3. Goods and Services Prime Contracts Valued Between \$100,000 and \$1,150,000**

The disparity analysis of goods and services prime contracts valued between \$100,000 and \$1,150,000 is described below and shown in Table 7.9 and Chart 7.6.

*African Americans* represent 3.71% of the available goods and services businesses and received 2.16% of the dollars on goods and services contracts valued between \$100,000 and \$1,150,000. This underutilization is not statistically significant.

*Asian Americans* represent 2.02% of the available goods and services businesses and received 1.40% of the dollars on goods and services contracts valued between \$100,000 and \$1,150,000. This underutilization is not statistically significant.

*Hispanic Americans* represent 6.24% of the available goods and services businesses and received 0.00% of the dollars on goods and services contracts valued between \$100,000 and \$1,150,000. This underutilization is statistically significant.

*Native Americans* represent 0.34% of the available goods and services businesses and received 0.70% of the dollars on goods and services contracts valued between \$100,000 and \$1,150,000. This study does not test statistically the overutilization of minority or gender groups.

*Caucasian Females* represent 22.09% of the available goods and services businesses and received 4.24% of the dollars on goods and services contracts valued between \$100,000 and \$1,150,000. This underutilization is statistically significant.

*Non-minority Males* represent 65.60% of the available goods and services businesses and received 91.50% of the dollars on goods and services contracts valued between \$100,000 and \$1,150,000. This overutilization is statistically significant.

*Minority-owned Businesses* represent 12.31% of the available goods and services businesses and received 4.27% of the dollars on goods and services contracts valued between \$100,000 and \$1,150,000. This underutilization is statistically significant.

*Woman-owned Businesses* represent 26.64% of the available goods and services businesses and received 4.24% of the dollars on goods and services contracts valued between \$100,000 and \$1,150,000. This underutilization is statistically significant.



**Table 7.9: Disparity Analysis: Goods and Services Prime Contracts Valued Between \$100,000 and \$1,150,000,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African Americans	\$2,186,122	2.16%	3.71%	\$3,748,401	-\$1,562,279	0.58	not significant
Asian Americans	\$1,414,860	1.40%	2.02%	\$2,044,582	-\$629,722	0.69	not significant
Hispanic Americans	\$0	0.00%	6.24%	\$6,304,129	-\$6,304,129	0.00	< .05 *
Native Americans	\$708,265	0.70%	0.34%	\$340,764	\$367,501	2.08	**
Caucasian Females	\$4,282,645	4.24%	22.09%	\$22,320,023	-\$18,037,378	0.19	< .05 *
Non-minority Males	\$92,444,549	91.50%	65.60%	\$66,278,542	\$26,166,007	1.39	< .05 †
<b>TOTAL</b>	<b>\$101,036,440</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$101,036,440</b>			
<b>Ethnicity and Gender</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African American Females	\$0	0.00%	1.35%	\$1,363,055	-\$1,363,055	0.00	< .05 *
African American Males	\$2,186,122	2.16%	2.36%	\$2,385,346	-\$199,224	0.92	not significant
Asian American Females	\$0	0.00%	1.01%	\$1,022,291	-\$1,022,291	0.00	< .05 *
Asian American Males	\$1,414,860	1.40%	1.01%	\$1,022,291	\$392,569	1.38	**
Hispanic American Females	\$0	0.00%	2.19%	\$2,214,964	-\$2,214,964	0.00	< .05 *
Hispanic American Males	\$0	0.00%	4.05%	\$4,089,165	-\$4,089,165	0.00	< .05 *
Native American Females	\$0	0.00%	0.00%	\$0	\$0	----	----
Native American Males	\$708,265	0.70%	0.34%	\$340,764	\$367,501	2.08	**
Caucasian Females	\$4,282,645	4.24%	22.09%	\$22,320,023	-\$18,037,378	0.19	< .05 *
Non-minority Males	\$92,444,549	91.50%	65.60%	\$66,278,542	\$26,166,007	1.39	< .05 †
<b>TOTAL</b>	<b>\$101,036,440</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$101,036,440</b>			
<b>Minority and Females</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
Minority Business Enterprises	\$4,309,247	4.27%	12.31%	\$12,437,875	-\$8,128,629	0.35	< .05 *
Woman Business Enterprises	\$4,282,645	4.24%	26.64%	\$26,920,333	-\$22,637,688	0.16	< .05 *

( \* ) denotes a statistically significant underutilization.

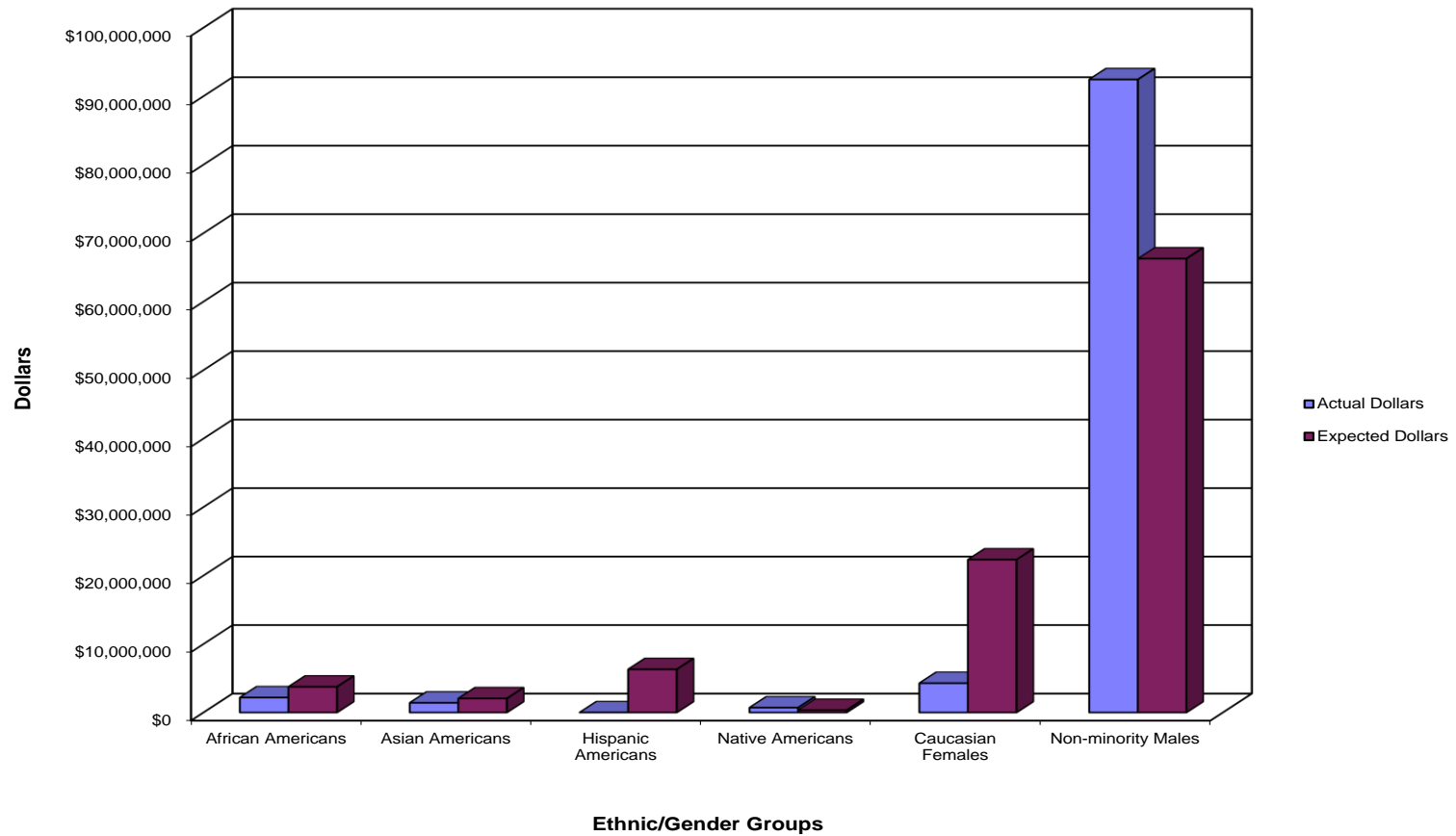
( † ) denotes a statistically significant overutilization.

( \*\* ) this study does not test statistically the overutilization of MWBEs or the underutilization of non-minority males.

( ---- ) denotes an underutilized group with no contracts awarded, too few contracts awarded, or too few available firms to test statistical significance.



**Chart 7.6: Disparity Analysis: Goods and Services Prime Contracts Valued Between \$100,000 and \$1,150,000,  
October 1, 2014 to September 30, 2018**





### ***III. Disparity Analysis Summary***

#### ***A. Construction Prime Contracts***

As indicated in Table 7.10, disparity was found for African American, Native American, Caucasian female, minority-owned business, and woman-owned business prime contractors on construction contracts valued under \$100,000. Disparity was also found for African American, Hispanic American, Caucasian female, minority-owned business, and woman-owned business prime contractors on construction contracts valued between \$100,000 and \$2,790,000.

**Table 7.10: Disparity Summary: Construction Prime Contract Dollars,  
October 1, 2014 to September 30, 2018**

Ethnicity/Gender	Construction	
	Contracts Valued Under \$100,000	Contracts Valued Between \$100,000 and \$2,790,000
African Americans	<i>Disparity</i>	<i>Disparity</i>
Asian Americans	----	No Disparity
Hispanic Americans	No Disparity	<i>Disparity</i>
Native Americans	<i>Disparity</i>	----
Caucasian Females	<i>Disparity</i>	<i>Disparity</i>
Minority-owned Businesses	<i>Disparity</i>	<i>Disparity</i>
Woman-owned Businesses	<i>Disparity</i>	<i>Disparity</i>

( ---- ) the statistical test could not detect the disparity because there were no contracts awarded, too few contracts awarded, or too few available businesses.



### ***B. Professional Services Prime Contracts***

As indicated in Table 7.11, disparity was found for African American, Hispanic American, Native American, Caucasian female, minority-owned business, and woman-owned business prime contractors on professional services contracts valued under \$100,000. Disparity was also found for African American, Native American, Caucasian female, minority-owned business, and woman-owned business prime contractors on professional services contracts valued between \$100,000 and \$1,400,000.

**Table 7.11: Disparity Summary: Professional Services Prime Contract Dollars, October 1, 2014 to September 30, 2018**

Ethnicity/Gender	Professional Services	
	Contracts Valued Under \$100,000	Contracts Valued Between \$100,000 and \$1,400,000
African Americans	<i>Disparity</i>	<i>Disparity</i>
Asian Americans	No Disparity	No Disparity
Hispanic Americans	<i>Disparity</i>	No Disparity
Native Americans	<i>Disparity</i>	<i>Disparity</i>
Caucasian Females	<i>Disparity</i>	<i>Disparity</i>
Minority-owned Businesses	<i>Disparity</i>	<i>Disparity</i>
Woman-owned Businesses	<i>Disparity</i>	<i>Disparity</i>



### **C. Goods and Services Prime Contracts**

As indicated in Table 7.12, disparity was found for African American, Hispanic American, Caucasian female, minority-owned business, and woman-owned business prime contractors on goods and services contracts valued under \$100,000. Disparity was also found for Hispanic American, Caucasian female, minority-owned business, and woman-owned business prime contractors on goods and services contracts valued between \$100,000 and \$1,150,000.

**Table 7.12: Disparity Summary: Goods and Services Prime Contract Dollars, October 1, 2014 to September 30, 2018**

Ethnicity/Gender	Goods and Services	
	Contracts Valued Under \$100,000	Contracts Valued Between \$100,000 and \$1,150,000
African Americans	<i>Disparity</i>	No Disparity
Asian Americans	No Disparity	No Disparity
Hispanic Americans	<i>Disparity</i>	<i>Disparity</i>
Native Americans	----	No Disparity
Caucasian Females	<i>Disparity</i>	<i>Disparity</i>
Minority-owned Businesses	<i>Disparity</i>	<i>Disparity</i>
Woman-owned Businesses	<i>Disparity</i>	<i>Disparity</i>

( ---- ) the statistical test could not detect the disparity because there were no contracts awarded, too few contracts awarded, or too few available businesses.



---

# CHAPTER 8: Subcontract Disparity Analysis

## I. Introduction

The objective of this chapter is to determine if available Minority and Woman-owned Business Enterprise (M/WBE) subcontractors were underutilized in the award of the City of St. Petersburg's (City) contracts during the October 1, 2014 to September 30, 2018 study period. A detailed discussion of the statistical procedures for conducting a disparity analysis is set forth in *Chapter 7: Prime Contract Disparity Analysis*. The same statistical procedures are used to perform the subcontract disparity analysis.

Under a fair and equitable system of awarding subcontracts, the proportion of subcontracts and subcontract dollars awarded to M/WBE subcontractors should be relatively close to the proportion of available M/WBE subcontractors in the market area of the City. Availability is defined as the number of willing and able businesses. The methodology for determining willing and able businesses is detailed in *Chapter 6: Prime Contractor and Subcontractor Availability Analysis*.

If the ratio of utilized M/WBE subcontractors to available M/WBE subcontractors is less than one, a statistical test is conducted to calculate the probability of observing the empirical disparity ratio or any event which is less probable.<sup>272</sup> *Croson* states that an inference of discrimination can be made *prima facie* if the observed disparity is statistically significant. Under the *Croson* standard, non-minority male-owned businesses are not subjected to a statistical test of underutilization.<sup>273</sup>

## II. Disparity Analysis

As detailed in *Chapter 4: Subcontractor Utilization Analysis*, extensive efforts were undertaken to obtain subcontractor records for the City's construction and professional services contracts. The disparity analysis was performed on subcontracts issued October 1, 2014 to September 30, 2018.

The subcontract disparity findings in the two industries under consideration are detailed in *Section III*. The outcomes of the statistical analyses are presented in the "P-Value" column of the tables. A description of the statistical outcomes in the disparity tables are presented in Table 8.1.



---

<sup>272</sup> When conducting statistical tests, a confidence level must be established as a gauge for the level of certainty that an observed occurrence is not due to chance. It is important to note that a 100-percent confidence level or a level of absolute certainty can never be obtained in statistics. A 95-percent confidence level is the statistical standard used in physical and social sciences, and is thus used in the present report to determine if an inference of discrimination can be made.

<sup>273</sup> *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989).

**Table 8.1: Statistical Outcome Descriptions**

<b>P-Value Outcome</b>	<b>Definition of P-Value Outcome</b>
< .05 *	This underutilization is statistically significant.
not significant	<ul style="list-style-type: none"><li>• M/WBEs: This underutilization is not statistically significant.</li><li>• Non-minority males: This overutilization is not statistically significant.</li></ul>
< .05 †	This overutilization is statistically significant.
----	While this group was underutilized, there were too few available firms to determine statistical significance.
**	This study does not test statistically the overutilization of minority or gender groups or the underutilization of non-minority males.



### ***III. Disparity Analysis: All Subcontracts by Industry***

#### ***A. Construction Subcontracts***

The disparity analysis of construction subcontracts is described below and shown in Table 8.2 and Chart 8.2.

***African Americans*** represent 6.53% of the available construction businesses and received 1.06% of the construction subcontract dollars. This underutilization is statistically significant.

***Asian Americans*** represent 2.28% of the available construction businesses and received 0.19% of the construction subcontract dollars. This underutilization is statistically significant.

***Hispanic Americans*** represent 8.50% of the available construction businesses and received 10.16% of the construction subcontract dollars. This study does not test statistically the overutilization of minority and woman-owned businesses..

***Native Americans*** represent 1.21% of the available construction businesses and received 0.00% of the construction subcontract dollars. This underutilization is statistically significant.

***Caucasian Females*** represent 22.46% of the available construction businesses and received 3.21% of the construction subcontract dollars. This underutilization is statistically significant.

***Non-minority Males*** represent 59.03% of the available construction businesses and received 85.38% of the construction subcontract dollars. This overutilization is statistically significant.

***Minority Business Enterprises*** represent 18.51% of the available construction businesses and received 11.41% of the construction subcontract dollars. This underutilization is statistically significant.

***Woman Business Enterprises*** represent 28.98% of the available construction businesses and received 4.00% of the construction subcontract dollars. This underutilization is statistically significant.



**Table 8.2: Disparity Analysis: Construction Subcontracts,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African Americans	\$1,085,161	1.06%	6.53%	\$6,697,609	-\$5,612,449	0.16	< .05 *
Asian Americans	\$198,303	0.19%	2.28%	\$2,336,375	-\$2,138,072	0.08	< .05 *
Hispanic Americans	\$10,425,611	10.16%	8.50%	\$8,722,468	\$1,703,143	1.20	**
Native Americans	\$0	0.00%	1.21%	\$1,246,067	-\$1,246,067	0.00	< .05 *
Caucasian Females	\$3,294,927	3.21%	22.46%	\$23,052,237	-\$19,757,310	0.14	< .05 *
Non-minority Males	\$87,640,756	85.38%	59.03%	\$60,590,001	\$27,050,754	1.45	< .05 †
<b>TOTAL</b>	<b>\$102,644,758</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$102,644,758</b>			
<b>Ethnicity and Gender</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African American Females	\$109,866	0.11%	2.58%	\$2,647,892	-\$2,538,026	0.04	< .05 *
African American Males	\$975,295	0.95%	3.95%	\$4,049,717	-\$3,074,423	0.24	< .05 *
Asian American Females	\$3,950	0.00%	0.46%	\$467,275	-\$463,325	0.01	----
Asian American Males	\$194,353	0.19%	1.82%	\$1,869,100	-\$1,674,747	0.10	not significant
Hispanic American Females	\$694,561	0.68%	3.19%	\$3,270,926	-\$2,576,364	0.21	< .05 *
Hispanic American Males	\$9,731,050	9.48%	5.31%	\$5,451,543	\$4,279,507	1.79	**
Native American Females	\$0	0.00%	0.30%	\$311,517	-\$311,517	0.00	----
Native American Males	\$0	0.00%	0.91%	\$934,550	-\$934,550	0.00	----
Caucasian Females	\$3,294,927	3.21%	22.46%	\$23,052,237	-\$19,757,310	0.14	< .05 *
Non-minority Males	\$87,640,756	85.38%	59.03%	\$60,590,001	\$27,050,754	1.45	< .05 †
<b>TOTAL</b>	<b>\$102,644,758</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$102,644,758</b>			
<b>Minority and Females</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
Minority Business Enterprises	\$11,709,075	11.41%	18.51%	\$19,002,520	-\$7,293,445	0.62	< .05 *
Woman Business Enterprises	\$4,103,304	4.00%	28.98%	\$29,749,846	-\$25,646,542	0.14	< .05 *

( \* ) denotes a statistically significant underutilization.

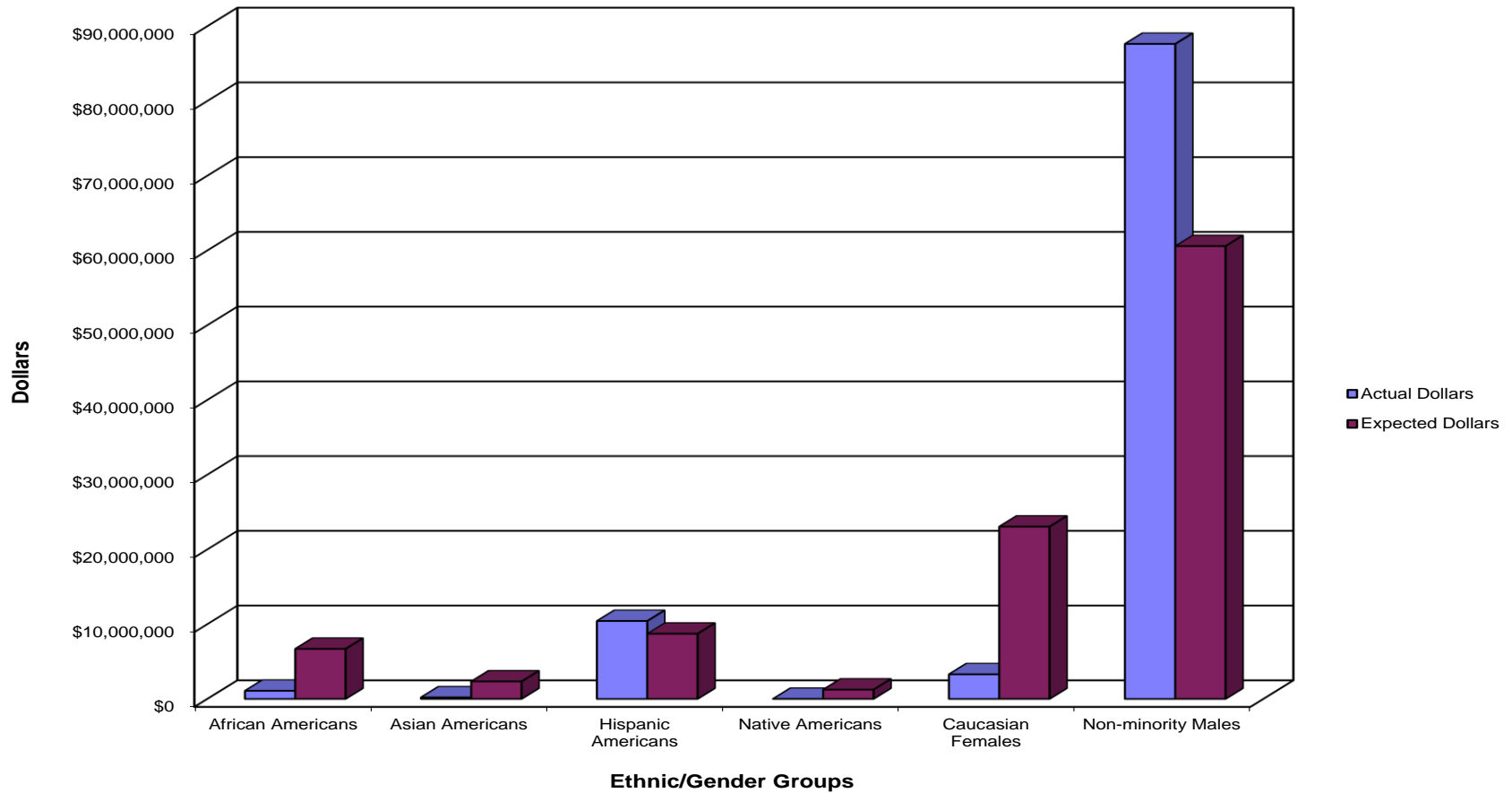
( † ) denotes a statistically significant overutilization.

( \*\* ) denotes that this study does not test statistically the overutilization of M/WBEs or the underutilization of Non-minority Males.

( ---- ) denotes an underutilized group with no contracts awarded, too few contracts awarded, or too few available firms to test statistical significance.



**Chart 8.2: Disparity Analysis: Construction Subcontracts,  
October 1, 2014 to September 30, 2018**





## ***B. Professional Services Subcontracts***

The disparity analysis of professional services subcontracts is described below and shown in Table 8.3 and Chart 8.3.

***African Americans*** represent 8.37% of the available professional services businesses and received 2.33% of the professional services subcontract dollars. This underutilization is statistically significant.

***Asian Americans*** represent 3.80% of the available professional services businesses and received 0.34% of the professional services subcontract dollars. This underutilization is not statistically significant.

***Hispanic Americans*** represent 11.03% of the available professional services businesses and received 0.66% of the professional services subcontract dollars. This underutilization is statistically significant.

***Native Americans*** represent 1.14% of the available professional services businesses and received 0.00% of the professional services subcontract dollars. While this group was underutilized, there were too few available firms to determine statistical significance.

***Caucasian Females*** represent 23.19% of the available professional services businesses and received 2.17% of the professional services subcontract dollars. This underutilization is statistically significant.

***Non-minority Males*** represent 52.47% of the available construction businesses and received 94.50% of the professional services subcontract dollars. This overutilization is statistically significant.

***Minority Business Enterprises*** represent 24.33% of the available professional services businesses and received 3.33% of the professional services subcontract dollars. This underutilization is statistically significant.

***Woman Business Enterprises*** represent 30.42% of the available professional services businesses and received 2.46% of the professional services subcontract dollars. This underutilization is statistically significant.



**Table 8.3: Disparity Analysis: Professional Services Subcontracts,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African Americans	\$211,819	2.33%	8.37%	\$759,599	-\$547,781	0.28	< .05 *
Asian Americans	\$30,570	0.34%	3.80%	\$345,272	-\$314,702	0.09	not significant
Hispanic Americans	\$59,602	0.66%	11.03%	\$1,001,290	-\$941,688	0.06	< .05 *
Native Americans	\$0	0.00%	1.14%	\$103,582	-\$103,582	0.00	----
Caucasian Females	\$197,319	2.17%	23.19%	\$2,106,161	-\$1,908,842	0.09	< .05 *
Non-minority Males	\$8,581,353	94.50%	52.47%	\$4,764,758	\$3,816,595	1.80	< .05 †
<b>TOTAL</b>	<b>\$9,080,662</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$9,080,662</b>			
<b>Ethnicity and Gender</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African American Females	\$0	0.00%	2.66%	\$241,691	-\$241,691	0.00	< .05 *
African American Males	\$211,819	2.33%	5.70%	\$517,908	-\$306,090	0.41	not significant
Asian American Females	\$26,250	0.29%	0.76%	\$69,054	-\$42,804	0.38	----
Asian American Males	\$4,320	0.05%	3.04%	\$276,218	-\$271,898	0.02	< .05 *
Hispanic American Females	\$0	0.00%	3.42%	\$310,745	-\$310,745	0.00	< .05 *
Hispanic American Males	\$59,602	0.66%	7.60%	\$690,545	-\$630,943	0.09	< .05 *
Native American Females	\$0	0.00%	0.38%	\$34,527	-\$34,527	0.00	----
Native American Males	\$0	0.00%	0.76%	\$69,054	-\$69,054	0.00	----
Caucasian Females	\$197,319	2.17%	23.19%	\$2,106,161	-\$1,908,842	0.09	< .05 *
Non-minority Males	\$8,581,353	94.50%	52.47%	\$4,764,758	\$3,816,595	1.80	< .05 †
<b>TOTAL</b>	<b>\$9,080,662</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$9,080,662</b>			
<b>Minority and Females</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
Minority Business Enterprises	\$301,991	3.33%	24.33%	\$2,209,743	-\$1,907,752	0.14	< .05 *
Woman Business Enterprises	\$223,569	2.46%	30.42%	\$2,762,179	-\$2,538,610	0.08	< .05 *

( \* ) denotes a statistically significant underutilization.

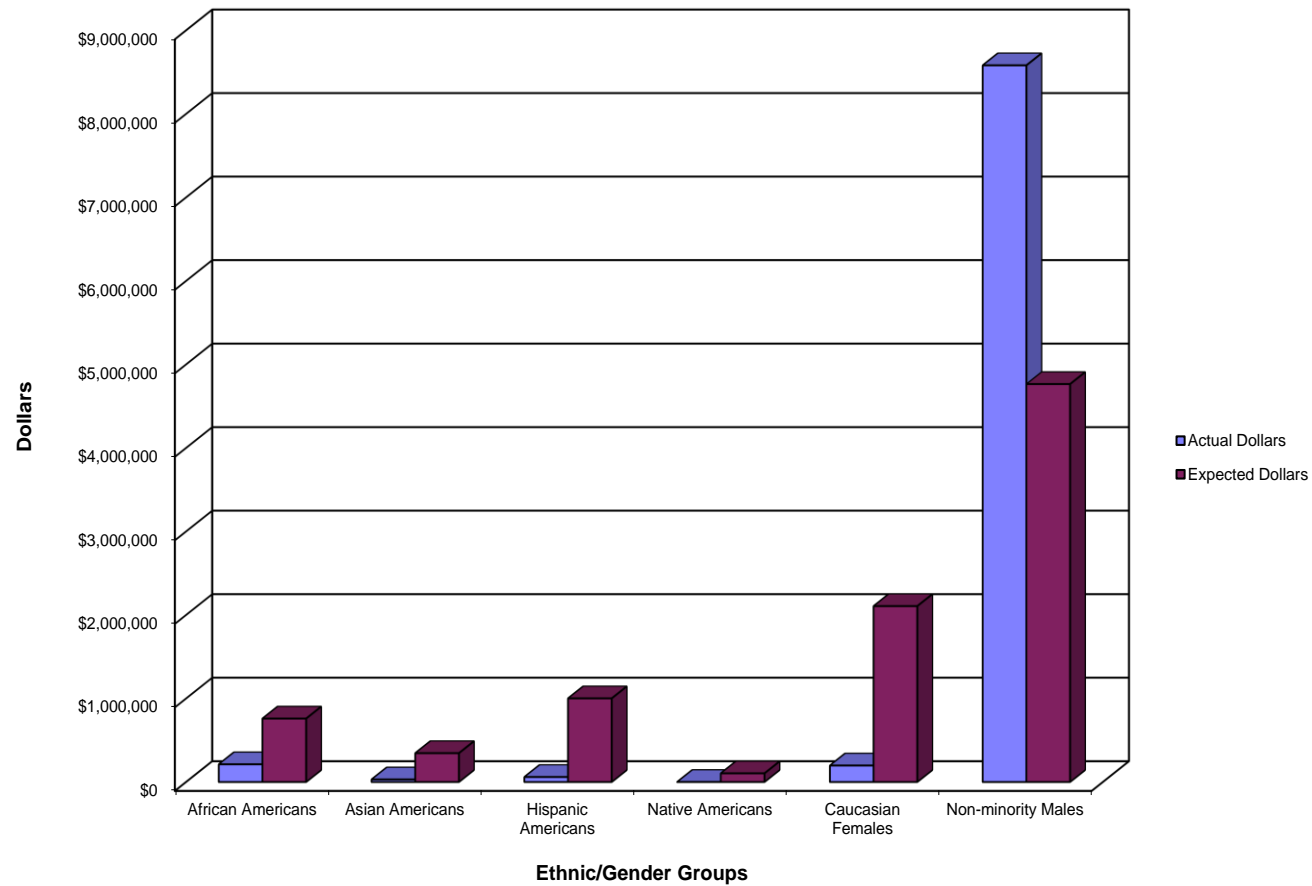
( † ) denotes a statistically significant overutilization.

( \*\* ) denotes that this study does not test statistically the overutilization of M/WBEs or the underutilization of Non-minority Males.

( ---- ) denotes an underutilized group with no contracts awarded, too few contracts awarded, or too few available firms to test statistical significance.



**Chart 8.3: Disparity Analysis: Professional Services Subcontracts,  
October 1, 2014 to September 30, 2018**



#### ***IV. Subcontract Disparity Summary***

As indicated in Table 8.4, disparity was found for African American, Asian American, Native American, Caucasian female, minority-owned business, and woman-owned business subcontractors on construction contracts. Disparity was also found for African American, Hispanic American, Caucasian female, minority-owned business, and woman-owned business subcontractors on professional services contracts.

**Table 8.4: Subcontract Disparity Summary,  
October 1, 2014 to September 30, 2018**

<b>Ethnicity/Gender</b>	<b>Construction</b>	<b>Professional Services</b>
<b>African Americans</b>	<b><i>Disparity</i></b>	<b><i>Disparity</i></b>
<b>Asian Americans</b>	<b><i>Disparity</i></b>	<b>No Disparity</b>
<b>Hispanic Americans</b>	<b>No Disparity</b>	<b><i>Disparity</i></b>
<b>Native Americans</b>	<b><i>Disparity</i></b>	<b>----</b>
<b>Caucasian Females</b>	<b><i>Disparity</i></b>	<b><i>Disparity</i></b>
<b>Minority Business Enterprises</b>	<b><i>Disparity</i></b>	<b><i>Disparity</i></b>
<b>Woman Business Enterprises</b>	<b><i>Disparity</i></b>	<b><i>Disparity</i></b>



---

# CHAPTER 9: Regression Analysis

## I. Introduction

Business Enterprise (M/WBE) requirements are indicators of marketplace conditions that could adversely affect the formation and growth of M/WBEs. The adverse marketplace conditions thereby could depress the current availability of M/WBEs. *Concrete Works of Colorado v. City and County of Denver (Concrete Works III)*<sup>274</sup> sets forth a framework for considering a passive participant model for an analysis of discrimination in private sector business practices. In accordance with *Concrete Works III*, Mason Tillman Associates, Ltd. conducted regression analyses to examine two outcome variables—business ownership rates and business earnings. These two regression analyses examined possible impediments to minority and woman business ownership, as well as factors affecting M/WBE business earnings. Further details are provided in the current chapter, under *Section IV Datasets Analyzed*.

Each regression analysis compared minority group members<sup>275</sup> and Caucasian females to Non-Minority Male-owned Businesses by controlling for race- and gender-neutral explanatory variables, such as age, education, marital status, and access to capital. The impact of the explanatory variables on the outcome variables is described in this chapter. These findings elucidate the socioeconomic conditions in the City’s market area that could adversely affect the relative availability of M/WBEs and Non-minority Male-owned Business Enterprises. Statistically significant findings for lower M/WBE business earnings and lower likelihoods of minority and Caucasian female business ownership could indicate patterns of discrimination that might result in disproportionately fewer of willing and capable M/WBEs.

The United States Census Public Use Microdata Sample (PUMS) data were used to compare minority male, minority female, and Caucasian female’s probability of business ownership to the probability of non-minority male business ownership. Logistic regression was used to determine if race and gender have a statistically significant effect on the probability of business ownership. The PUMS data were also used to compare the business earnings of M/WBEs to Non-minority Male-owned Businesses. An Ordinary Least Squares (OLS) regression was utilized to analyze the PUMS data for disparities in owner-reported incomes when controlling for race and gender-neutral factors.



---

<sup>274</sup> *Concrete Works of Colo., Inc. v. Denver*, 86 F. Supp. 2d 1042, 1057-61 (D. Colo. 2000), *rev'd on other grounds*, 321 F.3d 950 (10th Cir. 2003), *cert. denied*, 540 U.S. 1027 (2003) (“*Concrete Works III*”).

<sup>275</sup> Minority group members include both males and females.

The applicable limits of the private sector discrimination findings are set forth in *Builders Association of Greater Chicago v. City of Chicago*<sup>276</sup> (*City of Chicago*), where the court established that even when there is evidence of private sector discrimination, the findings cannot be used as the factual predicate for a government-sponsored, race-conscious M/WBE program unless there is a nexus between the private sector data and the public agency actions. The private sector findings, however, can be used to develop race-neutral programs to address barriers to the formation and development of M/WBEs. Given the case law, caution must be exercised in the interpretation and application of the regression findings. Case law regarding the application of private sector discrimination is discussed below in detail.

## **II. Legal Analysis**

### **A. Passive Discrimination**

The controlling legal precedent set forth in the 1989 *City of Richmond v. J.A. Croson Co.*<sup>277</sup> decision authorized state and local governments to remedy discrimination in the awarding of subcontracts by its prime contractors on the grounds that the government cannot be a “passive participant” in discrimination. In January 2003, *Concrete Works IV*<sup>278</sup> and *City of Chicago*<sup>279</sup> extended the private sector analysis to the investigation of discriminatory barriers that M/WBEs encountered in the formation and development of businesses and their consequence for state and local remedial programs. *Concrete Works IV* set forth a framework for considering private sector discrimination as a passive participant model for analysis. However, the obligation of presenting an appropriate nexus between the government remedy and the private sector discrimination was first addressed in *City of Chicago*.

The Tenth Circuit Court decided in *Concrete Works IV* that business activities conducted in the private sector, if within the government’s market area, are also appropriate areas to explore the issue of passive participation.<sup>280</sup> However, the appropriateness of the City’s remedy, given the finding of private sector discrimination, was not at issue before the court. The question before the court was whether sufficient facts existed to determine if the private sector business practices under consideration constituted discrimination. For technical legal reasons,<sup>281</sup> the court did not examine whether a consequent public sector remedy, i.e., one involving a goal requirement on the City of Denver’s contracts, was “narrowly tailored” or otherwise supported by the City’s private sector findings of discrimination.

---

<sup>276</sup> *Builders Ass’n of Greater Chicago v. Chicago*, 298 F. Supp. 2d 725 (N.D. Ill. 2003).

<sup>277</sup> 488 U.S. 469 (1989).

<sup>278</sup> *Concrete Works of Colo., Inc. v. Denver*, 321 F.3d 950, 965-69 (10th Cir. 2003) (“*Concrete Works IV*”).

<sup>279</sup> *City of Chicago*, 298 F. Supp. 2d at 738-39.

<sup>280</sup> *Concrete Works IV*, 321 F.3d at 966-67.

<sup>281</sup> Plaintiff had not preserved the issue on appeal. Therefore, it was no longer part of the case.



## **B.     *Narrow Tailoring***

The question of whether a public sector remedy is narrowly tailored when it is based solely on business practices within the private sector was at issue in *City of Chicago*. *City of Chicago*, decided ten months after *Concrete Works IV*, found that certain private sector business practices constituted discrimination against minorities in the Chicago market area. However, the district court did not find City of Chicago’s M/WBE subcontracting goal to be a remedy “narrowly tailored” to address the documented private sector discriminatory business practices that had been discovered within the City’s market area.<sup>282</sup> The court explicitly stated that certain discriminatory business practices documented by regression analyses constituted private sector discrimination.<sup>283</sup> It is also notable that the documented discriminatory business practices reviewed by the court in *City of Chicago* were similar to those reviewed in *Concrete Works IV*. Notwithstanding the fact that discrimination in City of Chicago’s market area was documented, the court determined that the evidence was insufficient to support the city’s race-based subcontracting goals.<sup>284</sup> The court ordered an injunction to invalidate City of Chicago’s race-based program.<sup>285</sup>

The following statements from that opinion are noteworthy:

Racial preferences are, by their nature, highly suspect, and they cannot be used to benefit one group that, by definition, is not either individually or collectively the present victim of discrimination . . . There may well also be (and the evidence suggests that there are) minorities and women who do not enter the industry because they perceive barriers to entry. If there is none, and their perception is in error, that false perception cannot be used to provide additional opportunities to M/WBEs already in the market to the detriment of other firms who, again by definition, neither individually nor collectively, are engaged in discriminatory practices.<sup>286</sup>

Given these distortions of the market and these barriers, is City’s program narrowly tailored as a remedy? It is here that I believe the program fails. There is no “meaningful individualized review” of M/WBEs. *Gratz v. Bollinger*, 539 U.S. 244, 156 L. Ed. 2d 257, 123 S.Ct. 2411, 2431 (2003) (Justice O’Connor concurring). Chicago’s program is more expansive and more rigid than plans that have been sustained in the courts. It has no termination date, nor has it any means for determining a termination date. The “graduation” revenue amount is very high, \$27,500,000, and very few have graduated. There is no net worth threshold. A third-generation Japanese-American from a wealthy family, with a graduate degree from MIT, qualifies (and an Iraqi immigrant does not). Waivers are rarely or never granted on construction contracts, but “regarding flexibility, ‘the availability of

---

<sup>282</sup> *City of Chicago*, 298 F. Supp. 2d at 739.

<sup>283</sup> *Id.* at 731-32.

<sup>284</sup> *Id.* at 742.

<sup>285</sup> *Id.*

<sup>286</sup> *Id.* at 734-35.



waivers’ is of particular importance . . . a ‘rigid numerical quota’ particularly disserves the cause of narrow tailoring.” *Adarand Constructors v. Slater, supra*, at 1177. The City’s program is “rigid numerical quota,” a quota not related to the number of available, willing and able firms but to concepts of how many of those firms there should be. Formalistic points did not survive strict scrutiny in *Gratz v. Bollinger, supra*, and formalistic percentages cannot survive scrutiny.<sup>287</sup>

### **C. Conclusion**

As established in *City of Chicago*, private sector discrimination cannot be used as the factual basis for a government-sponsored, race-based M/WBE program without a nexus to the government's actions. Therefore, the discrimination that might be revealed in the regression analysis is not a sufficient factual predicate for the City to establish a race-based M/WBE program unless a nexus is established between the City and the private sector data. These economic indicators, albeit a measure of passive discrimination, are illustrative of private sector discrimination and can support the City-sponsored, race-neutral programs.

## **III. Regression Analysis Methodology**

The two regression analyses conducted focus on the construction, professional services (including architecture and engineering), and goods and services industries. The datasets used for the regression analyses did not allow for an exact match of the industries used in the City’s Disparity Study (Study). Therefore, the industries in the datasets were selected that most closely mirror the industries in the City’s Study.

Both the Business Ownership Analysis and the Earnings Disparity Analysis take into consideration race and gender-neutral factors, such as age, education, and creditworthiness in assessing whether the explanatory factors examined are disproportionately affecting minorities and females when compared to similarly situated non-minority males.

## **IV. Datasets Analyzed**

The 2013 through 2017 PUMS dataset produced by the United States Census Bureau was used to analyze business ownership and earnings disparities within the Pinellas County, Florida. The 2013 through 2017 PUMS dataset represented the most recent data that most closely matched the October 1, 2014 to September 30, 2018 study period. To further align the dataset and the study period, all records from 2013 were scrubbed from the PUMS dataset. The data for the Pinellas County were identified using Public Use Microdata Areas (PUMA), a variable within the PUMS dataset that reports data for counties within states. The dataset includes information on personal profile, industry, work characteristics, and family structure. The PUMS data allowed for an analysis by an individual’s race and gender.



<sup>287</sup> *City of Chicago*, 298 F.Supp.2d at 739-40.



## V. *Regression Models Defined*

### A. *Business Ownership Analysis*

The Business Ownership Analysis examines the relationship between the likelihood of being a business owner and independent socioeconomic variables. Business ownership, the dependent variable, includes business owners of incorporated and non-incorporated firms. The business ownership variable utilizes two values. A value of “1” indicates that a person is a business owner, whereas a value of “0” indicates that a person is not a business owner. When the dependent variable is defined this way, it is called a binary variable. In this case, a logistic regression model is utilized to predict the likelihood of business ownership using independent socioeconomic variables. Three logistic models are run to predict the probability of business ownership in each of the three industries examined in the City’s Study. Categories of the independent variables analyzed include educational level, citizenship status, personal characteristics, and race/gender.

In the table below, a finding of disparity is denoted by an asterisk (\*) when the independent variable is significant at or above the 95% confidence level. A finding of disparity indicates that there is a non-random relationship between the probability of owning a business and the independent variable. Tables of regression results indicate the sign of each variable’s coefficient from the regression output. If the coefficient sign is positive, it indicates that there is a positive relationship between the dependent variable and that independent variable. For example, having an advanced degree is positively related to the likelihood of being a business owner, holding all other variables constant. If the coefficient sign for the independent variable is negative, this implies an inverse relationship between the dependent variable and that independent variable. For instance, an individual with children under the age of 6 has a lower likelihood of owning a business, holding all other variables constant.

For each of the three industries, the logistic regression is used to identify the likelihood that an individual owns a business given his or her background, including race, gender, and race and gender-neutral factors. The dependent variables in all regressions are binary variables coded as “1” for individuals who are self-employed and “0” for individuals who are not self-employed.<sup>288</sup> Table 9.1 presents the independent variables used for the Business Ownership Analysis.

**Table 9.1: Independent Variables Used in the Business Ownership Analysis**

Personal Characteristics	Educational Attainment	Race	Gender
1. Age	10. Bachelor’s Degree	12. Caucasian American	18. Female
2. Age Squared	11. Advanced Degree	13. African American	
3. Home Ownership		14. Asian American	
4. Home Value		15. Hispanic American	
5. Monthly Mortgage Payments		16. Native American	

<sup>288</sup> Note: The terms “business owner” and “self-employed” are used interchangeably throughout the chapter.



Personal Characteristics	Educational Attainment	Race	Gender
6. Interest and Dividends		17. Other Minority Group <sup>289</sup>	
7. Speaks English at Home			
8. Children Under the Age of Six in the Household			
9. Marital Status			

## ***B. The Earnings Disparity Analysis***

The Earnings Disparity Analysis examines the relationship between the annual self-employment income and independent socioeconomic variables. “Wages” are defined as the individual’s total dollar income earned in the previous 12 months. Categories of independent socioeconomic variables analyzed include educational level, citizenship status, personal characteristics, business characteristics, and race/gender.

All of the independent variables are regressed against wages in an Ordinary Least Squares (OLS) regression model. The OLS model estimates a linear relationship between the independent variables and the dependent variable. This multivariate regression model estimates a line similar to the standard  $y = mx + b$  format, but with additional independent variables. The mathematical purpose of a regression analysis is to estimate a best-fit line for the model and assess which findings are statistically significant.

In the table below, a finding of disparity is denoted by an asterisk (\*) when an independent variable is significant at or above the 95% confidence level. A finding of disparity indicates that there is a non-random relationship between wages and the independent variable. If the coefficient sign is positive, it means there is a positive relationship between the dependent variable and that independent variable. If the coefficient sign for the independent variable is negative, this implies an inverse relationship between the dependent variable and that independent variable.

An OLS regression analysis is used to assess the presence of business earning disparities. OLS regressions have been conducted separately for each industry. Table 9.2 presents the independent variables used for the Earnings Disparity Analysis.<sup>290</sup>



<sup>289</sup> Other Minority includes individuals who belong to two or more racial groups.

<sup>290</sup> If an independent variable is a binary variable, it will be coded as “1” if the individual has that variable present and “0” if otherwise (i.e. for the Hispanic American variable, it is coded as “1” if the individual is Hispanic American and “0” if otherwise). If an independent variable is a continuous variable, a value will be used (i.e. one’s age can be labeled as 35).

**Table 9.2: Independent Variables Used for the Earnings Disparity Analysis**

<b>Personal Characteristics</b>	<b>Educational Attainment</b>	<b>Race</b>	<b>Gender</b>
1. Age	11. Bachelor's Degree	13. Caucasian American	19. Female
2. Age Squared	12. Advanced Degree	14. African American	
3. Incorporated Business		15. Asian American	
4. Home Ownership		16. Hispanic American	
5. Home Value		17. Native American	
6. Monthly Mortgage Payments		18. Other Minority Group	
7. Interest and Dividends			
8. Speaks English at Home			
9. Children Under the Age of Six in the Household			
10. Marital Status			

## ***VI. Findings***

### ***A. Business Ownership Analysis***

The business ownership variable is defined by the number of self-employed individuals in each of the three industries.

Previous studies have shown that many non-discriminatory factors, such as education, age, and marital status, are associated with self-employment. In this analysis, race and gender-neutral factors are combined with race and gender-specific factors in a logistic regression model. The purpose of this model is to determine whether observed race or gender disparities are independent of the race and gender-neutral factors known to be associated with self-employment. It must be noted that many of these variables, such as having an advanced degree, while seeming to be race and gender-neutral, may in fact be correlated with race and gender.

#### **1. Logistic Model Results for Construction Business Ownership**

Table 9.3 presents the logistic regression results for the likelihood of owning a business in the construction industry based on the 20 variables analyzed in this model.



**Table 9.3: Construction Industry Logistic Model**

Business Ownership Model	Coefficient	Significance	Standard Error	Z-score	P> z
Age	0.116064	*	0.034391	3.37	0.001
Age-squared	-0.000872	*	0.000341	-2.56	0.011
Bachelor's Degree (a)	-0.398214		0.244186	-1.63	0.103
Advanced Degree	0.193859		0.519388	0.37	0.709
Home Owner	0.312934		0.229078	1.37	0.172
Home Value	0.000000		0.000000	-0.08	0.936
Monthly Mortgage Payment	-0.000168		0.000129	-1.30	0.194
Interest and Dividends	0.000000		0.000000	1.54	0.124
Speaks English at Home	-0.276826		0.354935	-0.78	0.435
Has a Child under the Age of Six	0.267235		0.849143	0.31	0.753
Married	0.128080		0.178004	0.72	0.472
Caucasian Female (b)	-1.363455	*	0.268236	-5.08	0.000
African American	-1.208590	*	0.411290	-2.94	0.003
Asian American	-1.248004		0.647285	-1.93	0.054
Hispanic American	-0.239948		0.479555	-0.50	0.617
Native American	0.348980		0.775575	0.45	0.653
Other Minority	-0.644467		0.681692	-0.95	0.344
Year 2015 (c)	0.291500		0.254290	1.15	0.252
Year 2016	0.300958		0.238317	1.26	0.207
Year 2017	0.236037		0.234067	1.01	0.313
Constant	-4.242760	*	0.957762	-4.43	0.000

(a) For the variables bachelor's degree and advanced degree, the baseline variable is high school.

(b) For the ethnicity variables, the baseline variable is Caucasian males.

(c) For the year variables, the baseline variable is year 2014.

(P>|z|) of less than 0.05 denotes findings of statistical significance.

(\*) denotes a statistically significant variable with 95% confidence.

The construction industry logistic regression results indicate the following:

- The likelihood of construction business ownership is positively associated with increased age; older individuals are more likely to be business owners in the construction industry at a significant<sup>291</sup> level. However, as individuals reach advanced age, the likelihood of being a business owner significantly decreases.
- Caucasian females and African Americans are significantly less likely to be business owners in the construction industry than non-minority males.
- Asian Americans, Hispanic Americans, and other minorities are less likely to be business owners in the construction industry than non-minority males, but not at a significant level.
- Native Americans are more likely than non-minority males to be business owners in the construction industry, but not at a significant level.

<sup>291</sup> Throughout this chapter, significance refers to statistical significance.



## 2. Logistic Model Results for Professional Services Business Ownership

Table 9.4 presents the logistic regression results for the likelihood of owning a business in the professional services industry based on the 20 variables analyzed in this model.

**Table 9.4: Professional Services Industry Logistic Model**

Business Ownership Model	Coefficient	Significance	Standard Error	Z-score	P> z
Age	0.108335	*	0.027681	3.91	0.000
Age-squared	-0.000550	*	0.000252	-2.18	0.029
Bachelor's Degree (a)	0.588200	*	0.138674	4.24	0.000
Advanced Degree	0.939849	*	0.161445	5.82	0.000
Home Owner	-0.175439		0.170546	-1.03	0.304
Home Value	0.000000	*	0.000000	2.56	0.011
Monthly Mortgage Payment	0.000074		0.000062	1.19	0.235
Interest and Dividends	0.000000		0.000000	1.41	0.159
Speaks English at Home	-0.418310		0.233030	-1.80	0.073
Has a Child under the Age of Six	0.568719		0.361356	1.57	0.116
Married	0.251968		0.137239	1.84	0.066
Caucasian Female (b)	-0.418268	*	0.132437	-3.16	0.002
African American	-1.024985	*	0.374629	-2.74	0.006
Asian American	-1.220927	*	0.509135	-2.40	0.016
Hispanic American	-0.393936		0.392943	-1.00	0.316
Native American	0.323637		0.988799	0.33	0.743
Other Minority	-0.783987		0.593909	-1.32	0.187
Year 2015 (c)	0.100959		0.176459	0.57	0.567
Year 2016	0.188213		0.166218	1.13	0.257
Year 2017	0.029551		0.161093	0.18	0.854
Constant	-5.408347	*	0.731855	-7.39	0.000

(a) For the variables bachelor's degree and advanced degree, the baseline variable is high school.

(b) For the ethnicity variables, the baseline variable is Caucasian males.

(c) For the year variables, the baseline variable is year 2014.

(P>|z|) of less than 0.05 denotes findings of statistical significance.

(\*) denotes a statistically significant variable with 95% confidence.



The professional services industry logistic regression results indicate the following:

- The likelihood of professional services business ownership is positively associated with increased age; older individuals are more likely to be business owners in the professional services industry at a significant level. However, as individuals reach advanced age, the likelihood of being a business owner significantly decreases.
- Having a bachelor's degree and an advanced degree significantly increases the likelihood of being a business owner in the professional services industry.
- Individuals who have higher-valued home are significantly more likely to be business owners in the professional services industry.
- Caucasian females, African Americans, and Asian Americans are significantly less likely to be business owners in the professional services industry than non-minority males.
- Hispanic Americans and other minorities are less likely to be business owners in the professional services industry than non-minority males, but not at a significant level.
- Native Americans are more likely than non-minority males to be business owners in the professional services industry, but not at a significant level.

### 3. Logistic Model Results for Goods and Services Business Ownership

Table 9.5 presents the logistic regression results for the likelihood of owning a business in the goods and services industry based on the 20 variables analyzed in this model.

**Table 9.5: Goods and Services Industry Logistic Model**

Business Ownership Model	Coefficient	Significance	Standard Error	Z-score	P> z
Age	0.115172	*	0.031630	3.64	0.000
Age-squared	-0.001028	*	0.000315	-3.27	0.001
Bachelor's Degree (a)	-0.254135		0.178414	-1.42	0.154
Advanced Degree	-0.054813		0.360430	-0.15	0.879
Home Owner	0.315998		0.191035	1.65	0.098
Home Value	0.000001	*	0.000000	2.99	0.003
Monthly Mortgage Payment	-0.000045		0.000103	-0.44	0.661
Interest and Dividends	0.000000		0.000000	0.67	0.500
Speaks English at Home	-0.510344		0.315401	-1.62	0.106
Has a Child under the Age of Six	-0.431194		0.575507	-0.75	0.454
Married	0.386408	*	0.162926	2.37	0.018
Caucasian Female (b)	-0.385813	*	0.184822	-2.09	0.037
African American	-1.164343	*	0.309423	-3.76	0.000
Asian American	-1.439512	*	0.590467	-2.44	0.015
Hispanic American	-0.425507		0.412278	-1.03	0.302
Native American	-		-	-	-

Business Ownership Model	Coefficient	Significance	Standard Error	Z-score	P> z
Other Minority	-1.499708		1.102199	-1.36	0.174
Year 2015 (c)	0.568898	*	0.210865	2.70	0.007
Year 2016	0.528297	*	0.213305	2.48	0.013
Year 2017	0.425350	*	0.216636	1.96	0.050
Constant	-4.508837	*	0.772674	-5.84	0.000

(a) For the variables bachelor's degree and advanced degree, the baseline variable is high school.

(b) For the ethnicity variables, the baseline variable is Caucasian males.

(c) For the year variables, the baseline variable is year 2014.

(P>|z|) of less than 0.05 denotes findings of statistical significance.

(\*) denotes a statistically significant variable with 95% confidence.

(-) denotes a variable with too few available data to determine statistical significance.

The goods and services industry logistic regression results indicate the following:

- The likelihood of goods and services business ownership is positively associated with increased age; older individuals are more likely to be business owners in the goods and services industry at a significant level. However, as individuals reach advanced age, the likelihood of being a business owner significantly decreases.
- Individuals who have higher-valued home are significantly more likely to be business owners in the goods and services industry.
- Married individuals are significantly more likely to be business owners in the goods and services industry.
- Caucasian females, African Americans, and Asian Americans are significantly less likely to be business owners in the goods and services industry than non-minority males.
- Hispanic Americans and other minorities are less likely to be business owners in the goods and services industry than non-minority males, but not at a significant level.

## **B. Business Ownership Analysis Conclusion**

The Business Ownership Analysis examined the different explanatory variables' impact on an individual's likelihood of owning a business in the construction, professional services, and goods and services industries. Controlling for race and gender-neutral factors, the Business Ownership Analysis results show that statistically significant disparities in the likelihood of owning a business exist for minorities and Caucasian females when compared to similarly situated non-minority males.

Caucasian females and African Americans experience the greatest disparity, as they are significantly less likely to own a business in the construction, professional services, and goods and services industries than non-minority males. Asian Americans are also significantly less likely to own a business in the professional services and goods and services industries. Table 9.6 depicts the business ownership regression analysis results by race, gender, and industry.



