

Editorial: County can ensure women, minorities fair cut of contracts

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By The Palm Beach Post Editorial Board

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Palm Beach County isn't wasting time. About \$40 million of the money collected from the 2016 sales tax increase already has been spent, says County Administrator Verdenia Baker. A road project here, some bridge work there — it doesn't take long for the expenditures to add up.

Unfortunately, it's still business as usual in the way the county and other local governments have used the new sales tax revenue to award contracts. White, male-owned firms remain disproportionately advantaged. The findings of not just one, but two, disparity studies have confirmed that.

The first study by Mason Tillman Associates on the county Solid Waste Authority led to a decision by the Palm Beach County Commission to delay awarding new contracts until a remedy is created that increases the opportunities for aspiring women- and minority-owned firms.

The commission shouldn't stop there. It should make the same sort of decision for other county contracts.

At its Tuesday meeting, Palm Beach County Commissioners must move to set up an appropriate remedy to address the gaps in county government contracting. We are encouraged by the commissioners' acceptance of the SWA findings last month and their unanimous vote to extend the Mason Tillman Associates contract to get feedback on its county-wide study.

It's also imperative for commissioners and the public to understand why these contract disparities persist and find ways to make the procurement process more transparent and equitable, particularly as the county continues to spend the \$810 million it will receive over the next 10 years from the 2016 vote to raise the sales tax by a penny.

In 2002, the county scrapped its "set-aside" program, a once popular remedy that helped ensure small businesses, and minority- and women-owned firms had a chance at winning government contracts. County officials may have to re-establish the program.

Surely, the wide gaps uncovered in recent studies justify considering set-asides as a possible solution to an obvious problem.

According to Mason Tillman Associates' researches, a favored few firms received the lion's share of contracts from the county Solid Waste Authority. Between 2009 and 2013, the SWA awarded roughly 98 percent of \$318 million in contract money to white, male-owned businesses.

The same firm found similar racial and gender disparities in county contracting during a four-year period between 2009 and 2013.

Black-owned firms, the study found, were 13.2 percent of the market but received only 10 percent of the prime construction contracts. The value of those contracts, a combined \$6 million, amounted to less than 1 percent of the total value of the prime construction contracts awarded during the four-year period. White-owned firms made up 59 percent of the market and received 68 percent of the prime construction contracts, which had an overall value of 87 percent of the prime construction contracts awarded in the four-year period.

The two studies have provided the push to address racial and gender disparity in county contracting. If only the same could be said for the 39 municipalities in the county that will also receive a significant amount of sales tax revenue.

The effort to address contract disparities at the county is expected to draw divisiveness along racial lines. Groups like the Associated General Contractors of America's Florida East Coast Chapter will likely oppose establishing any race and gender-based programs to address the obvious disparities. Black, Hispanic and many women business owners will point to the studies as validation that the procurement process is stacked against them and that minority-and women-owned firms aren't getting their fair share of contracts. Now, they have the numbers of two disparity studies to prove it.

Local government contracting is big business, thanks to the voters who approved the county's penny sales tax increase in 2016. They deserve to know that their tax dollars are being spent efficiently and equitably.

What's good for the Solid Waste Authority should work well for the county. Commissioners can fix the procurement process that benefits only a favored few by delaying any big, new contracts until a new set-aside program or other remedy is up and running.

Unfortunately, it's still business as usual in the way the county and cities have used the new sales tax revenue to award contracts.