



Request for City Council Committee Action from the Department of Civil Rights

Date: December 3, 2010

To: Council Vice President Robert Lilligren, Committee of the Whole

Subject: City of Minneapolis 2010 Disparity Study Report and Recommendations

Recommendation: The Minneapolis Department of Civil Rights respectfully requests that the City Council adopt the City of Minneapolis 2010 Disparity Study Report, approve the continuation of the City's Small and Underutilized Business Program, and consent to the adoption of the Study Recommendations as may be appropriate and reasonable to remedy the affects of past and present discrimination in the City's purchasing and contracting program.

Department Information

Prepared by: Velma J. Korbel, Director Approved by: Presenter in Committee: Velma J. Korbel, Director

Financial Impact

- NONE

Supporting Information

In 2008, National Economic Research Association (NERA) was commissioned to conduct a Disparity Study (Study) to examine the past and current status of minority-owned and women-owned business enterprises (M/WBEs) in the geographic and product markets for contracting and procurement of the City of Minneapolis (City). The purpose of the Study is to assist the City in evaluating whether its current Small and Underutilized Business Program to assist small, minority-owned and women-owned business enterprises is still necessary to remedy discrimination, and to narrowly tailor existing and any new measures that may be adopted.

As detailed in the Study Report, NERA conducted a thorough examination of the evidence regarding the experiences of minority- and women-owned firms in Minneapolis' geographic and procurement marketplaces. As required by strict scrutiny, NERA analyzed evidence of such firms' utilization by the City on its prime contracts and subcontracts, as well as M/WBEs' experiences in obtaining contracts in

the public and private sectors. NERA gathered statistical data to provide the City with the evidence necessary to consider whether it has a compelling interest in remedying identified discrimination in its marketplace. NERA further presented evidence relevant to the narrow tailoring of race- and gender-based remedies. Based upon the Study results, NERA made several recommendations to address the above-mentioned concerns. The recommendations involve both race- and gender-conscious remedies as well as some race- and gender-neutral initiatives. Additionally, evidence from the Study will be used as a basis to determine the scope of the City's Small and Underutilized Business Program.

The City of Minneapolis supports an environment where all people and companies working with the City can compete for business fairly, and the City strives to eliminate discrimination against women-owned and minority-owned business. It is City policy to promote diverse participation on projects or purchases financed in whole or part by City funds.