**Table 9.6: Statistically Significant Business Ownership Disparities**

Race/Gender	Construction	Professional Services	Goods and Services
Caucasian Female	<b><i>SIGNIFICANT</i></b>	<b><i>SIGNIFICANT</i></b>	<b><i>SIGNIFICANT</i></b>
African American	<b><i>SIGNIFICANT</i></b>	<b><i>SIGNIFICANT</i></b>	<b><i>SIGNIFICANT</i></b>
Asian American	NOT SIGNIFICANT	<b><i>SIGNIFICANT</i></b>	<b><i>SIGNIFICANT</i></b>
Hispanic American	NOT SIGNIFICANT	NOT SIGNIFICANT	NOT SIGNIFICANT
Native American	NOT SIGNIFICANT	NOT SIGNIFICANT	NOT SIGNIFICANT
Other Minority	NOT SIGNIFICANT	NOT SIGNIFICANT	NOT SIGNIFICANT

### ***C. Business Earnings Analysis***

The business earnings variable is identified by self-employment income<sup>292</sup> from the year 2014 to 2017 for the three industries: construction, professional services, and goods and services. The analysis considered incorporated and non-incorporated businesses.

Previous studies have shown that many non-discriminatory factors, such as education, age, and marital status, are associated with self-employment income. In this analysis, race and gender-neutral factors are combined with race and gender groups in an OLS regression model to determine whether observed race or gender disparities were independent of the race and gender-neutral factors known to be associated with self-employment income.

#### **1. OLS Regression Results in the Construction Industry**

Table 9.7 depicts the results of the OLS regression for business earnings in the construction industry based on the 21 variables analyzed in this model.

**Table 9.7: Construction Industry OLS Regression**

Business Earnings Model	Coefficient	Significance	Standard Error	t-value	P> t
Age	575.787		555.335	1.04	0.300
Age-squared	-1.931		6.434	-0.30	0.764
Incorporated Business	-2735.449		4636.847	-0.59	0.555
Bachelor's Degree (a)	17208.040	*	3905.664	4.41	0.000
Advanced Degree	31544.690		20495.800	1.54	0.124
Home Owner	-3783.567		3291.037	-1.15	0.251
Home Value	0.020	*	0.009	2.15	0.032
Monthly Mortgage Payment	5.549	*	2.530	2.19	0.029
Interest and Dividends	0.030		0.024	1.23	0.217
Speaks English at Home	8932.834	*	3647.500	2.45	0.015

<sup>292</sup> The terms “business earnings” and “self-employment income” are used interchangeably.





<b>Business Earnings Model</b>	<b>Coefficient</b>	<b>Significance</b>	<b>Standard Error</b>	<b>t-value</b>	<b>P&gt; t </b>
Has a Child under the Age of Six	-934.507		6797.576	-0.14	0.891
Married	9469.168	*	3055.520	3.10	0.002
Caucasian Female (b)	-12862.870	*	4130.909	-3.11	0.002
African American	-12372.060	*	3718.774	-3.33	0.001
Asian American	7864.593		12155.010	0.65	0.518
Hispanic American	-8915.585	*	3692.379	-2.41	0.016
Native American	22334.710		30653.380	0.73	0.466
Other Minority	-8339.507		5358.019	-1.56	0.120
Year 2015 (c)	4325.297		3751.047	1.15	0.249
Year 2016	7136.368		4232.544	1.69	0.092
Year 2017	6769.639		3800.835	1.78	0.075
Constant	-2031.239		11736.950	-0.17	0.863

(a) For the variables bachelor's degree and advanced degree, the baseline variable is high school.

(b) For the ethnicity variables, the baseline variable is Caucasian males.

(c) For the year variables, the baseline variable is year 2014.

(P>|t|) of less than 0.05 denotes findings of statistical significance.

(\*) denotes a statistically significant variable with 95% confidence.

The OLS regression results for business earnings in the construction industry indicate the following:

- Business owners with a bachelor's degree have significantly higher business earnings in the construction industry.
- Business owners with higher-valued home have significantly higher business earnings in the construction industry.
- Business owners with higher monthly mortgage payment have significantly higher business earnings in the construction industry.
- Business owners who speak English at home have significantly higher business earnings in the construction industry.
- Married business owners have significantly higher business earnings in the construction industry.
- Caucasian female, African American, and Hispanic American business owners have significantly lower business earnings in the construction industry than non-minority males.
- Other minority business owners have lower business earnings in the construction industry than non-minority males, but not at a significant level.
- Asian American and Native American business owners have higher business earnings in the construction industry than non-minority males, but not at a significant level.



## 2. OLS Regression Results in the Professional Services Industry

Table 9.8 depicts the results of the OLS regression for business earnings in the professional services industry based on the 21 variables analyzed in this model.

**Table 9.8: Professional Services Industry OLS Regression**

Business Earnings Model	Coefficient	Significance	Standard Error	t-value	P> t
Age	4957.359	*	597.135	8.30	0.000
Age-squared	-47.546	*	6.946	-6.85	0.000
Incorporated Business	-8085.152		7675.555	-1.05	0.292
Bachelor's Degree (a)	13904.280	*	2682.068	5.18	0.000
Advanced Degree	48968.590	*	6050.483	8.09	0.000
Home Owner	-3078.964		3598.081	-0.86	0.392
Home Value	0.038	*	0.010	3.74	0.000
Monthly Mortgage Payment	12.305	*	3.194	3.85	0.000
Interest and Dividends	0.010		0.013	0.81	0.419
Speaks English at Home	11416.190	*	4189.504	2.72	0.006
Has a Child under the Age of Six	-2995.730		5298.041	-0.57	0.572
Married	6189.218	*	3058.622	2.02	0.043
Caucasian Female (b)	-23338.730	*	3398.517	-6.87	0.000
African American	-25841.380	*	4868.239	-5.31	0.000
Asian American	-15785.520	*	6963.388	-2.27	0.024
Hispanic American	-20681.170	*	4709.561	-4.39	0.000
Native American	-30856.660		22088.040	-1.40	0.163
Other Minority	-8322.153		8274.913	-1.01	0.315
Year 2015 (c)	-213.866		4681.225	-0.05	0.964
Year 2016	-2267.732		4702.705	-0.48	0.630
Year 2017	1762.210		4980.194	0.35	0.723
Constant	-84492.380	*	12605.650	-6.70	0.000

(a) For the variables bachelor's degree and advanced degree, the baseline variable is high school.

(b) For the ethnicity variables, the baseline variable is Caucasian males.

(c) For the year variables, the baseline variable is year 2014.

(P>|t|) of less than 0.05 denotes findings of statistical significance.

(\*) denotes a statistically significant variable with 95% confidence.

The OLS regression results for business earnings in the professional services industry indicate the following:

- Older business owners have significantly higher business earnings in the professional services industry. However, as business owners reach advanced age, they have significantly lower business earnings in the professional services industry.
- Business owners with a bachelor's degree and an advanced degree have significantly higher business earnings in the professional services industry.



- Business owners with higher-valued home have significantly higher business earnings in the professional services industry.
- Business owners with higher monthly mortgage payment have significantly higher business earnings in the professional services industry.
- Business owners who speak English at home have significantly higher business earnings in the professional services industry.
- Married business owners have significantly higher business earnings in the professional services industry.
- Caucasian female, African American, Asian American, and Hispanic American business owners have significantly lower business earnings in the professional services industry than non-minority males.
- Native American and Other minority business owners have lower business earnings in the professional services industry than non-minority males, but not at a significant level.

### 3. OLS Regression Results in the Goods and Services Industry

Table 9.9 depicts the results of the OLS regression for business earnings in the goods and services industry based on the 21 variables analyzed in this model.

**Table 9.9: Goods and Services Industry OLS Regression**

Business Earnings Model	Coefficient	Significance	Standard Error	t-value	P> t
Age	3661.639	*	351.066	10.43	0.000
Age-squared	-36.368	*	3.848	-9.45	0.000
Incorporated Business	-3960.359		4043.501	-0.98	0.328
Bachelor's Degree (a)	11940.410	*	2871.293	4.16	0.000
Advanced Degree	16797.770	*	7547.480	2.23	0.026
Home Owner	2080.195		2749.879	0.76	0.450
Home Value	0.015		0.008	1.84	0.067
Monthly Mortgage Payment	15.480	*	2.821	5.49	0.000
Interest and Dividends	0.157	*	0.070	2.23	0.026
Speaks English at Home	252.589		4641.856	0.05	0.957
Has a Child under the Age of Six	6101.188		5756.380	1.06	0.289
Married	3752.807		2367.715	1.58	0.113
Caucasian Female (b)	-3627.426		2873.225	-1.26	0.207
African American	-7749.770	*	2993.514	-2.59	0.010
Asian American	-5053.814		7257.619	-0.70	0.486
Hispanic American	-5832.134		4522.676	-1.29	0.197
Native American	-1787.651		4668.293	-0.38	0.702
Other Minority	-3839.788		3719.835	-1.03	0.302
Year 2015 (c)	-1593.223		2998.147	-0.53	0.595



Business Earnings Model	Coefficient	Significance	Standard Error	t-value	P> t
Year 2016	3459.417		3144.604	1.10	0.271
Year 2017	91.557		3087.918	0.03	0.976
Constant	-65294.530	*	9113.240	-7.16	0.000

(a) For the variables bachelor's degree and advanced degree, the baseline variable is high school.

(b) For the ethnicity variables, the baseline variable is Caucasian males.

(c) For the year variables, the baseline variable is year 2014.

(P>|t|) of less than 0.05 denotes findings of statistical significance.

(\*) denotes a statistically significant variable with 95% confidence.

The OLS regression results for business earnings in the goods and services industry indicate the following:

- Older business owners have significantly higher business earnings in the goods and services industry. However, as business owners reach advanced age, they have significantly lower business earnings in the goods and services industry.
- Business owners with a bachelor's degree and an advanced degree have significantly higher business earnings in the goods and services industry.
- Business owners with higher monthly mortgage payment have significantly higher business earnings in the goods and services industry.
- Business owners with higher interest and dividend income have significantly higher business earnings in the goods and services industry.
- African American business owners have significantly lower business earnings in the goods and services industry than non-minority males.
- Caucasian female, Asian American, Hispanic American, Native American, and other minority business owners have lower business earnings in the goods and services industry than non-minority males, but not at a significant level.

#### ***D. Business Earnings Analysis Conclusion***

Controlling for race and gender-neutral factors, the Business Earnings Analysis documented statistically significant disparities in business earnings for minorities and Caucasian females when compared to similarly situated non-minority males. African Americans have significant lower business earnings in the construction, professional services, and goods and services industries. Caucasian females and Hispanic Americans have significant lower business earnings in the construction and professional services industries. Asian Americans have significant lower business earnings in the professional services industry. Table 9.10 depicts the earnings disparity regression results by race, gender, and industry.



**Table 9.10: Statistically Significant Business Earnings Disparities**

<b>Race/Gender</b>	<b>Construction</b>	<b>Professional Services</b>	<b>Goods and Services</b>
Caucasian Female	<b><i>SIGNIFICANT</i></b>	<b><i>SIGNIFICANT</i></b>	NOT SIGNIFICANT
African American	<b><i>SIGNIFICANT</i></b>	<b><i>SIGNIFICANT</i></b>	<b><i>SIGNIFICANT</i></b>
Asian American	NOT SIGNIFICANT	<b><i>SIGNIFICANT</i></b>	NOT SIGNIFICANT
Hispanic American	<b><i>SIGNIFICANT</i></b>	<b><i>SIGNIFICANT</i></b>	NOT SIGNIFICANT
Native American	NOT SIGNIFICANT	NOT SIGNIFICANT	NOT SIGNIFICANT
Other	NOT SIGNIFICANT	NOT SIGNIFICANT	NOT SIGNIFICANT

## ***VII. Conclusion***

The analyses of the two outcome variables document disparities that could adversely affect the formation and growth of M/WBEs within the construction, professional services, and goods and services industries. In the absence of a race and gender-neutral explanation for the disparities, the regression findings point to racial and gender discrimination that depressed business ownership and business earnings. Such discrimination is a manifestation of economic conditions in the private sector that impede minorities and Caucasian females' efforts to own, expand, and sustain businesses. It can reasonably be inferred that these private sector conditions are manifested in the current M/WBEs' experiences and likely contributed to lower levels of willing and able M/WBEs. It is important to note that there are limitations to using the regression findings in order to assess disparity between the utilization and availability of businesses. No matter how discriminatory the private sector may be, the findings cannot be used as the factual basis for a government-sponsored, race-conscious M/WBE program. Therefore, caution must be exercised in the interpretation and application of the regression findings in a disparity study. Nevertheless, the findings can be used to enhance the race-neutral recommendations to eliminate identified statistically significant disparities in the City's use of available M/WBEs.



---

# ***CHAPTER 10: Anecdotal Analysis***

## ***I. Purpose and Background for eSurvey***

The purpose of the Anecdotal eSurvey was to solicit information from M/WBEs and Caucasian male business owners domiciled in Pinellas County as willing to do business with the City of St. Petersburg (City). The eSurvey provides an opportunity for all available businesses to express their experience working with or seeking work from the City.

## ***II. eSurvey Methodology***

The survey population was the businesses available to perform the City contracts during the October 1, 2014 to September 30, 2018 study period. The survey was administered in a digital format.

### ***A. eSurvey Instrument Design***

The eSurvey questions were designed to elicit from the respondents (1) general background information; (2) experience submitting bids/proposals; (3) history working with the City; (4) interest in technical assistance and supportive services; and (5) comments regarding the City's SBE program.

The eSurvey included 37 questions yielding either a yes-or-no, multiple-choice, rating-scale response, and eight open-ended questions. The eSurvey questions were imported into Form Assembly™, an on-line research tool that converted the questions into an eSurvey. A copy of the eSurvey is attached as Appendix A.

### ***B. Identification of the eSurvey Population***

In the survey population there were 2,756 minority-owned, female-owned, and Caucasian male-owned companies in the market area that provide construction, professional services (including architecture and engineering), and goods and services. A profile of the 2,756 businesses, by ethnicity and gender, is presented in Table 10.1.



**Table 10.1: Profile of eSurvey Population by Ethnicity and Gender**

<b>Ethnicity/Gender</b>	<b>Number</b>	<b>Percent</b>
African Americans	95	3.45%
Asian Americans	33	1.20%
Hispanic Americans	95	3.45%
Native Americans	17	0.62%
Caucasian Females	368	13.35%
Non-Minority Males	2,148	77.94%
<b>Total</b>	<b>2,756</b>	<b>100.00%</b>

***C. Distribution of the eSurvey Instrument***

The eSurvey was emailed to the 2,756 businesses in the availability database. The email transmission included a description of the purpose for the eSurvey and the Uniform Resource Locator (URL) link to the eSurvey. The business owners were encouraged to complete all questions but were informed that including their company name was optional. In an effort to maximize the number of responses, two reminder emails were sent to the 2,756 businesses, encouraging them to complete the eSurvey.

***III. eSurvey Findings***

The responses to the 37 questions in the anecdotal eSurvey are presented below in three sections—*Profile of the eSurvey Respondents, Overview of Business Practices, and Best Management Practices.*

***A. Profile of the eSurvey Respondents***

A total of 70 eSurveys were received, which represent 2.53% percent of the 2,756 businesses that received an email invitation from Mason Tillman to complete the eSurvey.

Chart 1 presents the industry of the businesses that responded to the eSurvey. The findings revealed that 55.70% of businesses classified themselves as professional services, 24.30% as goods and supplies, and 20.00% as construction. Our analysis combined respondents who identified as architecture, engineering, landscaping, or surveying services with professional services.



**Chart 10.1: Respondents by Industry**

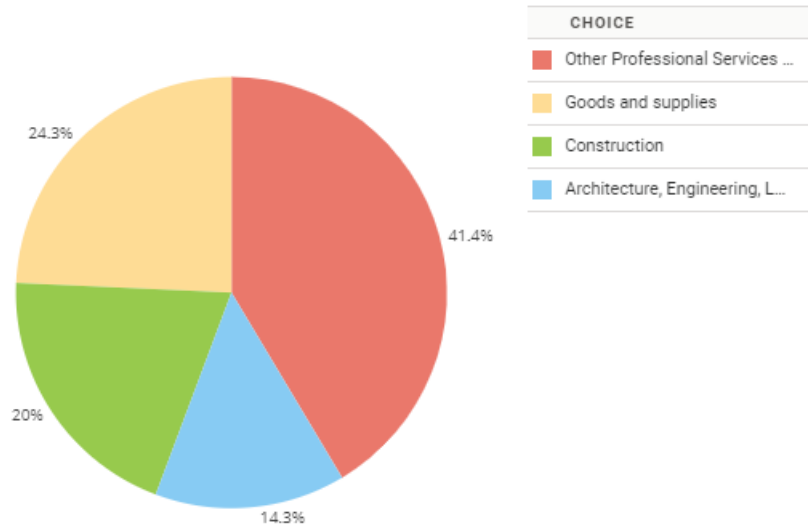


Chart 10.2 presents the gender of the business owners. Male-owned businesses represented 55.70% of respondents and woman-owned businesses represented 38.60%.

**Chart 10.2: Respondents by Gender**

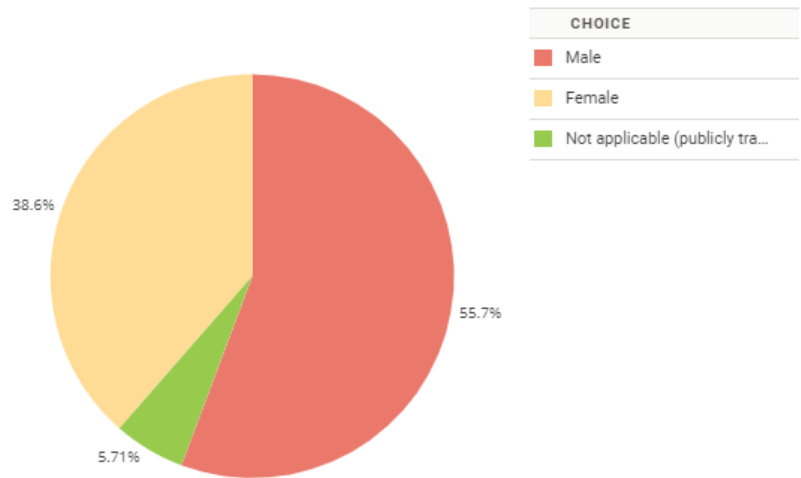


Chart 10.3 presents the ethnicity of the business owners. The majority were Caucasian American, representing 47.50% of respondents, followed by African American, representing 38.60% of respondents.





**Chart 10.3: Businesses by Ethnicity**

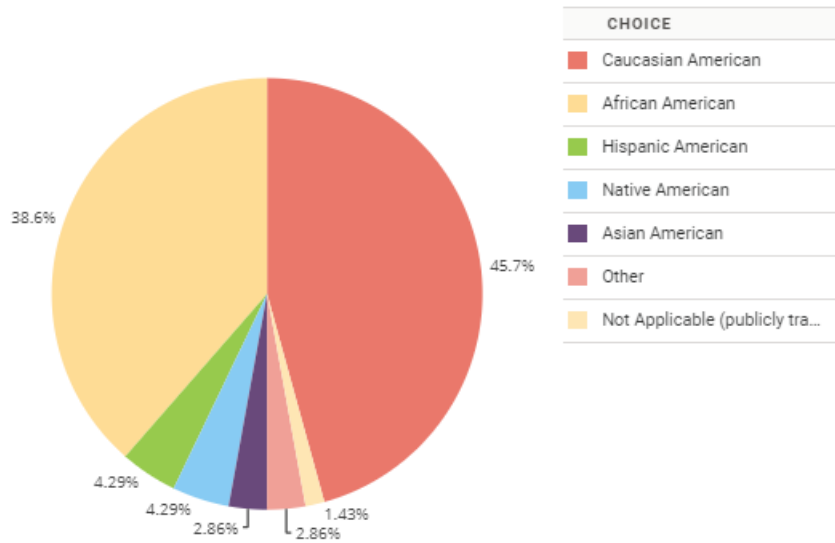


Chart 10.4 presents the business enterprise certifications of the businesses that responded to the eSurvey. The findings revealed that 37.10% of businesses had an M/WBE certification, 42.90% had no certifications, 15.70% had other certifications, and 40.00% had SBE certifications.

**Chart 10.4: Respondents' Certifications**

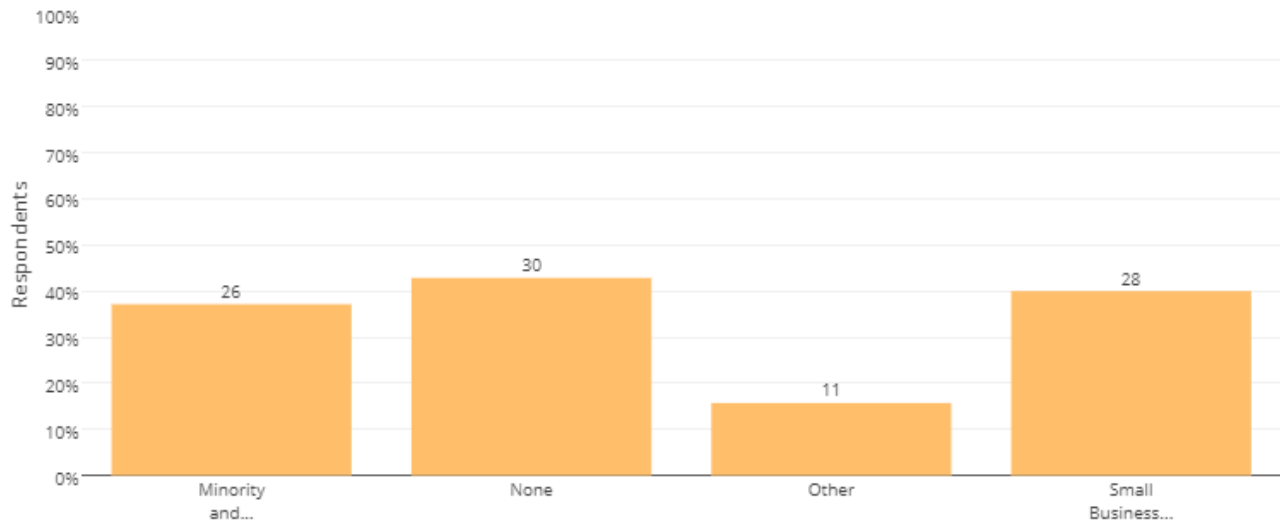
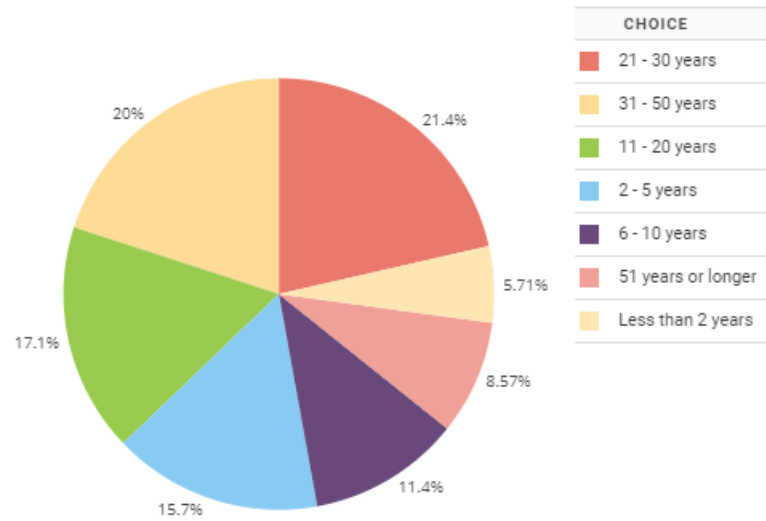


Chart 10.5 presents the years in operation of businesses that responded to the eSurvey. The majority of respondents (78.40%) had been in business for over 6 years, while 15.70% of respondents have been in business for 2 to 5 years and 5.71% of respondents have been in business for less than 2 years.

**Chart 10.5: Businesses by Number of Years in Operation**



### ***B. Overview of Business Practices***

This section presents the business practices reported by the business owners. The respondents reported on their bid/proposal submissions, prime and subcontract awards, and experience navigating the City's procurement process.

Chart 10.6 presents the number bids, quotes, or proposals submitted to the City for construction, professional services (including architecture and engineering), and goods and services prime contracts. The majority of respondents did not submit bids/proposals during the study period. For those that submitted bids, 38.60% submitted 1 to 4 bids/proposals, 8.57% submitted 5 to 9 bids/proposals, and 7.14% submitted 15 or more bids/proposals.



**Chart 10.6: Prime Contract Bids or Proposals Submittals**

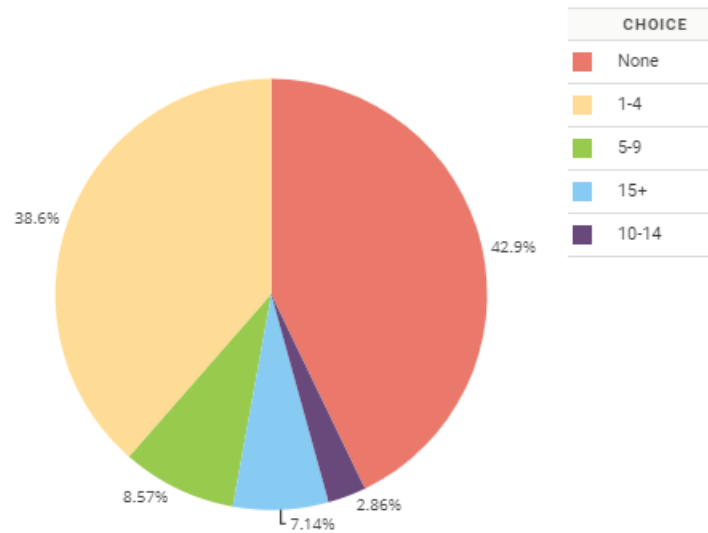


Chart 10.7 presents the number of bids or proposals submitted to the City’s prime contractors by businesses that responded to the eSurvey. The majority, or 72.90% of respondents, did not submit bids/proposals for subcontracts.

**Chart 10.7: Subcontract Bids or Proposals Submittals**

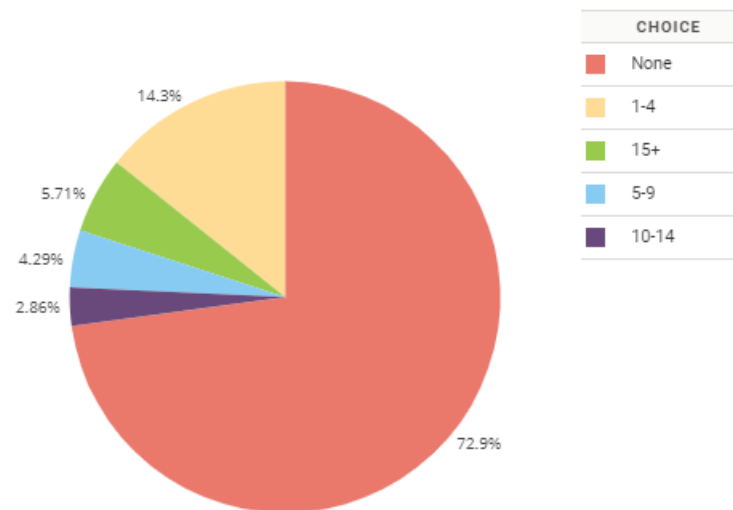


Chart 10.8 presents the number of prime contracts awarded during the study period to businesses that responded to the eSurvey. The majority, or 65.70% of the respondents, had no prime contract awards, while 22.90% had 1 to 4 prime contract awards.

**Chart 10.8: Prime Contract Awards**

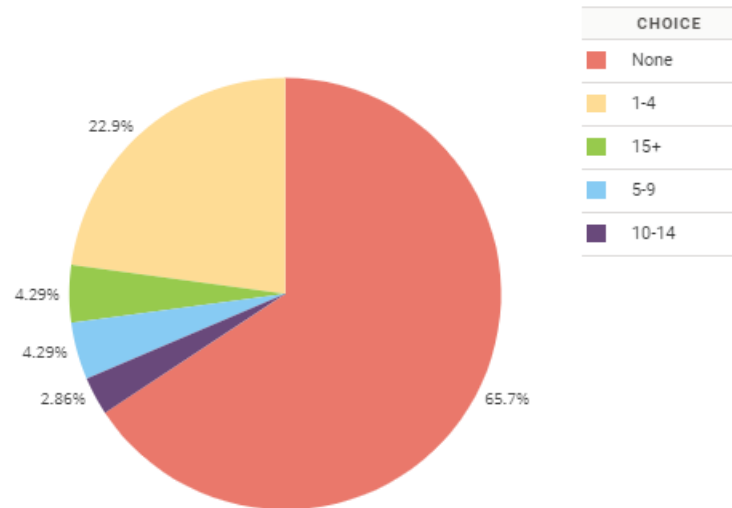


Chart 10.9 presents the number of subcontracts awarded during the study period to businesses that responded to the eSurvey. The majority, or 75.70% of respondents, received no subcontract awards, while 15.70% had 1 to 4 subcontract awards.

**Chart 10.9: Subcontract Awards**

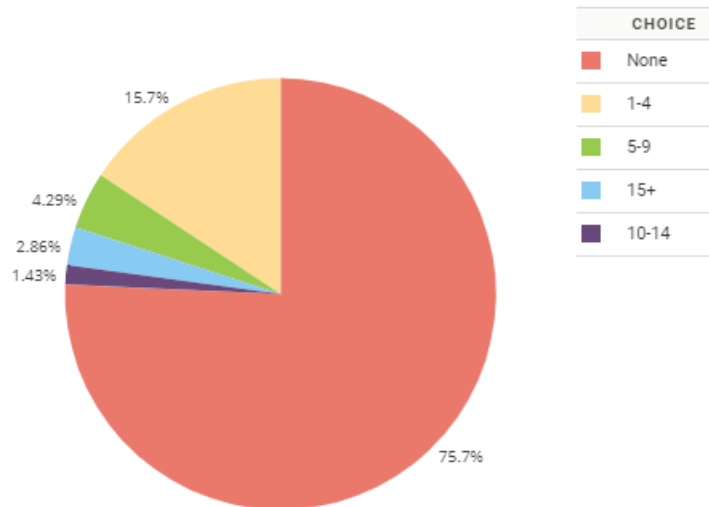


Chart 10.10 presents how often businesses that responded to the eSurvey were asked by prime contractors to lower the price of a bid/proposal. The majority, or 74.30% of respondents, were never asked to reduce the price of their bid/proposal.



**Chart 10.10: Pressure to Reduce Bid or Proposal**

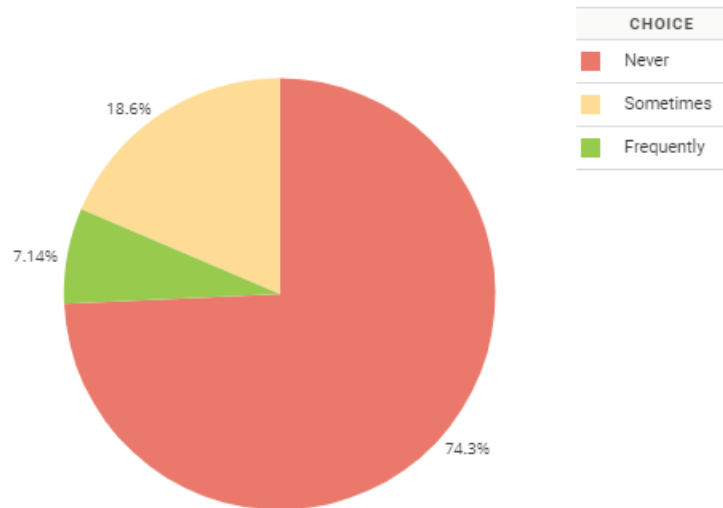


Chart 10.11 presents how often businesses that responded to the eSurvey experienced insufficient lead time to submit a bid or proposal on City contracts. The findings revealed that 74.30% of respondents reported never experiencing insufficient lead time to submit a bid or proposal, 17.10% sometimes experienced insufficient lead time to submit a bid or proposal, and 8.57% frequently experienced insufficient lead time to submit a bid or proposal.

**Chart 10.11: Insufficient Lead Time to Submit a Bid or Proposal**

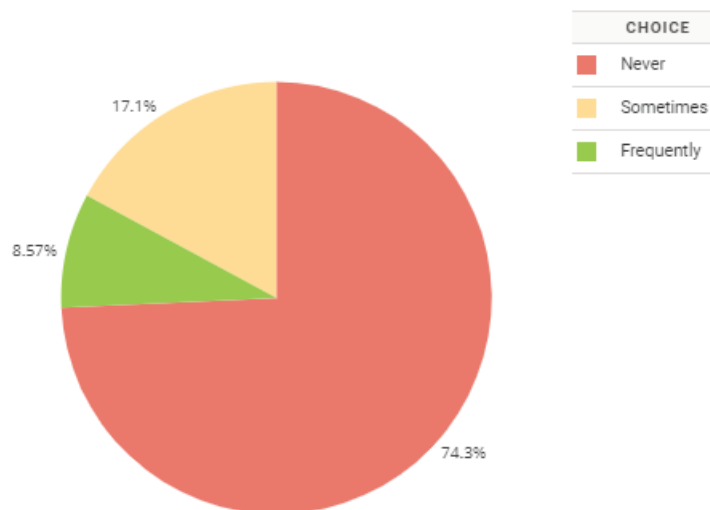


Chart 10.12 presents businesses that were not awarded work as a subcontractor by a prime contractor who won the contract. The majority, or 85.70% of respondents, received work as a subcontractor from a prime contractor after the contract was awarded.

**Chart 10.12: Subcontractors Utilized by Prime Contractors**

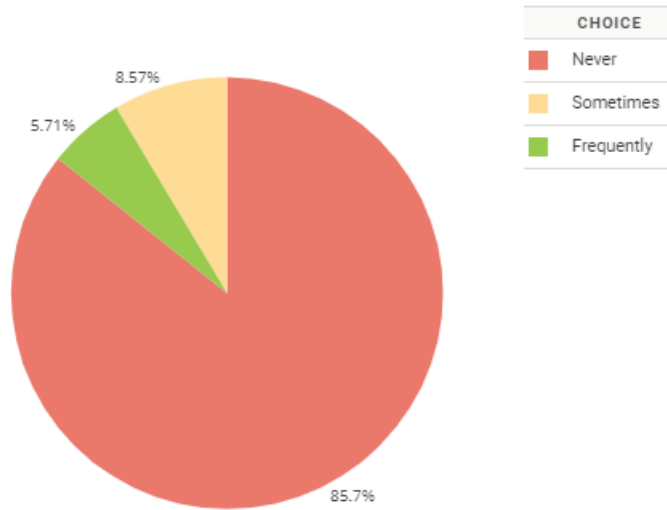


Chart 10.13 presents how often businesses that responded to the eSurvey had to meet performance requirements that exceeded their scope of work. The majority, or 80.00% of the respondents, did not experience excessive performance requirements while working on a City contract.

**Chart 10.13: Performance Requirements**

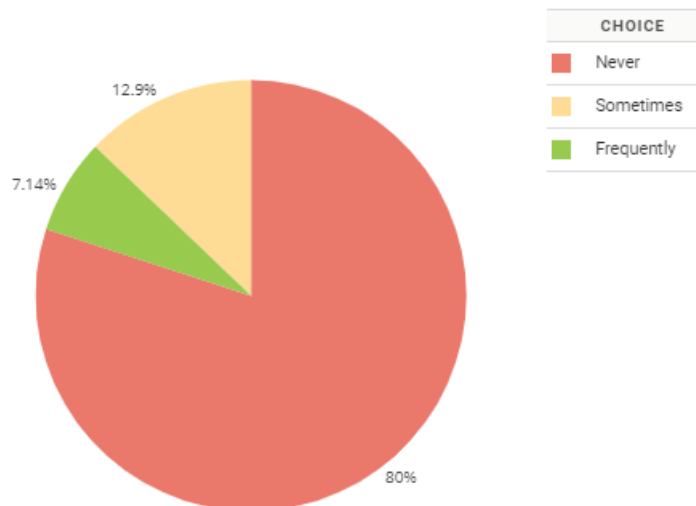


Chart 10.14 presents the frequency at which businesses that responded to the eSurvey experienced prime contractors not paying invoices for work performed. The majority, or 92.90% of the respondents, received payment for their invoices from prime contractors.

**Chart 10.14: Unpaid Invoices by Prime Contractors**

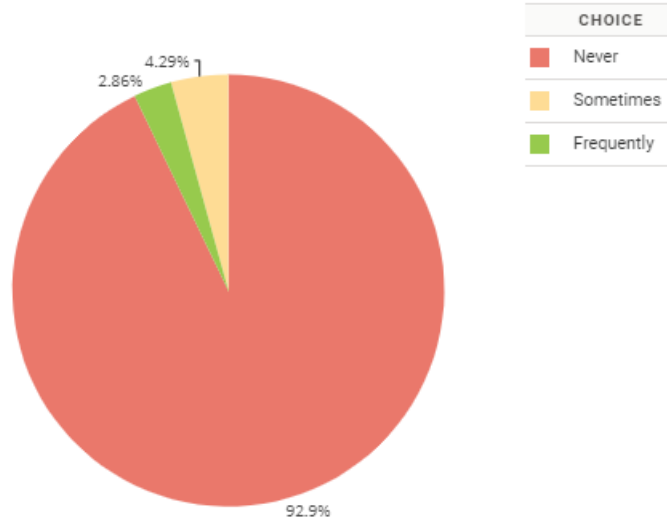


Chart 10.15 presents the frequency of City invoices paid more than 60 days late. The majority, or 84.30% of the respondents, received payments for their invoices before 60 days.

**Chart 10.15: Late Payments by the City**

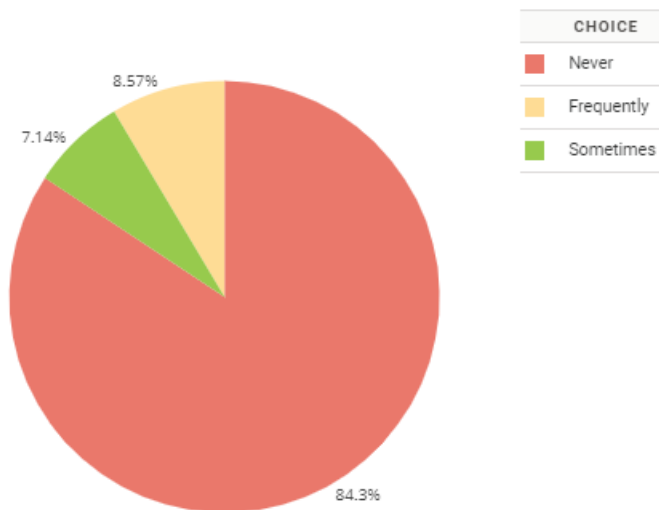


Chart 10.16 presents whether businesses that responded to the eSurvey requested a debriefing from the City after their bid or proposal was unsuccessful. The majority, or 91.40% of the respondents, did not request a debriefing from the City after their bid or proposal was unsuccessful.



**Chart 10.16: Debriefing Requests from Unsuccessful Bidders or Proposers**

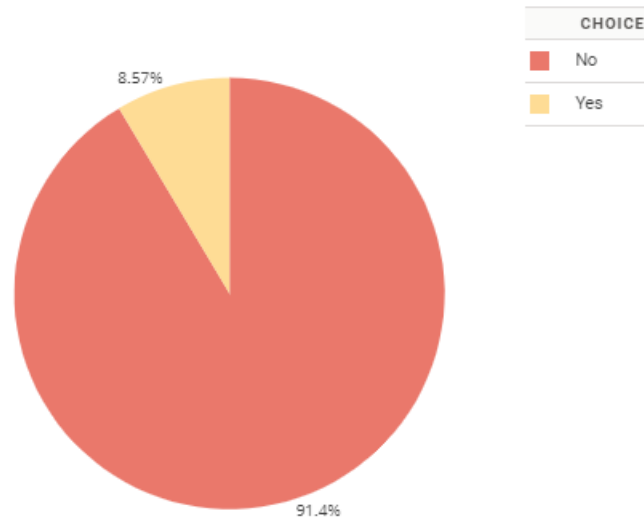


Chart 10.17 presents the extent to which businesses that responded to the eSurvey found debriefing meetings with the City to be helpful after unsuccessful contract bids. The findings revealed that 15.71% of respondents found debriefing meetings with the City to be very helpful or somewhat helpful, while 8.57% of respondents did not find debriefing meetings with the City to be helpful.

**Chart 10.17: Helpfulness of Debriefing Meetings**

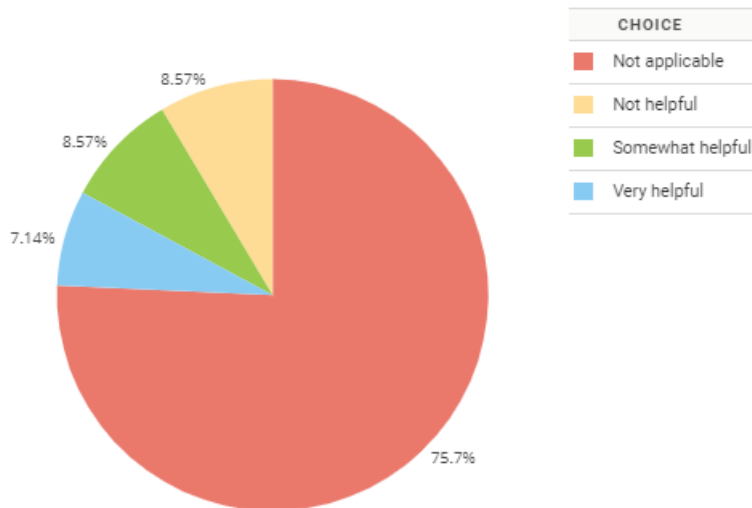


Chart 10.18 presents multi-year agreements awarded to businesses that responded to the eSurvey during the study period. The majority, or 80.00% of the respondents, have never been awarded a multi-year agreement.



**Chart 10.18: Multi-year Agreement Awards**

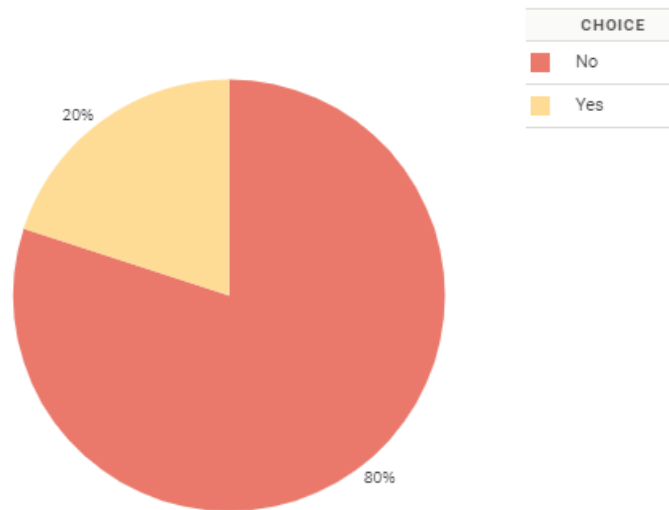


Chart 10.19 presents the number of multi-year agreements awarded to businesses that responded to the eSurvey. The majority, or 78.60% of respondents, did not indicate receiving a multi-year agreement. The findings revealed that 17.32% of respondents were awarded 1 to 5 multi-year agreements.

**Chart 10.19: Number of Multi-year Agreements**

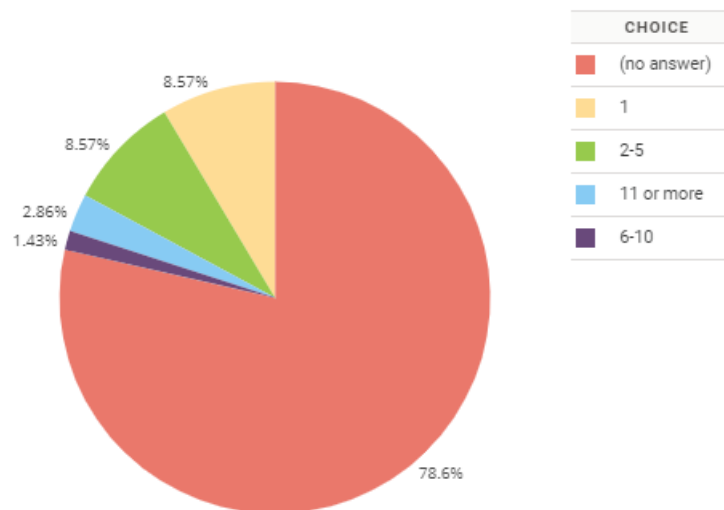


Chart 10.20 reports on whether the respondents believe the City has preferred prime contractors. The findings revealed that 44.30% of respondents reported that the City has a preference for certain prime contractors.

**Chart 10.20: Highly Used Prime Contractors**

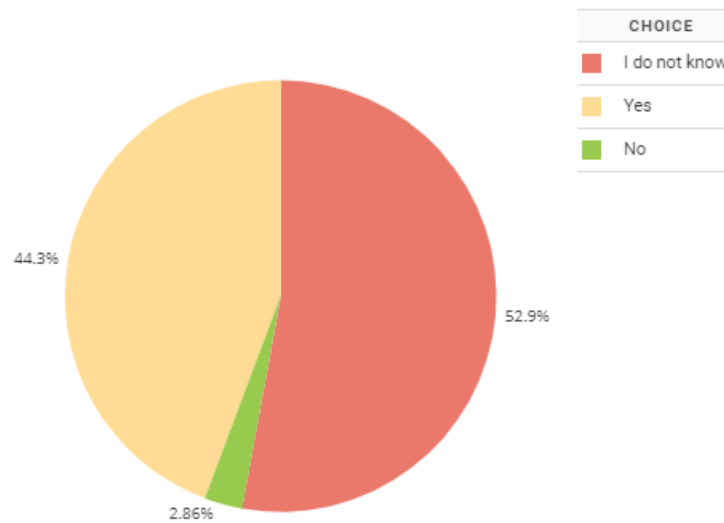


Chart 10.21 presents the types of preferential treatment the respondents believe is accorded to select businesses. The findings revealed that 32.90% of respondents reported that preferred contractors receive advance bid or proposal notifications, 18.60% of respondents reported the City approved multiple change orders or amendments for the preferred contractors, and 34.30% of respondents reported that there are bid or proposal requirements that favor large businesses.

**Chart 10.21: Preferential Treatment to Preferred Contractors**

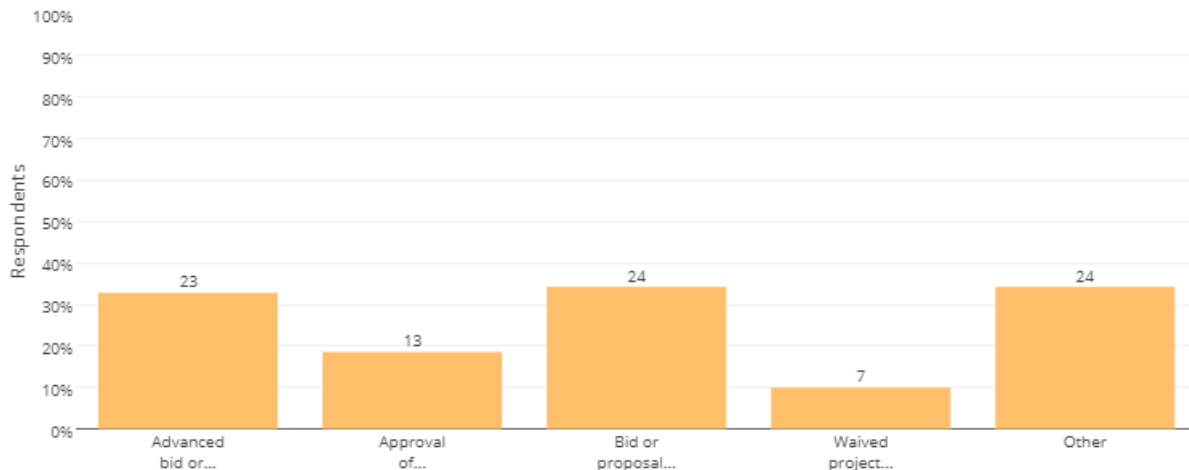


Chart 10.22 presents businesses that responded to the survey who have submitted bond waiver applications. The findings revealed that 21.40% of the construction businesses have not applied for a bond waiver with the City.

**Chart 10.22: Bond Waiver Application Requests**

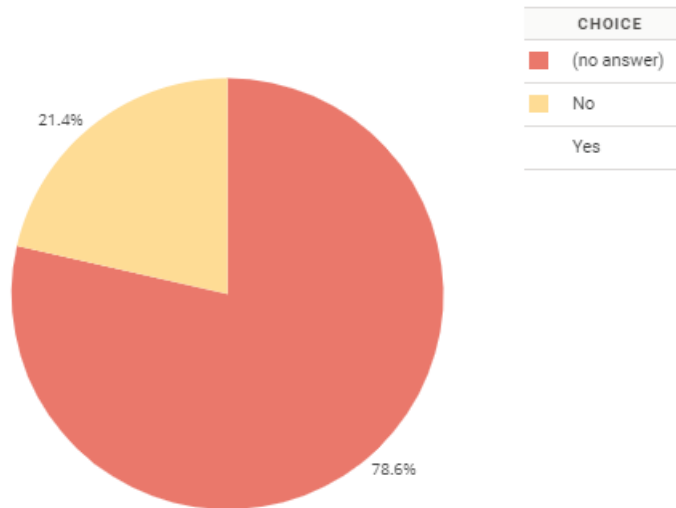


Chart 10.23 presents bond waivers awarded to construction businesses that responded to the survey. The findings revealed that no company reported receiving a bond waiver from the City on a construction contract valued under \$100,000 since October 1, 2014.

**Chart 10.23: Bond Waiver Awards**

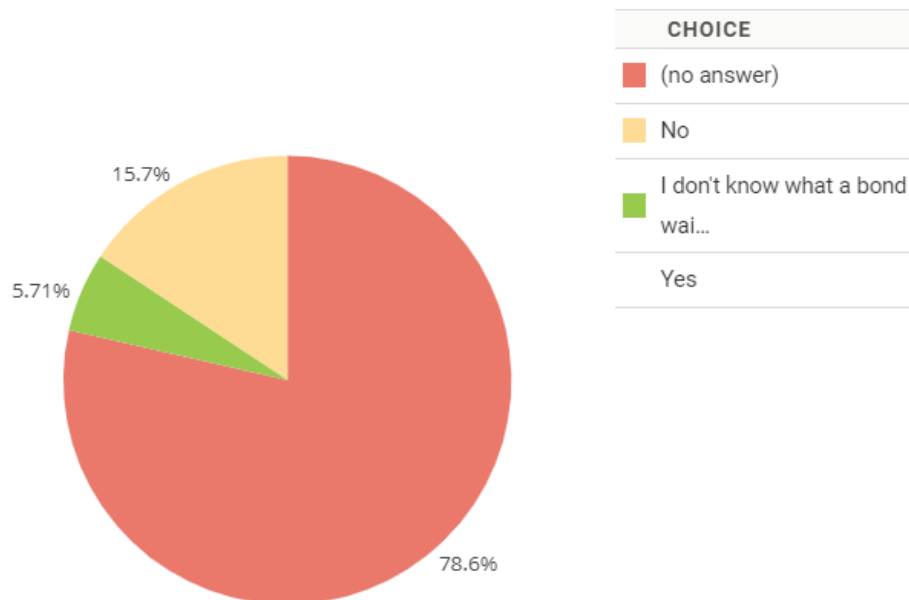


Chart 10.24 presents the reasonability of bond waiver requirements as reported by construction businesses that responded to the survey. Of the 21.43% of construction companies who responded, 8.57% believe that the City's prime contract bond requirements are frequently reasonable based

on the project size and scope of work, 8.57% believe that the bonding requirements are not reasonable, and 4.29% believe that the bonding requirements are sometimes reasonable.

**Chart 10.24: Bond Waiver Requirements Consistent with Scope of Work**

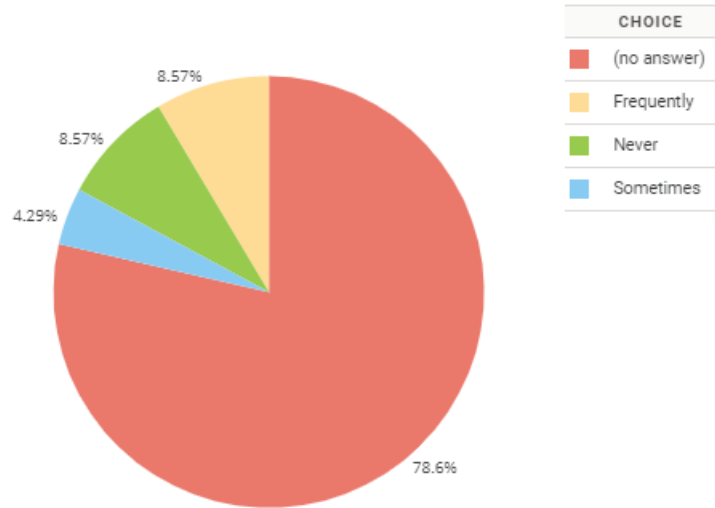


Chart 10.25 presents how frequently construction businesses that responded to the survey were prohibited from bidding as a prime contractor due to the City's bonding requirements. While 18.60% said that the City's bonding requirements have never prohibited them from bidding as a prime contractor, and 1.43% were frequently prohibited from bidding as a prime contractor, and 1.43% were sometimes prohibited from bidding as a prime contractor.

**Chart 10.25: Prohibitive Bonding Requirements**

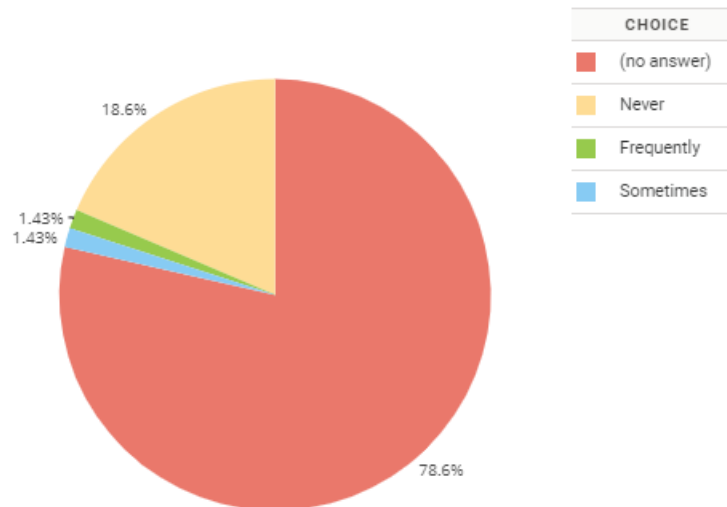
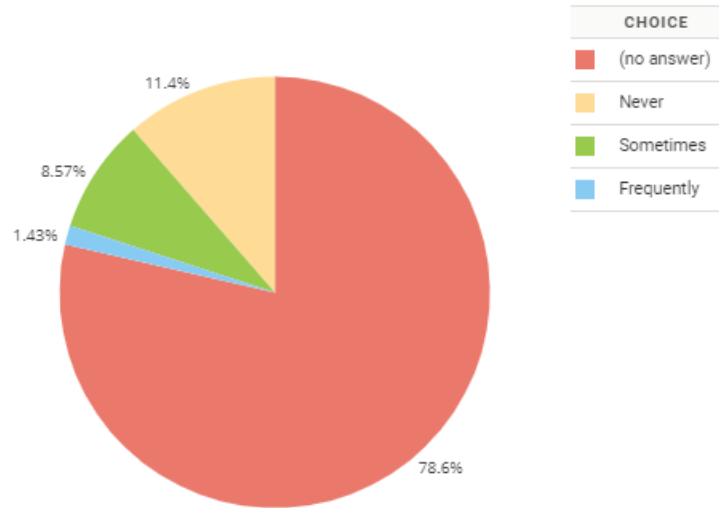


Chart 10.26 presents how frequently construction businesses that responded to the survey were required to bond their subcontracts. The respondents reported that 11.40% have never been required to bond their subcontracts, 8.57% have sometimes been required to bond their subcontracts, and 1.43% have frequently been required to bond their subcontracts.

