

County and city bills aim to increase minority- and women-owned contracting

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Developers seeking tax incentives from the city of St. Louis on public projects will soon need to show they've met thresholds for participation from minority- and female-owned contractors.

The [bill](#), passed by the St. Louis Board of Aldermen this month, updates an executive order which aimed to eliminate discrimination in the construction field. The bill is expected to be signed by Mayor Lyda Krewson. It will add a penalty to projects costing more than \$1 million that don't meet the 24-percent threshold for minority-owned contractors. The bill also increases the percentage of women-owned contractors from five to 11 percent.

Alderman Jeffrey Boyd, D-Ward 22, who sponsored the bill, pointed to a 2015 disparity study by Mason Tillman Associates. The report found significant employment gaps among minorities and women in St. Louis. He said it's critical that developers who get public incentives follow the requirements for minority participation.

"This bill is important, number one, because there is a disparity in utilizing African-American and minority-owned firms in the city of St. Louis, and the city of St. Louis needs to be responsible in how we spend out public dollars," Boyd said.

The new ordinance adds thresholds that developers must meet for specific minorities: 21 percent for African-Americans, two percent for Hispanics, 0.5 percent for Native Americans and 0.5 percent for Asian-Americans. Boyd said it adds teeth to the executive order that St. Louis had been following since the 1990s.

"The challenge to the mayor's executive order that we've been operating off of for at least three decades is that it was just something right on a piece of paper," Boyd said. "There was no punitive damage that you could assess.

Penalties for companies that do not comply with the guidelines set by the bill are still to be determined by the St. Louis Development Corporation. SLDC will be in charge of managing and maintaining a record of the companies that do and do not follow the goals set in the bill. The ordinance does include a good faith clause for developers to prove they made a significant effort to employ minority- and women-owned businesses.

Brian Murphy assisted with the initial executive orders from St. Louis mayors. The president of BAM Contracting, a certified minority business enterprise company based in St. Louis, said this is an important step.

“This is kind of a milestone, in that we actually have an ordinance that will be going to the mayor,” he said.

In the past, Murphy said, minorities and women have not been given opportunities to access business ownership because they didn’t have access to capital.

In addition to the hiring requirements of minorities and women, the bill also requires that 20 percent of labor hours for a project’s workforce be made up of apprentices and 23 percent of a project’s labor hours include city residents.

“It’s very important that when we give these incentives that we are making sure that city residents have the best opportunity that’s possible in order to get work,” Boyd said.

A [similar bill](#) was passed in St. Louis County and is now awaiting final approval from County Executive Steve Stenger. Introduced by Councilwoman Hazel Erby, the county bill requires that construction projects worth more than \$1 million and requesting county subsidies have a minority workforce of 24 percent or more and a female workforce of 9.5 percent.

St. Louis NAACP President Adolphus Pruitt has voiced his support for both bills. He’s pushed for an official ordinance in both the city and county for years.

“Some very good things are happening out of St. Louis County as it relates to participation, but unfortunately it will probably be a year or longer before they can really get the program up to speed and produce the type of results that are intended with the legislation,” Pruitt said.