

Minorities get slim share of contracts

City requests proposals to study disparity

Jule Pattison-Gordon | 10/18/2017, 10:59 a.m. | Bay State Banner

In mayoral forums and debates, City Councilor Tito Jackson has charged that the city directs miniscule amounts of spending toward firms owned by people of color. According to Jackson, 2 percent or less of city contract spending goes to minority-owned businesses.

“In the City of Boston we spend \$2 billion annually on contracts and less than 2 percent goes to people of color, and less than 0.5 percent in this administration goes to black-owned businesses,” Jackson said during last week’s mayoral candidate debate hosted by the RoxVote Coalition.

By Mayor Martin Walsh’s administration’s count, the spending share going to people of color is even smaller than Jackson alleges. According to figures provided by a Walsh administration spokesperson, the city spends less than half a percent on minority-owned business enterprises (MBEs). The city did not provide MBE spending information broken down by race.

According to the spokesperson, in fiscal year 2017, the city’s operating budget included \$609 million in contracting, of which \$2.7 million went to MBEs. That comes to about 0.44 percent. The prior year, FY 2016, 0.45 percent of contracting expenditures went to MBEs, and in FY15, only 0.37 percent.

According to the city’s Equity and Inclusion Agenda, released by Walsh in 2016, about 20 percent of privately-owned firms with paid employees in Boston are owned by people of color. While this is low compared to the share of the city population that is of color, it remains significantly higher than the spending share.

Karilyn Crockett, the city director of economic policy and research, told the Banner that it’s early to speculate on reasons for the low spending on MBEs without more concrete data — something the city seeks to attain through a planned disparity study. The Walsh administration issued its requests for proposal on the study earlier this month.

“The reality is, a complex set of factors are there,” Crockett said. “We’re hopeful the disparity study gives us a better sense of what’s happening, what we’re doing well, what we’re not doing well.”

Jackson, too, recently promised to conduct a disparity study if elected.

Equity efforts

Walsh appears aware of the disparities and in March 2016, he signed an executive order calling upon all city departments to actively pursue conducting contracting, purchasing and other business contracts with MBEs and women-owned business enterprises (WBEs).

The order set goals for MBE spending in the areas of engineering, architecture and professional services, which ranged from 10-15 percent to 20-25 percent of spending, depending on the contract type. Other provisions encouraged each city department or office to engage in further efforts such as attending outreach events for MBEs and providing support to such businesses in navigating the city's bidding process. The executive order is slated to expire on Jan. 1, 2018, according to its text.

In 2016, Walsh also announced that he would be conducting a disparity study. At that time, city officials said disparity studies would be conducted annually to analyze the city's procurement processes for signs of racial, ethnic or gender bias, with the information used to update hiring and contracting goals. Although Walsh stated in his executive order the expectation that a disparity study would launch in 2016, the request for proposals to conduct the study was released on Oct. 11, 2017.

Crockett said the study will have two parts. The first involves a scan of the city's history and practices regarding utilization of businesses, including details such as what firms the city traditionally spends on and what businesses are available in the market. This portion is expected to take 8 to 10 months to complete and will provide the baseline for determining the shape of the full study, Crockett said, which in turn is expected to require about 18 months to complete.

Those interested in bidding on the disparity study RFP may attend a proposer's conference at City Hall, 2:30 p.m. on Wednesday, Oct. 25 in the Boston Planning and Development Agency board room on floor nine. Responses to the RFP are due by noon on Friday, Nov. 3.