**Chart 10.26: Subcontract Bonding Requirements**



### ***C. Small Business Enterprise Program***

This section presents the respondents experience with the City’s SBE Program.

Chart 10.27 presents the SBE certifications of businesses that responded to the eSurvey. The findings revealed that 38.60% of the respondents had an SBE certification, while 61.40% of the respondents did not have an SBE certification.



**Chart 10.27: Respondents by SBE Certification**

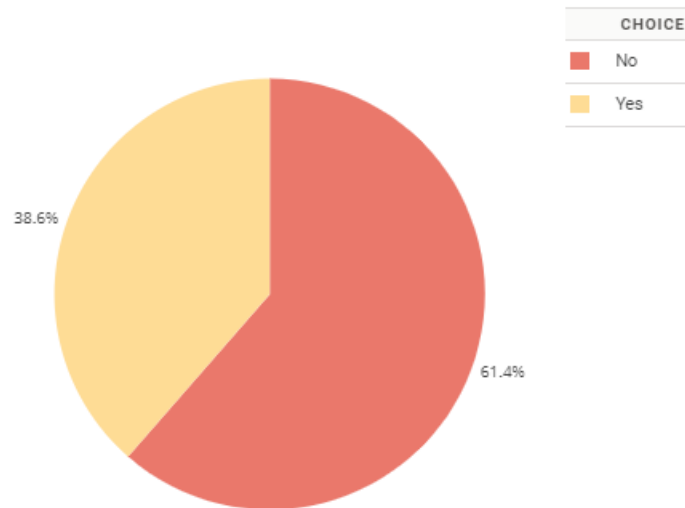


Chart 10.28 presents whether businesses that responded to the eSurvey have benefitted from the City's SBE program. The majority of respondents, 77.10%, reported that they have not benefitted from the City's SBE program, while 22.90% of the respondents reported that the SBE program was beneficial.

**Chart 10.28: SBE Program Benefit**

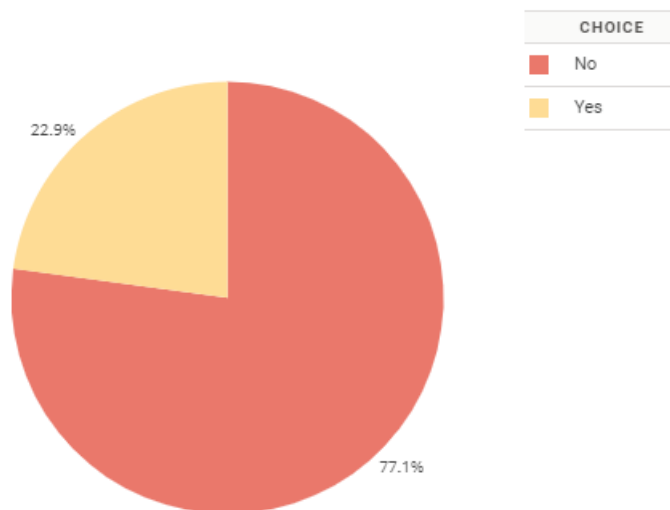


Chart 10.29 presents the number of contracts that businesses were used to meet an SBE program goal. The majority of respondents, 82.90%, had not been used to meet an SBE goal. The findings revealed that 5.71% of respondents had been used to meet SBE goals on 2 to 5 contracts; 5.71% had been used to meet SBE goals on 6 to 10 contracts; 4.29% had been used to meet SBE goals on 1 contract; and 1.43% of respondents had been used to meet SBE goals on 11 or more contracts.

**Chart 10.29: Number of Contracts Used to Meet SBE Goals**

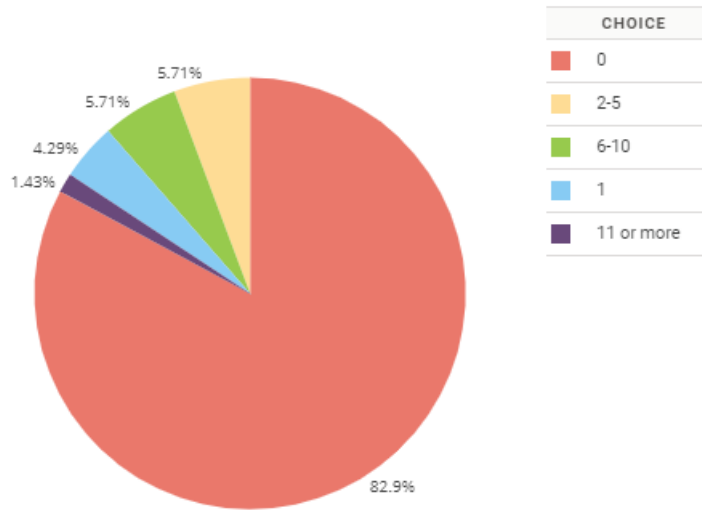


Chart 10.30 presents whether there is a process available for expediting SBE certification applications to meet to the City’s bid/proposal deadline. The majority of respondents, 87.10%, replied that there is not a process available for expediting SBE certifications. The findings revealed that 12.90% of respondents reported that there is a process available for expediting SBE certifications.



**Chart 10.30: SBE Certification Expediting Process**

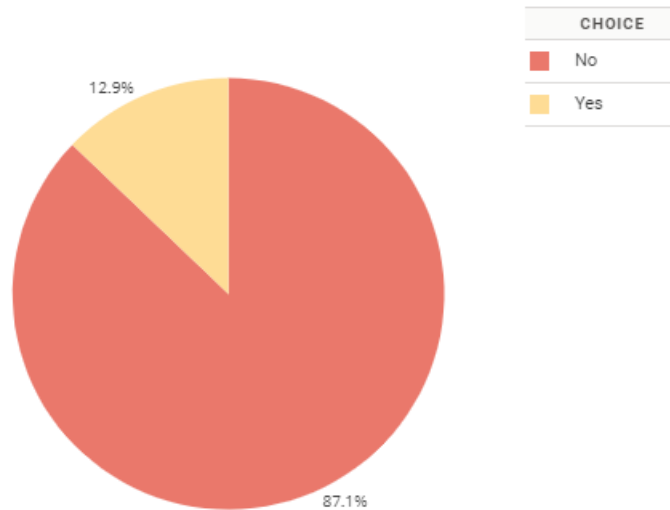
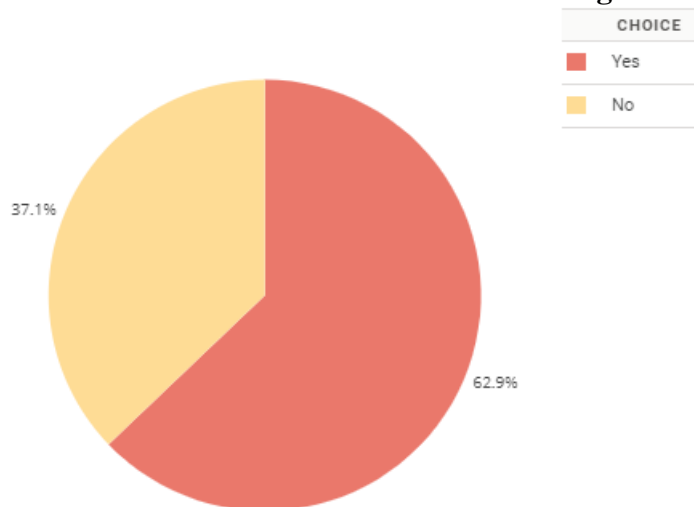


Chart 10.31 presents the need for a Minority and Woman-owned Business Enterprise Program, as reported by businesses that responded to the eSurvey. The majority of respondents, 62.90%, believe that there is a need for the City to implement a Minority and Woman-owned Business Enterprise Program.

**Chart 10.31: Need for M/WBE Program**





#### ***D. Summary***

The majority of respondents to the anecdotal eSurvey were Caucasian American, representing 47.50% of respondents, and African American, representing 38.60% of respondents. In addition, male-owned businesses accounted for 55.70% of respondents and woman-owned businesses accounted for 38.60%. The findings revealed that 37.10% of businesses had an M/WBE certification, 42.90% had no certifications, 15.70% had other certifications, and 40.00% had small business enterprise certifications.

When describing issues businesses have had in dealing with the City, 25.70% of respondents have experienced insufficient time for submitting bids on City contracts. When bids were rejected by the City, 15.71% of respondents who pursued a debriefing meeting found the meeting with the City to be helpful, while 8.57% of respondents did not find debriefings with the City to be helpful. Respondents also detailed the types of preferential treatment highly used contractors receive: 32.90% of respondents reported advance bid or proposal notifications, 18.60% of respondents reported the City's approval of multiple change orders or amendments, and 34.30% of respondents reported that there are bid or proposal requirements that favor large businesses. The findings revealed that 44.30% reported that the City shows preference to highly used prime contractors.

While 38.60% of respondents were members of the SBE program, only 22.90% of respondents found the program to be helpful. Information gathered from the eSurvey was used to draft the race and gender-neutral recommendations set forth in *Chapter 11, Recommendations*.



---

# **CHAPTER 11: Recommendations**

## **I. Introduction**

This chapter presents recommendations to address disparities that were documented in the City of St. Petersburg Disparity Study (Study). The Study included a statistical analysis of the utilization of available M/WBEs and non-M/WBEs on construction, professional services (including architectural and engineering services), and goods and services prime contracts issued during the study period. An analysis of the utilization of available M/WBEs and non-M/WBEs on construction and professional services subcontracts was also undertaken. This chapter is organized into five sections: 1) *Introduction*, 2) *Disparity Analysis Findings*, 3) *Assessment of the City's Small Business Enterprise Program*, 4) *Race and Gender-Conscious Recommendations*, and 5) *Race and Gender-Neutral Recommendation*.

## **II. Disparity Analysis Findings**

The statistically significant findings of disparity in the award of prime contracts were calculated in compliance with the constitutional parameters set forth in *City of Richmond v. J.A. Croson* (*Croson*),<sup>293</sup> and its progeny. The statistical findings of disparity summarized in this chapter are detailed in *Chapter 7: Prime Contract Disparity Analysis* and *Chapter 8: Subcontract Disparity Analysis*.

### **A. Number of Prime Payments**

As shown in Table 11.1, 7,896 prime contracts awarded by the City during the October 1, 2014 to September 30, 2018 study period were analyzed. These contracts included 555 for construction, 1,106 for professional services, and 6,235 for goods and services.

During the study period, the City awarded a total of \$684,925,107. Prime contract expenditures included \$410,663,577 for construction, \$67,274,605 for professional services, and \$206,986,925 for goods and services.

---

<sup>293</sup> *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989).

**Table 11.1: Total Prime Payments and Dollars Expended: All Industries  
October 1, 2014 to September 30, 2018**

Industry	Total Number of Contracts	Total Award Dollars
Construction	555	\$410,663,577
Professional Services	1,106	\$67,274,605
Goods and Services	6,235	\$206,986,925
<b>Total Expenditures</b>	<b>7,896</b>	<b>\$684,925,107</b>

**B. Prime Payment Disparity Findings**

The prime contract disparity analysis was performed at both informal and formal thresholds. The informal threshold, which is defined by the City's *Procurement Operations Manual*, is as follows:

**Table 11.2: Informal Thresholds by Industry**

Industry	Contract Threshold
Construction	Under \$100,000
Professional Services	Under \$100,000
Goods and Services	Under \$100,000

The formal threshold for each industry is as follows:

**Table 11.3: Formal Thresholds by Industry**

Industry	Contract Threshold
Construction	\$100,000 to \$2,790,000
Professional Services	\$100,000 to \$1,400,000
Goods and Services	\$100,000 to \$1,150,000

Table 11.4 shows a description of the disparity analysis outcomes.

**Table 11.4: Statistical Outcome Descriptions**

P-Value Outcome	Definition of P-Value Outcome
< .05 *	The underutilization is statistically significant.
not significant	<ul style="list-style-type: none"> <li>The underutilization of M/WBEs is not statistically significant.</li> <li>The overutilization of non-minority males is not statistically significant.</li> </ul>
----	The magnitude of the statistical significance of disparity for this underutilization cannot be detected.
< .05 †	The overutilization is statistically significant.
**	This study does not test statistically the overutilization of minority or gender groups or the underutilization of non-minority males.

### 1. Construction Prime Contract Disparity Findings

Table 11.5 shows the construction prime contract disparity findings at the two thresholds: 1) formal contracts valued from \$100,000 to \$2,790,000 and 2) informal contracts valued less than \$100,000. On formal prime purchase orders valued between \$100,000 and \$2,790,000, disparity was found for African Americans, Hispanic Americans, and Caucasian females. On informal contracts valued under \$100,000, disparity was found for African Americans, Native Americans, and Caucasian females.

**Table 11.5: Prime Contract Disparity Summary: Construction**  
**October 1, 2014 to September 30, 2018**

Ethnicity/Gender	Construction	
	Contracts Valued Under \$100,000	Contracts Valued \$100,000 to \$2,790,000
African Americans	<i>Disparity</i>	<i>Disparity</i>
Asian Americans	----	No Disparity
Hispanic Americans	No Disparity	<i>Disparity</i>
Native Americans	<i>Disparity</i>	----
Caucasian Females	<i>Disparity</i>	<i>Disparity</i>

## 2. Professional Services Prime Contract Disparity Findings

Table 11.6 shows the professional services prime contracts disparity findings at the two thresholds: 1) formal contracts valued from \$100,000 to \$1,400,000 and 2) informal contracts valued less than \$100,000. On formal contracts valued from \$100,000 to \$1,400,000, disparity was found for African Americans, Native Americans, and Caucasian females. On informal prime contracts valued less than \$100,000, disparity was found for African Americans, Hispanic Americans, Native Americans, and Caucasian females.

**Table 11.6: Prime Contracts Disparity Summary: Professional Services**  
**October 1, 2014 to September 30, 2018**

Ethnicity/Gender	Professional Services	
	Contracts Valued Under \$100,000	Contracts Valued \$100,000 to \$1,400,000
African Americans	<i>Disparity</i>	<i>Disparity</i>
Asian Americans	No Disparity	No Disparity
Hispanic Americans	<i>Disparity</i>	No Disparity
Native Americans	<i>Disparity</i>	<i>Disparity</i>
Caucasian Females	<i>Disparity</i>	<i>Disparity</i>

### 3. Goods and Services Prime Contracts Disparity Findings

Table 11.7 shows the goods and services prime contract disparity findings at the two thresholds: 1) formal contracts valued from \$100,000 to \$1,150,000 and 2) informal contracts valued less than \$100,000. On formal prime contracts valued from \$100,000 to \$1,150,000, disparity was found for Hispanic Americans and Caucasian females. On informal prime contracts valued less than \$100,000, disparity was found for African Americans, Hispanic Americans, and Caucasian females.

**Table 11.7: Prime Contracts Disparity Summary: Goods and Services  
October 1, 2014 to September 30, 2018**

Ethnicity/Gender	Goods and Services	
	Contracts Valued Under \$100,000	Contracts Valued \$100,000 to \$1,150,000
African Americans	<i>Disparity</i>	No Disparity
Asian Americans	No Disparity	No Disparity
Hispanic Americans	<i>Disparity</i>	<i>Disparity</i>
Native Americans	----	No Disparity
Caucasian Females	<i>Disparity</i>	<i>Disparity</i>

### ***III. Assessment of the City's Small Business Enterprise Program***

The efficacy of the City's Small Business Enterprise (SBE) Program was assessed to determine if the program had achieved parity in the award of prime contracts and subcontracts to available M/WBEs. In 1990, the City Council adopted the Small Disadvantaged Business Enterprise (SDBE) Ordinance 457-G. The SDBE Ordinance established the SDBE Program and included a goal to provide small and disadvantaged businesses domiciled in St. Petersburg access to the City's goods and services procurements. In 2006, the SDBE program was expanded to include construction contracts, and the eligibility criteria for the SDBE program were broadened to include Pinellas, Hillsborough, Pasco, Polk, and Manatee Counties.

The City's SDBE program, which is referred to as SBE program, was last amended in 2017 by the adoption of Ordinance 293-H and codified in Chapter 2, Article 5, Division 4 of the St. Petersburg Code of Ordinances. The Ordinance included setting annual citywide goals for SBE participation, corrective actions and penalties for non-compliance with the program requirements, the addition of

two citizens to the SBE committee, and quarterly updates to the City Council regarding the contracts awarded to small business enterprises.

### ***A. SBE Program Administration***

The SBE program is managed by the Greenhouse, a one-stop facility to assist with the growth of small businesses. The primary responsibilities of the Greenhouse are:

- Establish administrative policies and procedures to implement the provisions of Chapter 2, Article 5, Division 4 of the St. Petersburg Code of Ordinances and assist SBEs to meet their contractual obligations
- Assist businesses with training programs on how to do business with the City
- Publicize procurement procedures defining standards on how to do business with the City
- Compile, maintain, and disseminate the certified SBE directory
- Ensure SBEs are included on solicitation mailing lists
- Establish procedures to assure City departments match SBEs with appropriate solicitations
- Establish a procedure to certify and recertify SBEs
- Apply discounts for evaluation purposes only, to SBEs' bids and quotes for goods and services, and construction projects under \$50,000
- Modify bonding requirements in Section 2-245 to the extent allowed by State law
- Establish progress payment provisions to encourage SBE participation in the procurement process
- Create and promulgate administrative procedures for a sheltered market program

The SBE certification eligibility requirements the business must meet include:

Active business operation for at least one year

- Employ fewer than 50 full-time permanent employees
- Annual sales averaged over the previous three years:
  - \$5 million or less for goods, services, supplies
  - \$8 million or less for construction
- Domiciled in Pinellas, Hillsborough, Pasco, Manatee, or Polk County

### ***B. SBE Program Components***

The SBE program has a comprehensive set of race and gender-neutral components, including:

- **SBE Goal** – Construction projects valued at \$50,000 or more are reviewed by the SBE Committee, which votes on a participation percentage to maximize SBE participation.
- **Sheltered Market Program** – Utilized on a contract-by-contract basis for construction and supplies and services procurements when the Committee establishes that there are sufficient available SBEs to provide the service and approves use of the procurement

method. Committee approval is not required to include construction contracts valued less than \$50,000 in the sheltered market program. Within the sheltered market procurement, subcontractors should perform at least 20% of the total contract value, including materials, goods, and supplies on construction projects included in the sheltered market.

- **Job Order Contracts** – All job order contracts are reviewed by the Procurement Director to establish an SBE participation goal. Contractors must demonstrate a good faith effort if the contractor fails to meet the SBE participation goal.
- **Bonding Assistance** – The Procurement Director has the authority to waive or reduce the bonding requirement on construction contracts less than \$100,000.

### ***C. Small Business Enterprise Utilization Findings***

#### **1. Prime Contracts, All Industries, All Dollars**

The utilization of certified SBEs on the City's prime contracts awarded during the October 1, 2014 to September 30, 2018 study period was reviewed. The SBE utilization findings analyzed by ethnicity and gender of the certified small business are summarized in Table 11.8.

*African Americans* received 14, or 12.61%, of all prime contracts awarded during the study period, representing \$14,204, or 0.24%, of the prime contract dollars.

*Asian Americans* received 1, or 0.90%, of all prime contracts awarded during the study period, representing \$250,000, or 4.15%, of the prime contract dollars.

*Hispanic Americans* received 1, or 0.90%, of all prime contracts awarded during the study period, representing \$20,847, or 0.35%, of the prime contract dollars.

*Native Americans* received 2, or 1.80%, of all prime contracts awarded during the study period, representing \$708,265, or 11.76%, of the prime contract dollars.

*Caucasian Females* received 33, or 29.73%, of all prime contracts awarded during the study period, representing \$1,009,376, or 16.77%, of the prime contract dollars.

*Non-minority Males* received 60, or 54.05%, of all prime contracts awarded during the study period, representing \$4,017,996, or 66.74%, of the prime contract dollars.

*Minority Business Enterprises* received 18, or 16.22%, of all prime contracts awarded during the study period, representing \$993,316, or 16.50%, of the prime contract dollars.

*Woman Business Enterprises* received 34, or 30.63%, of all prime contracts awarded during the study period, representing \$1,030,223, or 17.11%, of the prime contract dollars.



**Table 11.8: Certified SBE Prime Contractor Utilization, All Industries  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African Americans	14	12.61%	\$14,204	0.24%
Asian Americans	1	0.90%	\$250,000	4.15%
Hispanic Americans	1	0.90%	\$20,847	0.35%
Native Americans	2	1.80%	\$708,265	11.76%
Caucasian Females	33	29.73%	\$1,009,376	16.77%
Non-minority Males	60	54.05%	\$4,017,996	66.74%
<b>TOTAL</b>	<b>111</b>	<b>100.00%</b>	<b>\$6,020,688</b>	<b>100.00%</b>
<b>Ethnicity and Gender</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
African American Females	0	0.00%	\$0	0.00%
African American Males	14	12.61%	\$14,204	0.24%
Asian American Females	0	0.00%	\$0	0.00%
Asian American Males	1	0.90%	\$250,000	4.15%
Hispanic American Females	1	0.90%	\$20,847	0.35%
Hispanic American Males	0	0.00%	\$0	0.00%
Native American Females	0	0.00%	\$0	0.00%
Native American Males	2	1.80%	\$708,265	11.76%
Caucasian Females	33	29.73%	\$1,009,376	16.77%
Non-minority Males	60	54.05%	\$4,017,996	66.74%
<b>TOTAL</b>	<b>111</b>	<b>100.00%</b>	<b>\$6,020,688</b>	<b>100.00%</b>
<b>Minority and Women</b>	<b>Number of Contracts</b>	<b>Percent of Contracts</b>	<b>Amount of Dollars</b>	<b>Percent of Dollars</b>
Minority Business Enterprises	18	16.22%	\$993,316	16.50%
Woman Business Enterprises	34	30.63%	\$1,030,223	17.11%

The certified SBE prime contract utilization analysis for all industries combined revealed that non-minority males received most of the dollars awarded to SBE prime contractors. When the utilization of certified SBEs was compared to the percent of each ethnic group on the City's list of certified SBEs, Hispanic Americans, Caucasian females, woman business enterprises, and minority business enterprises were underutilized at a statistically significant level. Table 11.9 shows the disparity analysis of the SBE-certified contractors in all industries by ethnicity and gender.

**Table 11.9: Utilization of Certified SBEs, All Industries, Prime Contracts  
October 1, 2014 to September 30, 2018**

<b>Ethnicity</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African Americans	\$14,204	0.24%	9.22%	\$554,807	-\$540,604	0.03	----
Asian Americans	\$250,000	4.15%	5.46%	\$328,775	-\$78,775	0.76	not significant
Hispanic Americans	\$20,847	0.35%	10.92%	\$657,550	-\$636,702	0.03	< .05 *
Native Americans	\$708,265	11.76%	3.07%	\$184,936	\$523,329	3.83	**
Caucasian Females	\$1,009,376	16.77%	40.96%	\$2,465,811	-\$1,456,435	0.41	< .05 *
Non-minority Males	\$4,017,996	66.74%	30.38%	\$1,828,810	\$2,189,186	2.20	< .05 †
<b>TOTAL</b>	<b>\$6,020,688</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$6,020,688</b>			
<b>Ethnicity and Gender</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
African American Females	\$0	0.00%	4.44%	\$267,129	-\$267,129	0.00	< .05 *
African American Males	\$14,204	0.24%	4.78%	\$287,678	-\$273,474	0.05	not significant
Asian American Females	\$0	0.00%	1.71%	\$102,742	-\$102,742	0.00	----
Asian American Males	\$250,000	4.15%	3.75%	\$226,033	\$23,967	1.11	**
Hispanic American Females	\$20,847	0.35%	5.46%	\$328,775	-\$307,928	0.06	not significant
Hispanic American Males	\$0	0.00%	5.46%	\$328,775	-\$328,775	0.00	< .05 *
Native American Females	\$0	0.00%	0.34%	\$20,548	-\$20,548	0.00	----
Native American Males	\$708,265	11.76%	2.73%	\$164,387	\$543,878	4.31	**
Caucasian Females	\$1,009,376	16.77%	40.96%	\$2,465,811	-\$1,456,435	0.41	< .05 *
Non-minority Males	\$4,017,996	66.74%	30.38%	\$1,828,810	\$2,189,186	2.20	< .05 †
<b>TOTAL</b>	<b>\$6,020,688</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$6,020,688</b>			
<b>Minority and Females</b>	<b>Actual Dollars</b>	<b>Utilization</b>	<b>Availability</b>	<b>Expected Dollars</b>	<b>Dollars Lost</b>	<b>Disp. Ratio</b>	<b>P-Value</b>
Minority Business Enterprises	\$993,316	16.50%	28.67%	\$1,726,067	-\$732,751	0.58	< .05 *
Woman Business Enterprises	\$1,030,223	17.11%	52.90%	\$3,185,005	-\$2,154,782	0.32	< .05 *

( \* ) denotes a statistically significant underutilization.

( † ) denotes a statistically significant overutilization.

( \*\* ) this study does not test statistically the overutilization of MWBEs or the underutilization of Non-minority Males.

( ---- ) denotes an underutilized group with no contracts awarded, too few contracts awarded, or too few available firms to test statistical significance.

The evidence indicates that the SBE program did not achieve parity in the award of prime contracts to SBE certified M/WBE firms even when the analysis was limited to certified small businesses. Clearly the SBE program, after nearly 31 years in operation, has been ineffective in achieving equitable participation for M/WBE prime contractors based on their availability in the City's market area.

#### ***IV. Race and Gender-Conscious Recommendations***

The Disparity Study was commissioned to examine the City's procurement activities for any evidence of discrimination in the award of contracts to available minority and women business enterprises and determine the effectiveness of the SBE program in addressing the underutilization of willing and able M/WBE. The persistence of statistically significant underutilization of M/WBEs after operating a robust SBE program for three decades is evidence the race and gender-neutral strategies have failed to remedy discrimination in the City's contracting with M/WBE prime and subcontractors. Given the documented discrimination, the City has a compelling interest to implement a race-based contracting program to eliminate the discrimination.<sup>294</sup>

The 1989 landmark decision of *City of Richmond v. J. A. Croson Co. (Croson)*<sup>295</sup> allows local governments to enact race-conscious remedies when there is a strong basis in evidence of ongoing effects of past or present discrimination. *Croson* held, "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 actually engaged by the locality or the locality's prime contractors, an inference of discriminatory exclusion could arise."<sup>296</sup>

The proposed race and gender-conscious recommendations are predicated on the disparity findings and limited to the ethnic groups that were underutilized at a statistically significant level. Recommendations also include gender-based remedies for the female groups that are underutilized, albeit not at a statistically significant level. Findings of discrimination for WBEs only require statistical evidence of underutilization.

##### ***A. Prime Contract Remedies***

Prime contract remedies for the race and gender groups that have a statistically significant disparity should be implemented by the City. The recommended prime contract remedies could mitigate the adverse impact of the discrimination documented in the City's award of prime contracts. The proposed remedies include bid discounts for bid prime contracts and evaluation points for prime contracts for which the award is not based on low bid.



---

<sup>294</sup> *Id.*

<sup>295</sup> *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469 (1989).

<sup>296</sup> *Id.* at 509.

### 1. Apply Bid Discount to Construction Prime Contracts

Implement a bid discount for construction prime contracts. A 10% bid discount should be applied when ranking the prime contractor's bid amount. To determine the lowest bidder during the evaluation process, the bid amount for eligible M/WBE bidders should be reduced by the discount percentage. The amount of the bid, as the basis for the contract amount, should remain unchanged. The maximum discount should not exceed \$50,000. The groups with statistically significant underutilization eligible for the bid discount are listed in Table 11.10.

**Table 11.10: Groups Eligible for Construction Bid Discount**

<b>Ethnicity/Gender</b>
<b>African Americans</b>
<b>Hispanic Americans</b>
<b>Native Americans</b>
<b>Caucasian Females</b>

### 2. Apply Bid Discount to Goods and Services Prime Contracts

A 10% bid discount for groups with statistically significant disparity on goods and services prime contracts should be implemented. The bid discount should be applied when ranking the prime contractor's bid amount. To determine the lowest bidder during the evaluation process, the bid amount for eligible M/WBE bidders should be reduced by the discount percentage. The amount of the bid, as the basis for the bid award, should remain unchanged. The maximum discount should not exceed \$50,000. The eligible groups with statistically significant disparity are listed in Table 11.11.

**Table 11.11: Groups Eligible for Goods and Services Bid Discounts**

<b>Ethnicity/Gender</b>
<b>African Americans</b>
<b>Hispanic Americans</b>
<b>Caucasian Females</b>

### 3. Establish Evaluation Points for Professional Services Prime Contracts

Evaluation points for the groups with a disparity should be standard on professional services prime contracts. Evaluation points equal to 10% of the total points should be applied during the evaluation process to professional services prime contractors who are members of the minority and gender groups that were underutilized at a statistically significant level. The groups with statistically significant disparity eligible for the evaluation points are listed in Table 11.12.



**Table 11.12: Groups Eligible for Professional Services Evaluation Points**

<b>Ethnicity/Gender</b>
<b>African Americans</b>
<b>Hispanic Americans</b>
<b>Native Americans</b>
<b>Caucasian Females</b>

## **B. Subcontract Remedies**

As detailed in *Chapter 4: Subcontractor Utilization Analysis*, an extensive effort was undertaken to reconstruct the subcontracts awarded by the City's construction and professional services (including architecture and engineering services) prime contractors. A collaborative effort between the City and Mason Tillman resulted in a reconstruction of both M/WBEs and non-M/WBE subcontract records for the City's construction and professional services prime contracts.

### **1. Subcontract Disparity Findings**

A disparity was found for African American, Asian American, Native American, Caucasian female, minority-owned business, and woman-owned business subcontractors on construction contracts. Disparity was also found for African American, Hispanic American, Caucasian female, minority-owned business, and woman-owned business subcontractors on professional services contracts.

**Table 11.13 Subcontract Disparity Summary  
October 1, 2014 to September 30, 2018**

<b>Ethnicity/Gender</b>	<b>Construction</b>	<b>Professional Services</b>
<b>African Americans</b>	<i>Disparity</i>	<i>Disparity</i>
<b>Asian Americans</b>	<i>Disparity</i>	<b>No Disparity</b>
<b>Hispanic Americans</b>	<b>No Disparity</b>	<i>Disparity</i>
<b>Native Americans</b>	<i>Disparity</i>	----
<b>Caucasian Females</b>	<i>Disparity</i>	<i>Disparity</i>
<b>Minority Business Enterprises</b>	<i>Disparity</i>	<i>Disparity</i>
<b>Woman Business Enterprises</b>	<i>Disparity</i>	<i>Disparity</i>



## 2. Subcontract Disparity Findings

Subcontractor goals should be set for the groups with a disparity. Construction subcontract goals should be set for African Americans, Asian Americans, Native Americans, and Caucasian females. Also, for professional services, subcontract goals should be set for African Americans, Hispanic Americans, and Caucasian females. The goals should not exceed the group's availability. Table 11.14 below depicts the construction and professional services subcontractor availability for the ethnic groups with a disparity documented in the Study.

**Table 11.14: Subcontractor Availability**

<b>Ethnic Group</b>	<b>Construction Availability Percentage</b>	<b>Professional Services Availability Percentage</b>
African Americans	6.53%	8.37%
Asian Americans	2.28%	No Disparity
Hispanic Americans	No Disparity	11.03%
Native Americans	1.21%	No Disparity
Caucasian Females	22.46%	23.19%

The suggested race and gender-specific goals, in combination with the enhanced race and gender-neutral program components, should facilitate the attainment of greater African American, Asian American, Hispanic American, Native American, and Caucasian female participation and eliminate the documented disparity. It is therefore recommended that the subcontract goals be equal to the availability of each ethnic group with a disparity.

## 3. Implement Quantified Good Faith Effort Criteria

When applying M/WBE subcontracting goals, the City must implement good faith effort requirements to satisfy the legal standards set forth in *Croson*. A value should be assigned to each good faith effort criterion to quantify the assessment of the goal attainment. A prime contractor should achieve a minimum score of 80 points to demonstrate a bona fide good faith effort. In the event the prime contractor is unable to meet the subcontract goal, a good faith effort waiver form with an explanation of the efforts undertaken to meet the goal should be submitted. If the determination is made that a good faith effort was not undertaken, the bidder should be deemed non-responsive, and the goal attainment of the next lowest bidder should be reviewed. The good faith elements and recommended point assignments are:

- Advertising (5 points)

**Effort:** Prime contractors should advertise opportunities for M/WBEs at least two weeks prior to bid opening through reasonable means, such as attendance at pre-bid meetings, advertising, and written notices. Contractors should be required to publish these opportunities in the general circulation media, minority-focused media, or trade-related publications at least twice unless the City waives this requirement due to time constraints.



**Documentation:** The advertisement shall include the name and location of the project, location where plans and specifications can be viewed, subcontractor proposal due date, and items of work or specialties being solicited.

- Bidders Outreach to Identify M/WBEs (15 points)

**Effort:** Prime contractors should attempt to contact M/WBEs through personal, frequent, and persistent contact. The contractor is required to promptly return phone calls, and emails.

**Documentation:** Prime contractors should provide a list of the names of the organizations or firms, persons contacted, and the dates of contact. They should also include copies of correspondence received from any organization or firm responding to the bidder's solicitation or initiating contact for the purpose of seeking subcontracting work. The contractor must contact at least three (3) firms/organizations or an amount sufficient to reasonably result in a viable subcontract.

Bidders must submit documentation of good faith efforts to contract with or to purchase significant material supplies from eligible firms within 48 hours of the bid opening. If a contractor or bidder fails to meet specified goals in the bid documents, the City must determine that the contractor has complied with all requirements of the solicitation documents and has made the required good faith effort.

- Attending the Pre-bid Meeting (5 points)

**Effort:** Attendance should be mandatory to comply with the good faith effort requirement. However, attendance may be optional if the participation goal is met.

**Documentation:** The contractor or the representative's name on the pre-bid meeting sign-in sheet and representative presence at the pre-bid meeting shall serve as documentation.

- Providing Timely Written Notification (30 points)

**Effort:** Prime contractors should solicit subcontract bids and material quotes from relevant eligible businesses in writing at least two weeks prior to bid opening. Relevant firms are those that could feasibly provide the services or supplies required for completing the scope of services provided in the bid document. In soliciting sub-bids, quotes, and proposals, the contractor will furnish the following information:

- Contractor's name, address, and telephone number.
- Project location and description.
- Solicited items of work services to be subcontracted or materials purchased, including a specific description of the work involved.
- Place where bid documents, plans, and specifications can be reviewed.
- Contractor representative to contact if more information is needed.
- Date and time when subcontractor/supplier quotes must be received by the contractor.



**Documentation:** Written notification must include verification of transmission date. Such verification may include copies of certified mail-return receipts, emails, and automated facsimile journals.

- Contact Follow-up (10 points)

**Effort:** Prime contractors should return phone calls, facsimiles, and emails promptly after the initial solicitation at least two weeks prior to bid opening. The follow-up should take the form of a phone call, facsimile, or email during normal business hours. Such contact shall be within a reasonable amount of time to allow the prospective subcontractor an opportunity to submit a competitive sub-bid.

**Documentation:** The list of subcontractors who were contacted by telephone, including results of that contact, should be documented with a telephone log, email print-out, automated facsimile journal or facsimile transmittal document. Included should be names of the eligible businesses, telephone numbers, contact persons, and dates of contact.

- Identifying Items of Work (10 points)

**Effort:** Prime contractors' subcontracts should be broken down into discrete items or packages that market area M/WBEs may find economically feasible to perform. Smaller portions of work or other assistance that could reasonably be expected to produce a level of participation sufficient to meet the goals should be offered to eligible prospective subcontractors. Prime contractors should not deny a subcontract to a qualified and competitive M/WBE solely because the M/WBE cannot perform the entire package unless unbundling would jeopardize scheduling or increase costs by more than five (5) percent.

**Documentation:** The list of the specific items of work solicited, including identification of eligible firms, in which such work was solicited.

- Negotiating in Good Faith (15 points)

**Effort:** Prime contractors should negotiate fairly with interested M/WBEs even if the selection of the M/WBE would increase costs. A contractor should not unjustifiably reject sub-bids, quotes, and proposals prepared by eligible businesses. However, the City should afford the contractor to choose a low bid if two or more quotes are received.

**Documentation:** Provide written statements of the names, addresses, and telephone numbers of subcontractors contacted by the contractor to negotiate prices or services. Include dates of the negotiations and the results. Document the quotes/proposals received from the eligible businesses. Lack of qualifications or significant price difference of five (5) percent or more will be considered just cause for rejecting eligible businesses. Proof of price differential must be made available to the City.





- Offer Assistance in Financing, Bonding, Insurance, or Mentoring (10 points)

**Effort:** Prime contractors should provide M/WBEs technical assistance with plans, specifications, and requirements of the contract in a timely manner to respond to a solicitation. In addition, the contractor should also advise and make efforts to assist interested businesses in obtaining bonds, lines of credit, or insurance required by the City, where applicable. A prime contractor may also receive 10 points for good faith effort by offering mentoring assistance.

**Documentation:** Provide written statements of the type of assistance offered. The contractor shall provide the name, contact person, and telephone number of the bonding company or financial institution offering assistance.

To claim points for mentoring, the prime contractor must submit a mentoring plan that is subject to the City's approval for one or more of the eligible businesses included as a subcontractor for the project. The mentoring plan outcomes should enhance capability to bid projects as a prime contractor and new skills in estimating projects, completing project schedules, hiring subcontractors, acquiring additional licenses or certification, accessing capital, and increasing bonding capacity.

### ***C. Procedures to Implement an M/WBE Program***

The City should enact an ordinance to establish a Minority and Woman-owned Business Enterprise (M/WBE) Program to remedy the documented disparity in the award of both prime contracts and subcontracts to M/WBEs. Policy should include certification standards, goal-setting procedures, and monitoring and reporting requirements.

#### **1. Certification Eligibility Standards**

Businesses domiciled in Pinellas County that meet the certification requirements should be eligible to participate in the M/WBE program at the prime and subcontract level. Certification is important to ensure the integrity of the M/WBE program. It determines the eligibility to participate in the M/WBE program's race and gender-based remedies. The City should accept reciprocal certification. Only entities that perform both desk and site reviews to verify the owner's ethnicity, gender, and control of the business operations should be granted reciprocal status. When granting reciprocal status, the City should reserve the right to audit the certification process for compliance with its standards.

#### **2. Goal Setting**

Subcontracting goals should be set on both construction and professional service prime contracts. The solicitation should specify the subcontract goals and the requirements for compliance with the goals. Goal attainment should be verified at bid opening.

Bid discounts should apply on all construction and goods and services bids when the bidder is an eligible M/WBE. Preference points should apply to eligible M/WBEs on all proposals and



statements of qualification. The preference points should be assigned during the evaluation process.

### 3. Goal Attainment at Bid Opening

Documentation of goal attainment should be required at bid opening. To ensure the integrity of the goal attainment process, the prime contractor who fails to meet the contract goal must submit good faith effort documentation with the bid or proposal. If the good faith effort documentation is not submitted with the bid or proposal, or the documentation is not approved, the submittal should be considered non-responsive. If no responses are found to be responsive, the solicitation should be cancelled and re-advertised.

### 4. Quantified Good Faith Effort Criteria

When applying M/WBE subcontracting goals, the City must implement good faith effort requirements to satisfy the legal standards set forth in *Croson*. A value should be assigned to each good faith effort criterion to quantify the assessment of the goal attainment. A prime contractor should achieve a minimum score of 80 points to demonstrate a bona fide good faith effort. In the event the prime contractor is unable to meet the subcontract goal, a good faith effort waiver form with an explanation of the efforts undertaken to meet the goal should be submitted. If the determination is made that a good faith effort was not undertaken, the bidder should be deemed non-responsive, and the goal attainment of the next lowest bidder should be reviewed. The good faith elements and recommended point assignments are:

- Advertising (5 points)

**Effort:** Prime contractors should advertise opportunities for M/WBEs at least two weeks prior to bid opening through reasonable means, such as attendance at pre-bid meetings, advertising, and written notices. Contractors should be required to publish these opportunities in the general circulation media, minority-focused media, or trade-related publications at least twice unless the City waives this requirement due to time constraints.

**Documentation:** The advertisement shall include the name and location of the project, location where plans and specifications can be viewed, subcontractor proposal due date, and items of work or specialties being solicited.

- Bidders Outreach to Identify M/WBEs (15 points)

**Effort:** Prime contractors should attempt to contact M/WBEs through personal, frequent, and persistent contact. The contractor is required to promptly return phone calls and emails.

**Documentation:** Prime contractors should provide a list of the names of the organizations or firms, persons contacted, and the dates of contact. They should also include copies of correspondence received from any organization or firm responding to the bidder's solicitation or initiating contact



for the purpose of seeking subcontracting work. The contractor must contact at least three (3) firms/organizations or an amount sufficient to reasonably result in a viable subcontract.

Bidders must submit documentation of good faith efforts to contract with or to purchase significant material supplies from eligible firms within 48 hours of the bid opening. If a contractor or bidder fails to meet specified goals in the bid documents, the City must determine that the contractor has complied with all requirements of the solicitation documents and has made the required good faith effort.

- Attending the Pre-bid Meeting (5 points)

**Effort:** Attendance should be mandatory to comply with the good faith effort requirement. However, attendance may be optional if the participation goal is met.

**Documentation:** The contractor or the representative's name on the pre-bid meeting sign-in sheet and representative presence at the pre-bid meeting shall serve as documentation.

- Providing Timely Written Notification (30 points)

**Effort:** Prime contractors should solicit subcontract bids and material quotes from relevant eligible businesses in writing at least two weeks prior to bid opening. Relevant firms are those that could feasibly provide the services or supplies required for completing the scope of services provided in the bid document. In soliciting sub-bids, quotes, and proposals, the contractor will furnish the following information:

- Contractor's name, address, and telephone number.
- Project location and description.
- Solicited items of work services to be subcontracted or materials purchased, including a specific description of the work involved.
- Place where bid documents, plans, and specifications can be reviewed.
- Contractor representative to contact if more information is needed.
- Date and time when subcontractor/supplier quotes must be received by the contractor.

**Documentation:** Written notification must include verification of transmission date. Such verification may include copies of certified mail-return receipts, emails, and automated facsimile journals.

- Contact Follow-up (10 points)

**Effort:** Prime contractors should return phone calls, facsimiles, and emails promptly after the initial solicitation at least two weeks prior to bid opening. The follow-up should take the form of a phone call, facsimile, or email during normal business hours. Such contact shall be within a reasonable amount of time to allow the prospective subcontractor an opportunity to submit a competitive sub-bid.



**Documentation:** The list of subcontractors who were contacted by telephone, including results of that contact, should be documented with a telephone log, email print-out, automated facsimile journal, or facsimile transmittal document. Included should be names of the eligible businesses, telephone numbers, contact persons, and dates of contact.

- Identifying Items of Work (10 points)

**Effort:** Prime contractors' subcontracts should be broken down into discrete items or packages that market area M/WBEs may find economically feasible to perform. Smaller portions of work or other assistance that could reasonably be expected to produce a level of participation sufficient to meet the goals should be offered to eligible prospective subcontractors. Prime contractors should not deny a subcontract to a qualified and competitive M/WBE solely because the M/WBE cannot perform the entire package unless unbundling would jeopardize scheduling or increase costs by more than five (5) percent.

**Documentation:** The list of the specific items of work solicited, including identification of eligible firms, in which such work was solicited.

- Negotiating in Good Faith (15 points)

**Effort:** Prime contractors should negotiate fairly with interested M/WBEs even if the selection of the M/WBE would increase costs. A contractor should not unjustifiably reject sub-bids, quotes, and proposals prepared by eligible businesses. However, the City should afford the contractor to choose a low bid if two or more quotes are received.

**Documentation:** Provide written statements of the names, addresses, and telephone numbers of subcontractors contacted by the contractor to negotiate prices or services. Include dates of the negotiations and the results. Document the quotes/proposals received from the eligible businesses. Lack of qualifications or significant price difference of five (5) percent or more will be considered just cause for rejecting eligible businesses. Proof of price differential must be made available to the City.

- Offer Assistance with Financing, Bonding, Insurance, or Mentoring (10 points)

**Effort:** Prime contractors should provide M/WBEs technical assistance with plans, specifications, and requirements of the contract in a timely manner to respond to a solicitation. In addition, the contractor should also advise and make efforts to assist interested businesses in obtaining bonds, lines of credit, or insurance required by the City, where applicable. A prime contractor may also receive 10 points for good faith effort by offering mentoring assistance.

**Documentation:** Provide written statements of the type of assistance offered. The contractor shall provide the name, contact person, and telephone number of the bonding company or financial institution offering assistance.



To claim points for mentoring, the prime contractor must submit a mentoring plan that is subject to the City's approval for one or more of the eligible businesses included as a subcontractor for the project. The mentoring plan outcomes should enhance capability to bid projects as a prime contractor and new skills in estimating projects, completing project schedules, hiring subcontractors, acquiring additional licenses or certification, accessing capital, and increasing bonding capacity.

## **5. Verification of Commercially Useful Function**

The determination that the certified businesses can perform a commercially useful function must be made at the time of bid opening. Services should be considered useful if such services would be provided in the normal course of conducting the business or trade activities assigned to the M/WBE subcontractor. The subcontractor must perform a distinct element of work and possess the skill and expertise as well as responsibility for managing and supervising the work.

The responsibility for demonstrating that the listed M/WBEs can perform a commercially useful function is the sole responsibility of the prime contractor. The commercially useful function requirement should apply to all procurement activity, including change orders, substitutions, and task orders. A business that performs a commercially useful function minimally does the following:

- Executes a distinct element of the contract scope of work.
- Carries out its obligations by performing, managing, and supervising the assigned work involved and, in the case of a supplier, warehousing its materials, supplies, and equipment.
- Performs work that is normal business practice for its industry.
- Completes its scope of work and does not further subcontract portions of the work greater than that expected to be subcontracted by normal industry standards.

## **6. Participation Counted Toward the M/WBE Goal**

Subcontractor participation counted toward the goal should be performed by the listed M/WBE subcontractors unless the City approves a substitution during the term of the contract. Prime contractors should be required to submit a signed Letter of Intent to Subcontract form for every subcontractor used to meet the goal. Contractors that do not use the listed M/WBE subcontractor and fail to secure an approved substitution should not receive reimbursement for self-performing or having another contractor perform all or part of the listed M/WBEs work unless an M/WBE substitution is approved by the City.

## **7. Substitution of Listed M/WBE Subcontractor**

Substitution of an M/WBE listed in a prime contract should be approved in writing by the project manager and the M/WBE Program Manager. To substitute an M/WBE, there must be due process. Conditions in which a substitution should be considered are when the subcontractor:



- Becomes insolvent
- Fails to execute a written contract for the scope of work and price specified in the subcontractor's bid after a reasonable amount of time has been granted
- Fails to perform the subcontract scope of work in accordance with industry standards
- Fails to meet the agreed upon bond requirements
- Fails to comply with the work completion schedule and disrupts the progress of the project

A written request for substitution should be submitted to the project manager and the M/WBE Program Manager. The subcontractor should be copied on the request. The subcontractor should be afforded a hearing to present its written or oral statement of the facts. The County should hold the hearing within 48 hours of receiving the request for substitution. Prior to the hearing, the M/WBE Program Manager should attempt to mediate the dispute. The decision reached by the project manager and the M/WBE Program Manager should be final and binding. If the substitution is granted, the substituted M/WBE should be replaced with another M/WBE and approved by the M/WBE Program Manager.

## **8. Penalties Assessed for Failing to Achieve M/WBE Subcontract Goals**

Contract compliance reviews should occur throughout the term of the contract to ensure that M/WBEs listed on the bid perform the subcontract work unless a substitution is approved. Monetary penalties should be levied on prime contractors who fail to meet the M/WBE goals. The City should monitor payments monthly and request documentation of MBE and WBE monthly and final payments. The penalty should equal the M/WBE goal shortfall. As appropriate, it should be assessed during the project close-out and be withheld from the prime contractor's final payment.

## **9. M/WBE Program Staff**

Sufficient staff to effectively execute the program should be retained. The staff should possess the requisite skills, knowledge, and abilities to implement and manage the complex requirements of a comprehensive M/WBE Program. Below are descriptions of the recommended M/WBE Program's staffing plan:

### **Executive Staff:**

- **Executive Assistant to the M/WBE Program Manager** - provides confidential assistance to the Manager with responsibility to perform secretarial and administrative support duties. The Executive Assistant must demonstrate proficiency in Microsoft Office Suite, the capacity to handle sensitive information with discretion, and the ability to work with a variety of individuals with diverse interests and backgrounds.

### **Technical Staff:**

- **Contract Compliance Manager** - assists the Manager in managing the M/WBE Program, oversees pre-award compliance with the M/WBE Program requirements stipulated in the



solicitation, and monitors post-contract compliance to ensure that the contract provisions are adhered to during the term of the contract. The Contract Compliance Manager must demonstrate proficiency in Microsoft Office Suite, have knowledge of construction and construction-related procurement processes, and the ability to work with a variety of individuals with diverse interests and backgrounds.

- **Certification Analysts** - advise applicants to whether their applications are complete and suitable for evaluation, review all certification-related documents, and perform site visits. Certification Analysts also participate in business outreach activities to increase certification applications. Certification Analysts must demonstrate proficiency in Microsoft Office Suite, business record auditing skills, have knowledge of construction and construction-related procurement processes, and the ability to work with a variety of individuals with diverse interests and backgrounds.
- **Contract Compliance Specialist** - monitors M/WBE contract compliance and M/WBE contractor and subcontractor project participation, investigates complaints, ensures contracts are properly and legally executed, and creates a profile of each contractor by preparing a site visit report. The Contract Compliance Specialist must demonstrate proficiency in Microsoft Office Suite, have knowledge of construction and construction-related procurement processes, the ability to work with public officials and the general public, and the ability to work with a variety of individuals with diverse interests and backgrounds.
- **Data Analyst** - compiles, verifies, and reports data measuring the user department's compliance with the contract goals and monitoring requirements. The Data Analyst manages the data management system to ensure it is capable of generating the reports required to measure compliance with M/WBE Program requirements. The Data Analyst must demonstrate proficiency in Microsoft Office Suite, have knowledge of databases, design, data collection, and manipulation, and the ability to work with a variety of individuals with diverse interests and backgrounds.
- **Ombudsperson** - provides dispute resolution services and direct investigations of complaints from user departments, as well as prime contractors and subcontractors. The Ombudsperson must demonstrate proficiency in Microsoft Office Suite, have knowledge of legal and mediation training methods and construction and construction-related procurement processes, and the ability to work with a variety of individuals with diverse interests and backgrounds.

## 10. M/WBE Advisory Committee

The City should recommission its SBE Advisory Committee (Committee) of business owners and advocacy group executives to support the administration of the M/WBE Program. The Committee should function as an advocate for M/WBEs and other small businesses and be responsible for:



- Facilitating access to contracting opportunities for M/WBEs and other small businesses
- Promoting and advancing M/WBE participation as prime and subcontractors
- Identifying enhancements to the contract opportunity notification process

Members should be appointed by the City Council and the Mayor. The Mayor should designate and appoint a Chairman and the Committee should elect a Secretary for three-year terms. The membership and Committee guidelines should be published on the City's M/WBE Program's webpage. Members should serve for staggered terms of three years. The Committee should monitor the effectiveness of the M/WBE Program and make recommendations, as needed, to the City Council and the M/WBE Program Manager.

## **11. M/WBE Program Training Manual**

An *M/WBE Training Manual* describing the Program's mission, policy, and procedures should be created and made available to all staff electronically and downloadable from the Procurement and Supply Management Department's webpage. The *M/WBE Program Training Manual* should be developed to standardize the delivery of the Program requirements within the City departments. The manual could ensure that staff in all departments have the knowledge and skills to fulfill their M/WBE Program duties. The requirements set forth in the manual should become standard operating procedure in each department. The *M/WBE Program Training Manual* would also provide staff with clear guidance on its responsibilities to track and report the participation of M/WBEs. The *M/WBE Program Training Manual* should also be incorporated into a new employee orientation.

## **12. M/WBE Program City Staff Training**

The M/WBE Program Manager should conduct routine training to ensure all personnel are knowledgeable about the Program's requirements and capable of supporting its policies and objectives. The training programs should minimally include:

- Annual training seminar - to inform staff of any changes to the M/WBE Program policy and procedures, and to promote the Program enhancements.
- New employee training - to ensure that new employees understand the established policies and procedures. A printed copy of the *M/WBE Program Training Manual* should be provided to each new City employee. The training should be conducted quarterly.

## **13. M/WBE Program Outreach and Marketing Campaign**

Promotion of the race and gender-conscious and neutral components of the M/WBE Program should be executed through a comprehensive outreach and marketing campaign to encourage local businesses to apply for certification and respond to solicitations. The outreach campaign should communicate the goals and objectives of the Program to M/WBEs and the existence of a new and robust M/WBE Program. The following outreach and marketing objectives should be considered:





- Collaborate with minority and women business trade associations, chambers, and advocacy groups to publish contracting opportunities and recommendations resulting from this Study on their websites.
- Provide networking opportunities at pre-bid and pre-proposal conferences and certification workshops.
- Host marketing forums that allow M/WBEs to deliver technical presentations on the services that they provide directly to City staff with contracting authority. The forums should be industry-specific and held on a quarterly basis.
- Enhance the City's digital presence by releasing an M/WBE business development newsletter with corresponding e-notifications to certified businesses regarding contracting opportunities. The newsletter can supplement procurement email notification systems and enhance communication with M/WBEs. The City should use a monthly digital publication as a tool to keep business owners updated on important announcements. The newsletter should provide detailed information on upcoming projects, project status, and City announcements, including networking opportunities and upcoming capacity building workshops. The newsletter should be published on schedule each month and remain on the City's website for at least 36 months.

#### **14. M/WBE Business Outreach**

When soliciting bids, proposals, and statements of qualifications for construction, professional services, and goods and services contracts, City departments should be required to adhere to the following outreach efforts:

- Solicit responses for construction, professional services, and goods and services prime purchase orders from race and gender groups that were found to have a disparity.
- Include lists of potential proposers from the M/WBE Program.
- Conduct outreach to the identified M/WBEs before the request for proposals is released to notify them of upcoming opportunities.
- Email the notice of opportunities to the certified M/WBE.
- Maintain an email log of all M/WBEs solicited for construction, professional services, and goods and services contracts.

#### **15. Utilization Reporting Standards**

The departments with authority to award a contract should be required to submit a monthly utilization report to the M/WBE Program Manager. The report should list the prime contracts for which a minority or woman-owned business submitted a bid, the amount of the bid discount assigned to each bid, the evaluation points assigned to the professional service proposals, and statements of qualification. The total dollars awarded to each ethnic and gender group should also be reported. The ethnicity and gender of the subcontractors used on each construction and professional service prime contract should be reported. Quarterly utilization reports of all



departments should be compiled by the M/WBE Program Manager describing the prime purchase order awards and prime purchase order payments. The report should also capture the subcontractor utilization by ethnicity, gender, and certification status. The M/WBE Program Manager should submit to the City Council a quarterly utilization report and an annual review and evaluation of the effectiveness of the Program, summarizing M/WBE utilization.

## **16. Tracking and Monitoring Standards**

The approved M/WBE subcontract goals should be monitored for compliance for the duration of the contract. The M/WBE Program should include reporting provisions to measure the M/WBE Program's effectiveness. The City's financial management system does not capture SBE or non-SBE subcontract data. A tracking and monitoring compliance system is needed to capture all subcontractors, suppliers, and truckers. The compliance management system should capture the subcontractors at the time of bid opening. All subcontractors, M/WBE, and non-M/WBE subcontractor awards should be recorded in the system.

A quarterly M/WBE Utilization report should be automated to document the M/WBE goal attainment by department and, overall, for the City. The report should present the contracts and prime contractors that did not attain the goal listed in the subcontractor utilization plan. Monitoring should also include a monthly verification of payments to M/WBE subcontractors. Any approved substitutions of listed subcontractors should be reported.

## **17. Financial Assistance to M/WBEs**

Many M/WBEs have struggled financially due to the impact of COVID-19 on their small businesses. The City should leverage its banking relationships to provide financial services to mitigate the adverse impact M/WBEs experience from their limited access to capital. There is an array of services that can be offered to M/WBEs without cost, or nominal cost, to the City. Financial services that could be offered through financial institutions with which the City has a business relationship include:

- Commitments to provide offer letters of financial capability with contingent financing commitments so M/WBEs can demonstrate that they possess the financial solvency to execute contract awards.
- Start-up loan programs for M/WBEs to increase access to capital and put larger projects within reach of small businesses. The loans could be used to cover payroll costs, equipment purchases, working capital, and mobilization costs.
- Lines of credit and capital improvement financing with interest rates, loan terms, and collateral requirements that are more favorable than that available in the commercial market.
- Linked deposit program that leverages the City's deposits with financial institutions to create a low-interest loan program. M/WBEs could use their City contracts or subcontracts as collateral for a loan with lower interest rates and modified underwriting criteria.



- **Prompt Pay Program for M/WBEs**

The City should establish a program to pay its M/WBE primes in ten (10) business days from receipt of an undisputed invoice. When an invoice is disputed, the fees that are not disputed should be paid within the ten-day period. The M/WBE should be noticed of the dispute within five (5) days of the invoice being received.

- **Implement a Small Purchase Sheltered Market Program**

A sheltered market rotation program would allow small business to compete with similarly situated businesses for small contracts. Contracts awarded using the informal procurement method and other small contracts issued as purchase orders under large multi-year contracts and master agreement contracts could be awarded under the sheltered market program.

Informal contracts solicited without advertising afford opportunity for M/WBE and small businesses to perform as prime contractors. The sheltered market rotation would limit competition to M/WBEs and other similarly situated small businesses. Construction, professional services, and goods and services prime contracts valued less than \$100,000 should be awarded under the sheltered market. The awards would be made on a rotating basis. No business in the rotation would be eligible to receive a second assignment until all other businesses on the list have been offered at least one assignment.

Businesses could prequalify for the sheltered market program by responding to a request for qualifications. Prequalification criteria would be based on the capacity needed to perform contracts in the trades less than \$100,000. Prequalified businesses would be placed on a list based on the trade, and contracts would be assigned on a rotational basis.

## ***V. Race and Gender-Neutral Recommendations***

Race and gender-neutral recommendations are offered to expand the responsibility of the M/WBE Program Manager to more effectively address the barriers that market area M/WBEs and SBEs encounter while seeking to do business in the City.

### ***A. Pre-Award Recommendations***

#### **1. Maximize the Competitive Solicitation Process**

Multi-year contracts should be unbundled into smaller projects to increase the number of businesses participating at both the prime contracting and subcontracting levels. Contracts should not be extended through change orders or amendments unless the modification is required to complete the scope specified in the original contract. New specifications or additional work with the same specifications should be put out to bid to allow more contractors to perform the City's work.



## **2. Contract Unbundling Policy**

- Unbundle master agreements and multi-year contracts to increase the number of contracting opportunities available to MWBEs and small businesses, Conditions that are often conducive to unbundling solicitations for construction and professional services include the following:
- Projects with phased delivery of the work
- Projects conducted at multiple locations
- Specialty work, such as signage, public art, demolition, trucking, traffic studies, and surveying
- Master agreements

## **3. Debriefing Sessions for Unsuccessful Bidders**

Debriefing sessions should be provided by the City to provide vital information to help small businesses prepare more competitive submittals. The City should publish the option for a debriefing session on its website for all unsuccessful bidders. The sessions should be provided by the Procurement and Supply Management Department and include participation of the awarding department. The procedures for scheduling the debriefing session should be set forth in the solicitation and the bid award notice. Prior to the debriefing session, the bidder should be provided a copy of the evaluation scores and the winning bid.

### ***B. Post-Award Recommendations***

#### **1. Standardized Subcontractor Substitution Requirements**

Standards for formal subcontractor substitution should be included in each solicitation and prime contract. The standard should require the prime contractor to provide a written request to substitute a listed subcontractor and the reason for the substitution. Due process should be afforded the subcontractor who should be notified in writing of the request for substitution.

#### **2. Enhanced Prime Contract Financial Management System**

The City's financial management system tracked comprehensive prime contract data for construction, professional services, and goods and services. However, some information was missing from the prime contract dataset maintained in the City's financial management system. Mason Tillman recommends several modifications to track comprehensive prime contractor data:

- Capture the ethnicity and gender for all prime contractors
- Code prime contracts by industry classification using North American Industry Classification System (NAICS) code



### **3. Publication of Prime Contractor Payments**

Prime contractor payments should be posted on the City's website to allow subcontractors to track the City's payments of prime contractor's invoices. Payment data should be updated weekly or bi-weekly on the same day of the week. The reported prime contract payment information should be searchable by contract number, project name, and prime contractor name. This system would enable subcontractors and suppliers to track the disbursements to their prime contractors in real time and thereby eliminate the subcontractor's need to ask the City for the status of its prime contractor's invoice payment.

### **4. Dispute Resolution Standards**

Dispute resolution standards should be established to allow businesses to resolve issues relating to work performance after a contract award. A dispute resolution process should apply to disputes between prime contractors and the City, as well as disputes between subcontractors and prime contractors. The dispute resolution process should include provisions for an ombudsperson. A dispute resolution meeting should be mandatory in the event a dispute cannot be resolved by the ombudsperson within twenty (20) working days.

The first step in the dispute resolution process would be the submission of an oral or written complaint by the aggrieved party to the ombudsperson. The ombudsperson would then aid the parties in resolving the dispute by investigating the claim and making initial contact with the City, prime contractor, and, if relevant, the subcontractor. If the dispute is not resolved through these means within twenty (20) working days, the ombudsperson will assist the aggrieved party in filing a request for a dispute resolution meeting. Any party that does not respond to requests by the ombudsperson will be placed on a suspension list until the matter is resolved.

The meeting would be the second step in the resolution process. Neither party may involve legal representation during this initial informal process to avoid significant legal costs for both parties. If the parties are not able to reach a mutually agreed upon resolution through meeting, the dispute may proceed to formal mediation or arbitration. A dispute must be taken to mediation before it can proceed to arbitration.

Arbitration is the final step to resolving a dispute. The decision reached by the arbitrator is final and binding. The parties may retain legal representation during the mediation or arbitration process.



---

# ***Appendix A: Regression Analysis***

## ***Technical Appendix***

### ***I. Introduction***

The following technical appendix details the research conducted in this study. This technical appendix will cover the following: data collection, cleaning, modeling, and analysis. All variables hold a default value of null and are only transformed if a response has been submitted, unless otherwise noted. Table 1 is the general information of the two types of regression conducted.

**Table A.15: Regression Models**

<b>Dataset</b>	<b>Regression Model</b>	<b>Details</b>
Public Use Microdata Sample (PUMS)	Business Ownership Model	<ul style="list-style-type: none"><li>• Dependent Variable: Business Ownership</li><li>• Type of Regression: Logistic Regression</li></ul>
	Business Earnings Model	<ul style="list-style-type: none"><li>• Dependent Variable: Business Earnings of Owners</li><li>• Type of Regression: Ordinary Least Squares Regression</li></ul>

### ***II. PUMS Coding***

#### ***A. Data Collection***

##### ***1. Raw Dataset***

The dataset used for the regression is the five-year United States Census Bureau Public Use Microdata Sample (PUMS) dataset covering 2013 to 2017 which is the most recent data matching the study period of this Study.

The raw PUMS dataset was retrieved from the following link:

<http://www.census.gov/programs-surveys/acs/data/pums.html>

##### ***2. Documentation***

The PUMS Data Dictionary to support the dataset can be found here:

[https://www2.census.gov/programs-surveys/acs/tech\\_docs/pums/data\\_dict/PUMS\\_Data\\_Dictionary\\_2013-2017.pdf](https://www2.census.gov/programs-surveys/acs/tech_docs/pums/data_dict/PUMS_Data_Dictionary_2013-2017.pdf)



### 3. Merge

The PUMS datasets are segregated into two datasets by state: housing and population. These two datasets were loaded into separate tables, cleaned, and then merged together by matching the serialno variable prior to the analysis. Below is the coding combining the two datasets of population and housing. To match the dataset and the study period, all records from 2013 were scrubbed from the PUMS dataset.

```
SELECT [tblPopulation2013-2017].SERIALNO, [tblPopulation2013-2017].PUMA00,
[tblPopulation2013-2017].PUMA10, [tblPopulation2013-2017].INDP, [tblPopulation2013-
2017].COW, [tblHousing2013-2017].ADJINC, [tblPopulation2013-2017].SEMP,
[tblPopulation2013-2017].WAGP, [tblPopulation2013-2017].AGEP, [tblPopulation2013-
2017].SCHL, [tblHousing2013-2017].TEN, [tblHousing2013-2017].VALP, [tblHousing2013-
2017].ADJHSG, [tblHousing2013-2017].MRGP, [tblHousing2013-2017].RNTP,
[tblPopulation2013-2017].INTP AS Expr1, [tblPopulation2013-2017].LANX,
[tblPopulation2013-2017].PAOC, [tblPopulation2013-2017].MAR, [tblPopulation2013-
2017].SEX, [tblPopulation2013-2017].RAC1P, [tblPopulation2013-2017].HISP,
[tblPopulation2013-2017].PWGTP, [tblPopulation2013-2017].INTP INTO [tblMergeHP2013-
2017]
FROM [tblHousing2013-2017] RIGHT JOIN [tblPopulation2013-2017] ON [tblHousing2013-
2017].SERIALNO = [tblPopulation2013-2017].SERIALNO;
```

#### B. Variable Classification

Table 2 below lists the variables used in the two PUMS regression models, the business ownership model and the business earnings model. Also, included in the table are the Mason Tillman codes and the corresponding PUMS variables specific to the data dictionary.

**Table A.16: Variable Name in Logistic/OLS Regression**

Description	MTA Variable Name	PUMS Variable Name
Geographic Area	pinellas	puma
Construction	c	indp
Professional Services	p	indp
Goods and Services	g	indp
Business Owner	owner	cow
Adjusted Income	income_adj	semp, wagp, adjinc
Age	age	agep
Age-squared	agesq	agep
Education of Business Owner	edu	schl
Home Value	homevalue	valp
Interest and Dividends Adjusted	Inter_div_adj	intp, adjinc



Description	MTA Variable Name	PUMS Variable Name
Monthly Mortgage Payment	mon_pay	ten, mrgp, rn timer, adjhsg
Speaks English at Home	home_eng	lanx
Having a child under six	child6	paoc
Married	married	mar
Caucasian Female	ethgen, female, caucasian	sex, rac1p
African American	ethgen, african	rac1p
Asian American	ethgen, asian	rac1p
Hispanic American	ethgen, hispanic	hisp, rac1p
Native American	ethgen, native	rac1p
Other Minority	ethgen, other	rac1p
Year	year	serialno

### C. Geographic Area Classification

The geographic area of interest is the service area for the Pinellas County, Florida. The PUMS dataset uses a defining variable called Public Use Microdata Areas (PUMA) that can specify the geographical boundaries. The variable PUMA with the value of 10301 to 10308 was used to determine the Pinellas County, Florida.

```
SELECT If([PUMA] In (10301,10302,10303,10304,10305,10306,10307,10308),1, If([PUMA]
Is Null,Null,0)) AS PINELLAS
FROM [tblMergeHP2013-2017];
```

### D. Industry Classification

The PUMS data classifies each industry similar to the North American Industry Classification System (NAICS) codes, however, different numbers are used. All numbers and corresponding industries are provided in the PUMS 2013-2017 data dictionary. These were used in the classification of the three industries in this study.

The three industries analyzed in the geographic area are: construction, professional services including architectural and engineering services (hereinafter referred to as professional services), and goods and services. Table 3 indicates which PUMS classification numbers were used for each industry.

**Table A.17: PUMS Industry Classification**

Industry	PUMS Classification
Construction	770
Professional Services	6695
	7270-7280
	7290





Industry	PUMS Classification
	7370-7470
	7490-7570
	7590
Goods and Services	4090-4180
	4265-4270
	4795-4890
	5480
	6170
	6390
	7080
	7180
	7680
	7690
	7770
	7780-7790
	8770-8870

#### 1. c: Construction

- Flag to indicate whether the business is in the construction industry based on the PUMS industry classification

```
SELECT If([indp]=770,1,0) AS c INTO tblFinal
FROM [tblMergeHP2013-2017];
```

#### 2. p: Professional Services

- Flag to indicate whether the business is in the professional services industry based on the PUMS industry classification

```
SELECT If((([indp] In (7490,7570,7590,6695)) Or ([indp] Between 7270 And 7470),1,0) AS p
INTO tblFinal
FROM [tblMergeHP2013-2017];
```



### 3. **g: Goods and Services**

- Flag to indicate whether the business is in the goods and services industry based on the PUMS industry classification

```
SELECT If([indp] In (5480,6170,6390,7080,7180,7770,7680,7690,7780,7790) Or ([indp] Between 4090 And 4180) Or ([indp] Between 4265 And 4270) Or ([indp] Between 4795 And 4890) Or ([indp] Between 8770 And 8870),1,0) AS g INTO tblFinal  
FROM [tblMergeHP2013-2017];
```

### **E. Coding Implemented**

Below, each variable displayed in Table 2 is described. Along with the description is the SQL code used to define each variable.

#### 1. **owner: Business Owner**

- Flag to indicate the respondent is a business owner labeled as below
- 6 = Self-employed in unincorporated business, professional practice, or farm
- 7 = Self-employed in incorporated business, professional practice, or farm
- If the data is missing it is assumed that the respondent is not a business owner

```
SELECT If([cow] In ("6","7"),1,0) AS owner INTO tblFinal  
FROM [tblMergeHP2013-2017];
```

#### 2. **income\_adj: Income Adjusted Accordingly by Year**

- Flag to indicate income adjusted accordingly by year
- The variable semp indicates self-employment income over the past 12 months
- The variable wagp indicates wages or salary income over the past 12 months
- In the case that semp is null or 0 while wagp has a value, wagp was used
- The variable adjinc is an adjustment factor for income and earnings in dollar amounts
- The variables semp and wagp were adjusted to the dollar values in 2017 using the PUMS adjustment factor adjinc
- The variable adjinc was divided by 1,000,000 as per the instructions in the PUMS Data Dictionary

```
SELECT If((([semp] Is Null) Or ([semp]="0")) And ([wagp]<>"0"),[wagp]*([adjinc]/1000000),If([semp] Is Null,[semp]*([adjinc]/1000000))) AS income_adj INTO tblFinal  
FROM [tblMergeHP2013-2017];
```



### 3. age: Age of Individual

- Flag to indicate age of the individual

```
SELECT [tblMergeHP2013-2017].AGEP AS age INTO tblFinal  
FROM [tblMergeHP2013-2017];
```

### 4. agesq: Age-squared

- Flag to indicate age-squared
- The variable agesq is used in the regression to determine if the relationship between age and the dependent variable changes over time. Age can have a positive relationship, however, as one becomes much older the relationship may decrease or become negative

```
SELECT [agep]*[agep] AS agesq INTO tblFinal  
FROM [tblMergeHP2013-2017];
```

### 5. se\_corp: Incorporated Business

- Flag to indicate whether the individual is self-employed in an incorporated business

```
SELECT If([cow]="7",1,0) AS se_corp INTO tblFinal  
FROM [tblMergeHP2013-2017];
```

### 6. edu: Educational Attainment

- Flag to indicate educational attainment of the individual labeled as below
- 0 = No college degree (High school or less)
- 1 = Associate's or Bachelor's degree
- 2 = Post graduate degree
- The baseline variable is no college degree

```
SELECT If([schl]="20" Or [schl]="21",1,If([schl]<="19",0,If([schl]>="22",2,Null))) AS edu  
INTO tblFinal  
FROM [tblMergeHP2013-2017];
```

### 7. homevalue: Property Value

- Flag to indicate the property value of the individual

```
SELECT If([ownhome]=1,[valp],If([ownhome]=0,0,Null)) AS homevalue INTO tblFinal  
FROM [tblMergeHP2013-2017];
```



## 8. mon\_pay: Monthly Payment

- Flag to indicate the monthly payment of the individual due each month for a mortgage or rented property
- The variable mrgp indicates a monthly mortgage payment
- The variable rntp indicates a monthly rent payment
- The variable adjhsg is an adjustment factor for housing in dollar amounts
- The monthly payments were adjusted to the dollar value in 2017 using the PUMS adjustment factor adjhsg
- The variable adjhsg was divided by 1,000,000 as per the instructions in the PUMS Data Dictionary
- Monthly payments were assumed to default to 0 when an individual owns a home free and clear or occupies a location free of rent

```
SELECT If([mrgp] Is Not Null,[mrgp]*([adjhsg]/1000000),If([rntp] Is Not Null,[rntp]*([adjhsg]/1000000),If([ten] In ("2","4"),0,Null))) AS mon_pay INTO tblFinal FROM [tblMergeHP2013-2017];
```

## 9. inter\_div\_adj: Interest and Dividends Income

- Flag to indicate interest, dividends, and net rental income over the past 12 months
- The variable inter\_div\_adj was adjusted to the dollar value in 2017 using the PUMS adjustment factor adjinc

```
SELECT [intp]*[adjinc]/1000000 AS inter_div_adj INTO tblFinal FROM [tblMergeHP2013-2017];
```

## 10. home\_eng: Individual Speaks English at Home

- Flag to indicate whether English is the only language spoken at home
- 0 = Speaks another language
- 1 = Speaks only English

```
SELECT If([lanx]="1",0,If([lanx]="2",1,Null)) AS home_eng INTO tblFinal FROM [tblMergeHP2013-2017];
```



### 11. child6: Individual Has Children under the Age of 6

- Flag to indicate whether the person has children under the age of 6
- If the data is missing, one assumes the individual does not have children under the age of 6

```
SELECT If([paoc] In ("1","3"),1,0) AS child6 INTO tblFinal
FROM [tblMergeHP2013-2017];
```

### 12. married: Marital Status

- Flag to indicate whether the individual is married

```
SELECT If([mar]="1",1,If([mar] In ("2","3","4","5"),0,Null)) AS married INTO tblFinal
FROM [tblMergeHP2013-2017];
```

### 13. ethgen: Ethnicity and Gender of the Individual

- Race classifications do not overlap with one another
- 0 = Caucasian Male
- 1 = Caucasian Female
- 2 = African American
- 3 = Asian American
- 4 = Hispanic American
- 5 = Native American
- 6 = Other Minority
- The baseline variable is Caucasian Male
- If one is labeled both Hispanic and Caucasian, African, Asian, Native or other minority, Hispanic overrides

```
SELECT If([hispanic]=1,4,If((([caucasian]=1) And ([female]=0),0,If((([caucasian]=1) And
([female]=1),1,If([african]=1,2,If([asian]=1,3,If([native]=1,5,If([other]=1,6,Null)))))) AS
ethgen INTO tblFinal
FROM [tblMergeHP2013-2017];
```

#### a) female: Female

- Flag to indicate whether the individual is female

```
SELECT If([sex]="1",0,If([sex]="2",1,Null)) AS female INTO tblFinal
FROM [tblMergeHP2013-2017];
```



**b) caucasian: Caucasian American**

- Flag to indicate whether the individual is a Caucasian American

```
SELECT If([rac1p]="1",1,If([rac1p] Is Null,Null,0)) AS Caucasian INTO tblFinal
FROM [tblMergeHP2013-2017];
```

**c) african: African American**

- Flag to indicate whether the individual is an African American

```
SELECT If([rac1p]="2",1,If([rac1p] Is Null,Null,0)) AS African INTO tblFinal
FROM [tblMergeHP2013-2017];
```

**d) asian: Asian American**

- Flag to indicate whether the individual is an Asian American

```
SELECT If(([rac1p]="6") Or ([rac1p]="7"),1,If([rac1p] Is Null,Null,0)) AS Asian INTO
tblFinal
FROM [tblMergeHP2013-2017];
```

**e) hispanic: Hispanic American**

- Flag to indicate whether the individual is a Hispanic American

```
SELECT If([hisp] Is Null,Null,If([hisp]<>"1",1,0)) AS Hispanic INTO tblFinal
FROM [tblMergeHP2013-2017];
```

**f) native: Native American**

- Flag to indicate whether the individual is a Native American

```
SELECT If([rac1p] In ("3","4","5"),1,If([rac1p] Is Null,Null,0)) AS native INTO tblFinal
FROM [tblMergeHP2013-2017];
```

**g) other: Other Minority**

- Flag to indicate whether the individual is another ethnicity

```
SELECT If([rac1p]="8",1,If(([rac1p]="9") And ([hispanic]<>1),1,If([rac1p] Is
Null,Null,0))) AS other INTO tblFinal
FROM [tblMergeHP2013-2017];
```



#### 14. year: Survey Year

- Flag to indicate the year of the survey conducted, which is the first four digits of the variable serialno

```
SELECT Left([serialno],4) AS [Year] INTO tblFinal
FROM [tblMergeHP2013-2017];
```

#### 15. pwgtp: Person's Weight for Generating Statistics on Individuals

- Stratified sampling is the sampling method used and the PUMS variable to account for the weights is pwgtp. The weight was properly implemented in the regression

```
SELECT [tblMergeHP2013-2017].PWGTP INTO tblFinal
FROM [tblMergeHP2013-2017];
```

### F. Output

#### 1. Business Ownership Logistic Regression by Industry

##### a) Business Ownership Logistic Regression: Construction

```
. logit owner age agesq i.edu ownhome homevalue mon_pay inter_div_adj home_eng child6 married
i.ethgen i.year [pweight=pwgtp] if pinellas==1 & c==1
```

```
Iteration 0: log pseudolikelihood = -13978.461
Iteration 1: log pseudolikelihood = -12731.21
Iteration 2: log pseudolikelihood = -12667.489
Iteration 3: log pseudolikelihood = -12667.029
Iteration 4: log pseudolikelihood = -12667.028
```

```
Logistic regression                                Number of obs   =      1223
Wald chi2(20)   =      99.39
Prob > chi2     =      0.0000
Pseudo R2      =      0.0938

Log pseudolikelihood = -12667.028
```

-----							
owner	Coef.	Robust Std. Err.	z	P> z	[95% Conf. Interval]		
-----							
age	.1160643	.0343911	3.37	0.001	.0486589	.1834697	
agesq	-.0008716	.0003408	-2.56	0.011	-.0015395	-.0002036	
edu							
1	-.3982138	.2441864	-1.63	0.103	-.8768103	.0803828	
2	.1938594	.5193878	0.37	0.709	-.8241221	1.211841	
ownhome	.3129342	.2290783	1.37	0.172	-.1360509	.7619194	
homevalue	-2.59e-08	3.25e-07	-0.08	0.936	-6.62e-07	6.10e-07	
mon_pay	-.0001676	.0001291	-1.30	0.194	-.0004207	.0000854	
inter_div_adj	4.95e-07	3.22e-07	1.54	0.124	-1.36e-07	1.13e-06	
home_eng	-.2768264	.3549354	-0.78	0.435	-.972487	.4188342	
child6	.267235	.8491429	0.31	0.753	-1.397055	1.931525	
married	.1280798	.1780037	0.72	0.472	-.2208011	.4769606	
ethgen							
1	-1.363455	.2682361	-5.08	0.000	-1.889188	-.837722	



2		-1.20859	.4112898	-2.94	0.003	-2.014703	-.4024766
3		-1.248004	.6472849	-1.93	0.054	-2.516659	.0206512
4		-.2399479	.479555	-0.50	0.617	-1.179858	.6999626
5		.3489804	.7755747	0.45	0.653	-1.171118	1.869079
6		-.6444666	.681692	-0.95	0.344	-1.980558	.6916252
year							
2015		.2914996	.2542897	1.15	0.252	-.2068989	.7898982
2016		.3009581	.2383171	1.26	0.207	-.1661348	.768051
2017		.2360372	.2340666	1.01	0.313	-.2227249	.6947994
_cons		-4.24276	.957762	-4.43	0.000	-6.119939	-2.365581

## b) Business Ownership Logistic Regression: Professional Services

```
. logit owner age agesq i.edu ownhome homevalue mon_pay inter_div_adj home_eng child6 married
i.ethgen i.year [pweight=pwgtp] if pinellas==1 & p==1
```

```
Iteration 0: log pseudolikelihood = -21139.966
Iteration 1: log pseudolikelihood = -18377.544
Iteration 2: log pseudolikelihood = -18101.299
Iteration 3: log pseudolikelihood = -18094.94
Iteration 4: log pseudolikelihood = -18094.933
Iteration 5: log pseudolikelihood = -18094.933
```

```
Logistic regression                                Number of obs   =       2398
                                                    Wald chi2(20)  =       264.50
                                                    Prob > chi2    =       0.0000
Log pseudolikelihood = -18094.933                Pseudo R2      =       0.1440
```

	owner	Coef.	Robust Std. Err.	z	P> z	[95% Conf. Interval]	
	age	.1083352	.027681	3.91	0.000	.0540814	.1625889
	agesq	-.0005498	.0002524	-2.18	0.029	-.0010445	-.0000552
	edu						
	1	.5881996	.1386737	4.24	0.000	.3164041	.859995
	2	.9398494	.1614449	5.82	0.000	.6234233	1.256275
	ownhome	-.1754394	.1705457	-1.03	0.304	-.5097028	.1588241
	homevalue	3.47e-07	1.36e-07	2.56	0.011	8.08e-08	6.13e-07
	mon_pay	.0000742	.0000624	1.19	0.235	-.0000481	.0001965
inter_div_adj		2.85e-07	2.03e-07	1.41	0.159	-1.12e-07	6.83e-07
	home_eng	-.41831	.2330296	-1.80	0.073	-.8750395	.0384196
	child6	.5687188	.361356	1.57	0.116	-.1395259	1.276963
	married	.2519675	.1372392	1.84	0.066	-.0170163	.5209514
	ethgen						
	1	-.4182679	.1324369	-3.16	0.002	-.6778395	-.1586963
	2	-1.024985	.3746294	-2.74	0.006	-1.759245	-.2907244
	3	-1.220927	.5091352	-2.40	0.016	-2.218814	-.2230407
	4	-.393936	.3929425	-1.00	0.316	-1.164089	.3762172
	5	.3236373	.9887994	0.33	0.743	-1.614374	2.261648
	6	-.7839873	.5939085	-1.32	0.187	-1.948027	.380052
	year						
	2015	.1009585	.1764586	0.57	0.567	-.244894	.446811
	2016	.1882129	.1662178	1.13	0.257	-.1375679	.5139938
	2017	.0295511	.1610927	0.18	0.854	-.2861848	.3452869
	_cons	-5.408347	.7318548	-7.39	0.000	-6.842756	-3.973938





### c) Business Ownership Logistic Regression: Goods and Services

```
. logit owner age agesq i.edu ownhome homevalue mon_pay inter_div_adj home_eng child6 married
i.ethgen i.year [pweight=pwgtp] if pinellas==1 & g==1
```

note: 5.ethgen != 0 predicts failure perfectly  
5.ethgen dropped and 6 obs not used

```
Iteration 0: log pseudolikelihood = -16755.384
Iteration 1: log pseudolikelihood = -15591.41
Iteration 2: log pseudolikelihood = -15509.692
Iteration 3: log pseudolikelihood = -15508.744
Iteration 4: log pseudolikelihood = -15508.744
```

Logistic regression	Number of obs	=	1770
	Wald chi2(19)	=	98.23
	Prob > chi2	=	0.0000
Log pseudolikelihood = -15508.744	Pseudo R2	=	0.0744

		Coef.	Robust Std. Err.	z	P> z	[95% Conf. Interval]	
owner							
age		.1151721	.0316304	3.64	0.000	.0531776	.1771666
agesq		-.0010284	.000315	-3.27	0.001	-.0016458	-.0004111
edu							
1		-.2541352	.1784142	-1.42	0.154	-.6038206	.0955501
2		-.0548132	.3604304	-0.15	0.879	-.7612437	.6516174
ownhome		.3159979	.1910349	1.65	0.098	-.0584236	.6904195
homevalue		6.51e-07	2.18e-07	2.99	0.003	2.24e-07	1.08e-06
mon_pay		-.000045	.0001025	-0.44	0.661	-.0002459	.0001559
inter_div_adj		2.84e-07	4.20e-07	0.67	0.500	-5.40e-07	1.11e-06
home_eng		-.510344	.3154014	-1.62	0.106	-1.128519	.1078312
child6		-.4311942	.5755067	-0.75	0.454	-1.559167	.6967783
married		.386408	.1629257	2.37	0.018	.0670795	.7057366
ethgen							
1		-.3858125	.1848222	-2.09	0.037	-.7480575	-.0235676
2		-1.164343	.3094229	-3.76	0.000	-1.770801	-.5578851
3		-1.439512	.5904666	-2.44	0.015	-2.596805	-.2822185
4		-.4255071	.4122779	-1.03	0.302	-1.233557	.3825427
5		0	(empty)				
6		-1.499708	1.102199	-1.36	0.174	-3.659978	.6605626
year							
2015		.5688981	.2108652	2.70	0.007	.15561	.9821863
2016		.5282971	.2133054	2.48	0.013	.1102262	.946368
2017		.4253502	.2166363	1.96	0.050	.0007508	.8499496
_cons		-4.508837	.7726738	-5.84	0.000	-6.023249	-2.994424



## 2. Business Earnings Ordinary Least Squares Regression by Industry

### a) Business Earnings Ordinary Least Squares Regression: Construction

```
. reg income_adj age agesq se_corp i.edu ownhome homevalue mon_pay inter_div_adj home_eng
child6 married i.ethgen i.year [pweight=pwgtp] if pinellas==1 & c==1
(sum of wgt is 1.7846e+04)
```

Linear regression

Number of obs = 898  
F( 21, 876) = 6.39  
Prob > F = 0.0000  
R-squared = 0.1795  
Root MSE = 37853

income_adj	Coef.	Robust Std. Err.	t	P> t	[95% Conf. Interval]	
age	575.7873	555.3353	1.04	0.300	-514.1559	1665.73
agesq	-1.930699	6.433865	-0.30	0.764	-14.55829	10.69689
se_corp	-2735.449	4636.847	-0.59	0.555	-11836.08	6365.179
edu						
1	17208.04	3905.664	4.41	0.000	9542.488	24873.59
2	31544.69	20495.8	1.54	0.124	-8681.912	71771.29
ownhome	-3783.567	3291.037	-1.15	0.251	-10242.81	2675.671
homevalue	.0202357	.009425	2.15	0.032	.0017376	.0387338
mon_pay	5.548676	2.529573	2.19	0.029	.5839437	10.51341
inter_div_adj	.0299182	.0242313	1.23	0.217	-.0176401	.0774765
home_eng	8932.834	3647.5	2.45	0.015	1773.974	16091.69
child6	-934.5068	6797.576	-0.14	0.891	-14275.94	12406.93
married	9469.168	3055.52	3.10	0.002	3472.174	15466.16
ethgen						
1	-12862.87	4130.909	-3.11	0.002	-20970.5	-4755.232
2	-12372.06	3718.774	-3.33	0.001	-19670.81	-5073.309
3	7864.593	12155.01	0.65	0.518	-15991.74	31720.93
4	-8915.585	3692.379	-2.41	0.016	-16162.53	-1668.642
5	22334.71	30653.38	0.73	0.466	-37827.94	82497.36
6	-8339.507	5358.019	-1.56	0.120	-18855.56	2176.547
year						
2015	4325.297	3751.047	1.15	0.249	-3036.791	11687.39
2016	7136.368	4232.544	1.69	0.092	-1170.743	15443.48
2017	6769.639	3800.835	1.78	0.075	-690.1689	14229.45
_cons	-2031.239	11736.95	-0.17	0.863	-25067.06	21004.58



## b) Business Earnings Ordinary Least Squares Regression: Professional Services

```
. reg income_adj age agesq se_corp i.edu ownhome homevalue mon_pay inter_div_adj home_eng  
child6 married i.ethgen i.year [pweight=pwgt] if pinellas==1 & p==1  
(sum of wgt is 3.1354e+04)
```

Linear regression

Number of obs = 1796  
F( 21, 1774) = 20.47  
Prob > F = 0.0000  
R-squared = 0.2659  
Root MSE = 60142

income_adj	Coef.	Robust Std. Err.	t	P> t	[95% Conf. Interval]	
age	4957.359	597.1352	8.30	0.000	3786.196	6128.521
agesq	-47.54583	6.945863	-6.85	0.000	-61.16876	-33.92289
se_corp	-8085.152	7675.555	-1.05	0.292	-23139.23	6968.93
edu						
1	13904.28	2682.068	5.18	0.000	8643.934	19164.63
2	48968.59	6050.483	8.09	0.000	37101.77	60835.42
ownhome	-3078.964	3598.081	-0.86	0.392	-10135.89	3977.96
homevalue	.0379013	.0101227	3.74	0.000	.0180476	.0577551
mon_pay	12.3045	3.193583	3.85	0.000	6.040917	18.56808
inter_div_adj	.0102123	.0126309	0.81	0.419	-.0145606	.0349853
home_eng	11416.19	4189.504	2.72	0.006	3199.31	19633.07
child6	-2995.73	5298.041	-0.57	0.572	-13386.79	7395.33
married	6189.218	3058.622	2.02	0.043	190.3364	12188.1
ethgen						
1	-23338.73	3398.517	-6.87	0.000	-30004.25	-16673.21
2	-25841.38	4868.239	-5.31	0.000	-35389.47	-16293.29
3	-15785.52	6963.388	-2.27	0.024	-29442.83	-2128.216
4	-20681.17	4709.561	-4.39	0.000	-29918.05	-11444.3
5	-30856.66	22088.04	-1.40	0.163	-74177.99	12464.66
6	-8322.153	8274.913	-1.01	0.315	-24551.76	7907.452
year						
2015	-213.8658	4681.225	-0.05	0.964	-9395.161	8967.43
2016	-2267.732	4702.705	-0.48	0.630	-11491.16	6955.692
2017	1762.21	4980.194	0.35	0.723	-8005.455	11529.88
_cons	-84492.38	12605.65	-6.70	0.000	-109215.9	-59768.9



### c) Business Earnings Ordinary Least Squares Regression: Goods and Services

```
. reg income_adj age agesq se_corp i.edu ownhome homevalue mon_pay inter_div_adj home_eng
child6 married i.ethgen i.year [pweight=pwgt] if pinellas==1 & g==1
(sum of wgt is 2.5649e+04)
```

Linear regression

Number of obs = 1320  
F( 21, 1298) = 11.22  
Prob > F = 0.0000  
R-squared = 0.2308  
Root MSE = 37261

income_adj	Coef.	Robust Std. Err.	t	P> t	[95% Conf. Interval]	
age	3661.639	351.0664	10.43	0.000	2972.919	4350.358
agesq	-36.36756	3.848208	-9.45	0.000	-43.91695	-28.81817
se_corp	-3960.359	4043.501	-0.98	0.328	-11892.87	3972.154
edu						
1	11940.41	2871.293	4.16	0.000	6307.523	17573.29
2	16797.77	7547.48	2.23	0.026	1991.174	31604.37
ownhome	2080.195	2749.879	0.76	0.450	-3314.5	7474.889
homevalue	.0151214	.0082354	1.84	0.067	-.0010348	.0312777
mon_pay	15.47973	2.820828	5.49	0.000	9.945853	21.01361
inter_div_adj	.1565756	.0703332	2.23	0.026	.0185964	.2945549
home_eng	252.5891	4641.856	0.05	0.957	-8853.772	9358.95
child6	6101.188	5756.38	1.06	0.289	-5191.64	17394.02
married	3752.807	2367.715	1.58	0.113	-892.1614	8397.775
ethgen						
1	-3627.426	2873.225	-1.26	0.207	-9264.1	2009.249
2	-7749.77	2993.514	-2.59	0.010	-13622.43	-1877.116
3	-5053.814	7257.619	-0.70	0.486	-19291.76	9184.134
4	-5832.134	4522.676	-1.29	0.197	-14704.69	3040.421
5	-1787.651	4668.293	-0.38	0.702	-10945.88	7370.575
6	-3839.788	3719.835	-1.03	0.302	-11137.33	3457.759
year						
2015	-1593.223	2998.147	-0.53	0.595	-7474.968	4288.522
2016	3459.417	3144.604	1.10	0.271	-2709.646	9628.48
2017	91.55665	3087.918	0.03	0.976	-5966.3	6149.413
_cons	-65294.53	9113.24	-7.16	0.000	-83172.82	-47416.24



## Appendix B: Anecdotal Questionnaire

### City of St. Petersburg Disparity Study Anecdotal eSurvey

Page 2

Please complete the following information:

Business Name: \*

First Name of Owner: \*

Last Name of Owner: \*

Phone: \*

Email Address: \*

Business Address: \*

City: \*

State: \*

Zip Code: \*

Fax:

[Previous Page](#)

[Next Page](#)



## City of St. Petersburg Disparity Study Anecdotal eSurvey

### Page 3

2. What type of services or products do you provide? \*

- ☐ Construction
- ☐ Architecture, Engineering, Landscaping, and Surveying Services
- ☐ Other Professional Services involving the delivery of a specific products other than reports
- ☐ Goods and supplies

3. What is the gender of the majority owner of your business? \*

- ☐ Male
- ☐ Female
- ☐ Not applicable (publicly traded, nonprofit, employee-owned, partnership, etc.)

4. What is the ethnicity of the majority owner of your business? \*

- ☐ African American
- ☐ Asian American
- ☐ Caucasian American
- ☐ Hispanic American
- ☐ Native American
- ☐ Not Applicable (publicly traded, nonprofit, employee-owned, partnership, etc.)
- ☐ Other

Conditional

Please specify the majority owner's ethnicity. \*

5. What certifications does your business have? \*

- ☐ None
- ☐ Small Business Enterprise (SBE)
- ☐ Minority and Woman Business Enterprise (M/WBE)
- ☐ Other



Conditional

Please specify your businesses' other certifications. \*

6. How long has your business been in operation? \*

- ☐ Less than 2 years
- ☐ 2 - 5 years
- ☐ 6 - 10 years
- ☐ 11 - 20 years
- ☐ 21 - 30 years
- ☐ 31 - 50 years
- ☐ 51 years or longer

Previous Page

Next Page



## City of St. Petersburg Disparity Study Anecdotal eSurvey

### Page 4

7. How many bids, quotes, or proposals has your business submitted for a City prime or subcontract since 2014?

- | Prime Contractor *          | Subcontractor *             |
|-----------------------------|-----------------------------|
| <input type="radio"/> None  | <input type="radio"/> None  |
| <input type="radio"/> 1-4   | <input type="radio"/> 1-4   |
| <input type="radio"/> 5-9   | <input type="radio"/> 5-9   |
| <input type="radio"/> 10-14 | <input type="radio"/> 10-14 |
| <input type="radio"/> 15+   | <input type="radio"/> 15+   |

8. How many City prime or subcontracts has your business had since 2014?

- | Prime Contractor *          | Subcontractor *             |
|-----------------------------|-----------------------------|
| <input type="radio"/> None  | <input type="radio"/> None  |
| <input type="radio"/> 1-4   | <input type="radio"/> 1-4   |
| <input type="radio"/> 5-9   | <input type="radio"/> 5-9   |
| <input type="radio"/> 10-14 | <input type="radio"/> 10-14 |
| <input type="radio"/> 15+   | <input type="radio"/> 15+   |

9. Have you experienced any of the following when pursuing a City contract since 2014?

Prime contractor asked your business to lower the price of a bid, quote, or proposal. \*

- ☐ Frequently
- ☐ Sometimes
- ☐ Never

Given insufficient time by the prime contractor to prepare a bid, quote, or proposal. \*

- ☐ Frequently
- ☐ Sometimes
- ☐ Never





Prime contractor listed your firm as a subcontractor and won the contract, but your services were not used. \*

- ☐ Frequently
- ☐ Sometimes
- ☐ Never

The City required your company to meet higher performance requirements than were needed to perform the contract. \*

- ☐ Frequently
- ☐ Sometimes
- ☐ Never

The City cancelled a contract when your company was the lowest bidder. \*

- ☐ Frequently
- ☐ Sometimes
- ☐ Never

The prime contractor reduced your scope of work without consulting your company. \*

- ☐ Frequently
- ☐ Sometimes
- ☐ Never

The prime contractor would not pay an invoice for work performed. \*

- ☐ Frequently
- ☐ Sometimes
- ☐ Never

The City paid your invoice 60 or more days late \*

- ☐ Frequently
- ☐ Sometimes
- ☐ Never

The City would not pay an invoice for work you provided. \*

- ☐ Frequently
- ☐ Sometimes
- ☐ Never



## City of St. Petersburg Disparity Study Anecdotal eSurvey

### Page 5

10. Have you ever requested a debriefing with the City when you were an unsuccessful bidder? \*

- ☐ Yes
- ☐ No

11. How many weeks after submitting the request was the debriefing scheduled? \*

Conditional

- ☐ 1 week
- ☐ 2 weeks
- ☐ 3 weeks
- ☐ 4 weeks
- ☐ 5 weeks or longer
- ☐ Never received debriefing

12. How helpful was the information provided in the debriefing for preparing a response to a future City solicitation? \*

- ☐ Very helpful
- ☐ Somewhat helpful
- ☐ Not helpful
- ☐ Not applicable

Previous Page

Next Page

## City of St. Petersburg Disparity Study Anecdotal eSurvey

### Page 6

#### Multi-Year Agreements

13. Has your company been awarded a multi-year agreement in which multiple City departments utilize the contract to purchase goods or services? \*

- ☐ Yes
- ☐ No

14. How many multi-year agreements has your company been awarded since 2014? \*

Conditional

- ☐ 1
- ☐ 2-5
- ☐ 6-10
- ☐ 11 or more

Previous Page

Next Page



## City of St. Petersburg Disparity Study Anecdotal eSurvey

### Page 7

#### Highly Used Contractors

15. Do you think that there are highly used prime contractors that the City prefers to use?

- ☐ Yes  
☐ No  
☐ I do not know

16. Please specify the type of special treatment that highly used contractors receive (check all that apply):

- ☐ Advanced bid or proposal notification  
☐ Bid or proposal qualification requirements favoring large businesses (eg: years in business, prior experience with the City)  
☐ Approval of multiple change orders/amendments  
☐ Waived project requirements (eg: bonding, insurance, etc)  
☐ Other

Conditional

Please specify other kinds of special treatment:

Previous Page

Next Page



## City of St. Petersburg Disparity Study Anecdotal eSurvey

### Page 9

#### Consultants Competitive Negotiation Act (CCNA)

21. Is your business CCNA certified with the State of Florida?

- ☐ Yes  
☐ No

22. Since October 1, 2014, has the City denied your business a CCNA certification? \*

- ☐ Yes  
☐ No  
☐ I do not know what a CCNA certification is

What reason was given for the denial? \*

Conditional

23. For what type of work was your business' CCNA certification denied? \*

Conditional

24. Were you given instructions on how to appeal the denial? \*

- ☐ Yes  
☐ No

Conditional

25. Since Oct 1, 2014, have you bid on a CCNA contract? \*

- ☐ Yes  
☐ No

Conditional

26. How many CCNA contracts has your business bid on since October 1, 2014? \*

- ☐ 1  
☐ 2-5  
☐ 6-10  
☐ 11 or more



27. Since October 1, 2014, have you been awarded a CCNA contract? \*

☐ Yes

☐ No

Conditional

28. How many CCNA contracts has your business been awarded since October 1, 2014? \*

☐ 1

☐ 2-5

☐ 6-10

☐ 11 or more

Previous Page

Next Page



## City of St. Petersburg Disparity Study Anecdotal eSurvey

### Page 10

#### Small Business Enterprise Program

29. Are you currently certified as an SBE? \*

- ☐ Yes  
☐ No

Conditional

30. When were you certified as an SBE? \*

YYYY

31. Has your company benefited from the City's SBE Program? \*

- ☐ Yes  
☐ No

32. On how many contracts has your company been used to meet a SBE goal? \*

- ☐ 0  
☐ 1  
☐ 2-5  
☐ 6-10  
☐ 11 or more

33. Is there an expedited certification process available to respond to the City proposal? \*

- ☐ Yes  
☐ No

34. Was your certification application expedited? \*

- ☐ Yes  
☐ No

Conditional

35. What reason was given for not expediting your certification application? \*



36. Do you think there is a need for the City to implement a Minority and Women-owned Business Enterprise Program? \*

☐ Yes

☐ No

Conditional

37. Why? \*

[Previous Page](#)

[Submit](#)





MASON TILLMAN  
ASSOCIATES, LTD

[www.masontillman.com](http://www.masontillman.com)



DISCUSSION ON  
SECOND LOCATION  
FOR GREENHOUSE  
BACK-UP MATERIAL

# **CITY COUNCIL AGENDA NEW BUSINESS ITEM**

**TO: Members of City Council**

**DATE: June 24, 2021**

**COUNCIL DATE: July 8, 2021**

**RE: Establishing a St. Petersburg Greenhouse location in South St. Pete**

---

**ACTION DESIRED:**

Respectfully requesting that the upcoming Committee of the Whole meeting on the disparity study include a discussion on a second location for the St. Petersburg Greenhouse in South St. Pete as part of the improvement plan.

Gina Driscoll, Council Member  
District 6



**Economic & Workforce Development  
Memorandum**

Committee of the Whole  
September 23, 2021

To: The Honorable Ed Montanari, Chair, and Members of City Council  
From: Jessica R. Eilerman, Small Business & Entrepreneurship Manager  
Subject: Greenhouse Item

---

**Background**

Background information on the St. Petersburg Greenhouse operation to prepare for Council Member Driscoll's new business item to discuss a secondary Greenhouse location as part of the improvement plan.

**Included in this report are the following documents:**

- History of The Greenhouse - a building and a service
- Current Staffing Structure
- Timeline of Service Delivery Updates
- Information regarding The Greenhouse's current satellite location at Enoch Davis Center
- The 2020 Impact Report (electronic only, can be found at the link below)
  - <https://stpetegreenhouse.com/annualreport2020/>
- 2021-2023 Greenhouse Strategic Plan (Attachment 1)
- Vice Chair Driscoll's New Business Item (Attachment 2)

CC: Mayor Kriseman  
Deputy Mayor Dr. Tomalin  
Tom Greene

Alan DeLisle  
**Greenhouse History**

The Greenhouse was built in 1901 as the Domestic Science and Manual Training School. It is the oldest surviving school building in St. Petersburg, as well as, the first vocational training school for children in Florida. The Domestic Science and Manual Training School was a state-of-the-art facility, offering classes in military science, physical education, industrial arts and domestic science.

Built and designed by contractor, Charles F. May, the building was designed in the Masonry Vernacular style with Italianate elements and influence. In 1998, the Domestic Science and Manual Training School was designated as a local landmark, and was later listed in the National Register of Historic Places. In addition to its role as a vocational school, the Domestic Science and Manual Training School building served as a community and educational center for St. Petersburg residents through 1925. At that time, the school was relocated to Mirror Lake, and the building was converted into office space.

From 1925 through 1930, the offices at the former Domestic Science and Manual Training School were utilized by the local Chamber of Commerce. After 1930, the Veterans of Foreign Wars occupied the space until 1947. Then, from 1947 until 1956, the building became the location of the State Welfare Board, followed by the Child Guidance Clinic from 1956-1960, Welfare Offices (1960-1975), the Office on Aging and Public Works (1975-1979), and the Neighborly Center (1979-1981).

In 1981, the City of St. Petersburg gained ownership of the Domestic Science and Manual Training School building, which was known from then on as the “City Hall Annex.” Several departments called the Annex home for a period of time and at one point it was used for storage. Eventually the building was renovated and staff again began providing services at the Annex building.

In 2013, the City joined in a partnership with the St. Petersburg Area Chamber of Commerce to expand outreach and resources available to entrepreneurs and small business owners. The Business Assistance Center was rebranded as “The Greenhouse” by former Mayor Bill Foster, who wanted to showcase it as “a place to grow.”

## **Current Staffing Structure**

9 total team members, currently three vacancies being filled

### City of St. Petersburg Staff:

- Jessica Eilerman, Center co-manager
- Tracey Smith, Economic Development Coordinator
- Sarah Hughart, Economic Development Specialist
- Ondria McDonald, Administrative Secretary
- Current open position, Economic Development Coordinator (in the midst of hiring)
- Current open position, Economic Development Specialist (in the midst of hiring)

### Chamber Staff:

- Kim Vogel, Center co-manager
- Ronnell Montgomery, Business Assistance Manager
- Current open position, Greenhouse Coordinator

## **Service Delivery Updates**

Beginning in 2014, the operational model began to shift to a service delivery mode to meet the following goals:

- 1) Convenient, responsive constituent service;
- 2) Build/rebuild trust and relationships;
- 3) Service the entire city geography; and,
- 4) Structure the team and goals to allow for more time for staff to be out in the community working with the businesses and in the commercial corridors

These goals were part of the initial Greenhouse strategic plan.

## **Key Deliverables of Note**

- Set staffed hours at the Childs Park YMCA and Enoch Davis Center, along with Urban Affairs Department and the Mayor's Action Center.
  - This eventually sunset due to lack of participation.
- The Greenhouse established an Official Satellite Location at the Enoch Davis Center. This includes a set schedule of in person training opportunities and the use of meeting space for any one-on-one client meetings. (Reporting on these metrics are laid out later in this document)
- Usage of space at Tampa Bay Black Business Investment Corporation's office located at 1123 22nd Street South for client meetings as needed.
- Two major service delivery shifts began in late 2018:

- Piloting of virtual services, including trainings, began formulation in late 2018
- Design of new, primary service for the Greenhouse - the Small Business Navigator Program was soft launched in late summer of 2019
- The Covid-19 pandemic accelerated our plans and we launched a full scale on demand library in the Spring of 2020 and helped us to pivot in new ways that helped inform the direction of our updated strategic plan.

After participating in a year worth of review, planning, benchmarking, staff and client inputs, the 2021 - 2023 Strategic Plan was finalized and adopted earlier this year by both the City of St. Petersburg and St. Petersburg Area Chamber of Commerce. The Greenhouse mission, vision and values statement has been updated to better reflect our progress and development. This includes a strong move toward a new philosophical approach to what The Greenhouse is and how The Greenhouse serves. Additionally our targets are set by our foundational and primary objectives:

- Navigation
- Connection
- Awareness
- Capacity
- Coordination

(The full document can be found later in this document as Attachment 2)

### **Enoch Davis Center Utilization Information**

- 78 total workshops held to date
- Totaling 881 individual attendees

# GREENHOUSE

## STRATEGIC PLAN

### 2021-2023

*All efforts for this three year plan stem from this guiding statement of work:*

**FOSTERING THE DEVELOPMENT OF A PROSPEROUS LOCAL ECONOMY WHERE  
ENTREPRENEURSHIP CAN START, GROW AND THRIVE.**

*We focus our efforts on five primary objectives:*

**NAVIGATION**

**CONNECTION**

**AWARENESS**

**CAPACITY**

**COORDINATION**

### MISSION

Serve as St. Pete's home of small business empowerment to encourage the entrepreneurial mindset and create opportunity for all

### VISION

Fostering an equitable community where all business owners have access to the resources necessary to start, grow and thrive

### VALUES

*Culture of Collaboration and Service*

*Commitment to Connectivity and Engagement*

*Fostering Innovation and Entrepreneurship*

*Equity in All Things*





# GREENHOUSE

## 2021

### ACTION PLAN

"We are laser focused on being **the best city in America to start and grow your business**. We know that St. Pete succeeds when our small business community is thriving, and entrepreneurship - at every level - is supported and celebrated. And **we do this best when we work together** - that's why The Greenhouse partnership is truly one of a kind."

Mayor Rick Kriseman  
City of St. Petersburg

"Small businesses and startups are the backbone of any economy. **Here at St. Petersburg we are committed to supporting** them through the Greenhouse, a partnership between the City and the Chamber of Commerce. This aligns with the City of St. Petersburg's Grow Smarter initiative that focuses on an **equitable economic development** strategy with a goal to reduce gaps by race and place."

Dr. Sridhar Sundaram

Tiedemann-Cotton Dean, Kate Tiedemann School of Business and Finance, Muma College of Business, University of South Florida and 2021 Board Chair, St. Petersburg Area Chamber of Commerce



SCIENCE CENTER  
DISCUSSION BACK-UP  
MATERIAL



# ***St. Petersburg Science Center***

***September 23, 2021***



# St. Petersburg Science Center Property:

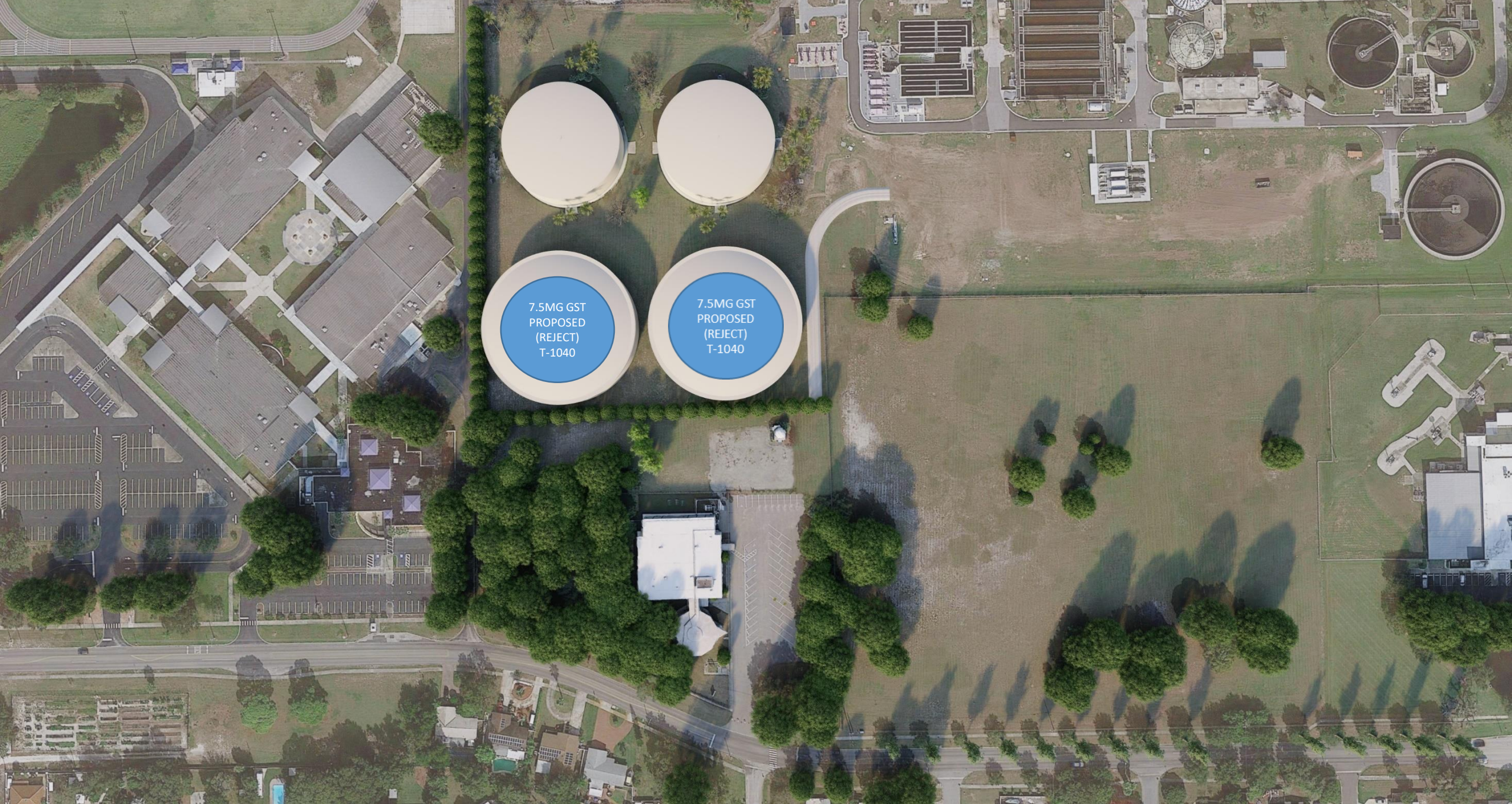
The property was purchased by the City of St. Petersburg Water Resources Department in November 2019 for \$3.15 million with the plan of expanding the North West Water Reclamation Facility.

The North West Water Reclamation Facility expansion plan is moving forward, however, the southern portion of the parcel containing the physical building is not needed for this expansion.

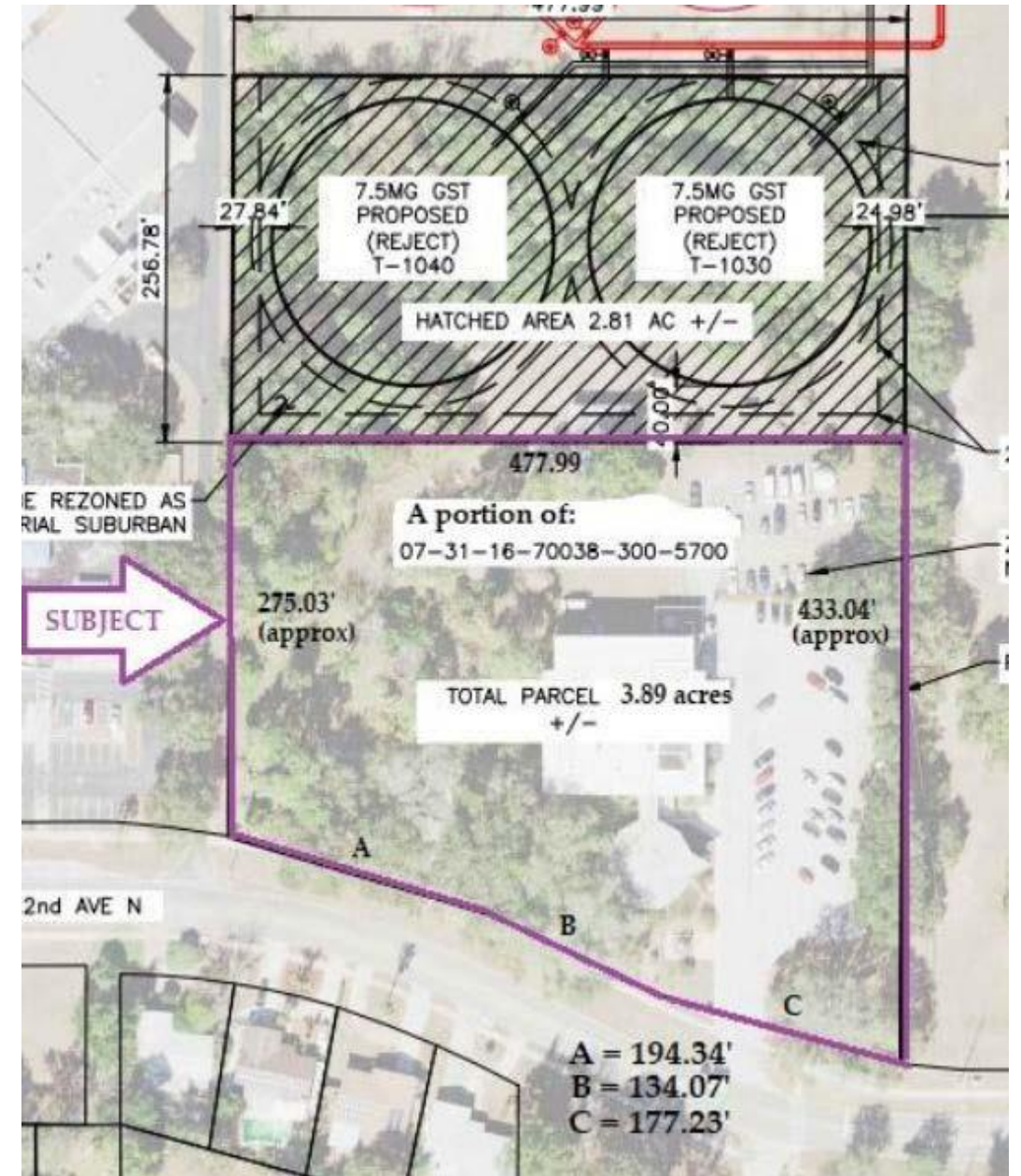
The desired outcome of this request is to utilize the facility for its historic usage, as a center for scientific learning.











## **Mayor's Memo:**

**December 7, 2020**, Mayor Rick Kriseman sent a memo to Council Member Blackmon in which he stated,

*"I met with Claude this week and inquired as to his plans, and was advised that as suspected, there is no funding nor plans for ongoing, continued maintenance of the buildings, and as such demolition of the buildings is planned for the future.*

*As to the timeframe for the demolition, Claude indicated that this was not something that would be scheduled in the immediate future. I inquired if there was any reason why we couldn't hold off on demolition for 8 months (which would allow time for the legislature to appropriate funding and for the Governor to sign off on the appropriation), and he indicated we could hold off for that time period.*

*Given that fact, this should provide you and Senator Rouson the time you both need to fully explore your plan to bring the Science Center back to life.*

*As I indicated in my previous memo to you, I continue to be generally supportive of the project concept..."*



## ***Previous steps:***

**January 14, 2021**, Budget, Finance & Taxation (BFT) committee meeting, members voted unanimously to refer the project to Full Council to add to the Weeki Wachee project list. A tentative ask of \$1.75 million was made with the motion, pending an appraisal to be conducted by administration.

**January 21, 2021**, Council voted unanimously to add the project to the Weeki Wachee list.

An appraisal from Tod Marr & Associates, LLC with an effective date of February 9, 2021 was received. The appraisal only includes the southern 3.89 acres of the parent parcel with a valuation of **\$1.86 million**.





## ***Moving Forward:***

As of June 30<sup>th</sup>, 2021, the undesignated fund balance of the Weeki Wachee fund is \$5,023,518.

The purchase of the Science Center property would allow the City the ability to repair, update, and lease the facility structures (for a return to its historic usage) which is currently not allowed while in possession of the Water Resources department.

Under Ordinance 95-H (WWF) the purchase of the Science Center property is a permissible usage of funds under section 21-118 Referendum categories: “Preservation”.

This sale will benefit Water Resources by allowing them to gain the desired usage from the purchase (expansion of plant) and unencumbers their budget for ongoing maintenance and upkeep, while at the same time taking in \$1.86 million.



## ***Renovation Funding:***

Funding was secured by Senator Darryl Rouson and Representative Linda Chaney for \$500k in the 2021 Legislative Session for the renovation of the property; they intend to file an additional appropriation for the upcoming 2022 session for an additional \$1 million.

Congressman Charlie Crist's appropriation request has been included in the draft appropriation bill for \$3 million and is expected to be voted on by the end of 2021.



## ***Community Support:***

Commitments have been made by organizations in our community (Bayfront Health St. Petersburg and the Tampa Bay Rays) for private donations to support the initiative of bringing back the Science Center as STEAM education facility. Many individuals have shown an interest and desire to donate independently.

The Science Center is supported by bipartisan group of leaders including Jungle Terrace Civic, Holiday Park Neighborhood Association, the Sierra Club, Senator Darryl Rouson, Representative Linda Chaney, Congressman Charlie Crist, County Commissioner Kathleen Peters, School Board Member Caprice Edmond, Mayor Tyler Payne, Bayfront Health St. Petersburg, the Tampa Bay Rays, multiple educational and STEAM programs, and private citizens.



## ***Future Action:***

If the purchase is approved, Pathfinder Outdoor Education and a number of other STEAM based non profits have shown interest in leasing space from the City for the purposes of youth STEAM education.

There are no Operation or Maintenance costs included in this request because the Lessee is assuming the responsibility for operations, maintenance and renovation.

Once a lease is approved and tenants are in possession, State, Federal and private money can be disbursed, and renovation of the facility structures can begin.



---

# Questions & Comments



# Science Center of Pinellas County

Ideas \_ Innovation \_ Inspiration

**Reimagining an iconic institution for the 21st century. Shaping the next generation of St. Petersburg youth and their relationship to STEAM fields in an interactive and inspiring built and natural environment.**

# Science Center of Pinellas County

The background is a solid teal color. It features several decorative elements: a large, faint circular graphic with a smaller circle inside, resembling a target or a stylized 'O'; several smaller, semi-transparent circles of varying sizes scattered across the right side; and a bar chart in the bottom right corner with four vertical bars of increasing height from left to right.

**Mission** - Facility, collaboration, revenue

**Education** - Content, experience, environment

**Equity** - Inclusivity, accessibility, opportunity

**Tourism** - Attraction, entertainment, service, value

**Placemaking** - Identity, destination, natural asset

**Advancement** - Economic development, workforce development

**Innovation** - Commercialization, thought leadership

**Geography** - Connection, revitalization, convenience

**Children** - Camps, programs, inspiration

**Sustainability** - Goods, services, programs, grants, sponsorships

**Community** - Gathering, elevation, pride

**Environment** - Research, awareness, advocacy

# The Process

**Property Assessment** of structure, grounds, environment delivers transformation plan for the shell of the property

**Impact Modeling** aggregates stakeholder vision, community + organization inputs, market studies and branding/positioning exercises to deliver core features, content and programming

**Strategic Planning** drives activation of the impact model by solving for revenue & financing, operations and other facets of long-term viability

**Revitalization** of the core & shell, then features & exhibits, physically transforms the space

**Sustain, evolve & maximize** the impact of the facility through plan execution and iteration





# The Structure

**Governance board** oversees all aspects of the facility.

- Pathfinder Outdoor Education to Chair

**Advisory board** lends expertise to programming, content & innovation

- A seat for each participating group
- Utilize subcommittees for specific initiatives

**Transformational + operational support**

- St Petersburg Foundation to provide capacity building support
- Cap Ex Advisory Group to provide facility development support
- St Petersburg Group to provide ongoing operational support

# Pathfinder Outdoor Education

**Pathfinder's Mission:** to deliver fun, challenging adventures that help people learn about themselves, others and the environment

**Pathfinder's Vision:** Communities of inclusion, integrity and sustainability

**Pathfinder's Core Values:** Respect. Integrity. Choice. Cooperation. Fun. Caring. Growth.



# Who We Are

*Founded in 1993, Pathfinder Outdoor Education is a non-profit organization dedicated to building personal, social and environmental responsibility through the power of shared experience. We offer experiential educational programs that develop leadership, increase self-confidence, and enhance communication through trust and team building activities. Canoeing, high ropes, and outdoor living skills are just a few of the fun activities participants can do, working together to gain new skills in problem-solving, resolving conflict, listening, observing, and working effectively in a group.*

- Over 5,000 participants per year from all of Florida
- Financially self sustained nonprofit
- \$226,336 in scholarships awarded 4,806 children in the last 8 years
- Accredited by the Association for Experiential Education
- Yearly participant in USF Science Festival

# Pathfinder Outdoor Education

Youth Programs   Experiential Education   Monthly Tree Climbs







# TOD MARR & ASSOCIATES, LLC

Real Estate Appraisers & Consultants

4735 94<sup>th</sup> Street North, Unit A  
St. Petersburg, Florida 33708

Office: 727.399.9118

Email: [tmarr@todmarr.com](mailto:tmarr@todmarr.com)

## APPRAISAL REPORT

Science Center

Special Use Property

Situated on a 3.89 Acre Site

7701 22<sup>nd</sup> Avenue North

St. Petersburg, Florida 33710

Marr File #01214150



## PREPARED FOR

Mr. Dennis Weber  
Real Estate & Property Management  
City of St. Petersburg  
One 4<sup>th</sup> Street North, 9<sup>th</sup> Floor  
St. Petersburg, Florida 33701

## EFFECTIVE DATE

February 9, 2021

By

Brian DeMuth  
Cert Gen RZ2473

Tod Marr, MAI, CCIM  
Cert Gen RZ1237

## ***Tod Marr and Associates, LLC***

---

4735 94<sup>th</sup> Street North, Unit A  
St. Petersburg, Florida 33708  
Telephone (727) 399-9118  
Email [tmarr@todmarr.com](mailto:tmarr@todmarr.com)

*Real Estate Appraisers  
and Consultants  
Tod Marr, MAI, CCIM  
Cert Gen RZ 1237*

February 25, 2021

Mr. Dennis Weber  
Real Estate & Property Management  
City of St. Petersburg  
One 4<sup>th</sup> Street North, 9<sup>th</sup> Floor  
St. Petersburg, Florida 33701

Re: An appraisal report of a special use property referred to as The Science Center. The property is currently vacant and was originally designed as a science and educational facility. The appraisal only includes the southern 3.89 acres of the parent parcel. The property's physical address is 7701 22<sup>nd</sup> Avenue North, St. Petersburg, Florida 33710. Marr File #01214150

Dear Mr. Weber:

At your request, we have prepared an appraisal report of the above referenced property. The purpose of this appraisal is to provide an opinion of the market value of the fee simple interest of the subject property in "as is" condition. The subject of this report includes only the southern 3.89± acres of the parent parcel. The northern portion of the site will be used by the City for expansion of their water reclamation facility, which is situated to the immediate north. The effective date of the report is February 9, 2021.

The following report contains a summary of the data, analysis, assumptions and limiting conditions on which we have based our value conclusions. Your attention is directed to the general assumptions and limiting conditions and certificate of appraisal which are considered typical for this type of assignment and have been included within the text of this report. This report has been prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

The intended user of this report is the City of St. Petersburg. This report is intended to be used by the City as an aid in determining a possible selling price for the subject. This appraisal report was prepared for the sole use and benefit of City of St. Petersburg. The appraisers are not responsible for unauthorized use of this report and only the intended user may rely on its conclusions.

Page 2  
Mr. Weber  
February 25, 2021

Based on the available market data and following analysis, our opinion of the market value of the fee simple interest of the subject, in “as is” condition as of the effective date of February 9, 2021, is estimated at

**ONE MILLION EIGHT HUNDRED SIXTY THOUSAND  
(\$1,860,000).**

Respectfully Submitted,

Tod Marr, MAI, CCIM  
Cert Gen RZ 1237

Brian D. DeMuth  
Cert Gen RZ 2473

## **SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS**

Address:	7701 22 <sup>nd</sup> Avenue North, St. Petersburg, Pinellas County, Florida, 33710
Location:	North side of 22 <sup>nd</sup> Avenue North, east of 79 <sup>th</sup> Street within the city limits of St. Petersburg
Parcel Number:	07-31-16-70038-300-5700 (southern portion)
Owner of Record:	City of St. Petersburg
Property Rights Appraised:	Fee Simple Interest
Effective Date of Report:	February 9, 2021
Typing Date of Report:	February 25, 2021
Property Type:	Special use, educational facility
Highest and Best Use:	Repair deferred maintenance and continue use of property as an education facility
Improvements:	The subject is improved with a two-story educational facility with 27,404 square feet of gross building area. It was constructed in two phases in 1965 and 1968. The property is currently vacant, has a number of items of deferred maintenance and is maintained in below average condition. It was previously owned by Worknet Pinellas and was operated as a work training and education facility.
Land Area:	3.89± acres
Zoning Designation:	“NS-1” Neighborhood Suburban, Single Family, by the City of St. Petersburg
Future Land Use Designation:	“I”, Institutional
Land to Building Ratio:	6.18: 1.0
Census Tract:	224.02
Estimated Marketing Time:	6 Months
<b>OPINIONS OF VALUE</b>	
Sales Comparison Approach:	\$1,860,000
Final Opinion of Market Value:	\$1,860,000



## SUBJECT PHOTOGRAPHS



VIEW OF SUBJECT FACING NORTHWEST  
FROM 22<sup>ND</sup> AVENUE



EASTERN ELEVATION FACING SOUTHWEST



REAR OF STRUCTURE FACING SOUTHEAST



WESTERN ELEVATION OF SOUTHERN PORTION OF BUILDING  
FACING EAST





WESTERN ELEVATION AND GARDEN AREA  
FACING EAST FROM ADJACENT PROPERTY



VIEW OF SUBJECT PROPERTY  
FACING NORTHEAST FROM 22<sup>ND</sup> AVENUE



ROOF OF THE NORTHERN PORTION OF BUILDING



INTERIOR PHOTOGRAPH, FRONT LOBBY





INTERIOR PHOTOGRAPH, HALLWAY ADJACENT TO LOBBY  
FACING TOWARDS AUDITORIUM



INTERIOR PHOTOGRAPH, CLASSROOM



INTERIOR PHOTOGRAPH, 2<sup>ND</sup> FLOOR OPEN AREA



INTERIOR PHOTOGRAPH, SECOND FLOOR CLASSROOM



INTERIOR PHOTOGRAPH, AUDITORIUM



INTERIOR PHOTOGRAPH, SECOND FLOOR OPEN AREA,  
SOUTHERN PORTION OF BUILDING



INTERIOR PHOTOGRAPH, WATER DAMAGE TO CEILING



INTERIOR PHOTOGRAPH, WATER DAMAGE TO CEILING





INTERIOR PHOTOGRAPH, PLANITARIUM



INTERIOR PHOTOGRAPH, OPEN RETAIL AREA  
SOUTHERN PORTION OF BUILDING



INTERIOR PHOTOGRAPH, HALLWAY BETWEEN NORTHERN  
AND SOUTHERN PORTIONS OF BUILDING



PAVED WALKWAY WITH MOSAIC TILEWORK  
AND FOOTBRIDGE, FACING WEST





VIEW OF OBSERVATORY LOCATED ON REAR OF SITE



22<sup>ND</sup> AVENUE FACING WEST  
SUBJECT LOCATED ON RIGHT SIDE OF PHOTOGRAPH



## AERIAL PHOTOGRAPHS (GOOGLE MAPS)



FACING NORTH



FACING WEST

**APPRAISAL REPORT**  
Science Center  
Special Use Property  
Situated on a 3.89 Acre Site  
7701 22<sup>nd</sup> Avenue North  
St. Petersburg, Florida 33710  
Marr File #01214150

**SCOPE OF WORK**

In preparing this appraisal, we

- Inspected the subject site and surrounding properties. Brian DeMuth and Tod Marr made an interior and exterior inspection of the subject on February 9, 2021. Dennis Weber with the City of St. Petersburg Real Estate and Property Management Department was present at the time of inspection and provided access to the property. Photographs were taken at the time of inspection. Our firm previously appraised the property, and a partial set of older building plans were provided at that time. The plans and physical measurements were used to estimate the gross building area. A site plan provided by the City was relied on for the estimate of site size.
- Gathered and reviewed specific data such as public record information and market data relative to the analysis of the subject
- Gathered relevant data pertaining to the neighborhood from a personal inspection of the surrounding area as well as local publications and real estate journals
- Discussed market conditions and trends with local brokers, managers, financial institutions and/or appropriate governmental agencies
- Estimated the property's most probable and likely utilization under the basic real estate valuation principle of highest and best use
- Gathered market information pertaining to land and improved sales for the analysis of the subject via the sales comparison approach to value. Improved sales and listings of special use properties were researched through Micro Base Plus, County Property Appraiser websites, FGCR and MLS. The sales time parameter was roughly twenty-four months and the area searched included competing areas of Pinellas County and Tampa. A "drive-by" cursory inspection of the comparables was made. Verification of the comparables was through public records, and/or a knowledgeable source.

This appraisal report is intended to comply with the reporting requirements set forth under the Uniform Standards of Professional Practice. It presents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated.

The sales comparison approach was used in the analysis. It is our opinion that this method provides a credible estimate of value for the subject property. In the sales comparison approach, the improved sales were compared on a price per square foot basis and their sale prices were adjusted to the subject using a sales comparison adjustment grid. The subject is a vacant education facility, and these type properties are not typically purchased for their income producing capability. In our opinion the income approach is not considered applicable and was not used in the analysis. Due to the age of the improvements and difficulties in accurately estimating the amount of accrued depreciation, the cost approach was not used.

## **CLIENT**

Mr. Dennis Weber  
Real Estate & Property Management  
City of St. Petersburg  
One 4<sup>th</sup> Street North, 9<sup>th</sup> Floor  
St. Petersburg, Florida 33701

## **APPRAISERS**

Brian D. DeMuth  
Cert Gen RZ2473

Tod Marr, MAI, CCIM  
Cert Gen RZ1237

## **PURPOSE OF APPRAISAL**

The purpose of this appraisal is to provide an opinion of the market value of the fee simple interest in the property described herein.

## **DATE OF APPRAISAL**

The effective date of the appraisal is the date of the on-site inspection, February 9, 2021. The typing date of the appraisal is February 25, 2021.

## **INTENDED USER AND USE OF THE APPRAISAL**

The intended user of this report is the City of St. Petersburg. This report is intended to be used by the City as an aid in determining a possible selling price for the subject. This appraisal report was prepared for the sole use and benefit of City of St. Petersburg. The appraisers are not responsible for unauthorized use of this report and only the intended user may rely on its conclusions.

## **INTEREST APPRAISED**

The fee simple interest of the property described herein has been appraised. Liens and encumbrances, if any, have been disregarded and the property has been analyzed as though free and clear.

## **DEFINITION OF FEE SIMPLE ESTATE**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. Source: The Dictionary of Real Estate Appraisal, 6<sup>th</sup> edition, page 90

## **DEFINITION OF MARKET VALUE**

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. Source: 12 CFR part 34 subpart C-Appraisals 34.42 (g) Office of Comptroller of the Currency

Important elements affecting market value include the time element, neighborhood and economic changes, as well as anticipation thereof. Market prices do not necessarily follow all of these concepts and are often affected by salesmanship and the urgency and need of the buyer and/or the seller.

The market value of the property appraised in this report is estimated as of the effective date of appraisal. Constantly changing economic conditions have varying effects upon real property values. Even after the passage of a relatively short period, property values may change substantially and require a review of the appraisal and re-certification.

## **LEGAL DESCRIPTION**

The subject legal description is lengthy and has been included in the addendum. It was copied from a recent recorded deed, OR Book 20779, Page 1160. The subject of this appraisal is the southern 3.89 acres of the property described. The legal description is assumed correct and no warranty is made as to its accuracy.

## **TAX INFORMATION**

Parcel Number:	07-31-16-70038-300-5700
Owner of Record:	City of St. Petersburg
Tax Year:	2020
Assessed Value:	\$2,697,097
Millage Rate:	21.3868
Ad-Valorem Taxes:	Tax exempt

The subject is owned by the City and is tax exempt. The subject's assessed value is for the entire parcel.

## **SALES HISTORY OF THE SUBJECT PROPERTY**

The subject property last transferred ownership November 2019 for \$3,150,000, as recorded in OR Book 20779, Page 1160. The seller was Worknet Pinellas Inc., and the buyer was the City of St. Petersburg. It was listed for sale for \$3,500,000 and was on the market for about 3 months prior to contract. The sale was verified as an arm's-length transaction with the listing broker, Angela Grannan. The property previously transferred ownership in May 2014 as recorded in OR Book 18414, page 2323. The property transferred from The Science Center of Pinellas County, Inc. to WorkNet Pinellas, Inc. It was indicated that this was a merger of two non-profit organizations and was not a sale. To our knowledge, it has not been listed for sale in the past twelve months.

## **HIDDEN CONDITIONS**

We assume that there are no hidden or unapparent conditions of the property, subsoil or structures that would make it more or less valuable than otherwise apparently comparable property. We assume no responsibility for such or for engineering which might be required to discover such conditions.

## **AMERICANS WITH DISABILITIES ACT OF 1990**

The Americans with Disabilities Act of 1990 sets strict and specific standards for handicapped access to and within most commercial and industrial buildings. Determination of compliance with these standards is beyond appraisal expertise. We assume no responsibility for the cost of such determination and this appraisal is subject to revision if the improvements are not in compliance.

## **COVID-19**

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what long term effect, if any, this event may have on the national economy, the local economy or the real estate market in which the subject property is located. The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the



effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.

Since the pandemic began, we have talked to numerous realtors with regards to market condition and these realtors include Ned Willis, Bill Eshenbaugh, Reed Fischbach, Mark Klein, Pat Calhoon, John Skicewicz, Marshall Harris and Pat Marzulli, as well as a variety of other brokers and leasing agents.

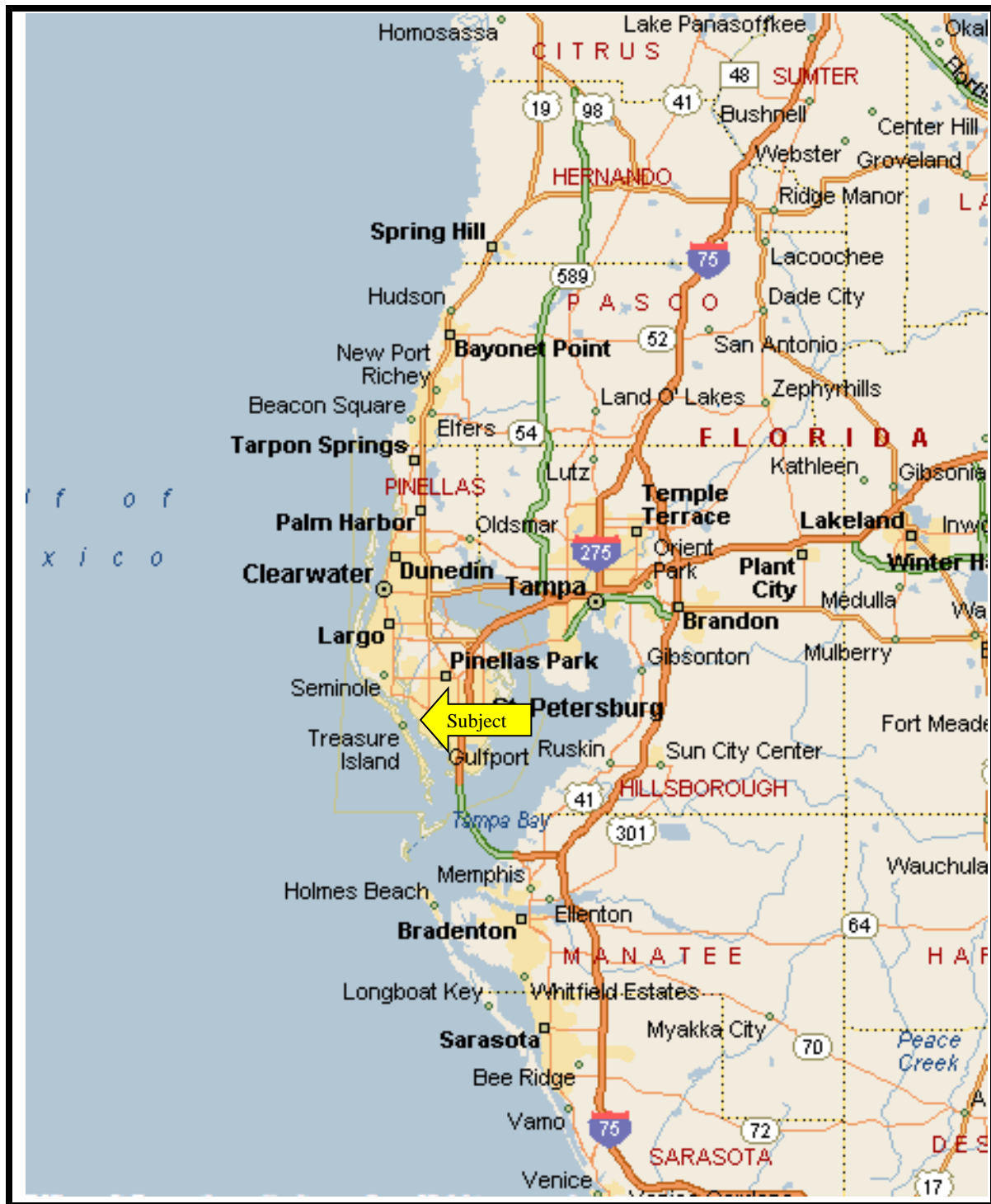
The consensus is that for the most part, the commercial market slowed the first several month of the outbreak of the pandemic, with realtors reporting very few telephone calls. Buyers were reported to have asked for extensions on their contracts and many contracts were canceled due to the pandemic. The realtors reported that many of the bottom feeder investors were out at the beginning of the pandemic making very low offers on listed properties, but these offers are not being accepted. However, in recent months these same brokers indicated that the market activity has increased and many of them have had closings and are having offers made on their current listings.

These realtors indicated that it is still too soon to predict the restaurant, retail and office markets. Many of them indicated that they have vacant land listings zoned for multiple family and are still getting interest from investors and developers. The agriculture brokers indicated that they have had a lot of activity on their properties due to people wanting to relocate from the municipalities.

With regards to rentals and leasing. The realtors indicated that they had very few phone calls the first month or two of the pandemic; however, these calls have increased, and the signs are more positive than a month or two ago. It has been reported that the large office spaces are projected to have the higher vacancy rates in the future as the large companies have realized that many of their employees can work at home. These realtors indicated that the industrial market is the strongest with high demand and limited inventory.

Covid-19 hit the food and beverage industry exceptionally hard, as restaurants accounted for 60% of the jobs lost between March 19 and April 9 of 2020. Florida has allowed restaurants to reopen in phases and currently have restriction on table sizes and social distancing. Florida's tourism industry has been hurt by the pandemic. After a tenth straight year of record visits in 2019 with 130 million visitors, the arrivals dropped by 60% in the second quarter of 2020 and by 32% drop in the third quarter.

In summary, based on the information gathered from the realtors, the commercial real estate market slowed significantly the first month or two of the pandemic, but has recently been showing signs of increased activity; however, the pandemic's long term effect on values cannot be predicted at this time.



REGIONAL MAP

## **NEIGHBORHOOD DESCRIPTION**

A neighborhood can be a portion of a city, community or an entire town. It is usually considered to be an area that exhibits a fairly high degree of homogeneous, as to use, tenancy and certain other characteristics. Homogeneity is a state of uniform structure or composition throughout. Therefore, in real estate terminology, a homogeneous neighborhood is one which the property types and uses are similar. A neighborhood is more or less a unified area with somewhat different boundaries.

The subject is located in southwestern Pinellas County within the city limits of St. Petersburg, Florida. It is located in the Tyrone area of northwestern St. Petersburg. The neighborhood is 100% built-out with a minimal amount of land for new development. The neighborhood boundaries could be defined as Tyrone Boulevard to the north, Central Avenue to the south, Boca Ciega Bay to the west and 58<sup>th</sup> Street to the east. The neighborhood consists of a mix of residential, commercial and limited industrial development. The Gulf Beaches are located just west of the subject neighborhood and is accessed by Treasure Island Causeway.

Tyrone Boulevard, 22<sup>nd</sup> Avenue N., 5<sup>th</sup> Avenue N. and Central Avenue are the primary east-west arterial roads in the subject neighborhood. Pasadena Avenue, 66<sup>th</sup> Street and Park Street are the primary north-south roads. Commercial development is typically located along the arterial roads. These include restaurants, financial institutions, auto service stations, neighborhood shopping centers, strip centers, small office buildings, and numerous service related businesses. Industrial development is typically located between 22<sup>nd</sup> Avenue and Tyrone Boulevard, just west of the Pinellas Trail.

Residential development typically consists of a mix of single-family and multi-family properties. The most notable single family developments in the area include Jungle Shores Golf Course and Jungle Subdivision, Jungle Country Club, Jungle Cove, Boca Ciega Woodlands, Villa Park Estates, Eagle Manor and Parque Navaez. Due to the built-up nature of the area, there is limited land available for single-family development. Some limited construction is occurring on remnant lots throughout the neighborhood. The homes typically range in age from the late 1920's to the mid 1980's. A number of newer homes and small residential developments are scattered throughout the area. Single-family homes range widely in price, typically between \$180,000 to over \$1,500,000.

Located along Park Street are some of the more prestigious single family residential homes in Pinellas County. The west side of Park Street, between 5<sup>th</sup> Avenue N. and 22<sup>nd</sup> Avenue North, is typically lined with large estate type homes, most of which are located on acreage sites fronting on Boca Ciega Bay. The homes range in size from roughly 2,500 sf to over 9,500 sf with values in excess of \$7,000,000.

Raytheon operated a defense manufacturing plant at 1501 72<sup>nd</sup> Street North; however, the plant has been closed for a number of years and the site has been cleared. The plant is the source of soil and ground water contamination in the area. The pollution originated from a drum storage area when the property belonged to E-Systems and was discovered in 1991. Florida Department of Environmental Protection has approved the ongoing efforts

to clean-up the contamination. The property is located several blocks southeast of the subject. Based on a map provided by Robert Luhrs with Raytheon, the contamination plume is located more than ¼ mile southeast of the subject and is assumed to not affect the subject property.

The site formerly occupied by Ratheon is proposed for development of a mixed use development which would include a 150,000 sf indoor sports and events facility, a 4 acre recreation lagoon and 479 residential units. Raytheon, which is responsible for the cleanup, built a cleaning facility on the south end of the property. This facility would remain in place and Raytheon will retain ownership and operation of the cleaning facility. There is also infrastructure on the perimeter of the site that is being used to clean the groundwater. It was indicated the developer would work closely with Raytheon and the Florida Department of Environmental Protection to ensure that infrastructure is not disrupted.

The Florida Association of Realtors reported an increase in statewide sales activity of existing single-family homes of 21.0% in the December 2020 year-to-year comparison. December sales of existing townhouse-condos statewide increased by 27.7% for the same time period. The Tampa Bay area has seen increases in sales of single family homes sales of 11.7% and 14.6% for Townhouse-condominium sales. The December medium statewide single family home sale price was up 14.4% and townhouse-condo prices increased by 13.7%. The Tampa Bay market has seen median price increases of 15.0% for single family homes and 9.4 for townhouse-condominiums in the December year over-year reports. The inventory of single-family homes for sale in Florida was down 44.1% year over year and the month's supply inventory was down 45.5%. The inventory of townhouses and condos for sale in Florida decreased by 18.3% and the month's supply decreased by 20.8%. The residential market stabilized several years ago, and market data has been trending upward.

The Federal Reserve Sixth district economic report for December 2020 indicated that economic activity continued to expand at a modest pace through December. Labor markets continued to gradually improve, and wage pressures were muted. Retailers reported mixed activity and auto dealers reported a decline in sales since the last report. Residential real estate demand and home prices increased, and inventory levels remained tight.

Commercial real estate (CRE) contacts reported continuing challenges associated with the effects of Covid-19. Rent collections exceeded low expectations and investment activity continued to slow during the reporting period. There has been a deceleration in new leasing inquiries, though leasing activity that was already in process appeared to be continuing to move towards completion. Declining tourism and travel conditions have had a significant impact on CRE activity across the District. It was reported that capital is readily available for financing stabilized CRE projects.

The Bureau of Labor Statistics reported the December 2020 unemployment rate for Florida at 6.5%, which is up from its historic low of 2.8% in February 2020, but down from 14.5% in May 2020. In an effort to quell the spread of Covid-19, the Florida Governor issued a statewide stay-at-home order, effective on April 3. The number of people applying for unemployment benefits subsequently increased significantly. It has been reported as of June 30 that 2.73 million claims for unemployment assistance have been made in the state for Florida between since mid-March 2020. Florida reported a drop in the number of first time unemployment claims during the first week of September. A total of 36,541 claims for the week ended September 5, down nearly 20 from the prior week and a continued decline from a spike of 132,831 new claims in the week ended July 11. Pinellas County had an unemployment rate of 2.5% in December 2019, which spiked to 14.1% in April 2020. As the county started to open back up, the unemployment rate has dropped and was reported at 5.2% in December. Of equal or greater importance, is the expected recovery time and the duration of unemployment, which is unknown at this time.

The neighborhood is located conveniently to shopping, schools, churches, hospitals, recreational activities and the Gulf Beaches. Tyrone Mall is located towards the center of the neighborhood, at the southwest quadrant of Tyrone Boulevard and 66<sup>th</sup> Street North. The mall is currently being renovated and expanded with the addition of several new tenants. All typical services and utilities are available in the area. Pasadena Park, Navaez Park, Walter Fuller Park, Joan Payson Field and a municipal boat ramp and pier are located in the neighborhood. The Palms of Pasadena Hospital is located on Pasadena Avenue, just south of the subject neighborhood and St. Petersburg Hospital is located on 66<sup>th</sup> Street, just north of the neighborhood.

In summary, the neighborhood is located in the city of St. Petersburg, in southwest Pinellas County. Most of the development occurred from the late 1920s to 1980s. Because of the limited amount of land, many structures have been razed for new development or have been completely renovated. The neighborhood is primarily residential in nature with a good amount of supporting commercial development. The neighborhood is located close to employment centers, recreational activities, and schools.



NEIGHBORHOOD MAP

## **SITE DESCRIPTION**

### **Location**

The subject property is located on the north side of 22<sup>nd</sup> Avenue North, just east of 79<sup>th</sup> Street, within the city limits of St. Petersburg. It is located north (across 22<sup>nd</sup> Avenue) from single-family homes, adjacently east of Azalea Middle School and west of a vacant piece of land, which is part of an office-manufacturing plant owned by Raytheon. It is south of the City of St. Petersburg Southwest Water Reclamation Facility. The current plan is to expand the reclamation facility onto the northern portion of the subject parcel. It will be improved with two 7.5 million gallon storage tanks. One will be used for reclaimed water and the other used for reject water. The subject's physical address is 7701 22<sup>nd</sup> Avenue North, St. Petersburg, Florida 33710.

### **Size and Shape**

The subject site is rectangular. The gross site size as provided is 3.89± acres, or roughly 169,450 square feet. The site has 505.5 feet of road frontage along 22<sup>nd</sup> Avenue North, a depth of 275.3 feet along its western boundary and 433.04 along its eastern boundary. See tax map, aerial photograph and site sketch as provided at end of site description for a visual depiction.

### **Ingress/Egress (Access)**

The subject has an interior location on the north side of 22<sup>nd</sup> Avenue North. It has one curb cut on 22<sup>nd</sup> Avenue and access to the property is adequate for its current use. 22<sup>nd</sup> Avenue North is a moderately busy east-west road and in the area of the subject it is two lanes. The 2019 average annual daily traffic count was 7,400.

### **Topography and Soil**

The site appears to be generally level and above street grade. It has no on-site storm water retention, which is common to a property of this age. As discussed, Raytheon operated a defense manufacturing plant east of the subject at 1501 72<sup>nd</sup> Street North; however, the plant was closed, and the improvements were razed. The plant is the source of soil and ground water contamination in the area. The pollution originated from a drum storage area when the property belonged to E-Systems and was discovered in 1991. Florida Department of Environmental Protection has approved the ongoing clean-up efforts of the contamination. The property is located several blocks southeast of the subject. Based on a map provided by Robert Luhrs of Raytheon, the contamination plume is located southeast of the subject. An environmental study for the subject property is recommended.

Based on a visual inspection, there did not appear to be any adverse environmental conditions regarding the soil or subsoil. We are not experts in this field and give no warranty as to soil or subsoil conditions. This appraisal is valuing the subject as though it is clean with no soil contamination.

### **Utilities**

All utilities were indicated to be to the subject site. Electric service is available from Duke Energy and telephone service is available from private providers. Public water and sewer services are to the site and provided by the City of St. Petersburg.

### **Improvements**

The subject is improved with a two-story educational facility with 27,404 square feet of gross building area. It was constructed in two phases in 1965 and 1968. The property is currently vacant, has a number of items of deferred maintenance and is maintained in below average condition. It was previously owned by Worknet Pinellas and was operated as a work training and education facility.

Site improvements include asphalt paved drive and parking areas, concrete walks, landscaping, chain link fencing, masonry privacy wall along front of site, crushed asphalt parking area, etc. Located towards the southwest corner of the site is a garden area which features mosaic tile walking paths with concrete foot bridge, small wood enclosure, log benches, and brick walk. The site improvements in this area are overgrown and in need of attention.

The subject has a 6.18: 1.0 land to building ratio. This is towards the middle of the range compared to other special use facilities.

### **Nuisances and Hazards**

No adverse nuisances or hazards were observed. Per FIRM community panel number 12103C 0211G, map dated September 3, 2003, the subject is located in flood zone "X". Properties located within the "X" designated areas do not typically require flood insurance. The flood zone should be confirmed with a flood certification. See flood map at the end of the site description.

### **Easements and Encroachments**

No easements or encroachments which would adversely affect the subject property were observed at the time of the physical inspection or review of survey. It is assumed that none are present.

### **Concurrency**

The January 1990 enactment of Concurrency Laws in the state of Florida directly impacts the use of a site. Concurrency is part of the 1985 Growth Management Act, which states in part that all of an area's infrastructure, which are or will be affected by the development of a property must be in place or concurrent with development and must be adequate.

In mid-2011 the Florida legislature made major changes to the growth management laws. The act was changed from the "Local Government Comprehensive Planning and Land Development Regulation Act" to the "Community Planning Act". This reflected a change from State oversight to local government control of the planning and growth management process. The Act's purpose moves from "control future development" to "manage future development consistent with the proper role of local government". The new statement focuses on recognizing and protecting "the traditional economic base of the state, agriculture, tourism and military presence" while also encouraging "economic diversification, workforce development and community planning". The subject is developed and is therefore vested.



### **Zoning/Future Land Use Designation**

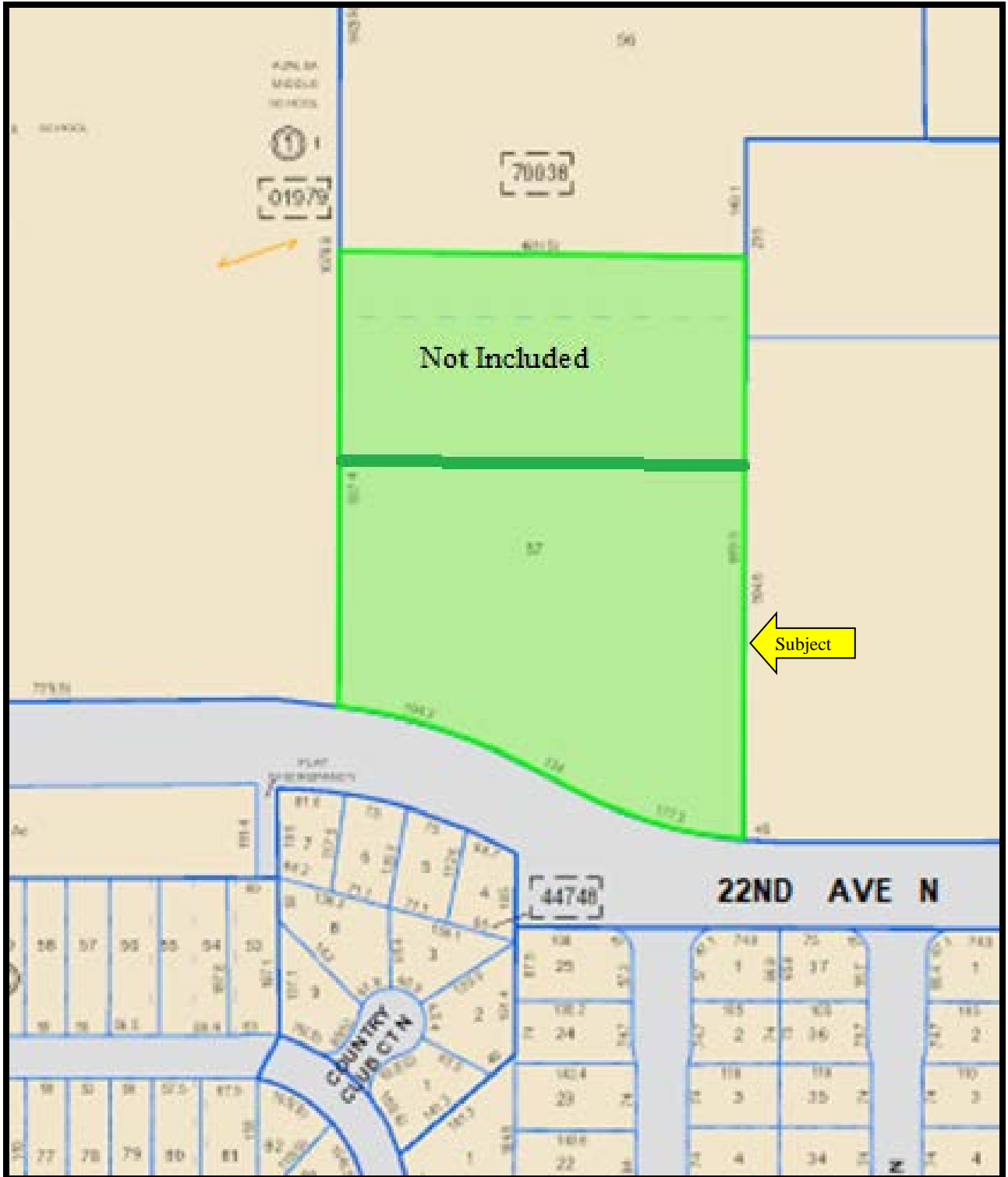
The subject property is zoned “NS-1”, Neighborhood Suburban, Single Family by the City of St. Petersburg. The property has an “I”, Institutional, future land use designation. Permitted uses include community residential homes, single-family residential dwellings, passive park, public schools, etc. Private schools, post-secondary schools, houses of worship and meeting halls are allowed as special exceptions. The subject use as an education facility is permitted by special exemption.

The NS-1 zoning classification allows development of single-family homes at a density of up to 7.5 units per acre. The Institutional future land use designation allows for development at a maximum density of 12.5 units per acre. The subject is to the north of parcels zoned NS-1 (single family) with Residential Urban (7.5 u.p.a.) future land use designations. It is west of a parcel zoned Industrial Suburban with an Industrial Limited future land use designation. It is west of a middle school with an NS-1 zoning and Institutional future land use designation. See zoning and future land use maps at end of site description.

Based on our conversation with Jennifer Bryla, City of St. Petersburg Development Review Manager, there is a possibility the subject could be rezoned to NSM, Neighborhood Suburban Multi-Family, which allows for development of multi-family dwellings. Based on the current zoning, 29 single-family homes could be legally developed (3.89x7.5). If an NSM zoning were approved, this would allow for a maximum development of up to 48 multi-family dwelling units (3.89 x 12.5). A developer could apply for affordable housing density which could allow for the development of additional units. It was also indicated that a change in zoning to Industrial Suburban could also be applied for; however, this would also require a change of the future land use designation.

### **Summary**

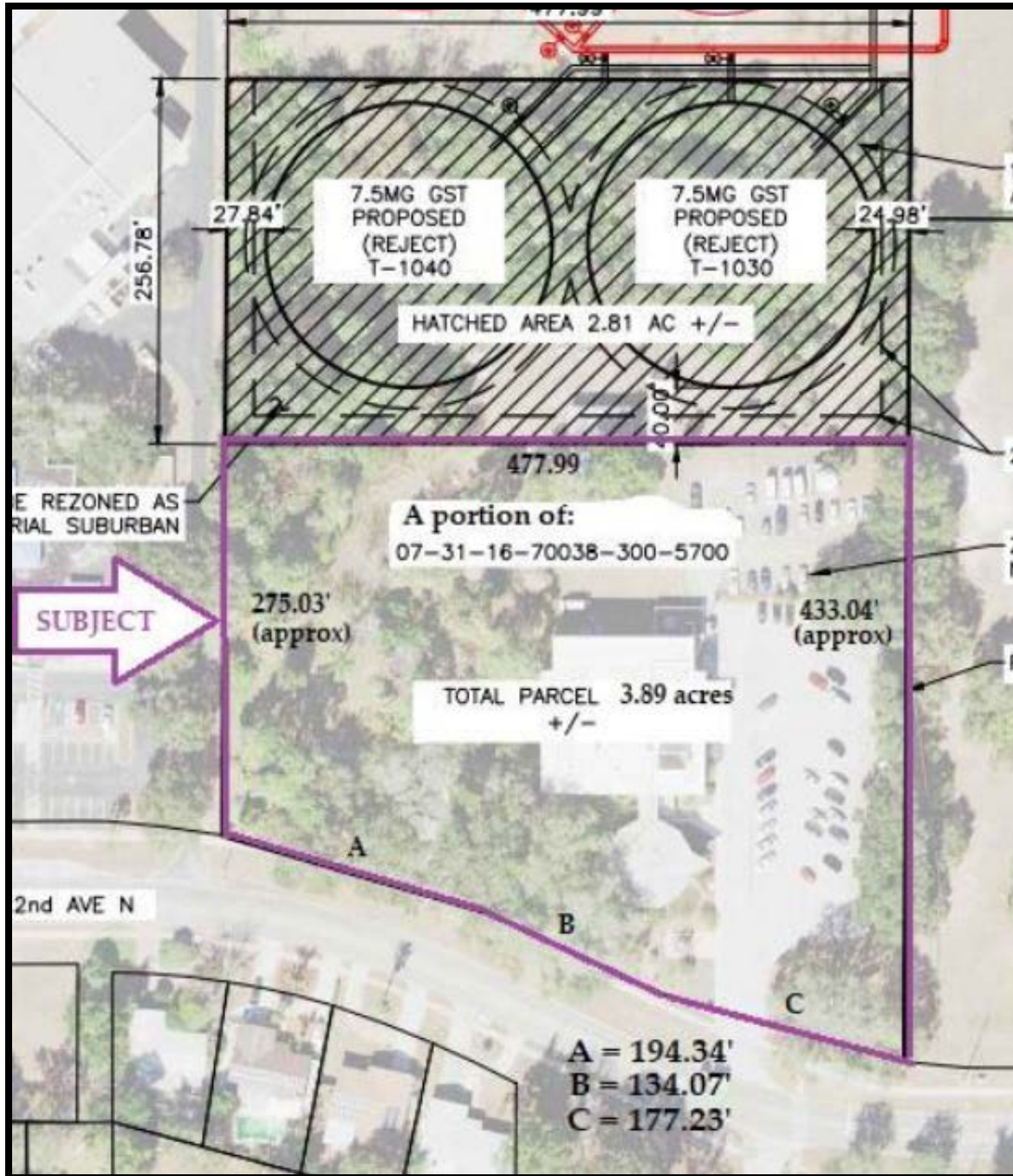
In summary, the site is located on the north side of 22<sup>nd</sup> Avenue North, east of 79<sup>th</sup> Street, within the city limits of St. Petersburg, Pinellas County, Florida. The site size is 3.89± acres. It is rectangular, has a good amount of road frontage on a moderately busy road and is generally level. All typical utilities are available. The subject is zoned “NS-1”, Neighborhood Suburban, Single Family by the City of St. Petersburg. The property has a compatible Institutional future land use designation.



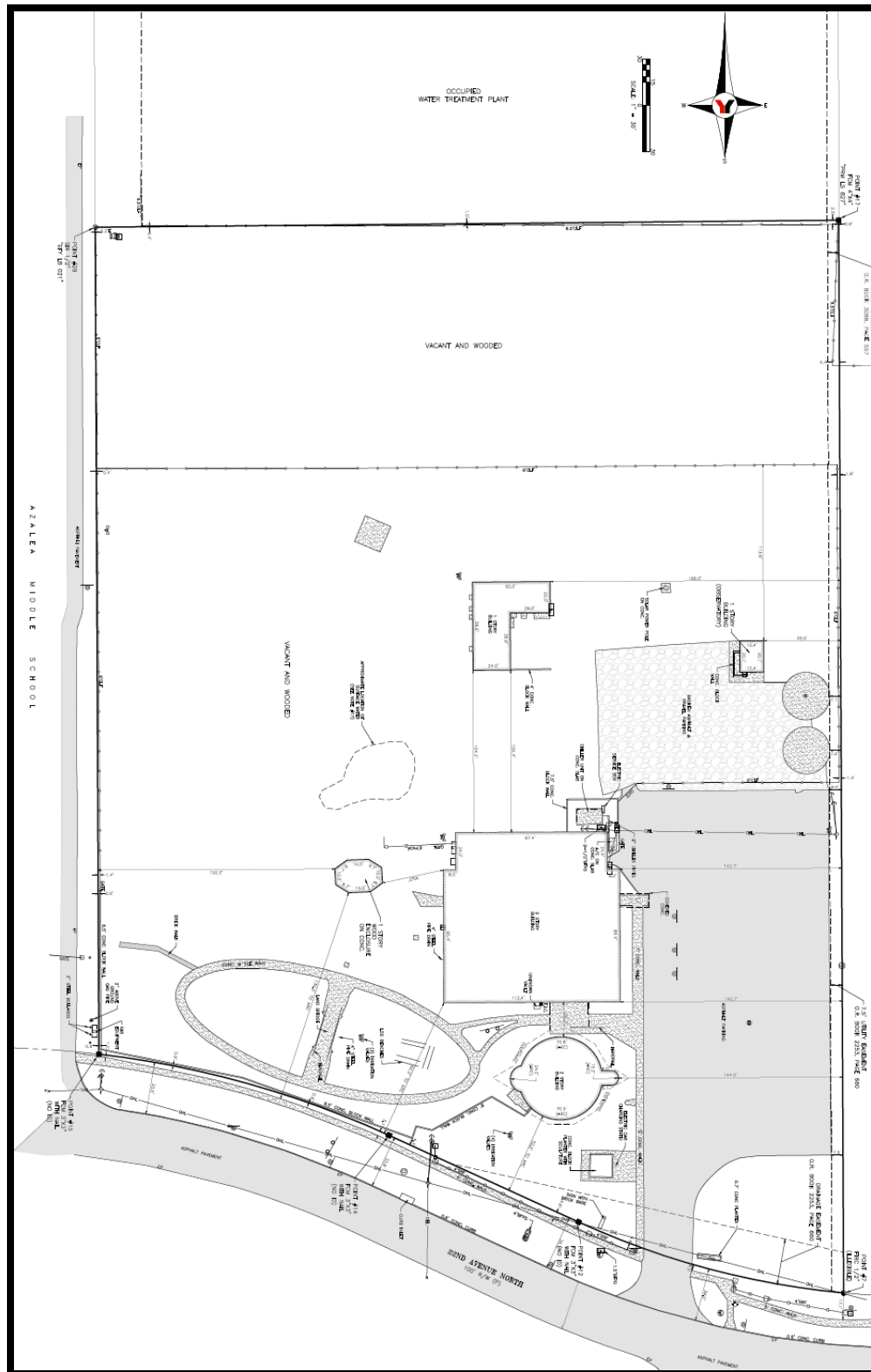
TAX MAP



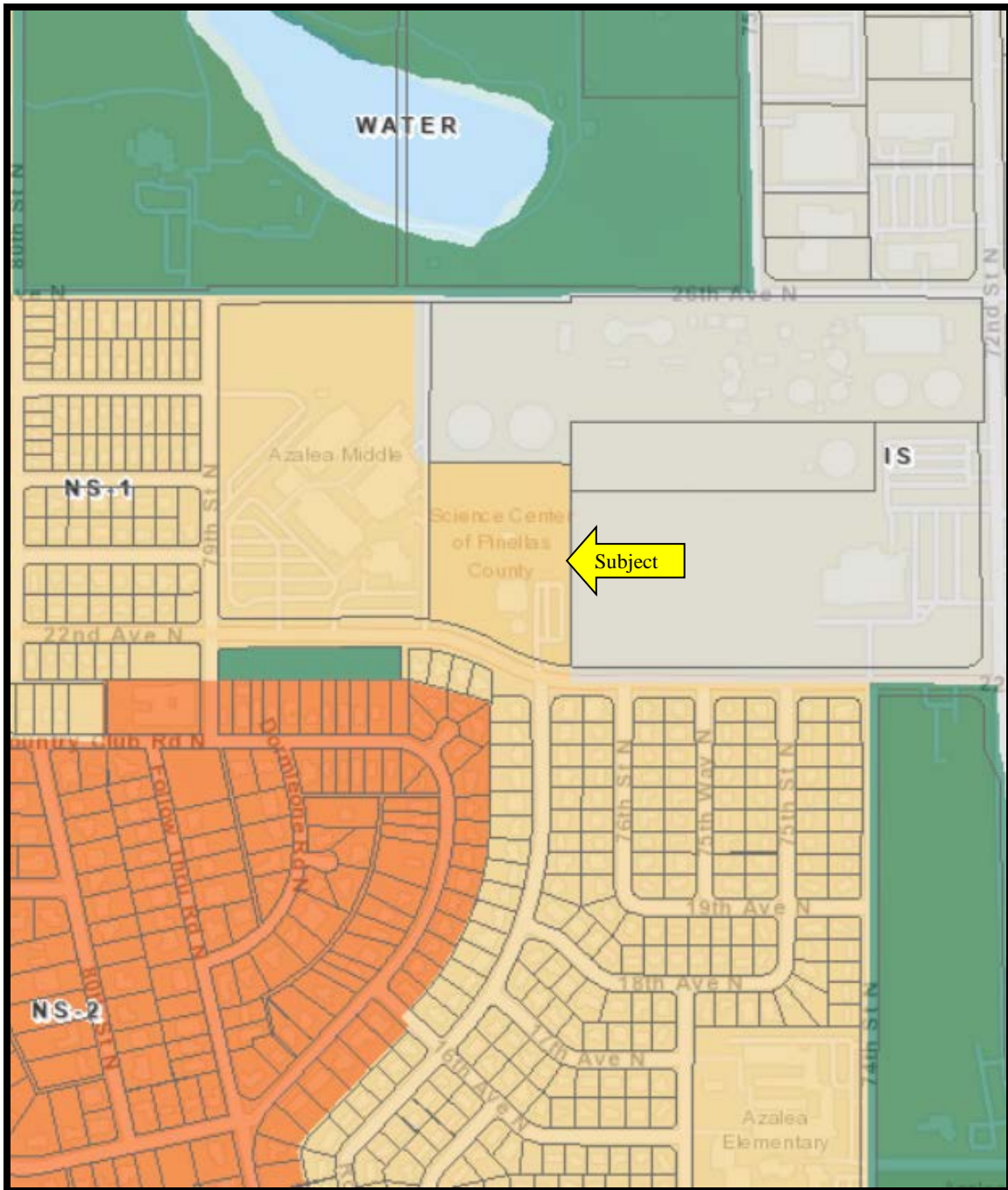




SITE SKETCH AS PROVIDED

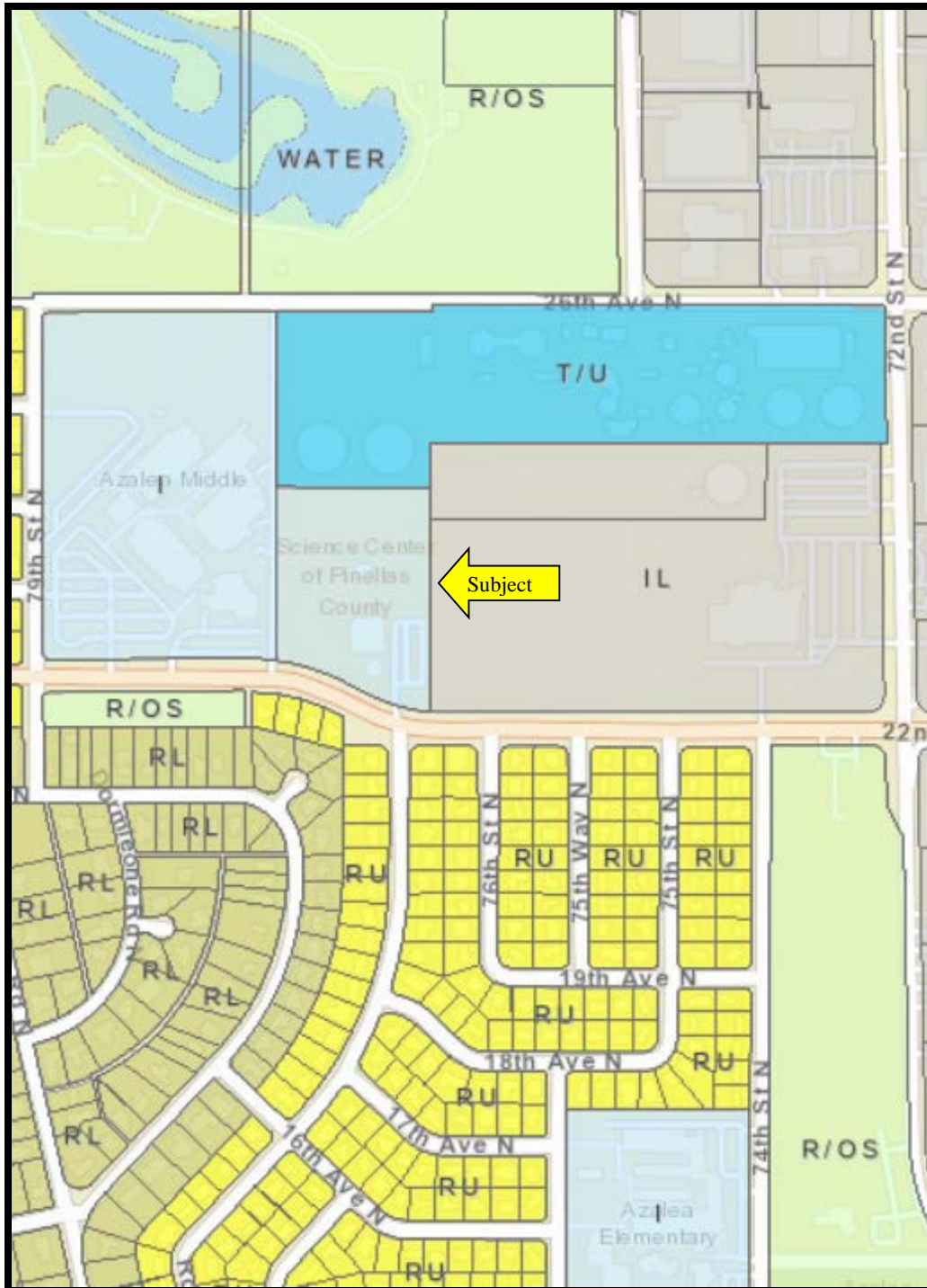


## SITE SURVEY



**ZONING MAP**





**FUTURE LAND USE MAP**



FLOOD MAP



## IMPROVEMENT DESCRIPTION

The improvements consist of a two-story educational facility referred to as the Science Center. The southern portion of the building is circular, and the second floor is highly irregular in shape due to areas open to below. We used a partial set of older building plans and our physical measurements to estimate the size of the subject structure. We have estimated the subject gross building area at 27,404 square feet. It was built in two phases 1965 and 1968, has a number of items of deferred maintenance and is in overall below average condition. The building floor plan includes numerous classrooms, planetarium, retail space, auditorium and administrative offices. See building sketch for visual depiction.

The building was designed for use as the Science Center; however, is currently vacant. It was most recently used as an educational facility and office location for Career Source of Pinellas. A summary of the building characteristics is outlined below.

Foundation:	Concrete slab assumed to be over compacted fill with vapor barrier.
Roof:	Pre-engineered roof joists with a built-up composition over the southern portion of the building and a modified bitumen covering over the northern portion.
Exterior walls:	Concrete block with painted finish and estimated eave height is 24'
Interior walls, flooring and Ceiling:	The interior walls are a mix of concrete block and drywall. The ceilings are acoustical tile grid systems, with some of the lighting updated with high efficiency fixtures. The floor coverings are typically a mix of carpet, ceramic tile, VCT.
Doors & Windows:	The exterior doors are a mix of glass in metal frames and metal. There are a limited number of windows, and they are located at the main entrances to the building. They are fixed aluminum frames with single-pane glass. Several of the windows of been broken and most are now covered by sheets of plywood.
Heating/Colling:	Chiller system
2 <sup>nd</sup> Floor Access:	The building is equipped with one elevator located in the northern portion of the building and three interior staircases.
Plumbing:	The building is equipped with an adequate number of restrooms.
Electrical:	The subject has breaker boxes located in the mechanical room. Some of the electric has been updated and is assumed to be adequate.

The subject structure is divided into two sections which are connected by a second floor finished hallway and ground floor canopy. The northern portion is rectangular and is finished with offices, auditorium and classrooms. The ground floor has a main lobby area, reception area, a large auditorium, individual offices, classrooms and two restrooms. The second floor is finished with individual classrooms, storage areas, large open area and two restrooms. The southern portion of the building is circular in shape. It is finished with an open retail area, individual offices, storage areas, restroom and a planetarium. The planetarium has a dome ceiling, built-in chairs with seating for twenty-two.

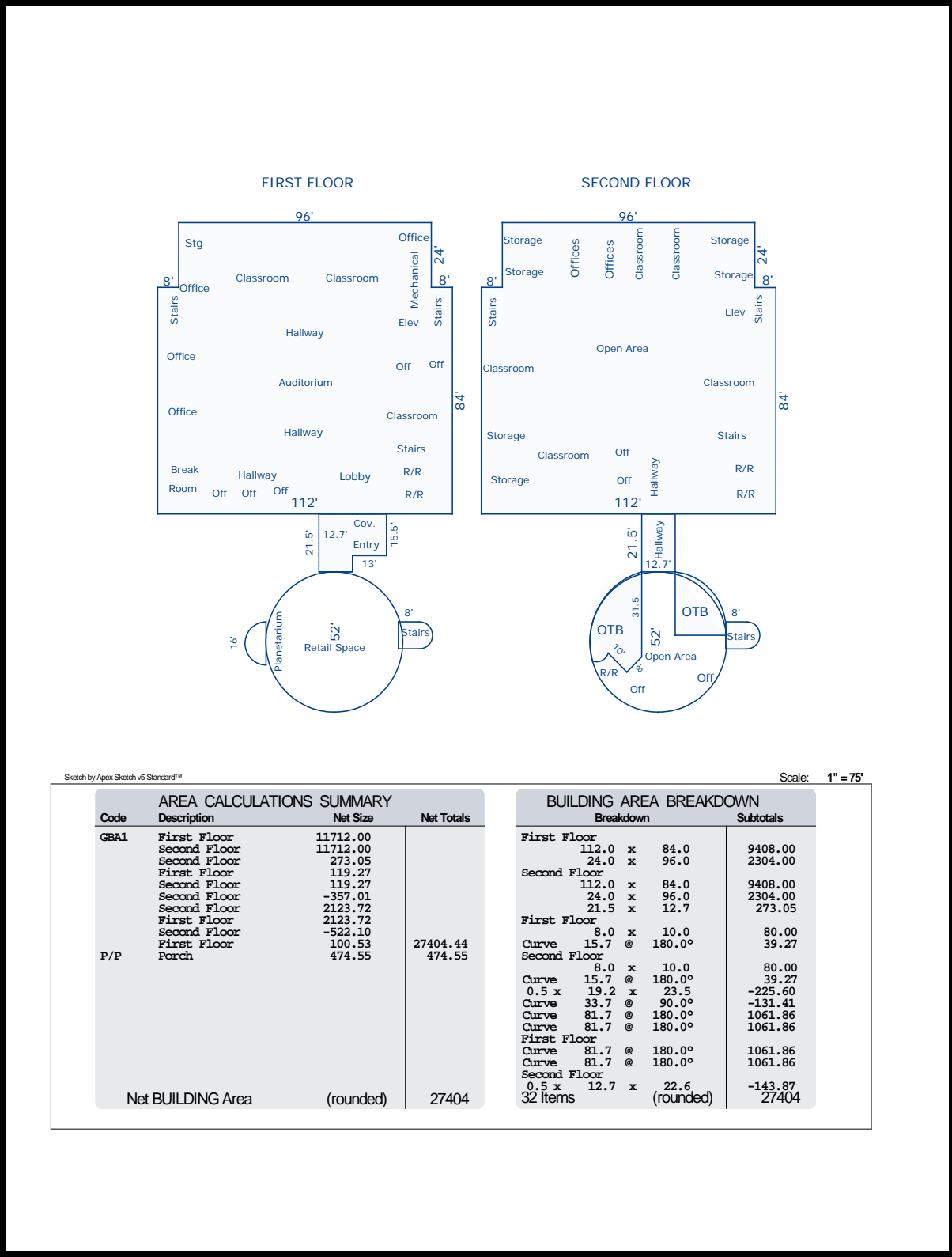
The property is also improved with a detached 1,881 square foot structure which is used for storage and workshops. It has two garage spaces, two restrooms and several areas which are used as workshops. It appears to be located on the proposed property line and has not been included in our valuation. The property also includes a 310 square foot detached observatory structure. The observatory has a domed roof with a partially retractable opening and is equipped with a Mead 16" LX200 telescope. This structure is masonry with concrete floors. This additional structure is considered to have limited contributory value and has not been included in our gross building area calculation.

Based on the Marshall Valuation Service, the subject is classified as an average cost education facility with an estimated economic life of roughly 45 years. The building was constructed in 1965 and 1968 and has an actual age of 53 years. The roof covering over the northern portion of the structure was indicated to have been replaced in 2015. The a/c chiller system was replaced several years ago and is operational. The auditorium area has been renovated and is in good condition. The parking lot has been resurfaced and is in good condition.

The building is vacant and has been vandalized. Numerous interior partition windows have been broken out. Roughly three exterior windows have also been broken and need to be replaced. Fire extinguishers have been set off within the interior of the building. The interior and floor coverings need general clean-up. The exterior paint is older, is at the end of its economic life and the exterior walls need to be painted. Some exterior wood work has water damage and needs to be repaired. A metal exterior door on eastern elevation is rusted and needs to be replaced.

The roof covering over the northern portion of the building was replaced several years ago; however, it was indicated that there have been several leaks which were fixed by the current owner. Some of the ceiling tiles have water stains, which need to be replaced. It was indicated that there are no active leaks. A roof inspection by a roofing contractor is recommended. Considering the age of the roof, it is assumed that only minor repairs are needed. As discussed, the western portion of the site landscaping is overgrown and in need of attention.

The effective age of the subject property is estimated to be 30 to 35 years; therefore, its remaining economic life is estimated at 10 to 15 years. The improvements conform to the site and are consistent with the surrounding uses.



BUILDING AREA CALCLATION AND GENERAL FLOOR PLAN

## **HIGHEST AND BEST USE**

The highest and best use is defined as; the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

### **Highest and Best Use as Though Vacant**

Highest and best use of land or a site as though vacant is defined as: Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvement.

The subject is located on the north side of 22<sup>nd</sup> Avenue North, east of 79<sup>th</sup> Street, within the city limits of St. Petersburg, Pinellas County, Florida. The site size is 3.89 acres with a good amount of road frontage. It is zoned “NS-1”, Neighborhood Suburban with an Institutional future land use designation. Permitted uses include community residential homes, single-family residential dwellings, public schools, etc. Private schools, post-secondary schools, houses of worship and meeting halls are allowed as special exceptions.

Based on our conversation with Jennifer Bryla, City of St. Petersburg Development Review Manager, there is a possibility the subject could be rezoned to NSM, Neighborhood Suburban Multi-Family, which allows for development of multi-family dwellings. Based on the current zoning (7.5 u.p.a.), 29 single-family homes could be legally developed. If an NSM zoning were approved, the current land use would allow a density of 12.5 u.p.a., or a maximum development of up to 48 multi-family dwelling units. A developer could apply for affordable housing density which could allow for the development of additional units.

Considering the size, location and physical characteristics of the subject site, most legally permissible uses would be considered physically possible, legally permissible and would be the most reasonable type use. New residential development is occurring throughout the Tampa Bay area. Development of the subject site with single-family residential type development is the most reasonable type use. The subject could also be developed with a special use property, assuming special exception is approved. Based on the analysis, in our opinion, the highest and best use of the subject property as though vacant is to apply for a zoning change to NSM and if approved, develop the site with a multi-family residential development. If a zoning change is not approved, the highest and best use, under its current zoning and future land use designation, is development of single-family residential subdivision. An alternative use would also be construction of a special use structure for a specific end user such as a charter school or worship facility.

### **Highest and Best Use as Improved**

Highest and best use of the property as improved is defined as; the use that should be made of a property as it exists. An existing property should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

As discussed, the subject property is improved with a 27,404 square foot educational facility commonly known as the Science Center situated on a 3.89 acre site. The structure was built in 1965 and 1968. It is currently vacant, has a number of items of deferred maintenance and is currently maintained in below average condition.

The subject was listed for sale in 2019 for roughly three months. The listing broker indicated the site received interest from investors considering redevelopment of the subject site; however, it was purchased by the City of St. Petersburg for expansion their reclamation plant on the northern portion of the site. There is demand for education facilities as well as residential redevelopment sites. If a zoning change to allow multi-family residential development of the subject site were approved, the legal maximum allow density would be 48 units. Based on a review of sales of medium density residential parcels, we found a price range of between range \$23,000 and \$32,000 per unit. This would result in a value range of between \$1,104,000 and \$1,536,000. Based the analysis of older special use properties, in our opinion the value as improved is slightly higher.

Therefore, based the analysis, in our opinion the highest and best use of the subject property, as improved, is to repair the deferred maintenance and continue the property's use as an education facility or similar type special property use.

## **THE VALUATION PROCESS**

The estimate of market value for real property involves a systematic process in which the problem is defined, the work necessary to solve the problem is planned, and the data required is acquired, classified, analyzed and interpreted into an estimate of value. In this process, three approaches are used to estimate value. They are:

### **THE COST APPROACH**

### **THE SALES COMPARISON APPROACH**

### **THE INCOME CAPITALIZATION APPROACH**

The cost approach is a method in which the value of a property is derived from creating a substitute property with the same utility as the subject property. In the cost approach, the appraiser must estimate the market value of the subject site as if vacant, by using the direct sales comparison approach, then estimate the reproduction cost new of the improvements. Depreciation from all sources is estimated and subtracted from the reproduction cost new of the improvements. The depreciated reproduction cost of all improvements is then added to the estimated site value with the results being an indicated value by the cost approach.

The sales comparison approach also referred to as the market approach, involves the comparison of similar properties that have recently sold or similar properties that are currently offered for sale, with the subject property. The basic principle of substitution underlies this approach.

The income capitalization approach is a process which discounts anticipated income streams (whether in dollar income or amenity benefits) to a present worth figure through the capitalization process. The appraiser is again faced with obtaining certain data related to the subject and comparing it to similar physical, functional and economic properties. Comparable rental information is analyzed to estimate potential gross income (actual and/or comparative) to determine a projected net income stream. The appraiser must estimate a capitalization rate, either through extraction from the market or using other available techniques. The net income stream is capitalized into an indicated value by this approach.

The value estimates as indicated by the three approaches are then reconciled into a final estimate of the property's value. In the final reconciliation, the appraiser must weigh the relative significance, defensibility, amount and accuracy of data, and applicability of each approach as it pertains to the type of property being appraised and that best approximates the value being sought in the appraisal.

The sales comparison approach was used in the analysis. It is our opinion that this method provides a credible estimate of value for the subject property. The subject is a vacant education facility, and these type properties are not typically purchased for their income producing capability. In our opinion the income approach is not considered applicable and was not used in the analysis. Due to the age of the improvements and difficulties in accurately estimating the amount of accrued depreciation, the cost approach was not used.

## **THE SALES COMPARISON APPROACH**

The sales comparison approach involves a detailed comparison of the subject property with similar properties, which have recently sold in the same or competitive market. This approach is based primarily on the principle of substitution. This principle states, when several commodities or services with substantially the same utility are available, the lower price attracts the greatest demand and widest distribution. In other words, a prudent investor/purchaser would not pay more to acquire a given property in the market, considering that an alternative property may be purchased for less. The five basic steps in this analysis are listed below:

1. Research the market to identify similar properties for which pertinent sales listings offerings and/or rental data is available.
2. Qualify the data as to terms, motivating forces, or bona fide nature.
3. Analyze the salient characteristics of the comparable properties in relation to the property being appraised, particularly those items relating to date of sale, location, physical characteristics, and condition of sale.
4. Consider all dissimilarities and the probable effect on the price of each sale and derive individual market value indications for the property being appraised.
5. Formulate an opinion of market value from the pattern developed from the foregoing analysis.

Special use properties, like churches and education facilities are typically constructed for owner occupancy and sales are limited. Extensive research was made to find recent pertinent sales. The distance parameter was extended to include competing areas of Pinellas County and Tampa. The sales used were considered the most reliable found and are presented on the following pages.

### **IMPROVED COMPARABLE NO 1:**



Street Address:	6565 Ulmerton Road, Largo, Florida 33771
Location:	North side of Ulmerton Road, east of 66th Street.
Parcel Number:	05-30-16-70920-300-0901
Date of Sale:	October 2020
Grantor:	Alliance Largo, LLC
Grantee:	3608 El Centro, LLC
O.R. Book/Page:	21221/384
Sale Price:	\$2,992,500
Building Size:	37,100 sf
Year Built:	1970
Condition:	Average to Good
Quality:	Average to Good
Land Size:	178,360 sf, or 4.09 acres
Land to Building Ratio:	4.81: 1.0
Financing:	Cash to Seller
Price/SF:	\$80.66

Comments: This is the sale of a special use property which is built out as an education facility. It was originally built as an office-warehouse facility and later converted to a school. The property was most recently leased for operation as Fortis College; however, when the lease expired, the tenant vacated the building. Roughly 80% of the building was renovated a number of years ago at the time it was leased. The property was purchased for owner occupancy and use as a professional office. The sale was verified with the listing real estate agent Elliot Ross of Ross Marketing Group. The final list price was \$3,950,000, reduced several times from an original price of \$5,523,000. It was on the market for roughly two years.



## IMPROVED COMPARABLE 2:



Street Address:	7705 Gunn Highway, Tampa, FL 33625
Location:	North side of Gunn Hwy, east side of Berkford Ave and west side of Spivey Rd.
Folio Number:	003392-0000
Date of Sale:	March 2020
Grantor:	First Baptist Church Citrus Park, Inc.
Grantee:	Plato Holdings, LLC
Instrument Number:	2020114443
Sale Price:	\$4,200,000
Building Size:	45,189 sf
Year Built:	1954-1984
Condition:	Average to Good
Quality:	Average to Good
Land Size:	187,210 sf or 4.30 acres
Land to Building Ratio:	4.14: 1.0
Financing:	Cash to Seller
Price Per Sq. Ft.:	\$92.94

Comments: This comparable is the sale of a special use property. It is located in northern Tampa, just west of Gunn Highway intersection with Erhlich Road. The property is improved with 7 buildings which are finished with a worship facility and school. The school includes roughly 35 classrooms, cafeteria, library and offices areas. The property was purchased for use as a charter school. It includes several canopies, including a covered sports court. Attempts to verify the sale with the grantee and grantor were unsuccessful.

### IMPROVED COMPARABLE NO 3:



Street Address:	833 Wyatt Street, Largo, Florida 33756
Location:	Southwest quadrant of Wyatt and MLK Jr. Ave
Parcel Number:	27-29-15-27838-001-0010
Date of Sale:	May 2019
Grantor:	First Assembly of God Church of Clearwater
Grantee:	American Collegiate Academy, LLC
O.R. Book/Page:	20523/980
Sale Price:	\$2,030,100
Building Size:	35,368 sf
Year Built:	1956-1975
Condition:	Below Average
Quality:	Average to Good
Land Size:	365,856 sf or 8.40 acres
Land to Building Ratio:	10.34: 1.0
Financing:	Cash to Seller
Price Per Square Foot:	\$57.40

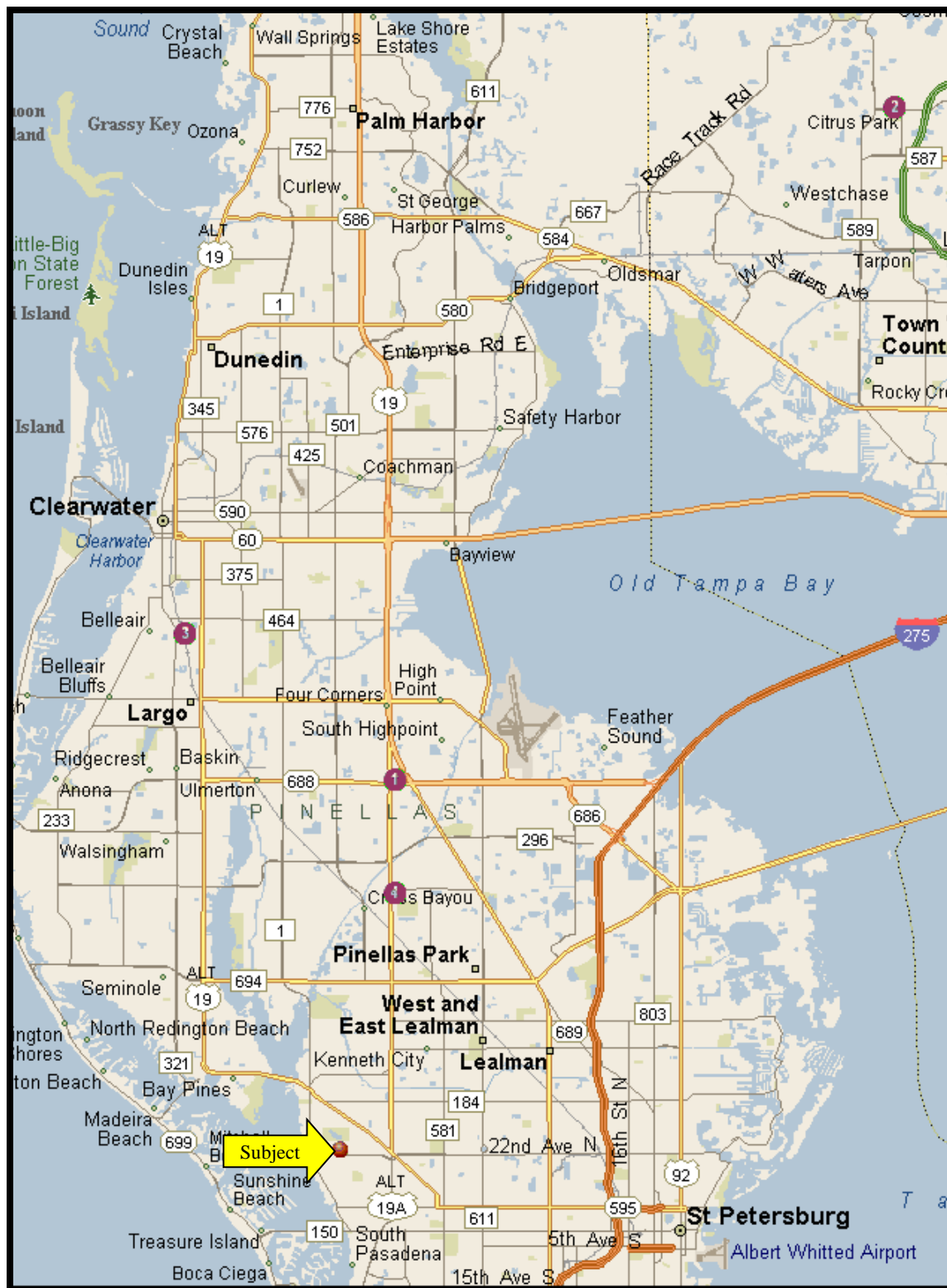
Comments: This is the sale of special use property which is built out with a church and school facility. It includes a front structure which was originally built as a single-family home in 1956. It also includes a sanctuary and classrooms. The property was purchased for use as a school referred to as American Collegiate Academy. It has classes for 4<sup>th</sup> through 12<sup>th</sup> grade. It was indicated the sanctuary will be used as an assembly hall. The sale was verified with a representative of the grantee, Tim West. It was indicated the property was in need of a considerable amount of work for use as a school.

#### IMPROVED COMPARABLE NO 4: (CONTRACT)



Street Address:	6500 102 <sup>nd</sup> Avenue N., Pinellas Park, FL 33782
Location:	South side of 102 <sup>nd</sup> Ave, east of 66 <sup>th</sup> Street
Parcel Number:	20-30-16-69804-200-0801
Date of Sale:	February 5, 2021 (contract date)
Grantor:	Amikids Pinellas, Inc.
Grantee:	N.A.
O.R. Book/Page:	N.A. Contract
Sale Price:	\$1,450,000 (contract price)
Building Size:	22,352 sf
Year Built:	1986
Condition:	Average to Good
Quality:	Average
Land Size:	114,955 sf of 2.64 acres
Land to Building Ratio:	5.14: 1.0
Financing:	N.A.
Price Per Square Foot:	\$64.87

Comments: This is a current contract of a special use property located in a residential area of Pinellas Park. The site is flag shaped with a narrow access piece accessing the street. The property is adjacent to a bowling alley which fronts on 66<sup>th</sup> Street. The building is designed for use as a school. The property is listed for sale for \$1,550,000 and was on the market for less than two months prior to contract. The contract price was indicated to be \$1,450,000 with an expected closing in April 2021. Information was verified with the listing agent, Roger Broderick. He indicated he had interest from investors looking to continue use of the property as a school. The site is overgrown, and the exterior of building is in need of paint.



**IMPROVED COMPARABLE LOCATION MAP**



## IMPROVED COMPARABLE COMPARISON CHART

NAME	SUBJECT	COMP. 1	COMP. 2	COMP. 3	COMP. 4
SALE PRICE		\$2,992,500	\$4,200,000	\$2,030,100	\$1,450,000
GROSS BUILDING SIZE	27,404	37,100	45,189	35,368	22,352
PRICE/SQ. FT.		\$80.66	\$92.94	\$57.40	\$64.87
SALE DATE	Feb-21	Oct-20	Mar-20	May-19	Contract
MONTHS SINCE SALE		4	11	21	0
<b><u>ADJUSTMENTS</u></b>					
FINANCING/CONDITIONS OF SALE		0%	0%	0%	0%
FIN/COND OF SALE ADJ PRICE		\$2,992,500	\$4,200,000	\$2,030,100	\$1,450,000
<b><u>MARKET CONDITIONS</u></b>					
% ADJUSTMENT		0%	0%	0%	0%
TIME ADJUSTED SALE PRICE		\$2,992,500	\$4,200,000	\$2,030,100	\$1,450,000
<b><u>PROPERTY CHARACTERISTICS</u></b>					
LOCATION	22nd Ave N St. Petersburg	Ulmerton Rd Largo	Gunn Highway Tampa	Wyatt Street Largo	102nd Ave N Pinellas Park
OVERALL LOCATION	Average	Superior	Superior	Inferior	Sl. Inferior
YEAR BUILT	1965-1968	1970	1954-1984	1956-1975	1986
CONDITION	Below Average	Superior	Superior	Similar	Superior
QUALITY	Average-Good	Similar	Similar	Similar	Sl. Inferior
BUILDING SIZE	27,404	37,100	45,189	35,368	22,352
LAND SIZE	169,450	178,360	187,210	365,856	114,955
LAND:BUILDING RATIO	6.18	4.81	4.14	10.34	5.14
OTHER	None	None	Canopies	None	None
<b><u>ADJUSTMENTS</u></b>					
LOCATION	22nd Ave N	-10%	-10%	10%	5%
AGE/CONDITION	'65-'68/Avg(-)	-10%	-10%	0%	-10%
QUALITY	Average-Good	0%	0%	0%	5%
BUILDING SIZE	27,404	0%	0%	0%	0%
LAND:BUILDING RATIO	6.18	5%	5%	-10%	5%
OTHER	None	<u>0%</u>	<u>-3%</u>	<u>0%</u>	<u>0%</u>
NET PROPERTY ADJUSTMENTS:		-15%	-18%	0%	5%
<b><u>ANALYSIS</u></b>					
ADJUSTED PRICE		\$2,543,625	\$3,444,000	\$2,030,100	\$1,522,500
ADJUSTED PRICE/SF		\$68.56	\$76.21	\$57.40	\$68.11

## **EXPLANATION OF ADJUSTMENTS**

Where appropriate, adjustments have been made to the comparables to account for material differences from the subject. The adjustment categories include financing/conditions of sale, market conditions (time), location, condition/age, quality, building size, land to building ratio and other. The following is an explanation of the various adjustments.

### **Financing/Conditions of Sale**

All sales were verified with the grantee, grantor, an informed party and/or public records. No under-market financing or any special considerations which may have influenced the comparable's selling price were discovered; therefore, no adjustments were made.

### **Market Conditions (Time)**

Market conditions refer to the appreciation or depreciation of a property over a period of time. The comparables sold within the past twenty-one months and based on a review of the sales, no time adjustments were warranted.

### **Location**

The factor included in this adjustment category is the general location of the comparables when compared to the subject. Typically, properties on major roads or in exclusive areas sell at a higher price per unit. The subject is located on 22<sup>nd</sup> Avenue North in St. Petersburg. Comparable 1 is located on Ulmerton Road, a busy arterial road. It has a superior overall location and was adjusted downward for the difference. Comparable 2 is located on Gunn Highway, a busy four-lane arterial road in northern Tampa. It has a superior location and was adjusted downward for the difference. Comparable 3 is located on Wyatt Street in Largo. This is a two-lane through street in an area of older residential and commercial development. It has an inferior location and was adjusted upward accordingly. Comparable 4 is located on 102<sup>nd</sup> Avenue, a two-lane road just east of 66<sup>th</sup> Street in Pinellas Park. The improved portion of the property has no road visibility, and its overall location is slightly inferior to the subject.

### **Age Per Condition**

This adjustment category is based on the condition of the comparables in relation to the subject. Properties in poor condition typically sell at a lower price per unit. The condition of the comparables was determined by an exterior inspection of the properties and/or by conversations with a knowledgeable source. The subject was built in 1965 and 1968. It is vacant and has a number of items of deferred maintenance. The property is considered to be in overall below average condition. Comparables 1, 2 and 4 sold in superior effective age/condition and were adjusted downward accordingly. Comparable 3 was indicated to be in need of work at time of sale and based on a review of the sales, no adjustment was warranted.

## **Quality**

This adjustment category is based on the quality of the comparables in relation to the subject. Typically, as the quality of a building increases so does its selling price per unit. The quality of the comparables was determined by an exterior inspection of the properties and by conversations with the grantee, grantor and or the real estate agent involved in the sale. The subject is considered to be average to good quality construction. Comparables 1, 2 and 3 are similar quality masonry facilities and no adjustments were warranted. Comparable 4 is steel frame construction with metal stucco walls. It is inferior in overall quality and required a slight upward adjustment.

## **Building Size**

Size adjustments are made on the basis of the comparable's size in relation to the subject. Typically, larger buildings sell at a lower price per unit. Furthermore, smaller buildings are more affordable to a larger number of buyers indicating more demand and higher prices for smaller buildings. The subject has a gross building area of 27,404 square feet. The comparables are between 22,352 and 45,189 sf. They bracket the size of the subject and based on a review of the sales no adjustments were warranted.

## **Land to Building Ratio**

This adjustment category is based on the comparable's land to building ratio when compared to the subject. Typically, a property with a high land to building ratio will sell at a higher price per unit. The subject has a land to building ratio of 6.18: 1.00. Comparables 1, 2 and 4 have lower ratios and required upward adjustments. Comparable 3 has a notably higher ratio and a downward adjustment was required.

## **Other**

Comparable 2 includes several canopies, including a canopied sports court. This is considered superior to the subject and a downward adjustment was warranted.

## **CORRELATION AND CONCLUSION**

The comparable sales have adjusted sale prices between \$57.40 and \$76.21 per square foot, with a central tendency of \$67.57. Comparables 1 and 2 are the most recent sales and have been given primary consideration. They have adjusted sale prices of \$68.56 and \$76.21 per square foot, respectively. Comparables 3 and 4 have been given close secondary weight. They have adjusted sale prices of \$57.40 and \$68.11 per square foot.

Based on the above analysis, our opinion of the market value of the fee simple interest of the subject property is estimated as follows:

$$\begin{array}{rclclcl} \$68.00/\text{sf} & \times & 27,404 \text{ sf} & = & \$1,863,472 \\ & & \text{Rounded to} & & \$1,860,000 \end{array}$$

## **RECONCILIATION AND FINAL VALUE ESTIMATE**

Reconciliation is defined as the last phase in the development of a value opinion in which two or more value indications derived from market data are resolved into a final value opinion in relation to a benchmark or a single point estimate. (The Dictionary of Real Estate Appraisal, 6<sup>th</sup> edition, pg 91)

The following is a summary of the value conclusions obtained from the applicable approach.

<b>SALES COMPARISON APPROACH</b>	<b>\$1,860,000</b>
----------------------------------	--------------------

The sales comparison approach was used to estimate the subject's market value. This method involves comparing similar properties that have recently sold, or similar properties that are currently offered for sale, with the subject. The basic principle of substitution underlies this approach. Four improved comparables were used in this report and after adjustments, supported the subject's estimated market value. Education facilities like the subject are commonly purchased for owner occupancy and the sales comparison approach is considered a credible indicator of value and has been given sole consideration.

Therefore, based on the foregoing analysis, our opinion of the market value of the fee simple interest of the subject in "as is" condition, as the effective date of February 9, 2021, is estimated at

**ONE MILLION EIGHT HUNDRED SIXTY THOUSAND DOLLARS  
(\$1,860,000).**



## **ESTIMATED MARKETING AND EXPOSURE TIME**

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time. Source: The Dictionary of Real Estate Appraisal, 6<sup>th</sup> edition, page 140

Exposure time is the time a property remains on the market. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is always presumed to precede the effective date of an appraisal. Source: The Dictionary of Real Estate Appraisal, 6<sup>th</sup> edition, page 83

We have reviewed the marketing and exposure time for special purpose properties in the Tampa Bay market area, as well as discussed it with commercial brokers. In the subject market area, the demand for special use properties like the subject is considered adequate and appears to be in balance with available supply. Typically, most special use properties are on the market for 3 to 12 months. Thus, in our opinion, if appropriately priced and properly marketed, a marketing time of 6 months seems reasonable. As mentioned, exposure time is always presumed to occur prior to the effective date of the appraisal. An exposure time of 6 months would have seemed reasonable.

## **ASSUMPTIONS AND LIMITING CONDITIONS**

The market value estimate of the property or properties appraised is subject to the following assumptions and limiting conditions:

1. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
2. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.
3. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in this appraisal report.
9. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

10. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for the reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report.
11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
12. We are not experts in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemical(s) used in construction, or otherwise present on the property. We assume no responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. The value estimate is based on the assumption that the subject property is not so affected.
13. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
14. Any proposed improvements are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
15. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and improvements must not be used in conjunction with any other appraisal and is invalid if so used.
16. Possession of this report, or copy thereof, does not carry with it the right of publication or reproduction nor may it be used by anyone but the applicant without prior written consent of the applicant and the appraiser and in any event only in its entirety.
17. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without the written consent and approval of the author, particularly as to the

valuation conclusions, the identity of the appraiser or firm with which he/she is connected, or any reference to the Appraisal Institute, the MAI designation.

18. Certain data used in compiling this report was given to the appraiser from sources he considers reliable; however, he does not guarantee the correctness of such data, although as far as is reasonably possible the data has been checked and is believed to be correct.
19. The soil and the area of the subject appear to be firm and solid, unless otherwise stated. Subsidence in the area is unknown or uncommon but the appraiser does not warrant against this condition or occurrence.
21. Subsurface rights (mineral and oil) were not considered in making this report, unless otherwise stated.
20. Any riparian rights and/or littoral rights indicated by survey, map or plat are assumed to go with the property unless easements or deeds of record were found by the appraiser to the contrary.
21. The appraiser, by reason of this report, is not required to give testimony in court with reference to the property herein appraised nor is he obligated to appear before any governmental body, board or agent unless arrangements have been previously made thereof.
22. Neither our name nor report may be used in connection with any financing plan which would be classified as a public offering under state or federal securities laws.

## **CERTIFICATION**

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest or bias with respect to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- My analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Tod Marr, MAI has completed the continuing education program for Designated Members of the Appraisal Institute.
- I have performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Tod Marr, MAI, CCIM  
Cert Gen RZ 1237

Brian D. DeMuth  
Cert Gen RZ 2473

## **ADDENDUM**

## QUALIFICATIONS OF APPRAISER

**TOD MARR, MAI, CCIM**

### Education

Florida State University, 1985, Tallahassee Florida, Bachelor of Science Degree in Finance and Real Estate. Minor in Accounting.

Courses: Florida State University

Real Estate and Its Legal Environment; Real Estate Appraisal; Real Estate Feasibility Analysis Real Estate Finance; Real Estate Principles; Real Estate Market Analysis

Courses: American Institute of Real Estate Appraisers/Appraisal Institute

1A-1	Real Estate Principles	2-1	Case Studies in Real Estate
1A-2	Basic Valuation	2-2	Valuation Analysis/Report
1B-1	Capitalization Theory and Techniques	4	Litigation
1B-2	Capitalization Theory and Techniques	SPP	Standards Part A, B, & C
520	Highest and Best Use & Market Analysis	710	Condemnation Appraising

Courses: Commercial Investment Real Estate Institute

CI-101	Financial Analysis for Commercial Investment Real Estate
CI-201	Market Analysis for Commercial Investment Real Estate
CI-301	Decision Analysis for Commercial Investment Real Estate

### Seminars:

Understanding Limited Appraisals	USPAP-Core Law
Appraisal Review-Income Properties	Accrued Depreciation
Persuasive Style Report Writing	Construction Cost Estimating
The Appraiser's Legal Liability	Sales Comparison Approach
Rates, Ratios & Reasonableness	Understanding Wetlands for
Valuation of a Less than Fee Acquisition	Appraisal Purposes & Mitigation
& Sales Comparison App. in Litigation	Banking as a Highest & Best Use
Appraising Rural Properties	SFWMD Appraisal Seminar
Appraisal Hotels	Residential Subdivision Analysis
Dairy Appraisal	Subdivision Valuation
Critical Issues	Property Tax Assessments
The Appraiser as Expert Witness	Real Estate Finance & Statistics
UAS for Federal Land Acquisitions	Site Valuation & Cost Approach
Valuation of Donated Real Estate, Including Conservation Easements	

### Professional Affiliations:

Member of the Appraisal Institute, MAI Designation #9440

Member of the Commercial Investment Real Estate Institute, CCIM Designation #7465

Member Pinellas County Realtor Organization & Florida Gulfcoast Commercial Association

### Experience:

Owner, Tod Marr & Associates, Clearwater and Seminole, Florida, January 1993 to present

Staff Appraiser, Commercial Division, AppraisalFirst Inc. Clearwater, FL (1986-1993)

Staff Appraiser, Southeastern Real Estate Appraisal Corp., St. Petersburg, FL (1985-1986)

### Licenses:

State-certified general appraiser RZ 1237

License Real Estate Broker, State of Florida

The Appraisal Institute conducts a program of continuing education for designated members. Designated members who meet the minimum standards of this program are awarded periodic educational certification.

Tod Marr, MAI, is currently certified under this program.

## **QUALIFICATIONS OF APPRAISER**

**BRIAN D. DEMUTH**

### **Education:**

Florida State University, Tallahassee, Florida 1989  
Bachelor of Science Degree; Major - Finance and Real Estate

### **Professional Education:**

Florida State University:  
Real Estate Principals and Practices  
Real Estate Law  
Real Estate Appraisal I  
Real Estate Appraisal II  
Real Estate Finance

Appraisal Institute:  
General Appraiser Report Writing and Case Studies  
Real Estate Appraisals Principles  
Basic Valuation techniques  
Capitalization Theory & Techniques 1B-1  
Capitalization Theory & Techniques 1B-2  
Standards of Professional Practice, Part A  
Standards of Professional Practice, Part B  
USPAP Core Law  
FHA & The Appraisal Process  
Valuation of Donated Real Estate, Including Conservation Easements

Other Courses:  
Residential Construction  
Apartment Appraising

### **Experience:**

Staff Appraiser; Tod Marr & Associates, Seminole, Florida  
Commercial Appraiser (8/00 to Present)

Staff Appraiser; Riggins, Atkinson, Combs & Associates, Clearwater, Florida  
Commercial Appraiser (6/94 to 8/00)

Staff Appraiser; AppraisalFirst, Inc., Clearwater, Florida  
Commercial & Residential Appraiser (6/89 to 6/94)

### **License:**

State-certified general real estate appraiser RZ2473



## COPY OF APPRAISERS' CERTIFICATIONS

	Ron DeSantis, Governor	Halsey Beshears, Secretary	
<b>STATE OF FLORIDA</b> <b>DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION</b>			
<b>FLORIDA REAL ESTATE APPRAISAL BD</b>			
THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE PROVISIONS OF CHAPTER 475, FLORIDA STATUTES			
 <b>MARR, TOD</b> 4735 94TH STREET N UNIT A ST. PETERSBURG FL 33708			
<div style="border: 1px solid black; padding: 2px; display: inline-block;"><b>LICENSE NUMBER: RZ1237</b></div>			
<b>EXPIRATION DATE: NOVEMBER 30, 2022</b>			
Always verify licenses online at <a href="http://MyFloridaLicense.com">MyFloridaLicense.com</a>			
			
Do not alter this document in any form.			
This is your license. It is unlawful for anyone other than the licensee to use this document.			

	Ron DeSantis, Governor	Halsey Beshears, Secretary	
<b>STATE OF FLORIDA</b> <b>DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION</b>			
<b>FLORIDA REAL ESTATE APPRAISAL BD</b>			
THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE PROVISIONS OF CHAPTER 475, FLORIDA STATUTES			
 <b>DE MUTH, BRIAN DONOVAN</b> 10575 68TH AVENUE N. SUITE A3 SEMINOLE FL 33772			
<div style="border: 1px solid black; padding: 2px; display: inline-block;"><b>LICENSE NUMBER: RZ2473</b></div>			
<b>EXPIRATION DATE: NOVEMBER 30, 2022</b>			
Always verify licenses online at <a href="http://MyFloridaLicense.com">MyFloridaLicense.com</a>			
			
Do not alter this document in any form.			
This is your license. It is unlawful for anyone other than the licensee to use this document.			

**LEGAL DESCRIPTION**  
**(SUBJECT IS THE SOUTHERN 3.89 ACRES OF THIS PARCEL)**

Legal Description of Property

Parcel 1 (Fee Simple Estate)

A tract of land described as a portion of Farm 57 within Section 7, Township 31 South, Range 16 East, all according to the Plat of Pinellas Farms as recorded in Plat Book 7, pages 4 and 5 of the Public Records of Hillsborough County, Florida of which Pinellas County was formerly a part, being more particularly described as follows:

Commencing at the Southwest corner of said Section 7; run thence North  $00^{\circ}15'38''$  West along the West line of the Southwest  $\frac{1}{4}$  of said Section a distance of 211.46 feet to a Point on the proposed North right-of-way line of 22<sup>nd</sup> Avenue North; thence run North  $89^{\circ}44'26''$  East a distance of 21.35 feet to a point of curvature; thence along the arc of a curve to the right, having a radius of 622.96 feet, a chord bearing of South  $86^{\circ}45'28''$  East, a chord length of 76.10 feet, run an arc distance of 76.15 feet to a point on a curve described as the Point of Beginning; thence continue along said curve, having a radius of 622.96 feet, a chord bearing of South  $74^{\circ}19'08''$  East, a chord length of 193.56 feet, run an arc distance of 194.34 feet to a point of tangency; thence run South  $65^{\circ}22'54''$  East a distance of 134.09 feet to a point of curvature; thence along the arc of a curve to the left, having a radius of 522.96 feet, a chord bearing of South  $75^{\circ}05'26''$  East, a chord length of 176.38 feet, run an arc distance of 177.23 feet to a point on curve; thence run North  $00^{\circ}15'38''$  West a distance of 533.22 feet to a point; thence run South  $89^{\circ}44'22''$  West a distance of 478.00 feet to a point; thence run South  $00^{\circ}15'38''$  East along a line parallel to the West line of said Farm 57 a distance of 377.48 feet to the Point of Beginning.

Parcel 2 (Fee Simple Estate)

A tract of land lying within Farms 56 and 57 of Plat of Pinellas Farms, as recorded in Plat Book 7, pages 4 and 5 of the Public Records of Hillsborough County, Florida of which Pinellas County was formerly a part, being more particularly described as follows:

From the Southwest corner of Section 7, Township 31 South, Range 16 East, run North  $0^{\circ}15'38''$  West 211.46 feet along the West line of said Section 7 to a point on the North right-of-way line of 22<sup>nd</sup> Avenue North; thence run North  $89^{\circ}44'26''$  East 21.35 feet thereon to a point of curvature; thence continuing along said North right-of-way line on a curve to the right having a radius of 622.96 feet, arc 76.15 feet, chord South  $86^{\circ}45'28''$  East, 76.10 feet to a point thereon; thence run North  $0^{\circ}15'38''$  West, 377.45 feet along a line lying 97.29 feet to the East of, and parallel to said West line of Section 7 to the Point of Beginning; thence continue North  $0^{\circ}15'38''$  West 455.65 feet along said parallel line to a point; thence run North  $89^{\circ}44'22''$  East 478 feet to a point; thence run South  $0^{\circ}15'38''$  East 455.65 feet to a point; thence run South  $89^{\circ}44'22''$  West 478 feet to the Point of Beginning.

**SUBJECT LEGAL DESCRIPTION CONTINUED**  
**(SUBJECT IS THE SOUTHERN 3.89 ACRES OF THIS PARCEL)**

Described tract of land lying in and being a part of the West  $\frac{1}{2}$  of the SW  $\frac{1}{4}$  of the SW  $\frac{1}{4}$  of said Section 7.

Less and except

That part of Farm 56 in the SW  $\frac{1}{4}$  of Section 7, Township 31 South, Range 16 East, Pinellas Farms, as recorded in Plat Book 7, pages 4 and 5 of the Public Records of Hillsborough County, Florida of which Pinellas County was formerly a part, being more further described as follows:

Beginning at a point on the South right-of-way line of 26<sup>th</sup> Avenue North, said point being South 00°07'13" West 40.0 feet and South 89°36'13" East 97.29 feet from the Northwest corner of the SW  $\frac{1}{4}$  of the SW  $\frac{1}{4}$  of said Section 7, thence South 89°36'13" East along said right-of-way line 478.41 feet; thence leaving said line South 00°08'42" West 545.84 feet to a point, said point being 140.26 feet South of the Northwest corner of Tyrone Planned Industrial District, Third Addition, as recorded in Plat Book 66, page 68, Public Records of Pinellas County, Florida; thence North 89°44'59" West 478.17 feet to a point on a line parallel to and 97.29 feet Easterly of the West line of said Section 7; thence North 00°07'13" East along said line, 547.08 feet to the Point of Beginning.

Parcel 3 (Non-Exclusive Easement Estate)

Together with the non-exclusive easement created in Warranty Deed recorded in Official Records Book 4361, page 1914, of the Public Records of Pinellas County, Florida over the Westerly 30 feet of the following described property:

That part of Farm 56 in the SW  $\frac{1}{4}$  of Section 7, Township 31 South, Range 16 East, Pinellas Farms, as recorded in Plat Book 7, pages 4 and 5 of the Public Records of Hillsborough County, Florida of which Pinellas County was formerly a part, being further described as follows:

Beginning at a point on the South right-of-way line of 26<sup>th</sup> Avenue North, said point being South 00°07'13" West 40.0 feet and South 89°36'13" East 97.29 feet from the Northwest corner of the SW  $\frac{1}{4}$  of the SW  $\frac{1}{4}$  of said Section 7, thence South 89°36'13" East along said right-of-way line 478.41 feet; thence leaving said line South 00°08'42" West 545.84 feet to a point, said point being 140.26 feet South of the Northwest corner of Tyrone Planned Industrial District, Third Addition, as recorded in Plat Book 66, page 68, Public Records of Pinellas County, Florida; thence North 89°44'59" West 478.17 feet to a point on a line parallel to and 97.29 feet Easterly of the West line of said Section 7; thence North 00°07'13" East along said line, 547.08 feet to the Point of Beginning.

# THE FOLLOWING PAGES ARE INFORMATION ONLY

- ABOUT PATHFINDER  
EDUCATION
- CAP EX ADVISORY GROUP
- INFORMATION RELATED TO  
SCIENCE CENTER





# Pathfinder

## Outdoor Education



team building



tree climbing



outdoor education



# *Which Pathfinder adventure is right for your community?*

## overnight field trips



night hike  
campfire & s'mores  
mission survivor

## one day field trips



high ropes  
fire quest  
canoeing

## adult & corporate groups



kaleidoscope  
total team  
challenge course



# *Which Pathfinder adventure is right for your community?*

affordable field trips for St. Pete public schools



outdoor living skills  
cooperative games  
what did you say?

tree climbs



monthly open climbs  
festival climbs  
sponsorship opportunities

Founded in 1993, Pathfinder is a non-profit offering experiential educational programs that develop leadership, increase self-confidence, and enhance communication through trust and team-building activities. Participants work together to identify and achieve common goals and in the process, gain new skills in problem-solving, resolving conflict, listening, observing, and working effectively in a group.

# our mission:

to deliver fun, challenging adventures that help participants learn about themselves, others and their environment.

## **PATHFINDER IS ACCREDITED**

Pathfinder has been accredited by the Association for Experiential Education (AEE) since 1998. We are the only AEE accredited organization in Florida.

AEE accreditation involves a rigorous review process that ensures Pathfinder is committed to quality, follows professional guidelines, and allocates resources for continuous improvement. Our accreditation means you can be confident that our programs meet the highest industry standards. Visit [www.aee.org](http://www.aee.org) for more information.

## **EXPERIENTIAL EDUCATION**

Experiential education is a model where one learns by doing, by actively engaging in experiences and then reflecting on learning moments that occur during that process. Pathfinder's classes and personalized schedule support reflection and critical analysis. Participants are actively engaged in asking questions, investigating, solving problems, and learning from the natural consequences of both mistakes and successes.

## **OUR FACILITATORS**

Pathfinder facilitators bring diverse experience, engaging teaching and passion to each and every program. Their insightful assessment of your group's needs leads to deep discussions allowing participants to transfer learning to everyday life. Laughs, smiles and encouragement just add to the experience.

All Pathfinder facilitators are Level II screened and approved to work in Florida public schools. All Pathfinder facilitators are extensively trained in the prevention and management of risk. Staff hold current certifications in First Aid, CPR/AED, low/high challenge course facilitation, tree climbing, canoeing and lifeguarding.

## **EMOTIONAL SAFETY**

Pathfinder focuses on all aspects of our participants' safety including emotional safety. We ensure the learning environment is one where everyone can communicate openly, trust fellow participants, and fail forward. Pathfinder is a place for people to speak up, test out leadership skills, hear and acknowledge new voices, and grow as a person so they can contribute to your school community in a meaningful way.

## **PROGRAM FEES**

Because we work with you to design a program that meets your group's goals and needs, fees will depend on the length of program, location, number of participants, and classes selected. Scholarships and public school discounts are available. Please contact us to discuss pricing for your school, organization, or company.

## **SPONSOR OUR OPEN TREE CLIMB**

An Open Tree Climb sponsorship is a fabulous way to get your company name and logo out in front of families from throughout our community while also supporting a local nonprofit. Contact our office for more details.

## **FOR MORE INFORMATION**

For more information about our organization, to read about our program locations, or to download our complete list of classes, please visit our website.





## **FISCAL YEAR (2021) | Qualifications Package**

September 15, 2021

Amy Ciani  
The St. Petersburg Group  
360 Central Avenue, Suite 1490  
St Petersburg, FL 33701

Dear Amy,

Cap Ex Advisory Group - call us Cap Ex for short - is a specialized consulting company. While the service we provide is commonly referred to as "owner's representation," we stand alone in our field by virtue of our team's comprehensive experience and knowledge. Our range certainly allows us to manage complex capital projects, but it also allows us to solve strategic and operational challenges faced by our clients, often beyond the brick-n-mortar realm.

With expertise in real estate development, design, construction, finance, operations, fundraising, and public policy, we see our clients, and their challenges, from every angle.

Any owner's rep can coordinate teams and control a budget. Our visionary skills and technical expertise allow us to facilitate thoughtful and productive discussion among competing stakeholders, to distinguish lofty ambition from actionable outcomes, and to bring complex ideas to life.

Cap Ex guides our clients by formulating an achievable vision that aligns scope with funding. We triage the many issues that confront our clients and "cut through the noise," helping make informed, timely decisions.

Throughout an assignment, our client's mission remains front and center. As our client's advocate, we maximize resources and mitigate risk - ultimately saving time and money.

This document briefly outlines our technical capabilities, the types of clients we often serve, and project types we frequently lead.

**Russ Robertson**  
*Managing Member*  
russ@capexadvisory.com  
443.850.5956

A QUICK OVERVIEW OF OUR TEAM:

## Cap Ex Advisory Group

Cap Ex Advisory Group is a boutique owner's representation firm specializing in the vision, financing, and development of complex projects. Since 2005, we have guided hundreds of public, institutional, and nonprofit projects ranging in size from \$500,000 to \$100M. We lead all aspects of vision, planning, execution, and operations. Ideally, our services are utilized from concept to fruition, but we are periodically engaged for our subject matter expertise such as guiding a strategic plan, overseeing construction, or securing financing or grants.



### Russ Robertson | Managing Member

As the managing member of Cap Ex Advisory Group, Russ guides business and real estate owners through a myriad of financial, environmental, and market risks that confront the acquisition, ownership, construction, and development process. Russ bundles a unique combination of aesthetic training and analytical rigor, a pecuniary advantage to any owner's decision-making process. Mr. Robertson is a LEED Accredited Professional, a former practicing architect, an MBA recipient from the Wharton School at the University of Pennsylvania, and a leader of several efforts to improve the built environment.



### Cailin McGough | Partner

With more than 15 years of experience in community development, Cailin brings a unique perspective to managing capital projects. Her knowledge of neighborhoods, tax credits, and the inner workings of municipal government is an asset to any client needing perspective on jurisdictional support and development incentives. At Cap Ex, Cailin often leads projects for clients with multiple funding sources and phasing considerations. With a background in journalism and grant writing, she helps clients identify funding sources and craft narratives that compel capital to support projects with great missions. She holds a master's degree in public policy from Johns Hopkins University.



### Jonah Hanowitz | Partner

Jonah leverages his background in venture capital, nonprofit consulting, entrepreneurship and operations to bring a creative and nontraditional lens to capital project funding and management. Jonah holds an MBA from the Olin Business School at Washington University in St Louis. Prior to joining Cap Ex, Jonah helped launch Catalyst for Good, an incubator providing technical assistance and resources to nonprofit organizations. He managed due-diligence operations for the seed-stage venture capital group Seedfundrs, and managed opportunity zone development projects on behalf of individual investors along Florida's Gulf Coast.



### Salem Reiner | Partner

For over 30 years, Salem has prepared and managed policies, programs and projects driving at advancing mission-focused economic and community development outcomes, and anchor institution initiatives. He provides tactical advice to leadership across higher education, community development corporations and other nonprofits, government, and to developers undertaking complex capital projects. Most recently, Salem spent nearly 20 years at Johns Hopkins University, including seven years in the office of the president, where he co-led the establishment and implementation of a \$1B anchor institution strategy and managed community relations for five campuses. He holds a Bachelor's degree in sociology from St. Lawrence University and a Master's degree in government administration from the Fels Center of Government at the University of Pennsylvania.



### Adam Tawney | Senior Associate

Adam practiced architecture for nearly two decades before joining Cap Ex Advisory Group. He has led the budgeting, design and construction of a diverse range of project types including restaurant, hotel, club, commercial, office, multifamily, laboratory, and residential. With a focus on urban environments, Adam has successfully completed work in new construction, renovation, and historic preservation while managing community engagement and securing jurisdictional approvals. His insight into building codes and regulations has helped clients navigate bureaucratic, environmental, and historic restrictions which would have otherwise halted the work.

AN OVERVIEW OF OUR SERVICES:

# Three Broad Principles

## Project Leadership

Typical project management focuses on the coordination of architects, engineers, contractors, budget and schedule. Through project leadership, we build on these services by providing a clear vision, creating consensus among disparate stakeholders, and guiding teams through a progressively complicated regulatory, economic, and social environment.

We provide leadership for the following:

### Initiation

- Property Acquisition
- Programming
- Budgeting
- Scheduling

### Design

- Team Assembly
- Concept and Schematic Design
- Design Development
- Construction Documents
- Cost Analysis
- Invoicing

### Construction

- Bidding and Contractor Selection
- Contract Negotiations
- Site Monitoring
- Submittal, RFI, and Change Orders
- Punch List Completion
- Payment Applications

### Entitlements

- Permits and Regulatory Approvals
- Variances and Code Modifications
- Community Engagement

## Financial Guidance

Traditional debt and equity are increasingly combined with grants, tax credits, philanthropy, and other subsidies to make projects possible. Our financial guidance helps owners identify and anticipate the timing of funding sources and any restrictions on the use of proceeds. We also help investors and lenders ensure that funds are being used properly and achieving maximum impact.

We provide guidance for the following:

### Feasibility

- Financial Modeling
- Cash Flow Analysis
- Market Studies
- Funder Engagement

### Financing

- Equity
- Debt Leveraging
- Grants and Tax Credits
- Funding Source Identification
- Disbursement Management

### Analysis

- Underwriting
- Term Sheets
- Draw Requests
- Investment Due Diligence
- Impact Investing

## Strategic Thinking

Our clients sometimes face challenges for which there are few precedents. Extreme engineering, operations planning during COVID-19, and strategies to address historic disinvestment are just a few examples of our more unique assignments. Through strategic thinking, we develop clear options and meaningful solutions for our clients' most complex needs.

We provide strategic thinking for the following:

### Unique Problem Solving

- Constraint Assessments
- Articulation of Critical Variables
- Solution Logistics
- Identification of Alternatives

### Scenario Development

- Complex Probability Simulations
- Sensitivity Analysis
- Negotiation Strategy
- Make vs Buy Determination

### Economic Development Strategy

- Supply and Demand Review
- Pricing Strategy
- Market Viability Determination

### Risk Mitigation

- Gain Maximization vs Loss Minimization
- Statistical Review of Possible Outcomes
- Contingency Forecasting
- Insurance Reviews





OUR CLIENTS:

## Create Community Anchors

When nonprofit organizations and cultural institutions develop real estate, the mission is front and center. These clients often serve multiple stakeholders, manage grants that arrive over time, and seek to deliver benefits to their surrounding communities. A successful capital project can be critical to facilitating the organization's mission, but bandwidth and expertise may not be available at the board or staff level. Cap Ex works with these clients to align program needs with available resources while promoting transparency and accountability in project management.

**Project Types:**

- + Employment & Skills Centers
- + Theaters
- + Schools
- + Public Parks & Amenities



OUR CLIENTS:

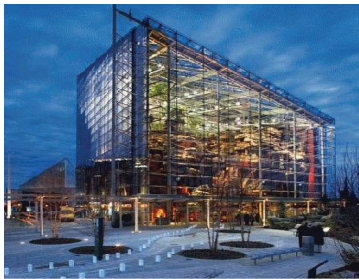
## Inspire Curiosity and Wonder

We understand the touch points experienced by people of a variety of backgrounds and learning styles. Some people absorb information through visual observation, some through written text, others through tactile engagement. The clients we serve benefit from our sensitivity to the human dynamic. A child's bewilderment is an opportunity to set lessons that encourage a life-time of healthy choices, smart decisions, and a healthy fascination for life.



**Project Types:**

- + Exhibits
- + Life Support Systems
- + Infrastructure
- + Dining & Retail



1,500,000+ Visitors per Year

50+ Capital Projects

20+ Year Relationship

375,000+ Square Feet

### “ Thoughts from Russ Robertson

“Why is our history with the National Aquarium so important? The Aquarium makes every design and construction decision with the goal of maximizing a visitor's willingness to conserve & to protect the natural world. However, biologists, curators, educators, administrators, researchers, and visitor service staff have conflicting views on animal health and the optimal guest experience. Diplomacy is a critical skill in complex group projects.”

1997-2004 by Russ Robertson prior to forming Cap Ex Advisory Group.

- 2017 — **10M** Waterfront Campus
- 2015 — **20M** Animal Care Center
- 2013 — **15M** Blacktip Reef
- 2012 — **2M** Pier 3 Cafe
- 2011 — **10M** Middle Branch Park
- 2010 — **80M** Columbus Center
- 2009 — **5M** Brownfield Cleanup
- 2007 — **5M** SAGA Warehouse
- 2005 — **200M** CALC Masterplan
- 2004 — **6M** Dolphin Tank Redo
- 2003 — **3M** Shark Tank Catwalk
- 2001 — **80M** Pier 3 Expansion
- 2000 — **1M** Coral Reef Upgrade
- 1999 — **3M** Seahorses Gallery
- 1997 — **3M** Venom Exhibit



OUR CLIENTS:

## Build Communities of Faith

Religious organizations of various faiths are reinventing spaces of worship in the 21st century. Technology and the hectic pace of modern life make opportunities to reflect and build community more important than ever before. Our experience is that congregations are re-inventing their brick-n-mortar facilities to include moments of joy, delight and calm. The goal is simple—engage the next generation of families.

**Project Types:**

- + Churches & Synagogues
- + Chapels
- + Religious Student Centers
- + Classrooms & Sanctuaries



MARYLAND  
HILLEL



Hindu All Pooja Center, Inc DBA  
SRI BHAKTHA  
ANJANEYA TEMPLE

OUR CLIENTS:

## Preserve Historic Assets

Renovations of historic properties often balance preservation with the need to modernize aging facilities. Selection of the right design and construction teams with the experience and creativity to navigate existing building conditions is key. When historic tax credits or historic preservation easements are in place, ensuring construction complies with requirements can be important to maintaining financing. Cap Ex works with owners of historic properties to ensure facilities are preserved for future generations.

**Project Types:**

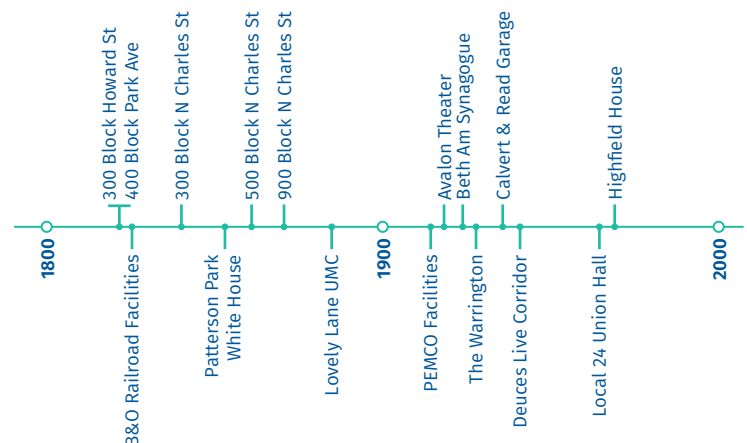
- + Religious Facilities
- + Theaters
- + Multifamily
- + Education



### A Sample List of Our Projects Originating over 200 Years

Do you own a building that is 100 years old? 200 years? Older?

We understand the nuances of introducing new technologies and systems into historic structures. Our team optimizes available tax credits, achieves regulatory approvals, and balances the tension between new construction and existing structures.





OUR CLIENTS:

## Renew Housing & Neighborhoods

Development of housing can increase density in the urban core, create opportunity in disinvested communities, or upgrade and preserve existing units. While the goals of housing developers vary, all seek to maximize quality and amenities for residents while maintaining a project budget. Cap Ex also assists community-based developers in advancing the development of housing, retail, and community facilities. This work often entails concept development and feasibility analysis to support fundraising and attract development partners.

**Project Types:**

- + Multifamily
- + Condominiums
- + Senior & Affordable Housing
- + Planned Communities





OUR CLIENTS:

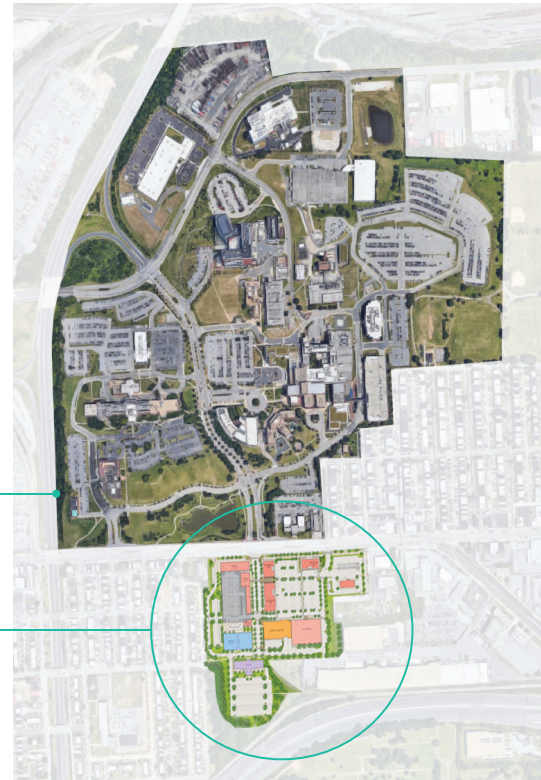
# Build Memorable Urban Places

Mixed-use development can foster dynamic environments, serving distinct user groups while creating street-level activity that promotes a sense of place and community. Cap Ex works with owners to identify the appropriate mix of uses given zoning regulations, market demand, and other considerations. With the design team, Cap Ex works to ensure that these environments are comfortable, engaging, and easy to navigate. Our work ranges from the revitalization of Main Street corridors to new mixed-use developments that complement and enhance surrounding neighborhoods.

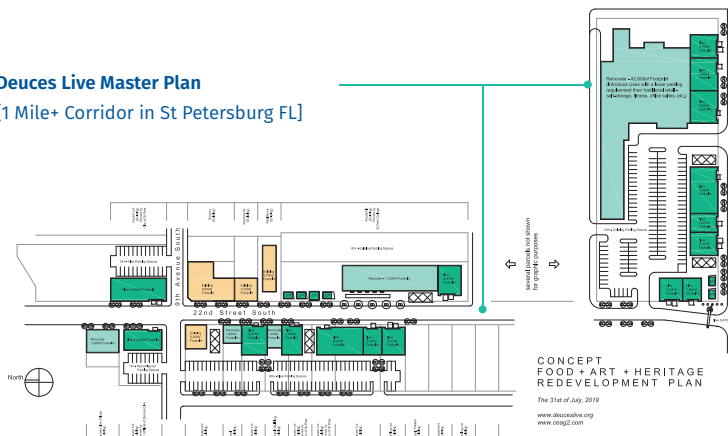


**Johns Hopkins Bayview Medical Center**  
[100+ Acre Campus in Baltimore MD]

**Broke Ground** ..... **Cap Ex Advisory Group is the Owner's Rep for "Yard 56"**  
[Fall 2018] [20+ Acre 500,000sf Medical + Retail]



**Deuces Live Master Plan**  
[1 Mile+ Corridor in St Petersburg FL]



## Project Types:

- + Urban Communities
- + Master Planning
- + Site Development
- + Brownfield Revitalization

OUR CLIENTS:

## Solve Strategic Challenges

We combine expertise in economic development, real estate, education, organization design, and strategic planning to assist companies and non-profits in managing various strategic efforts, most recently, the COVID-19 crisis. Throughout the spring, summer, and fall 2020, we assisted noteworthy clients by providing a strategic framework for the coordination of infectious disease specialists, industrial hygienists, attorneys, space planners, mechanical systems engineers, and other professionals.

We led the development of performance specifications, training documents, and operational protocols to safely resume existing operations and to open new facilities. Sample strategic planning tasks include:

- » Gather input from multiple stakeholders, identify economic and operational goals & priorities
- » Conduct segmentation studies to identify vulnerable populations and their respective needs
- » Interpret and apply applicable federal and state guidelines
- » Oversee the monitoring of health metrics and periodically strategize adjustments to allowable operations and activities
- » Prepare guidance documents and action plans for reopening protocols, including appropriate safeguards & behavior
- » Test compliance documents & operational protocols via table-top scenario & contingency planning
- » Guide the content of communications and the dissemination of pandemic-related notifications

### EDUCATION INSTITUTIONS:

- + Mark Fetting
- + Former CEO, Legg Mason Inc.
- + Board Chairman, Gilman School
- + 410.952.4715



### FOOD SECURITY FACILITIES:

- + Carmen del Guercio
- + President + CEO
- + Maryland Food Bank
- + 443.933.0058

### SENIOR HOUSING:

- + Rebecca Warntz
- + Sr. Director, Design and Construction
- + Enterprise Community Development, Inc.
- + 717.891.1512



### JOB TRAINING CENTERS:

- + Bill McLennan
- + Executive Director
- + Paul's Place and Groundwork Kitchen
- + 410.984.1851

REFERENCES FOR OUR TEAM:

# Rotating List of 360 Degree References

## Active Clients

<b>Bill McLennan</b> Executive Director Paul's Place 410.984.1851	<b>Rebecca Warntz</b> Sr. Dir. Design & Const. Enterprise Community Dev. 717.891.1512	<b>Celeste Roberts</b> Executive Director The Skills Center 813.323.2878
--	--	---

## Recent Clients

<b>Joe Janney</b> Board President Key School 410.320.7418	<b>Lisa Akchin</b> Board President Beth Am Synagogue 410.455.2889	<b>Dale Schmidt</b> EVP/COO National Aquarium 410.986.2376
--	--	---

## Architects

<b>Charles Alexander</b> Principal Alexander Design Group 410.578.5050	<b>Jason Jensen</b> Principal Wannemacher Jensen 727.822.5566	<b>Chris Parts</b> Principal Hord Coplan Macht 443.451.2314
---	--	--

## Contractors

<b>Irene Knott</b> Vice President Whiting Turner 443.337.5774	<b>John Diehl</b> Vice President Southway Builders 410.332.4134	<b>Mike McCarthy</b> President Riparius Construction 410.785.3002
--	--	--

## Attorney

**Caroline Hecker**  
Attorney at Law  
Rosenberg Martin Greenberg  
410.727.6600

## Community-Focused Financing Partner

**Tabitha Atkins**  
VP, Finance Advisory  
Cross Street Partners  
240.893.1108



"Acting in a variety of owner's representation, strategic planning, and design consultation capacities over a 20 year span, Cap Ex Advisory Group continues to guide significant capital projects for the National Aquarium—over 50 independent projects and counting. Several of the greatest experiences our guests enjoy stem from the fiduciary guidance, aesthetic acumen, and construction knowledge born from this enduring relationship."

### Dale Schmidt

Executive Vice President, COO  
National Aquarium  
410.986.2376



"As our Owner's Rep, Cap Ex Advisory Group led our "Yard 56" project through development configurations that capitalized on the interdependencies of retail, housing, fitness, and healthcare user groups. The result is an energizing development plan that maximizes value for us and for our primary users including Johns Hopkins."

### Peter Pinkard

Managing Partner  
MCB Real Estate  
410.819.0800



"Cap Ex Advisory Group led the execution of a \$15M addition onto our 1980's era church. The project was in planning within our Church for over a decade. Once construction began, extreme focus on the details became paramount. Cap Ex guided us through the various contract negotiations, oversaw construction implementation, negotiated payment applications between our contractor & lender, and helped us ensure that our goals were ultimately translated into a magnificent facility."

**Jun Lee** | Elder, Building Committee | Bethel Korean Promise Center | 410.336.7328



*Our work brings our clients' vision to life.*





OFFICE OF THE MAYOR

CITY OF ST. PETERSBURG

RICK KRISEMAN, MAYOR

**MEMORANDUM**  
**City of St. Petersburg**

**TO:** Robert Blackmon, City Council

**FROM:** Rick Kriseman, Mayor *Rick Kriseman*

**DATE:** December 7, 2020

**RE:** Science Center

---

Councilmember Blackmon:

This memo is to follow up on our last meeting regarding the status and future of the Science Center property.

As I indicated to you during that meeting, I was unsure of the Public Work's/Utility's timetable as it related to the future of the buildings on the property.

It was my understanding that no funds had been budgeted for the long-term maintenance of the buildings. As such, I suspected that the future plan for the buildings involved demolition.

I met with Claude this week and inquired as to his plans, and was advised that as suspected, there is no funding nor plans for ongoing, continued maintenance of the buildings, and as such, demolition of the buildings is planned for the future.

As to the timeframe for the demolition, Claude indicated that this was not something that would be scheduled in the immediate future. I inquired if there was any reason why we couldn't hold off on demolition for 8 months (which would allow time for the legislature to appropriate funding and for the Governor to sign off on the appropriation), and he indicated we could hold off for that time period.

Given that fact, this should provide you and Senator Rouson the time you both need to fully explore your plan to bring the Science Center back to life.

As I indicated in my previous memo to you, I continue to be generally supportive of the project concept, however, given the existing capital improvement needs and anticipated capital

improvement revenue shortfalls caused by COVID, I am unwilling to expend any City resources nor obligate the City financially to this project.

Specifically, I will not support or approve the use of any general fund revenue (*this does not include Weeki Wachee funds*) 1) for costs to obtain an appraisal, for bond counsel, the rate consultant and the other professional fees; 2) to purchase the property (from the Utility); or 3) to go towards the cost of renovating the building so that it is usable for the operator, whether that be Great-Ex or any other non-profit.

With that in mind, should a private entity or person come forward to purchase the property from the Utility, I will support the sale and execute the necessary documents to facilitate the sale provided fair market value is paid.

If, on the other hand, Council were to appropriate the Weeki Wachee funds needed to pay the costs for the appraisal, bond counsel, rate consultant and the other professional fees and those for the purchase of the property, I would again support the sale and execute the necessary documents for the sale ONLY after I have been provided with the renovation budget and proof that all funds needed to meet the renovation budget have been secured. Please note that the extent of my efforts at raising funds for this project will be limited solely to advocating for State funding during this next legislative session.

Lastly, you indicated that Great-Ex had prepared a pro-forma and presentation for this project. I would love to review a copy of those documents.

Again, thank you for your interest in bringing the Science Center back to life.

Cc: Darryl Rouson, Senator, The Florida Senate



# BAYFRONT HEALTH

St. Petersburg

ADMINISTRATION  
701 6th St. S.  
St. Petersburg, FL 33701  
tel (727) 823-1234  
BayfrontStPete.com

September 14, 2021

The Honorable Robert Blackmon  
St. Petersburg City Council  
175 5<sup>th</sup> St. N  
St. Petersburg, FL 33701

Dear Council Member Blackmon,

Over the past year, I have had the privilege of getting to know, and the honor of serving, the community of St. Petersburg through my role as president of Bayfront Health St. Petersburg. One thing I have learned about our community is St. Petersburg's commitment to honoring iconic contributions to its history, while looking forward to an innovative and inclusive future. This commitment is one of the many distinct characteristics of this great place we are so proud to call home.

I have sincerely enjoyed hearing the countless stories of how Bayfront Health St. Petersburg is a historic and important thread in the fabric of this community, one of the many great institutions that has served the people of St. Petersburg over the years. This is why I commend your efforts to reestablish what I understand to be another iconic institution in this community, the St. Petersburg Science Center.

Like Bayfront Health St. Petersburg, I have enjoyed hearing many individuals recount the role The Science Center played in their childhood, sparking curiosity, inspiring interests and possibly serving as the genesis for future careers in science. As a leading employer in the medical field for this community, I can attest that opportunities to encourage and inspire children to become passionate about science, technology, engineering, and mathematics (STEM) are critical to building a foundation for a healthy tomorrow. The opportunity to engage in these disciplines are especially important to establish a more equitable, inclusive future; therefore, I applaud efforts to advance these disciplines in an engaging, interactive fashion such as The Science Center would provide.

I wish you the best of luck in your endeavors to resurrect a landmark that pays tribute to the rich history of St. Petersburg, while looking to the future by inspiring new generations, born and raised in St. Petersburg, to explore the sciences and beyond.

Sincerely,



John Moore  
President  
Bayfront Health St. Petersburg



Council Member Robert Blackmon  
St. Petersburg City Hall  
175 5<sup>th</sup> Street N.  
St. Petersburg, FL 33701

May 12, 2021

Dear Council Member Blackmon,

On behalf of the Suncoast Group of Sierra Club Florida, I would like to indicate our support of the efforts being undertaken to secure city, county, state, and federal funds for the renovation of the Science Center of Pinellas County, located at 7701 22nd Ave N, St. Petersburg, FL 33710. The property was acquired by the City of St. Petersburg in 2020 with the intent of using most of it to expand the City's adjacent Northwest Water Reclamation Facility. While various proposals have been made regarding utilization of the portion of the property on which the Science Center exists, we feel that the best utilization of it is to restore the facility to its former importance as a destination for scientific education and inquiry in St. Petersburg.

Scientific literacy is the cornerstone of a well-functioning industrialized society in that it enables the capacity to identify major issues, develop evidence-based solutions to those issues, and more generally to understand the world around us. A high-impact educational practice for developing scientific literacy skills is the S.T.E.A.M. model, which explores the interface between science, technology, engineering, art, and mathematics. Despite this, the number of institutions dedicated to S.T.E.A.M. education in the Tampa Bay region is declining, with the reduced capacity of Tampa's Museum of Science and Industry being symptomatic of this trend.

Restoration of the Science Center will create greater opportunity for high-impact, S.T.E.A.M. education in St. Petersburg. In doing so, it will increase educational access which is a major strategy for reducing the achievement gap between higher and lower socioeconomic groups in our community. Furthermore, facilities like this help connect people to place, as illustrated by the support for this endeavor from St. Petersburg natives who grew up attending programs at the Science Center before its demise. This affinity for "place" is one of the main drivers of efforts to protect our environment and natural resources. Finally, we strongly support plans to create Emergency Shelter capacity via this renovation and to pursue net-zero energy status in this facility. Emergency Shelter capacity will increase St. Petersburg's resiliency, a crucial task for a coastal community in this age of rising seas and ever-intensifying storms. Furthermore, net-zero energy status will enable operational cost-savings while reducing greenhouse gas emissions, thereby contributing to both economic and environmental goals at the same time. Please let us know what, if anything, Sierra Club can do to further support these plans.

Sincerely,

Daniel Huber, 813-767-0670, [danh@suncoastsierra.org](mailto:danh@suncoastsierra.org)  
Political Committee Chair, Suncoast Sierra Club  
1990 Central Ave., St. Petersburg, FL 33712



Kevin Lothridge  
Executive Director NFSTC@FIU

January 6, 2021

Re: Science Center of Pinellas County

Council Member Blackmon,

The National Forensic Science Technology Center (NFSTC@FIU) supports your efforts to revitalize the Science Center of Pinellas and transform it back into a hub of extracurricular STEM education. Forensic science is an emerging area of interest for young scientists, thanks in part to the many CSI shows on TV. We see that interest as a great launching point for students of all ages (8-80) to begin exploring forensic science through STEM and STEM-related activities.

NFSTC was founded in Largo in 1995 as a non-profit with a mission to do good things for the forensic science community. Our mantra is "Science Serving Justice" and stresses the importance of science in the justice community. In 2018, NFSTC became NFSTC@FIU and a founding partner of the Florida International University preeminent program the Global Forensic and Justice Center. As the world's most comprehensive criminal justice research center, the GFJC focuses on cross-cutting innovation bringing in areas outside the traditional laboratory that have a substantial impact on forensic science. This effort, coupled with our successful research projects, international training efforts, and Annual Forensic Science Symposium, serves as proof of the importance of educating and training the next generation of forensic scientists, which begins with a solid foundation in STEM.

As a former board member of the Science Center of Pinellas, I continue to support the Center's original mission from 1959, "to inspire interest in and to promoting the understanding of all sciences." NFSTC@FIU is interested in again partnering with the Science Center as a resource for STEM-related tools and activities that get our future generation of forensic scientists interested, engaged, and excited about this important career field.



Kevin Lothridge  
Executive Director NFSTC@FIU  
Director, Global Forensic and Justice Center



J. Tyler Payne  
City Commissioner, City of Treasure Island  
120 108<sup>th</sup> Ave  
Treasure Island, FL 33706

December 17, 2020

Rick Kriseman  
Mayor, City of St. Petersburg  
P.O. Box 2842  
St. Petersburg, FL 33731

Dear Mayor Kriseman,

I am writing you today to express my support for the City of St. Petersburg allocating the funds necessary to revive the Science and Technology Education Innovation Center (Science Center).

Having grown up in the St. Petersburg area with my three younger brothers, we frequented the Science Center during summers and other breaks from school. As a child, I wasn't really one for summer camps, but for some reason I really loved the Science Center. I have fond memories of petting Hamlet, the pot-bellied pig in the Science Center lobby, visiting the planetarium, learning how to type, and learning how to develop camera film in the dark room.

While it is unfortunate that the Center has sat vacant and subject to vandalism for the past several years, as a community we now have a chance to revive it! I believe the Center would be a tremendous asset for our region, especially during a time when STEM education is so critical for our next generation to succeed.

As we rebound and emerge from the COVID-19 pandemic and the impact it has had on our local families, it will be critical to have quality after school programming and summer/winter camps for parents to rely on. If we invest in our future, I have no doubt the return to our community and society at large will be remarkable.

I appreciate your consideration of this request for support. Please feel free to contact me should you have any questions or wish to discuss further.

Respectfully,

J. Tyler Payne



# PINELLAS COUNTY BOARD OF COUNTY COMMISSIONERS

PHONE (727) 464-3568 • FAX (727) 464-3022 • 315 COURT STREET • CLEARWATER, FLORIDA 33758  
[www.pinellascounty.org](http://www.pinellascounty.org)

**KATHLEEN PETERS**  
COMMISSIONER

The Honorable Rick Kriseman  
Members of the St. Petersburg City Council  
St. Petersburg City Hall  
175 Fifth Street North  
St. Petersburg, FL 33701

December 15, 2020

Dear Mayor Kriseman and City Councilors,

I'm writing to express my support for the City of St. Petersburg allocating the funds necessary to allow the Science and Technology Education Innovation Center to operate.

This invaluable asset will serve to advance and increase critical STEM education and programming. Such a historic center can allow students and families in historically underserved communities better access to quality technology and STEM learning.

As the Commission-appointed adult mentor to the County's Youth Advisory Committee, I can say with certainty that our area youth would capitalize on the availability of the center and its programming. In turn, I anticipate widespread benefits to the community. Amongst those should be preparedness for higher paying jobs, providing students with quality after school programming, and an increase in youth interest in STEM-related industries and employers.

I appreciate your consideration of this request for support, and please don't hesitate to contact me should you wish to discuss.

Thank you,

A handwritten signature in black ink, appearing to read "Kathleen Peters".

Kathleen Peters  
Pinellas County Commission



# Jungle Terrace Civic Association



December 1, 2020

## RE Science Center Re-Vitalization

Mayor Rick Kriseman,

100% YES, are our Board and Member for **Science Center Re-Vitalization**. A major role in our science education was filled by the Science Center over many years. And in the lives of our children.

A STEM facility filling the gap from 14 to 18 years, between Great Explorations (4-14) and St. Pete College (18-22) is **ESSENTIAL**.

This provides seamless STEM programs from 4-22.

Great Explorations is onboard to provide their own funds and grant, along with state funds, thus requiring minimal city input for **GREAT RESULTS**.

Personally, living in the neighborhood for 50 years, my children and I visited, participated in, and benefitted from the Science Center for many years. Part of this was enjoying the Planetarium, roof-top Telescope on Friday nights, the gardens, and all the learning activities.

Feel free to call in case helpful, 727-744-9433.  
Now 14 year President of JTCA.

Best of ALL,

**Dr. Ed**

Jungle Terrace Civic Association, Inc.  
West Neighborhoods United, Inc.

**Linnie A. Randolph**

---

**From:** Robert G. Blackmon  
**Sent:** Monday, January 4, 2021 1:37 PM  
**To:** Linnie A. Randolph  
**Subject:** Fwd: Greetings

More science center backup

Get [Outlook for iOS](#)

---

**From:** Edmond Caprice <EDMONDC@pcsb.org>  
**Sent:** Monday, January 4, 2021 9:21:04 AM  
**To:** Robert G. Blackmon <Robert.Blackmon@stpete.org>  
**Subject:** Greetings

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good morning and Happy New Year!

Thank you for your leadership regarding the revitalization of the Science Center. I as a Science Educator, Child Advocate and individual board member am proud to offer my support.

I imagine endless opportunities for our students and families to connect with science, learn about various STEAM career paths and data driven science exploration.

I also, would like to schedule a time to meet with you regarding youth and education. Please provide your availability for a Wednesday in February.

Thank you,

Caprice Edmond M.A., M.Ed.  
Pinellas County School Board Member, District 7

NEWS / ST. PETERSBURG

## Pinellas leaders fight to put science back in the Science Center

An effort is underway to revitalize the Science Center, once a shining star of extracurricular science education for kids.



Local leaders are fighting to revitalize the Science Center of Pinellas County. [ IVY CEBALLO | Times ]

By **Josh Solomon**

Published Jan. 4

ST. PETERSBURG — When the city bought the Science Center of Pinellas County from the county's job placement agency last year, CareerSource, the building was fated for a teardown.

ADVE

The northern portion of the property, adjacent to the Northwest Water Reclamation Facility, would be used for wastewater storage tanks. And the Science Center building, now dilapidated and in need of repair, could be torn down and the land used for affordable housing, which city officials say is desperately needed and ideally suited for parcels already owned by the city.





Tampa Bay Times



Broken windows at the Pinellas County Science Center in St. Petersburg seen on Wednesday, Dec. 23, 2020. [ IVY CEBALLO | Times ]

ADVERTISEMENT

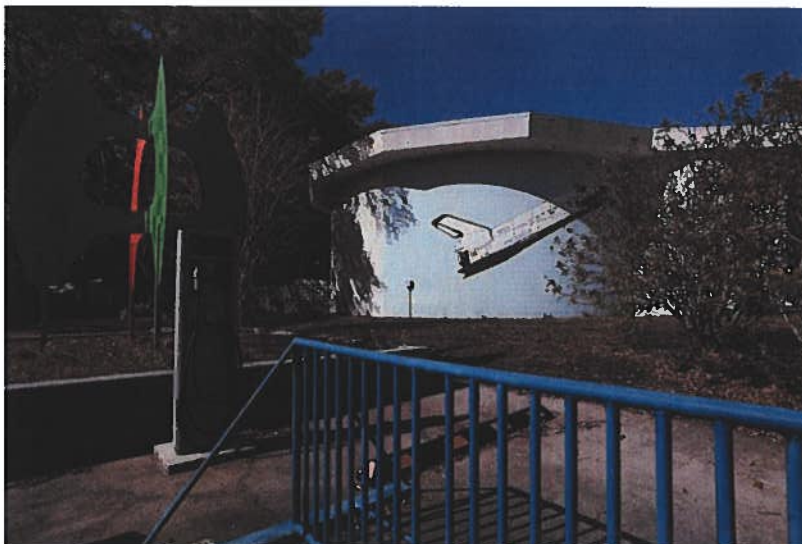
But there's a snowballing effort to revitalize the Science Center and transform it back into the hub of extracurricular STEM education — science, technology, engineering and mathematics, sometimes called STEAM if it includes art — for students and teens that it once was, plus an event space. Under the burgeoning idea, youth education nonprofit Great Explorations could run the revitalized facility. City Council member Robert Blackmon, who has been spearheading the campaign, said the biggest issues St. Petersburg faces are those of science and engineering, most notably a rising sea level.

---

**RELATED:** [CareerSource Pinellas is selling its Science Center, and the money may not go where promised](#)

---

“We know in our area the new jobs are going to be in STEM,” he said recently during a tour of the facility with state Sen. Darryl Rouson, both of whom attended the Science Center as kids and remember their time there fondly. “We need kids who are from here with skin in the game to learn about this stuff.”



The exterior of the Pinellas County Science Center in St. Petersburg seen on Wednesday, Dec. 23, 2020. [ IVY CEBALLO | Times ]

**Tampa Bay Times**

The original Science Center opened in 1959 in downtown St. Petersburg. The buildings on the current site, at 7701 22nd Ave. N in Jungle Terrace, just west of Raytheon, went up in 1966 and 1973 and have undergone several renovations. By 2004, the facility was thriving, with more than 20,000 people visiting the site to tour the Indian village, marvel at the planetarium show and learn about wildlife, hurricanes, geology, robotics and chemistry.



ADVERTISEMENT

But by 2014, the center's finances were failing and CareerSource bought the place, under whose leadership the facility continued to wallow. Now, the building with a painting of the Challenger space shuttle on its exterior wall sits empty, its classrooms ransacked and vandalized.

**RELATED:**

[City buying Science Center from CareerSource, may tear it down](#)

To build the new wastewater tanks, the city will likely have to tear down a small observatory and a building that was once an arcade on the north side of the property. But what's left of the 7-acre parcel, where the classrooms, planetarium and gardens sit, would remain untouched by that project.

Those who wish to save the Science Center see it as a launching pad for high-paying, high-impact careers, a way to bridge racial divides and propel kids forward, from fortunate and less fortunate backgrounds alike.

Blackmon, whose district includes the Science Center and who called bringing it back his "top priority in government," found a 1981 *St. Petersburg Times* article that tracked where former Science Center students ended up. There was a rocket scientist working on the space shuttle, an assistant Pinellas County administrator specializing in environmental and planning issues, a software engineer and a pathologist.

Rouson's brother, Damian Rouson, a computer scientist and entrepreneur who has a doctorate from and taught at Stanford University, credits the Science Center with putting him on that path.

ADVERTISEMENT





Tampa Bay Times



The garden area of the Pinellas County Science Center. [ IVY CEBALLO | Times ]

“My emphasis would be to make sure that children from the south side, in particular Midtown, have access to the Science Center,” the senator said. “Because I can see children like me, children like my brother, benefiting and growing from the experience.”

Angeline Howell, Great Exploration’s chief executive, called the opportunity to operate the Science Center “incredible.” Currently, Great Explorations only serves kids up to age 10, but the organization has been looking to expand to an older demographic of kids. And the property backs up against Azalea Middle School.

The project has gotten widespread support from leaders at every level of government. Rouson and Rep. Linda Chaney, whose districts include the Science Center, both support the project. Rouson said he will file a bill in the Florida Senate requesting state funds; Chaney’s office said she was considering a similar measure.

At the county level, several commissioners, including René Flowers, whose district includes the Science Center, and Kathleen Peters and Charlie Justice all back the project. Depending on the project’s details, it could possibly qualify for county funds.

ADVERTISEMENT

The project also has an ally in St. Petersburg Mayor Rick Kriseman, who wrote in a memo to Blackmon that he is “generally supportive of the concept” and said he is open to tapping into the city’s Weeki Wachee Fund, a reserve meant to enhance recreation and environmental activities.



Tampa Bay Times

The exterior of the Pinellas County Science Center in St. Petersburg seen on Wednesday, Dec. 23, 2020. (TAMARA CEBALLO | Times)



There's consensus among those who support the project that the property is better suited to host a renewed science education facility than affordable housing. Blackmon argued that to build homes would require the city to spend money demolishing the buildings. And Peters said the county is already making a massive commitment to affordable housing and wants to focus it along major transportation corridors, to make it easier for residents to get to work and school.

Kriseman spokesman Ben Kirby said housing remains an option there, but the first priority is to expand the water reclamation plant.

A City Council committee will discuss the fate of the Science Center later this month.

**UP NEXT:** [Bullet narrowly misses St. Petersburg churchgoers on New Year's Day](#)



**JOSH SOLOMON**  
St. Petersburg City Hall Reporter

## YOU MIGHT ALSO LIKE

**Photos: Pinellas County Deputy Michael Magli laid to rest**

Feb. 23  
• Photos



**Local players retain influence under St. Petersburg's campaign finance rules**

Feb. 24  
• News



ADVERTISEMENT

**Florida: Say Bye To Expensive Solar Panels If You Own A Home in St. Petersburg**  
EnergyBillCruncher

**We Expose How Florida Households Can Slash Electric Bills!**  
GrowthMax News

**Florida Launches New Policy For Cars Used Less Than 49 Miles/Day**  
Comparisons.org

Ads by Revcontent

**Year 1 of Florida's coronavirus outbreak: 8 key DeSantis decisions**

Earlier today  
• News



**Localtopia brings together St. Petersburg businesses for 8th year**

Feb. 20  
• News



## **Linnie A. Randolph**

---

**From:** Robert G. Blackmon  
**Sent:** Tuesday, January 5, 2021 5:29 PM  
**To:** Linnie A. Randolph  
**Subject:** FW: Resurrecting the Pinellas County Science Center  
**Attachments:** Hine Geologic History of FI cover.pdf; Sea Level Rise Book Cover.pdf

---

**From:** Al Hine <alhine1945@gmail.com>  
**Sent:** Tuesday, January 5, 2021 3:35 PM  
**To:** kpeters@pinellascounty.org; cjustice@pinellascounty.org; rflowers@pinellascounty.org  
**Cc:** Robert G. Blackmon <Robert.Blackmon@stpete.org>  
**Subject:** Resurrecting the Pinellas County Science Center

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Commissioners Flowers, Justice, and Peters:

I am a Professor Emeritus with USF and was active in the Department /College of Marine Science for 39 years (since 1979) conducting federally funded research, advising graduate students, writing papers, traveling to meetings/workshops overseas and to meet research vessels on far-away oceans, etc. During that time my wife and I raised three sons. We were both very interested in their education and in the education of kids in general. My wife was a music teacher for many years. We became quite involved in both the public and private schools. As a scientist, I worked with our sons' teachers by giving talks to their classes as well as leading some field trips to the coastline, county/city parks, local water, sewer treatment, waste management, and electrical power plants to have kids understand how part our world works—where does electricity and tap water come from, how to clean waste water, where does our trash go? I also developed a number of hands-on talks/exercises for teachers—Mountains to Molehills (how mountains are formed and destroyed), Going in Circles (how our Solar System works), and Tale and Two Teeth (what fossils tell us about the Earth's past and future climate change).

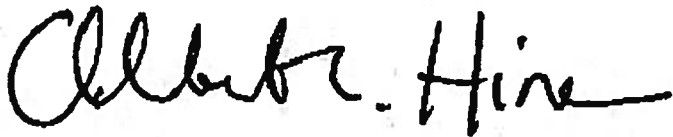
Over these years I have given ~100 invited presentations to various science clubs (i.e., St. Pete Astronomy Club, Mineralogy Club, etc.), social/business organizations (i.e. Kiwanis, Rotary), Pinellas County schools, local institutions of higher learning (SPC, Eckerd, Stetson, as well as USF) and local/FL government (cities and counties) as well as specific government officials from mayors to County Commissioners to governors to US Congresspeople). In addition to my research and teaching responsibilities at USF, I received ~\$100k in funding from the Pinellas County Schools to develop and run a program called Project Tampa Bay to get underprivileged/minority kids interested in science. That program ran for three years until the middle school teacher, who ran the program with me, and I got a bit burned out. Finally, I (with some co-authors) have written two books about Florida (*Geologic History of Florida* and *Sea Level Rise in Florida*; published by the University Press of Florida) for the public at large to provide background on how we got here and where we are headed (see below).

When I read about resurrecting the Pinellas County Science Center in the TBT recently, I became interested in learning more and how to help out with this initiative. Our sons very much enjoyed the summer programs--rocketry, in particular. And, I have engaged the staff over the years and have given several talks there. Admittedly, I am ignorant concerning the financial challenges facing such an effort and how a new Science Center would interact with other science programs such as Great Explorations, Pinellas County Schools, Boyd Hill, Suncoast Seabird Sanctuary, The Pier at

St. Petersburg, Clearwater Marine Aquarium, Tampa Bay Estuary Program, Tampa Bay Watch, my own USF College of Marine Science, Eckerd College's Dept of Marine Science, and others. But, I am willing to talk to individuals or groups to help out.

Please let me know how and if I can play a role in this endeavor.

Best regards,

A handwritten signature in black ink that reads "Albert C. Hine". The signature is written in a cursive, flowing style.

Albert C. Hine, PhD, Professor Emeritus, College of Marine Science, University of South Florida

Albert C. Hine, Ph.D., Professor Emeritus ([alhine1945@gmail.com](mailto:alhine1945@gmail.com))  
College of Marine Science  
University of South Florida  
<https://www.usf.edu/marine-science/faculty/retired-emeritus/albert-hine.aspx>

"All we have to decide is what to do with the time that is given to us."  
Gandalf; Lord of the Rings

**Books (University Press of Florida)**  
*Geologic History of Florida; Major Events That Formed the Sunshine State* (A. C. Hine)

*Sea Level Rise in Florida—Science, Impacts, and Options* (A.C. Hine, D. P. Chambers, T. D. Clayton, M. R. Hafen, and G. T. Mitchum)



"A scientifically credible and highly readable account of what is likely the greatest threat to Florida's environment, economy, and culture over the coming decades."—**REED F. NOSS**, author of *Forgotten Grasslands of the South*

"Every Floridian should read this book. It is the clearest and most readable description of how and why the sea level changes and what the future has in store for us."—**ORRIN H. PILKEY**, coauthor of *Global Climate Change: A Primer*

**SEA LEVELS ARE RISING**—globally and in Florida. Climatologists, geologists, oceanographers, and the overwhelming majority of the scientific community expect a continuation of this trend for centuries to come due to climate change, ocean warming, and ice mass loss.

While Florida's natural history indicates that there is nothing new about the changing elevation of the sea, what is new is its accelerating pace. Also new—and alarming—is the ever-growing, immobile human infrastructure near the coasts: high-rise condos, suburban developments, tourist meccas, and international metropolises. In a state where much of the landscape is topographically low and underlain by permeable limestone, the stakes are particularly high. Modern-day sea level rise, with potential impacts to large land areas and populations, poses unprecedented challenges for sustainability, urban planning, and political action.

This book offers an in-depth examination of the cycle of sea levels in the past and the science behind current measurements and future projections. The authors assess the most likely range of sea level rise in Florida based on a synthesis of projections for the next hundred years. They also discuss ongoing and potential consequences for natural marine and coastal systems and how we can begin to plan strategically for the inevitable changes.

**ALBERT C. HINE**, professor of geological oceanography in the College of Marine Science at the University of South Florida, is the author of *A Geological History of Florida*. **DON P. CHAMBERS** is associate professor of physical oceanography in the College of Marine Science at the University of South Florida. **TONYA D. CLAYTON** is the author of *How to Read a Florida Gulf Coast Beach*. **MARK R. HAFEN** is assistant director and senior instructor in the School of Public Affairs at the University of South Florida. **GARY T. MITCHUM** is associate dean for research for the College of Marine Science and professor of physical oceanography at the University of South Florida, as well as former director of the University of Hawaii Sea Level Center.

*From:* Coastal flooding, November 2012, associated with the passage of Hurricane Sandy more than 250 kilometers offshore. One impact of sea level rise is the exacerbation of the effects of episodic events such as tropical cyclones and winter storms. The overwash and flooding pictured here resulted from the combined effects of storm surge, storm waves (especially large, long-period swells), high tide, and sea level rise. Fort Lauderdale Beach, Florida. Photo by Dan Gregoria, National Weather Service Miami, National Oceanic and Atmospheric Administration.

Printed in Korea

University Press of Florida  
www.upf.com

ISBN 978-0-8130-6289-1 \$34.95



9 780813 062891



53495

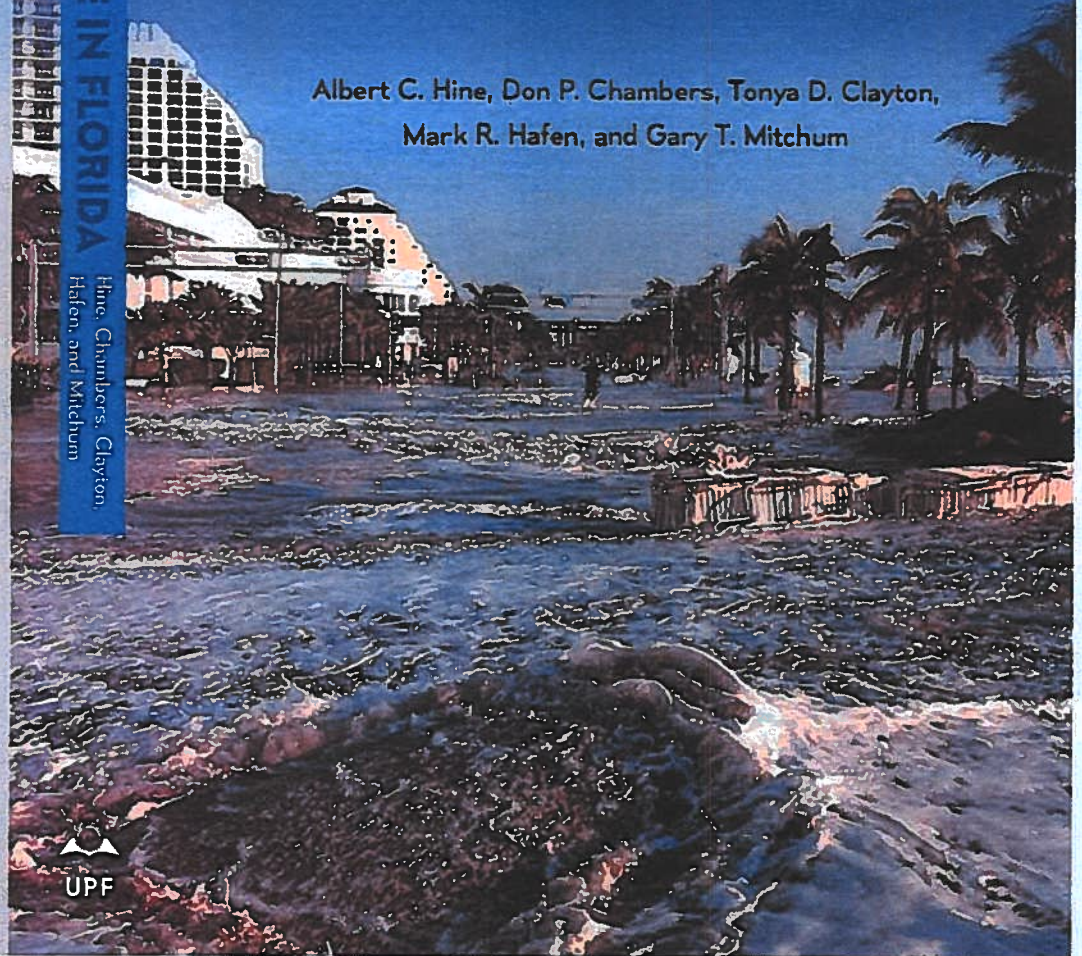
SEA LEVEL RISE IN FLORIDA

Hine, Chambers, Clayton,  
Hafen, and Mitchum

# SEA LEVEL RISE IN FLORIDA

Science, Impacts, and Options

Albert C. Hine, Don P. Chambers, Tonya D. Clayton,  
Mark R. Hafen, and Gary T. Mitchum



UPF



An abstract geological artwork featuring dark, swirling colors of blue, purple, and black. A bright, glowing horizon line separates the dark, textured foreground from a lighter, blue-tinted sky. The overall composition suggests a vast, ancient landscape or a cross-section of the Earth's crust.

# Geologic History of

# FLORIDA

Major Events that Formed the Sunshine State

Albert C. Hine

## **Linnie A. Randolph**

---

**From:** Robert G. Blackmon  
**Sent:** Tuesday, January 5, 2021 5:09 PM  
**To:** Linnie A. Randolph  
**Subject:** FW: St. Pete Science Center

---

**From:** D Pearlst <dpearlst@gmail.com>  
**Sent:** Monday, January 4, 2021 6:09 PM  
**To:** Robert G. Blackmon <Robert.Blackmon@stpete.org>  
**Subject:** St. Pete Science Center

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Council Member Blackmon,

I just read the article in the Tampa Bay regarding the future of the Science Center in St. Pete and I want to reach out. St. Pete Beach was my summer home during my childhood and I remember the Science Center well. I am keen to see the revitalization of the Science Center and I want to formally offer any and all help to make it happen.

Currently I am the Education Specialist for the Idaho State Historical Society; formerly I lectured in Astronomy at Griffith Observatory and prepared dinosaur bones at the Natural History Museum of Los Angeles County. Prior to that I was an archaeological excavator in Pennsylvania. I am a bit of a throw back in that I go beyond specializing in one discipline and possess vast experiences in several. For the past fifteen-years I called museums and observatories home, during which time I assumed more senior duties. I am a huge supporter of engaging and entertaining opportunities in the sciences for children of all ages and backgrounds.

If there are plans to go forward and bring back the Science Center I definitely want to be involved. I love St. Pete and want to make it my home again, be nearer family, and make a difference in the lives of children who want a chance to fall in love with the sciences.. If you would like to know more about my background, please see my linkedin page here: <https://www.linkedin.com/in/douglas-p81/>

Thank you, and best of luck.

-Douglas Pearlstein, MAT



**Linnie A. Randolph**

---

**From:** Keosha Poole <keosha.poole@gmail.com>  
**Sent:** Monday, January 4, 2021 12:33 PM  
**To:** Robert G. Blackmon  
**Cc:** Linnie A. Randolph  
**Subject:** Science Center

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Mr Blackmon,

I have read an article regarding the Science Center and figuring out what to do with the facility. As a recent resident to the area, I would love to get involved and learn more. I have a background in STEM and supporting innovation within the community. Could you share any updates or relevant information?

Keosha Poole  
863-224-7423  
[Keosha.Poole@gmail.com](mailto:Keosha.Poole@gmail.com)



# Youth Delves Into Sciences

By **LOWELL BRANDLE**  
Of The Times Staff

St. Petersburg, internationally famed as a retirement center — "The City of Green Benches," is becoming famed for something at the other end of the age scale.

It is an institution called The Science Center, and it is an unusual home-away-from-home for some 300 bright youngsters who do scientific research there on evenings and weekends.

The Science Center, at present housed in an old synagogue building at 1809 Arlington Ave. N., is a non-profit organization supported by both private and public funds.

It has a full-time director, Mrs. Nell Crotey, and an operating budget of almost \$50,000, but dozens of local citizens contribute their time and talents to instructing or supervising the children.

**SUPERVISING THE EXPERIMENTS** of these youngsters falls roughly in the same category as watching rockets take off . . . for someone will be attempting to identify a fossil, while another will be studying cancer in rats, another will be cooking food from sea algae, and another will be examining results of exposure of poultry to radioactivity.

The Science Center is open to all children, white and Negro, from public, private and parochial schools. Most of its young members are aged 9 to 18, although several are older — some even of college age.

At the center, the members work on experiments or attend very informal, advanced classes in 22 branches of science, supplementing the science education of the school system.

**ONE ACTIVITY OF THE SCIENCE CENTER** members, which has gained attention in LIFE and other publications is the construction of Marsflight spaceship simulators.

Electronic equipment for two-way communication and mon-

itoring is installed inside and outside the space cabin. Then the young astronauts embark on "flights" of various lengths — investigating many of the human activities involved in space flight.

Guidance of the Science Center is by a board of governors, a cross section of the community leadership, selected from the center's adult membership. The annual membership fee for adults is \$5.

New things are on the horizon for the Science Center. Five acres in northwest St. Petersburg have just been purchased as site for a new \$200,000 center which may be completed in late 1964.



*Variety of subjects are chosen by young people in their Science Center projects.*

October 15, 1963



October 04, 1964

**200 SEE CERIMONY**

# Ground Is Broken For Science Center

By BRUCE DUNNING  
Of The Times Staff

"Strike up the band and get your shovels," called out Mrs. Julian Mason.

And several dozen youngsters grabbed their shovels and helped a mammoth power shovel make the dirt fly — the first ground turned for the long-dreamed-of Science Center of St. Petersburg building.

A breeze fluttered pennants on the speakers stand and the hot October sun glistened on the instruments in the Azalea Junior High School Band as more than 200 persons yesterday morning heard Dr. William H. Kadel, president of Florida Presbyterian College, extol the value and accomplishments of the Science Center.

**THE DIRT DUG** yesterday will become part of the foundation for a 23,000-square-foot building on the center's five-acre site at 7701 22nd Ave. N. The hole dug will eventually become a pond for reptiles and tropical plants.

The groundbreaking marked the climax of a drive to raise \$100,000 and sufficient materials to build the center's new home. The center has been located for the past several years at 1039 Arlington Ave. N.

Mrs. Mason, chairman of the ground-breaking program, announced a final gift of \$3,000 brought the drive over the top. The last \$3,000 was given to the Center by The Poyner Fund, represented at the ceremonies by Tom C. Harris, general manager of The St. Petersburg Times and Evening Independent.

**IN HAILING** the accomplish-

ments of the fund-raising committee, Dr. Kadel said, "There has been a handful of people who have made the Science Center possible and they deserve the thanks of St. Petersburg and Pinellas County."

He said the Science Center would change the image of St. Petersburg to that of a growing and dynamic city, adding the center would nurture the curiosity and intellectual development of local youngsters for years to come.

"The world is waiting," he said. "We are waiting for man to take the elements of creation . . . to build a better society."

Kadel was introduced by St. Petersburg's Vice Mayor Norrney Cox. Others on the platform, introduced by Mrs. Mason, included Councilman Don Jones, Dr. Paul A. Houchell, president of the center; Budd M. Cobb, immediate past president and chairman of the building committee; Dr. Alyn B. Giffin, chairman of the fund drive; Howard Allender, architect for the new facility; Mrs. L. L. McMastera, president of the Science Center Guild, and Mrs. Neil D. Croley, center director.

**MRS. CROLEY** introduced the youngsters who led the sale of building blocks which helped raise the final needed funds.

Champion of the block sale was Miss Linda Bishop who "sold" 320 blocks. She and Dr. Houchell were aboard the pow-



**Littlest Digger:  
Becky Giffin, 3**

er shovel, provided by W. L. Cobb Construction Co., when it dug up the first scoop of earth.

Riding the shovel for the second scoop were Tom Barton, president of the Junior Scientists, the center's elementary school organization, and James Tye, vice president of the Junior Research organization, the center's group for junior high and high school students.



**"Strike up the band and get Mrs. Julian Mason.**

**And several dozen youngsters grabbed their shovels and helped a mammoth power shovel make the dirt fly — the first ground turned for the long-dreamed-of Science Center of St. Petersburg building.**

**A breeze fluttered pennants on the speakers stand and the hot October sun glinted on the instruments in the Azalea Junior High School Band as more than 200 persons yesterday morning heard Dr. William H. Kadel, president of Florida Presbyterian College, extol the value and accomplishments of the Science Center.**

**THE DIRT DUG yesterday will become part of the foundation for a 23,000-square-foot building on the center's five-acre site at 7701 22nd Ave. N. The hole dug will eventually become a pond for reptiles and tropical plants.**

**The groundbreaking marked the climax of a drive to raise \$100,000 and sufficient materials to build the center's new home. The center has been located for the past several years at 1039 Arlington Ave. N.**

**Mrs. Mason, chairman of the ground-breaking program, announced a final gift of \$3,000 brought the drive over the top. The last \$3,000 was given to the Center by The Poynter Fund, represented at the ceremonies by Tom C. Harris, general manager of The St. Petersburg Times and Evening Independent.**

**IN HAILING the accomplish-**



October 04, 1964

d get your shovels," called out

ments of the fund-raising committee, Dr. Kadel said, "There has been a handful of people who have made the Science Center possible and they deserve the thanks of St. Petersburg and Pinellas County."

He said the Science Center would change the image of St. Petersburg to that of a growing and dynamic city, adding the center would nurture the curiosity and intellectual development of local youngsters for years to come.

"The world is waiting," he said. "We are waiting for man to take the elements of creation . . . to build a better society."

Kadel was introduced by St. Petersburg's Vice Mayor Norney Cox. Others on the platform, introduced by Mrs. Mason, included Councilman Don Jones, Dr. Paul A. Houchell, president of the center; Budd M. Cobb, immediate past president and chairman of the building committee; Dr. Allyn B. Giffin, chairman of the fund drive; Howard Allender, architect for the new facility; Mrs. L. L. McMasters, president of the Science Center Guild, and Mrs. Nell D. Croley, center director.

MRS. CROLEY introduced the youngsters who led the sale of building blocks which helped raise the final needed funds.

Champion of the block sale was Miss Linda Bishop who "sold" 320 blocks. She and Dr. Houchell were aboard the pow-



**Littlest Digger:  
Becky Giffin, 3**

er shovel, provided by W. L. Cobb Construction Co., when it dug up the first scoop of earth.

Riding the shovel for the second scoop were Tom Barton, president of the Junior Scientists, the center's elementary school organization, and James Tye, vice president of the Junior Research organization, the center's group for junior high and high school students.



6 ST. PETERSBURG TIMES ■ THURSDAY, NOVEMBER 19, 1981

## Science Center graduates find early training guided careers

By JEAN STALLINGS

St. Petersburg Times Correspondent

**ST. PETERSBURG** — What do a space shuttle engineer in Houston, an assistant Pinellas County administrator, a software designer in Melbourne and a Crystal River hospital pathologist have in common?

The answer is in their past.

During the 1960s and early 1970s, those four people were affected by one common denominator — the Science Center of Pinellas County.

Familiar to many who live in Pinellas now, the Science Center is known as a nonprofit institution "dedicated to the enrichment of the scientific education of young people."

But does the Science Center really encourage young science enthusiasts to enter scientific careers?

Certainly there is reason to say "yes."

Many of the center's alumni are holding impressive positions in science, as exemplified by these four persons who studied at the center 13 years ago.

✓ Allen Lowrey, 25, is now at the McDonnell-Douglas Technical Service Co. in Houston planning flight-control missions for the nation's space shuttle program. While growing up he spent more time at the Science Center than he did at home.

✓ Now, Steve Peacock, 33, is an assistant Pinellas County administrator, handling environmental and planning issues. While participating in Science Center programs years ago, he was known as "the animal man" for tending the center's menagerie.

✓ In Melbourne, Carol Marks Premji, 32, now designs software commands for a laser page-printer at STC Documentation Inc. Years ago she was one of the first student counselors at the Science Center.

✓ Tom Barton, 29, has now traded his Science Center telescope for a microscope in his work as the pathologist at Seven Rivers Hospital in Crystal River. While attending the Science Center, he kept his eyes on the stars.

If a person could go back to 1968 and visit the Science Center on a typical day, he would see classes crowded with eager children and smaller groups of older children and instructors working on research projects.

Allen Lowrey would have been building and launching small rockets and testing materials for radioactivity.

Steve Peacock would have been injecting reptiles with mammal sex hormones to induce them to breed in captivity.

Carol Premji would have been carefully handling poisonous plants to determine how lethal they were.

And Tom Barton would have been researching radio storms on Jupiter, an effort for which he won a trip to the International Science Fair.

**THE SCIENCE CENTER'S** atmosphere was not one of children playing with grown-up equipment, but rather of young scientists conducting important work in the environment of a research institute.



This 1977 photo of Allen Lowrey is from a family album.



**Steve Peacock in April 1968.**

The Science Center experience had a profound effect on the lives of these four individuals. And they all admit that now. Talk to them and a person realizes that Science Center experiences were turning points that gave each of them the incentive and confidence to pursue careers in science.

Lowrey enrolled in a Science Center course when he was in the third grade and became hooked. "It influenced my decision to become a scientist, and that hasn't changed. I still enjoy my decision."

Undoubtedly the sophisticated equipment and courses about space had an impact on Lowrey. He was able to explore first-hand the space crafts that NASA loaned to the center: a mock Mercury capsule, part of a Titan missile, and an Atlas booster. Even more important, he appreciated the training he received.

"I was learning scientific disciplines in the seventh and eighth grade which I wouldn't even begin to have in school until I was a senior in high school," he said. "Even then the center's programs were superior to those I had in public school."

From 1968 to 1970, Peacock taught nature study courses and took care of the animals at the center as a job between junior college and college. He recently laughed while recalling the morning he walked into his office to find 42 newborn boa constrictors crawling out of his desk, curled in his trash basket and draped over the antlers of a stuffed deer head. Apparently his breeding project had been an unqualified success.

Although he said that in his administrative job in the county government he only uses his scientific knowledge about 10 percent of the time, Peacock credits his scientific training for his ability to solve problems logically and to communicate with scientists about technical data. He added that his study of ornithology has helped him to understand human nature: "It's adaptable if you use your creativity."

Ms. Premji also taught at the Science Center as a volunteer student counselor. She found teaching more challenging than research and taught bio-astronautics — the study of survival in outer space — to younger children when she was in high school.

The Science Center provided Barton not only with "a start into looking at things in a scientific way" but also with the comradery of other youngsters who shared his interests. "Everyone was interested in science back then. It was really encouraged," he said. His two brothers, Bill and Steve, were also active at the center and both are scientists now as well.

Besides these four Science Center alumni are numerous others who were active in all aspects of the science field, from designing pacemakers to testing atomic thrust underground. And a new crop of Science Center alumni





Tom Barton (left) in February 1966.

are still in school studying for scientific careers, from medicine at the Royal College of Surgeons in Dublin to oceanography at Annapolis.

How did this nurturing environment for young scientists evolve? The Science Center was founded in 1969. The date is significant because it was the beginning of the science education boom in this country, following the launching of the Russian satellite *Sputnik* in 1957.

It was a time when space was indeed a new frontier — the possibilities seemed limitless. It was a time when Americans did not feel earth-bound by pressing economic and social problems. And it was a time, some educators say, when a smaller percentage of high school students chose to work after school, thus allowing them time to pursue academic and leisure activities.

During this era of scientific excitement, the Science Center was created. It was the vision of one man, William Guild, who had helped children with their science fair projects in his garage for years. The growth of the center was the result of an active group of parents, educators, and scientists. Many children began coming to the center in elementary school and continued throughout high school, becoming student counselors. Some even came back while they were in college to give workshops or visit old friends.

**THE FIRST CENTER** was housed in a downtown St. Petersburg building which had been a synagogue. Ma. Premji remembered those first days: "It was a real small place and very informal. You had the freedom to putter around in whatever area interested you." In 1968 the center moved to new spacious quarters at 7701 22nd Ave. N.

Sometime in the mid-1970s, after these four and other future scientists had gone on to college, the focus of education at the center became more general and introductory — more appropriate for elementary school children. The expense of keeping a paid staff with the qualifications to help with advanced research became increasingly high, current Director Susan Gordon explained.

Today the center offers courses for elementary, middle, and high school students and adults. The fall courses are basic backpacking; herpetology; metalcraft; salty citizens; volcanoes, earthquakes, and hurricanes; and the world of insects and spiders. In addition there are field trips in marine biology to the Florida Keys, in backpacking to the Rocky Mountains, and in minerals, mining and photography to the North Carolina mountains. School children also tour the center throughout the year.

Ma. Gordon said that she would like to see the center continue offering the general science education program while trying to re-establish the more sophisticated research that went on in the 1960s and early 1970s. "We hope that by having more creative exhibits, we can interest people with expertise who would be willing to be volunteer teachers," she said.

The center alumni agreed that they would be enthusiastic about sending a child to the Science Center. "It's a fine atmosphere to work in — and to grow up in," Lowrey said.



March 5, 2021

Councilmember Robert Blackmon  
City Hall  
175 5th Street N  
St. Petersburg, Florida 33701

RE: St. Petersburg Science Center

Councilmember Blackmon:

On behalf of the STEAM Working Group, we would like to share our support for the efforts to reopen the St. Petersburg Science Center.

Both the City of St. Petersburg and Pinellas County have identified target industries for our economic growth and sustainability that are heavily science, technology, engineering, art, and math (STEAM) dependent. However, we know that not enough of our youth, particularly from communities of color, are pursuing careers in these fields. Our region needs their diverse perspectives in these industries. Diversity has been proven to increase innovation, team performance, and organizational growth.

In 2020, the St. Petersburg Innovation District invited a cross-section of organizations who have an interest in addressing our STEAM workforce gaps to come together. These organizations include program providers, educators, and employers. We are collaborating to provide youth with information about the variety of STEAM careers, access to hands-on activities, and opportunities that come from mentorship.

We believe that the St. Petersburg Science Center can be a key asset in this pursuit. A revitalized Center will be a safe space where youth can explore STEAM and engage with organizations, like those in our STEAM Working Group, to consider career opportunities they might not have pursued. We offer our support and willingness to partner to make the Science Center a reality.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alison Barlow".

Alison Barlow  
Executive Director  
St. Pete Innovation District

Co-signed by Working Group members – see attached.  
(Note: due to COVID-19 limitations physical signatures were omitted)



## **Co-Signed by STEAM Working Group Members**

*Leah Veal*

Founding Director

BLI Learning Labs, formerly Bees Learning, Inc.

*Freddy Williams*

President and CEO

Boys and Girls Clubs of the Suncoast

*Dr. Dexter Frederick*

Founder

Brain Expansions Scholastic Training, Inc. (BEST Academy)

*Meg Charles*

CoFounder and Chief Strategy Officer

CodeBoxx Technology Corporation

*Lynn Harrell Johnson*

Founder

Community Tech House Inc.

*Veatrice Farrell*

Executive Director

Deuces Live, Inc.

*Sherri Smith-Dodgson*

Discover Science 4 Kids/Miss Science

*Elizabeth Siplin*

President and CEO

Empact Solutions

*Gil McRae*

Director

Fish and Wildlife Research Institute

Florida Fish and Wildlife Conservation Commission

*Charmaine Rushing*

Executive Director

Kidventions STEAM Academy, Inc.

*Laura Spence*

K-12 STEM Specialist

Pinellas County Schools

*Chad Mairn*

Librarian

Innovation Lab

St. Petersburg College, Seminole campus

*Robin Ingles*

CEO

Seniors in Service of Tampa Bay, Inc.

*Bridgette Heller*

Cofounder and Volunteer CEO

Shirley Proctor Puller Foundation

*Sandra Vernon-Jackson, Ph.D.*

Instructor Mathematics and STEM Education / Director STEM Robotics Innovative Lab

College of Education

University of South Florida

*Kristen Kusek*

Guardians of the Gulf

College of Marine Science

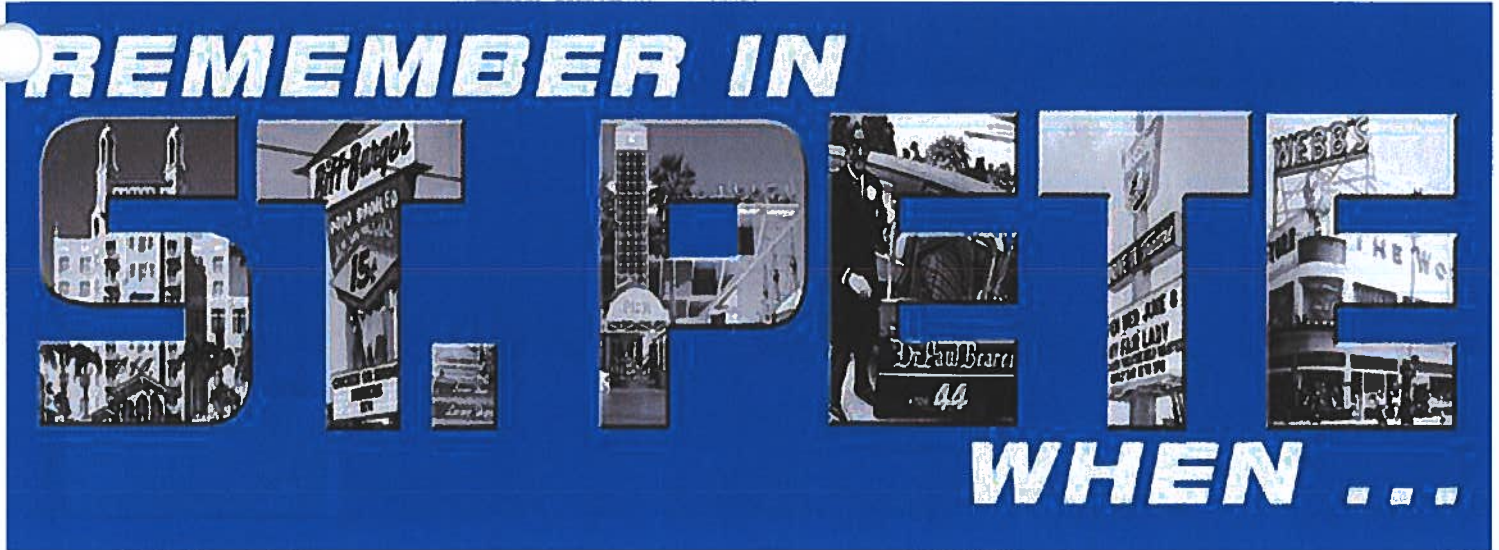
University of South Florida

*Susan Antionette*

Special Education & General Education Teacher

Board of Directors / Education Chair

Warehouse Arts District Association



## Remember in St. Petersburg when ...

Public group · 23.1K members



**Robert Blackmon** shared a link.

January 4 at 7:22 AM · 🌐



Does anyone remember the Science Center? I went there every summer as a child, and am leading a push to get it reopened. What are your thoughts?



TAMPABAY.COM





924

278 Comments 59 Shares

Like

Share



**Ryan Thompson**

I went there as a kid every summer too, and would love to see it thriving again!

Like · Share · 2d



1



**Fronk Byersin**

Went as a kid and loved it

Like · Share · 2d



1



**Rae A Osborne**

I loved the Science Center. I went there and then my kids went there. It was the best summer program around and had some of the best field trips from school.

Like · Share · 2d



1



**Carlos Varela**

It's a sorry sight these days.

Like · Share · 2d



**Lynda Gish Beltz**

Carlos Varela Hi Carlos, hope you & the family are doing well during these trying times.

Like · Share · 2d



**Jennifer M Rodriguez**

Went there as a kid and I can still remember it like it was yesterday!!! We need things like this to come back to education...

Like · Share · 2d



**Dianne Pritchett**

Jennifer M Rodriguez my son went there many Summers and we got to bring home some of the smaller animals over the weekends, I remember the little chinchilla and a little turtle we used to babysit.

Like · Share · 2d



**Jennifer M Rodriguez**

Dianne Pritchett omg no way I went there for field trips but that about it no summer camp lol

Like · Share · 1d



**Sherri Lynn**

Yep, I saw the Pink Floyd laser light show there in like '95 ish.

Like · Share · 2d



5



83





**Debbie Small**  
**Sherri Lynn different place**

Like · Share · 1d



**Sherri Lynn**  
**Debbie Small I saw it at the one on 22nd Ave.**

Like · Share · 1d

↪ View 3 more replies



**Rachel Brook**  
**Went there on field trips as a kid**

Like · Share · 2d



**Jeff Hoffman**  
**Loved school field trips to there**

Like · Share · 2d



**Robert Blackmon**  
<http://www.wfla.com/.../new-push-to-revive-science.../amp/>



WFLA.COM

**New push to revive currently vacant  
Science Center of Pinellas County**

Like · Share · 2d



6



**John Bisney**  
**I went there from 1966–70, and I'd love to see it revived.  
Thanks for your efforts. 👍**

Like · Share · 2d



1



**Michael McCord**  
**I taught Geology there**

Like · Share · 2d



1



**Nicky Scott**  
**Yes! I went there as a kid also. Loved that place. Parents  
put me in a class for model rockets And Astronomy, I  
would love to put my kids there again.**

Like · Share · 2d



3



**Cindee Mullen Nicks**  
**went there in the summer also and loved it.**

Like · Share · 2d



**Robert Osmann**  
**Really enjoyed and learned a lot there. Went there 69 to  
71 for marine science and helped out after school while  
going to Azalea jr high.**



83



**Lynn Martin Marshall**  
**Lacey Homan**

Like · Share · 2d



**Alan Mowry**

I had a blast teaching there for a few summers. Did a little of everything, even took a group of Science Center kids hiking and camping on the Florida Trail.

The scariest class was a kindergarten class on pet care. The last day was show and tell. It was hilarious, like right out of the movies.

Actually the scariest was when one of the older kids(teen) brought in a package that was sent to him from a friend in California. He told me what was in it and asked if I'd take it off his hands. Turned out to be a Mojave Desert rattlesnake, about two feet long. It's rattles were taped so it wouldn't be detected. I kept it at home for a few months, then euthanized it. No anti-venom was available here in Florida.



Like · Share · 2d · Edited



**Steven David Wenner**

Silt fence surrounding it now. Probably tearing it down.

Like · Share · 2d



**Vicky Giesy**

My daughter went to summer camp and it was a yearly school field trip for kids - needs to be reopened

Like · Share · 2d



**Steve Wuertz**

It became less and less a science center. It became a Career center for several years and then that closed. I went there frequently to use the computers and printer for job hunting...attended several job classes there. Also they had a fully modern soldering lab school for those that wanted to pursue this line of work.

Like · Share · 2d







Like · Share · 2d



**Chris Banks**

More education is never a bad thing!



Like · Share · 2d



**Tim Reischmann**

Absolutely



Like · Share · 2d



**Jeffrey Gelinas**

St. Petersburg desperately needs affordable housing and that building is not great inside.



Like · Share · 2d



**Robert Blackmon**

**Jeffrey Gelinas** it would receive a complete renovation with state, federal and private money



Like · Share · 2d



**Jeffrey Gelinas**

**Robert Blackmon** even so, how much affordable housing is the county choosing to invest in? When will it be built and does it accommodate for growth? Is this housing actually in St Petersburg as this site is? Furthermore, how does the county and in partnership the city, intend to accommodate further growth needed for affordable housing when plans take years and are still far from the mark in terms of number of those who need it? This takes away from that potential.

This site and its location appear necessary and viable for local affordable housing. Because it is a "science" building sounds like an easy way to back out of providing that housing under the guise that STEM is the better program for the site. STEM can only help lift people and students so much if they are homeless.



Like · Share · 2d



**Jeffrey Gelinas**

**Robert**, I am much less concerned with renovating the building than housing our citizens.

You claim a reason why the site is better suited is because we would need to pay to demolish the buildings, if we are paying to renovate them what is the difference in costs? What is the difference in ROI to taxpayers for both plans? I'd like numbers and facts not a dream of STEM education sites.



**Leslie Bee**

Jeffrey Gelinias with all respect to the needs of the homeless, affordable housing, as I understand it is about lower income residents, not those without an income. STEM decreases the chances for homelessness and a low income for that matter.

Like · Share · 1d



2



**Zach H Kidd**

The Science Center is one resource that should be maintained, replicated, and constantly updated.

The downtown area has spent untold amounts of money on follies like BayWalk (whatever it is now), The Pier, the new Dali museum, etc. None have improved.

The homeless are still prevalent, and should be a priority too. But we have probably spent more money on the marketing campaign for the Pier than on homeless help.

If you are just complaining about housing prices, though, there are other options, from Pasco to Peoria.

Like · Share · 1d



2



**Robert Righter**

Let's get this reopened!!!!

Like · Share · 2d



4



**Todd Kozlowski**

Attended many school field trips there, and volunteered over a summer. Currently in my final year of a physics PhD, and the Science Center helped me get on that track. Would be sad to see it go.

Like · Share · 2d



6



**Robert Blackmon**

Todd Kozlowski awesome story! Thank you for sharing, Todd 😊

Like · Share · 2d



1



**Leslie Bee**

Robert Blackmon my point...this is my reply to Jeffrey Gelinias above: with all respect to the needs of the homeless, affordable housing, as I understand it is about lower income residents, not those without an income. STEM decreases the chances for homelessness and a low income for that matter.



1







**James Layton**

Yes, loved going there as a kid!!



1

Like · Share · 2d



**Don Rimel**

I hope they do revitalize the Science Center. I was first introduced to computers in the 1977 timeframe at the Science Center. The Science Center had a donated Honeywell Mainframe from the St. Petersburg Times. I wrote my first programs in Basic, used paper-tape and punch cards to store programs, and a Teletype 44 as a terminal. I worked at the Science Center several summers and continued to grow my computer skills through taking courses. I eventually landed an internship my senior year in High School at Honeywell where I developed more skills during that semester. The initial experience with computers at the Science Center has lead to a long an prosperous career in the Information Technology field. Please like the Science Center need to be supported and used to provide the next generation an opportunity to be exposed to science opportunities for the future.



7

Like · Share · 2d



**Robert Blackmon**

**Don Rimel** that is an awesome story! Thank you for sharing Don. The next step for this is a discussion at City Council's Budget, Finance and Taxation committee a week from Thursday 😊



1

Like · Share · 2d



**Lacey Homan**

**Don Rimel** spent a lot of time in that lab as well, under tutelage of Max Ulm. People stare at me like I have 2 heads if I bring up paper tape. Cards at least ring a few bells with folks.

Like · Share · 1d

↪ View 2 more replies



**Christopher Thomas-Kenrick**

Put a farm on the property

Like · Share · 2d



**Clare Todd Kirchman**

I cannot believe the Science Center is in such bad shape as to be closed and vandalized. How can we help bring it back?

Like · Share · 2d





**Pj Cook**

I remember those days! I attended courses 3 summers and loved it!

Like · Share · 2d



**Anthony Chaves**

Looks like nature is starting to reclaim that building.

Like · Share · 2d



1



**Vic Joyal**

I remember but like... good luck getting it to reopen especially in a pandemic.

Like · Share · 2d



**Jimi McCabe**

My mother taught there for years in the summer. What a great place it was.

Like · Share · 2d



5



**Jim West**

Jimi McCabe your mom was so mean! 🤔🤔

Like · Share · 1d



1



**Jimi McCabe**

Jim West still is. My kids call her Sarge!

Like · Share · 1d



2

↪ View 4 more replies



**Shawna B Jackson**

I think it's a great idea.

Like · Share · 2d



**Robert Safransky**



1

Like · Share · 2d



**Janis Weber**

I taught school for 35 years and the Science Center was our favorite field trip because of their wonderful classes and programs ! Would love to see it open again.

Like · Share · 2d



3



**Kathy Baker Coxwell**

Went there in the summer.

Like · Share · 2d



**Jennie Renfrow**







Like · Share · 2d



**Shirley Duke**

I attended several summer programs. One summer I worked with a possum, taught her to sit on a swing and swing. I also really enjoyed the snakes. 😊. I would ride my bike from the Westgate area, so it was good exercise also.



1

Like · Share · 2d



**Karla Hermann Karcher**

Spent the night there (sleeping in the floor) with a large Girl Scout event about 93/94

Like · Share · 2d



**Elaine Kenney Lowitz**  
**Lisa Elder**

Like · Share · 2d



**Dana M Silver**

My kids loved the science center. I used to drive kids to school field trips there.

Like · Share · 2d



**Susan Gibson Korth**

My kids loved it there, they went every summer.

Like · Share · 2d



**Stefan Sommers**

I remember the Summer camps there and Monte the python.



4

Like · Share · 2d



**Lacey Homan**

**Stefan Sommers** I got to help care for Monty for several years. She was a sweet snake, when we got her a male, he was aggressive. So I would go open the door to their cage and wait for her to come to me so I could take her for some outside time or to f... [See More](#)



1

Like · Share · 1d



**Renee McInnis**

We need STEM education big time!



3

Like · Share · 2d · Edited



**Matt Jay**

Every year bay point took a field trip there when I was in Elementary school.....

Like · Share · 2d



**Diana Matteson**



83



**Valerie Kjeragaard-Thrall**

I also went every summer. What memories. Yes to bringing it back!!

Like · Share · 2d



1



**Cathy Love**

My brother and I and two neighbor friends, every summer we would take the bus from Shore Acres to The Science Center! Many great memories!!!

Like · Share · 2d



**Teri Bierbaum-Barlowe**

LOVED it!!!! Great idea!!!

Like · Share · 2d



**Sue Lenges**

Took my class there every year for a field trip. Would be great to have it open again.

Like · Share · 2d



1



**Laura Stees**

AGREED! I grew up here in Pinellas and remember going almost every year for school. It provides learning opportunities that can't be found in a school classroom. OPEN IT BACK UP!

Like · Share · 1d · Edited



1



**Steve Malone**

Anybody remember when the Science Center was downtown close to Mirror Lake?

Like · Share · 2d



2



**Dale Barrow**

**Steve Malone** I went to the science center downtown.

Like · Share · 1d



**Steve Malone**

That's amazing! I have been going through a bunch of my parents old files (running out of things to do, nope) and I found a report it did at the Center on growing crystals. I also remember when they brought is some boxes of white shavings of stuff call... [See More](#)

Like · Share · 1d



1



**Don Nikolas**

If this is the one on 22 Ave N looks like someone is working on it

Like · Share · 1d







**Jenelle Tucker**

Yes loved our field trips here and all the cool stuff you could buy

Like · Share · 1d



**Sarajane Sally Stephens Stoudenmire**

We need the science center I think it is a wonderful idea

Like · Share · 1d



**Matthew Yoder**

YES! The idea of moving low income people next to a sewage treatment plant stunk. Literally.

Like · Share · 1d



**Brian Sharlow**

Matthew Yoder look at the dog house we built next to the crap plant. You're welcome!

Like · Share · 21h



**Chris Varner**

I sure remember that! Like you, I was there every summer. Great memories.

Like · Share · 1d



**Julie Kalie**

Such fond memories and actual learning associated with this place ❤️ I can't believe anyone would want it closed

Like · Share · 1d



**Bill Cooper**

Loved going as a kid back in late 70s/early 80s ... especially the snakes & other reptiles programs

Like · Share · 1d



**Donna Mendenhall Steele**

It was a great place for students to experience many of the sciences. I taught there on Saturdays and always took my kindergarten and 4th grade classes there. I hope it can get reopened.

Like · Share · 1d



**Dana Andres**

Didn't know it had closed?

Like · Share · 1d





**Lacey Homan**

I spent a LOT of time there, especially 75-79. I was especially involved in helping take care of the snakes and the rodents. But also set up labs for school groups that would come the next day. Can still vividly remember the smell of formaldehyde from a dropped jar. And how fascinating the vinegar eels and flathead worms were. And great times in the computer lab. I learned so much there before I was even in 8th grade.

Like · Share · 1d · Edited



**Benjamin Harrell**

One thing for sure ? Florida needs as much " science " as possible these days ...

Like · Share · 1d



**Daniel Johnson**

They should open it back up! Right they got a fence around it like they are getting ready to tear it down!

Like · Share · 1d



**Marilyn Hett**

A reestablished science center would have a better chance of long term success if in downtown St Pete, maybe near or a part of USF (to tap research and edu grants).

Like · Share · 1d · Edited



**Daniel Johnson**

It should be open to the public as well as part of the school system.

Like · Share · 1d



**Maryann Rusinyak**

I worked for the Dept of Leisure services, during the summer play camps several folks from the science center would come and share their wealth of knowledge. Sad, this like art and music programs lose funding.

Like · Share · 1d



**Debbie Small**

My daughter did Science camp 3 times there.

Like · Share · 1d



**Johnny Oldja**

I loved my Summer camps there as a kid on model rockets and especially venomous snakes. I remember Monty Python, the huge Python they had their in captivity that ate rabbits.

Like · Share · 1d







**Sharon Deanne Davis**

**Johnny Oldja** Monty became too aggressive and they had to stop opening the glass cage to take him out for kids to touch him, or get rid of him, but I don't remember which. I LOVED Hamlet.

Like · Share · 1d



**Johnny Oldja**

interesting...thanks for the info

Like · Share · 1d

↪ View 4 more replies



**Amy Cooper Poe**

Oh! Was this the science center with the dinosaur made out of junk in the front! This place was so fun; I loved every visit here! Yes, please help re-open it!

Like · Share · 1d



**Helen Huntley**

**Amy Cooper Poe** There was a dinosaur made out of junk in front of Great Explorations when it was on 4th Street S.

Like · Share · 1d



**Amy Cooper Poe**

**Helen Huntley**, that's right! I haven't been there in years. We moved out of state when I was a child; is it still there? I love the children having science centers!

Like · Share · 1d

↪ View 2 more replies



**Jo Ann Lanier Hammel**

I lived 2 houses away on Robinson Drive and recall when the property was woods (and no 22nd Ave N..yes..I'm old!) and its being built. A wonderful place and a community gem. It makes sense to revitalize an existing property.

Like · Share · 1d · Edited



**Anthony Tovine**

School field trips. All the excitement you can stand.

Like · Share · 1d



**Albert Gross**

I actually went to the Science Center on Arlington Avenue which was their location prior to moving off 22nd Ave. It would be great to have it re-open.

Like · Share · 1d





**Ann E Po**

I miss the science center - it was a delightful mix of old school and hands on. I even miss the outdoor movies! And the mosaic pathway of the states with state rocks next to it. The planetarium! There was a sour guy who seemed to be in charge during the last years, they cut public hours and kid's programs. It would be a wonderful addition for kids again, and for the community

Like · Share · 1d



3



**Lacey Homan**

Ann E Po thank you, I was wracking my brain trying to remember what the path was. The state rocks were so cool.

Like · Share · 1d



1



**Suzy Bouton Dross**

I sure hope they rebuild and make it a place kids will want to learn.

Like · Share · 1d



**Sandra Guevara**

Yes, both of my children went to the programs when we were able to afford it and to the free events it was awesome! They loved it and learned so much!

Like · Share · 1d



1



**Sharon Deanne Davis**

I taught there during Summers. It was a great job for teachers. We could write grants from the State of Florida if we worked during the Summer in math or science. Mine was always awarded and I believe they matched the salary. I loved working with the younger children.

Like · Share · 1d



3



**Chrissy Porcello**

Great idea. Read article. Good luck, spent many a field trips there. Loved it!

Like · Share · 1d



**Karen Hodgen**

It would be wonderful to bring back the Science Center to its full potential as a special place to house STEM learning. I would like to see the electric vehicle charging station turned back on. A federal grant provided the charger and it was turned off and blocked off by Career Source.

Like · Share · 1d



2



**Brian Harris**

You loved going to the planetarium there and seeing







Like · Share · 1d



**Bob Burford**

This would be wonderful

Like · Share · 1d



**Neil Gabala**

Attended a fun course in meteorology taught by one from wfla.

Like · Share · 1d



**Bonnie Milchan Bischoff**

I lived near thereabouts visited often.

Like · Share · 1d



**Walt Hillyer**

Yes my boy scout troop built the fence around the back of it. It was made out of cypress poles.



Like · Share · 1d



**Laura Joannides Hunter**

I think the push is too late! 😞😞😞

Like · Share · 1d



**Tina Kimball Moorman**

Yes! It was a wonderful asset to the community! I took computer and photo there!

Like · Share · 1d



**Chelsea Bruce Nelson**

That would be wonderful!

Like · Share · 1d



**Heaven Taylor-Wynn**

Wow, didn't even know that place shut down. I feel like every Pinellas County kid has been to a few field trips there.



Like · Share · 1d



**Dorinda Barnes**

We should stick together for this, will keep a lot of younger people 's mind busy and more importantly knowledgeable



Like · Share · 1d



**Pati Looney-Gallego**

Practically lived there as a kid. All 4 years of High School I went on the Keys trip to Pidgeon Key .



Like · Share · 1d

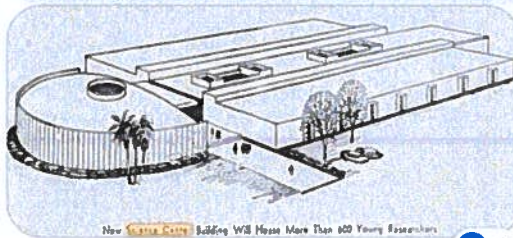


**Pati Looney-Gallego**





**Howard Knapp**  
1963 Concept drawing for their 'new' building (which opened in 1966)



New Science Center Building Will House More Than 600 Young Scientists



Like · Share · 1d



**Robert Blackmon**  
Howard Knapp awesome ! Where did you find this ?



Like · Share · 1d



**Mary Anna Murphy**  
Howard Knapp the building plan reminds me of Starship Enterprise!

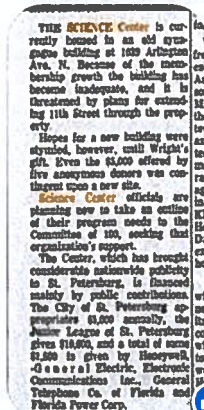


Like · Share · 1d

↳ View 2 more replies



**Howard Knapp**  
Prior to the 22nd Ave location they were meeting in the old B'Nai Israel Synagogue at 1039 Arlington Ave No.



Like · Share · 1d



**Howard Knapp**  
B'Nai Israel Synagogue building at 1039 Arlington Ave.





**Ali Sutherland Collins**  
Bring it back!!

Like · Share · 1d



**Dave White**  
Nancy

Like · Share · 1d



**Robert Conahan**  
Wasn't there a program in Weedon Island? Was this part of it?

Like · Share · 1d



**Howard Knapp**  
**Robert Conahan** I know when my kids were involved that they went all over for 'field trips' even Weedon Island.

Like · Share · 1d



**Ginny Dalton**  
My brother Tom Peniston spent a lot of time there in the late 60s-early 70s. They had an empty Saturn 5 rocket booster out back that they used as a wind tunnel for some projects.

Like · Share · 1d



**Debbie Wade**  
**Ginny Dalton** I went to school with your brother. My friend Kathy Marks had a huge crush on him 😊

Like · Share · 1d



**Rob Moorman**  
Tina Tina Kimball Moorman

Like · Share · 1d



**Bruce Filmore Dunn**  
Certainly a huge group of professional and educational org., military and civilian that can assist in this project. The Old Girls School on 6th and 34th Ave. S. used now as an out patient would be perfect and preserve the old school as well...

Like · Share · 1d



**Tasha Allen**  
Yesssss! Loved it as a kid!!

Like · Share · 1d



**Susan Corrado Goldberg**  
I was a board member one year and volunteered when my kids went. It was a treasure







**Luke Maranto**

I went on a week long Appalachian Trail field trip with the Science Center in 1979. I think it was a program for 7th and 8th graders. I have many fond memories of this and other activities centered around this facility. It would be nice to bring it back.

Like · Share · 1d



**Steven Alan**

Took a photography class and did many class outings there in the early 70's when I attended Azalea Middle school. Bought beakers and test tubes for my chemistry set in their gift shop.

Like · Share · 1d



**Yvonne Zinn Lester**

I understand that a collection of rocks that had a bridge over water was there. It was suppose to have come from The National Bank that was on Tyrone Blvd at Ninth later a Wells Fargo bank now closed. Not sure who had donated it or the reason it was ... [See More](#)

Like · Share · 1d



**Laura A. Bricker**

Yvonne Zinn Lester yes it was moved over to the science center

Like · Share · 1d



**Fahron Young**

Now its a school for trouble kids

Like · Share · 1d



**Fahron Young**

AMI



Like · Share · 1d



**Ron Sherrill**

Yep. I went there for field trips when I went to Seminole Elm. In the 70's then I ended up going to Azalea Middle in the 80's which was right next door. Love that place!

Like · Share · 1d



**Linda Simpson Ford**

My mother in law volunteered at The Science Center probably in the late 70's or early 80's.

Like · Share · 1d



**Bill Ford**

Mom was, "The Snake Lady," and showed our class several snakes when we took a 4th grade field trip from North Ward to The Science Center. I





Like · Share · 1d



**Linda Simpson Ford**  
Mom used to take us there in the 60's

Like · Share · 1d



**Suzi Kramer**  
I loved that place!!!

Like · Share · 1d



**Laura A. Bricker**  
Looks like they have construction fencing around it now, something going on???

Like · Share · 1d



**Aerial Callahan**  
I use to go on field trips there in elementary school. Was so fun!

Like · Share · 1d



**Charlie Thomas**  
Somewhere in the basement there was a four foot tall wooden pyramid built to the exact proportions of the great pyramid of Giza I used for crazy experiments. No idea why I didn't win the fair that year! 😊 No idea why they wanted to keep it either, though.

Like · Share · 1d



**Glen Scott**  
This place was great. I went there for several different programs when I was an early teenager.

Like · Share · 1d



**Mary Ellen Heinicke**  
Our children went to classes at the Science Center. We loved Monty the Python.

Like · Share · 1d



**Cheryl Hendricks Good**  
I have great memories of going there in the mid 60's on a field trip. We dissected hearts from pigs as I recall. It was an annual tradition to go there in 5th or 6th grade.

Like · Share · 1d · Edited



**Corey Harnish**  
Yes! I went there in the late 60s

Like · Share · 1d



**Beth Brannan**  
Reopen

Like · Share · 1d







**Rick Ross**

**Robert Blackmon**, I went there in the early/mid '70s and worked there in the late '70s. Thank you for all your efforts to revive the Science Center!

Like · Share · 1d



**Robert Blackmon**

**Rick Ross** a pleasure ! I am excited to see what we can accomplish

Like · Share · 1d



**Kathy Cote**

Such an amazing place and we went every summer for years as well!! 🍌

Like · Share · 1d



**Sarah Thomason**

My father helped build the place! So many awesome summers were spent there at camp!

Like · Share · 1d



**Trisha Beach**

I remember going there on field trips as a kid 😊

Like · Share · 1d



**Janica Johnson**

Egmont Key alliance & St Pete Audubon held their monthly meetings there. I also remember the pet pig.

Like · Share · 1d



**Sari Schlossberg Deitche**

Here is a living memory from the Science Center. Around 15 years ago, when the Science Center switched from Animal Husbandry to Technology, they donated their Solomon Island Skink to Admiral Farragut Academy. The skink is still doing well and loved by the students.



Like · Share · 1d · Edited



**Leslie Bee**





Like · Share · 1d



**Sari Schlossberg Deitch**  
Leslie Bee she is called Monkey, since she is also known as a Monkey-Tailed Skink.

Like · Share · 1d

↪ View 4 more replies



**Elizabeth-Neily Hermann-Trappman**  
I was artist in residence there for several years. Taught archaeology and paleontology and did outreach to schools. Early 2000s

Like · Share · 1d · Edited



**Ellen Folkman**  
I took a marine biology camp there one summer. So much fun!

Like · Share · 1d



**Alina Sabadish**  
My mom taught there for years!

Like · Share · 1d



1



**Patrick Ryan**  
I spent my summers there.

Like · Share · 1d



**Christopher Corey**  
Yes I do.

Like · Share · 1d



**Carol Otten Girard-de Frain**  
I was a docent there in the early 1960's doing community work with my Junior Women's Club of St. Petersburg! I loved working with the students that visited there!

Like · Share · 1d



**Kay Lynch**  
More things for children to do that makes them think

Like · Share · 1d



**Chris Morrison**  
As a math teacher I fully support this movement to revitalize The Science Center. I remember going to summer camps there and they were the best.

Like · Share · 1d



1



**Kelli Williams**  
Yes reopen

Like · Share · 1d







**Jim Reeverts**

I remember going there as a kid - doing projects; it was right down the street from where my father worked.

Like · Share · 1d



**Marie Daigle Milges**

I worked in the library and took the kids on field trips back in the early 80's. Monty Python went missing for a week and they found it curled up in my desk.

Like · Share · 1d · Edited



**Louis Nixon**

I dissected chicken heart there.

Like · Share · 1d



**Wayne David Atherholt**

Having built a science center and helped run the largest in the state, I can say there better be deep pockets behind this because it is incredibly expensive to create one and then operate it.

Like · Share · 1d



**Dee Liady**

I was there! Do it!

Like · Share · 1d



**Maday Freist**

I went with my daughters on a field trip maybe late 90s

Like · Share · 1d



**George Danison**

My oldest sister used to go there as a kid when we lived on 9th Ave.

Like · Share · 1d



**Markum Patterson**

Yes!!! Went with several school field trips growing up and was an amazing learning experience.

Like · Share · 1d



**Blush Gorsen**

Yes! Loved all my field trips there. I would enjoy being a part of it's rejuvenation.

Like · Share · 1d



**Peggy Arvanitas**

Lived a few blocks away. Near Azalea Middle school.

Like · Share · 1d



**Barry McWeeney**

Absolutely! Went there as a kid with all my siblings! I'm





**Heather DeBolt**  
Went there as a kid and loved it!!

Like · Share · 1d



1



**George M. Zajack**  
Why and when did it close ? I never imagined the center to close.Shocks me.

Like · Share · 1d



1



**Anna Lynn Gervais**  
Have such awesome memories of going here as a kid!! Literally was just talking about this place today....scary

Like · Share · 1d



1



**Diane Kurtz Hartley**  
The Science Center nurtured my love of science and the confidence that a girl in the 60's could be good in science. It also played a role in my daughter's life. She went to camps there almost every summer. She is a civil engineer. We need the Science Center

Like · Share · 1d



2

↳ 2 Replies



**Sean Berns**  
I spent so much time there i had forgotten about it. Thanks for tbe memories..

Like · Share · 1d



1



**Tasha Lambeau**  
LoL...That huge snake that was there is the reason why I am TERRIFIED of those things to this day! Cant remember how it happened, but he got out of the glass display that he was in and made some kind of a yellowy-liquid mess all over the floor (can't remember what it was)! That scarred me for life 😬😬😬.

Like · Share · 1d · Edited

↳ 3 Replies



83



**Tasha Lambeau**

If they reopen, it will definitely have to be well planned and can't be anything short of amazing. While us (older adults) can appreciate the science and everything we learned there as a child, I believe it will be very hard to grasp that same attention from most of the kids of today. Back then, technology wasn't as wide-spread as it is now. They have video game consoles/handhelds and other electronic gadgets that consume most of their free time. Hell, instead of going outside and actually using their brains to try and fix their bicycle chains as we did back then, they can whip out their phones and get the answer in 60 seconds. Quit frankly, I really don't even see half the amount of kids riding bikes around today than you would have back then. However, I would definitely be all for it to re-open, nonetheless.

Like · Share · 1d

↪ 1 Reply



**Lori Buske Angus**

My brother Lennie Faulkner went there when he was young.

Like · Share · 1d



**Elizabeth-Neily Hermann-Trappman**

Having run a museum myself, I have to agree with you. This one was run into the ground by incompetent management. I worked there for awhile. Sad this wonderful resource had to fail.

Like · Share · 1d



3

↪ 2 Replies



**Bob Freitag**

I lived across the street, we would scale the wall and visit the US States walkway that was, if I remember correctly, funded by Starley White. He give so much to the community. BTW, I took many classes there during the summer. They used to have rockets displayed on the outside as well.

Like · Share · 1d · Edited



3



**JP Hopper**

Yes. I remember making plaster cast iguana and also the nature trail. Very cool.

Like · Share · 1d



**AnnMarie Hobbs Hoambrecker**

Lived 2 blocks away growing up loved it there. Then my son took several summer camp classes there too. Sorry

83





**Jay Newman**

My brother, Larry Newman, spent tons of hours there in the early 1960's. He and others developed a Mars spaceflight simulator.

Like · Share · 1d



1



**Leslie Bee**

A comment above thought it should be moved down near USF....to see the stars you need to escape the light pollution of downtown. 🕶️ It feels closer to the environment out there.

Like · Share · 1d



3



**Melissa Ems**

This breaks my heart! I was just telling someone about the wonderful summer my sister and I spent there learning photography including developing our own film and building model rockets (that I became obsessed with for like a year) to shoot off and the pig! I still have the Black and white pics from that year. I was encouraging him to send his kids there for camp this summer. I had no idea it was shut down. What a shame! Bring it back!!

Like · Share · 1d



2

↳ 1 Reply



**Patricia Calvert**

I produced about 6 or 7 years of Pinellas County Hurricane Expos that were hosted by the science center The last 1 was several years ago. I always had lots of outdoor exhibits like the Bayflight emergency helicopter ... they would land in the empty lot next door, I had lectures from the Ruskin National weather service that would be presented in the auditorium. They were wonderful community service events. I was always surprised at how many people never even realized that the science center was there until they came to this event.

Like · Share · 1d · Edited



**Mary Angle Tuszynski**

My brother and I took classes there every summer and when we were old enough rode our bikes. I still remember the astronaut ice cream 😊

Like · Share · 1d



1

↳ 5 Replies



**Frank Bennett**

I took many summer classes there. I remember a very nice lady Essie who was at the front door in the





↪ 1 Reply



**Kendra Hobbs Cote**

I remember Monty the python and big birthday they had. Loved walking the path out back. Such a shame it's closed. Schools enjoyed going for a field trip there

Like · Share · 1d



**Jeff Wollam**

We went on field trips from Orange Grove elementary school to Science Center.

Like · Share · 1d



**Jeffery Roberts**

Been sold. Closed several years.

Like · Share · 1d



**Shila Tirabassi LaGrua**

I learned about Roy G. Biv there! 🌈

Like · Share · 1d



**Sherri McCabe**

My daughter attended many programs and summer camps at the Science center in the mid 2000s. She is now an Astrochemist.

Like · Share · 23h



**Adam Wolfe**

Remember the pig they had there?

Like · Share · 23h

↪ 2 Replies



**Robert Protomastro**

Maybe you could try for a corporate sponsor. There are a number of robotics, aeronautics, and other cool STEM companies in the area that could sponsor and in return have their own room or course.

Like · Share · 23h



**Bill Heyen**

I went there as a kid, but have no idea if it's viable today.

Like · Share · 23h



**Dana Reinhardt**

I went every summer for their weekly science camps. And I remember always going on field trips and getting some astronaut ice cream.

Like · Share · 23h



**Stormy Steakley**

What was it like?







**Randy Gates**

I went there on school field trips

Like · Share · 22h



**Lee Palmer**

I visited the science center frequently and think that with the assistance from Great Explorations it would be an amazing asset for STEM/STEAM programs for our older children

Like · Share · 22h · Edited



**Lisa Elder**

I worked there thru high school taking care of the snakes and other various animals. From 1972 thru 1976. Made minimum wage at that time

Like · Share · 21h



1



**Yolanda Tullo**

Yes I remember it well - although I did not personally visit it. I think my brothers and sisters did though.

Like · Share · 21h



**Jim A Pennington**

I think a new location needs to be found, maybe mid county. I'm not sure if the organization 501c3 is still active, but if so they need to start some major fund raising. I'm sure there are many local people who would donate, but they really need some large corporate donors.

Like · Share · 20h



1

↳ 1 Reply



**Jesse Cortes**

I used to love going there as a kid man oh man

Like · Share · 19h



1



**Reiko Andes**

I went there every summer too!!

Like · Share · 19h



**Kathie Frieman Breakiron**

I hope they are able to bring back the Science Center to benefit all kids in St. Pete. I went there and my kids went there. We had our kids' birthday parties there. Such a little gem.

Like · Share · 18h · Edited



**Renee Rushing**

I believe the Science Center was developed by Wm 'BILL' Guile. We spent time w/him & the SC when I was small.





Like · Share · 18h

**Lora Byrnes**

My step father use to volunteer there! B. Van Sutphin.

Like · Share · 17h



## Remember in St. Petersburg when ...

Join Group



**Nancy Ringelspaugh Johnson**

I taught science at Azalea Middle and used to walk my classes down there .

Like · Share · 17h



↳ 4 Replies



**Nancy Schubart**

I taught there. My husband was educational director. It used to be great. It stopped in 2007 when he left. We worked so hard to make it great. So many stupid people making stupid decisions.

Like · Share · 17h · Edited



**Laurie Lakhani**

My kids went there on field trips! I remember the pig they kept in the lobby.

Like · Share · 15h



↳ 1 Reply



**Michele Dehmer**

Great idea

Like · Share · 15h



**Barbara Larsson**

OMG! Loved it there! It inspired me big time! We did a field trip there when I was in elementary school, many moons ago!

Like · Share · 14h · Edited



**Hilary Argintar Neal**

I remember going to the original on Arlington Ave off 9th St

Like · Share · 14h



**Debora Moore**

My family all went there as kids. My Mom volunteered there as well.

Like · Share · 14h



**Kim Keller**







Like · Share · 13h



**Linda Guggino Humphers**

Never went there, which makes me wonder why not?

Like · Share · 12h



**Mike Grega**

YES! I used to donate to their fundraiser. Lots of people thought it was owned by the City, but it wasn't. I think that was their downfall to raising money. 😞



Like · Share · 11h



**Pat Schoeller**

Yes!!

Like · Share · 9h



**Mikey Chiller Dachilliest**

There's a long thread about the Science Center. Just type "Science Center" in the search box, and when you comment on it, that post will bubble up to the top

Like · Share · 7h



**Krystina Page**

Great place ♥ wonderful for our kids!

Like · Share · 3h



**Cindy Brawner Ngl**

Loved the science center as a kid - took computer science (in the late 70s 😞 played a binary game called King Sumer - loved it - and took lapidary. } - My brother and sister went there too as did several friends growing up there

Like · Share · 2h

