A. Introduction

- A key purpose of this report is to compare the attainment of prime and subcontract awards by minority and women-owned enterprises ("MWBEs") during FY2014-FY2016 to the benchmarks, based upon availability, that were set in 2013.

- However, Metro currently only requires reporting of MWBE subcontractors. Therefore, without knowing all subcontracting dollars, the percentage that is being awarded to MWBEs cannot accurately be determined. As a result, this report is only able to compare the attainment of prime awards by MWBEs for the same time period to the benchmarks from 2013.

- It should be noted, however, that the Metro program is a subcontract based program. Therefore, while this comparison is useful for illustrative purposes, due to gaps in data, it cannot be taken as definitive for subcontracting. GSPC also conducted a simple disparity analysis to compare the availability of ready, willing, and able firms in the marketplace to Metro Nashville's utilization of such firms as primes.

- GSPC also conducted an analysis of the availability of ready, willing and able firms in the marketplace to set new benchmarks.

B. Results of the Benchmark

- **Construction** was .47% over the benchmark
- **Professional Services** was 6.16% over the benchmark
- **Non-Professional Services** was 8.22% under the benchmark
- NOTE: This data is for prime contracts only

C. New Benchmarks

The new benchmarks should be set at the following current availability levels. In every work category these benchmarks are substantially higher than the ones set in 2013.

<table>
<thead>
<tr>
<th>Work Category</th>
<th>MBE Benchmark</th>
<th>WBE Benchmark</th>
<th>Total MWBE¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>12.49%</td>
<td>11.64%</td>
<td>25.08%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>14.83%</td>
<td>17.61%</td>
<td>33.48%</td>
</tr>
<tr>
<td>Non-Professional Services</td>
<td>20.01%</td>
<td>17.70%</td>
<td>38.64%</td>
</tr>
</tbody>
</table>

¹ Includes firms that were identified as MWBE but GSPC could not confirm the race, ethnicity, or gender of the owner.
D. Disparity

Finally, GSPC compared current availability against utilization from FY2014-2016, to indicate whether there is a recent disparity. The disparity index indicates whether there is a disparity between availability and utilization. It should be noted that this is a simple disparity in that GSPC did not undertake a regression analysis to determine whether or not the disparity was due to race and gender status.

It should also be noted that the disparity exists among prime contractors, since subcontractor data is not available.

- In Construction primes, Women owned businesses achieved parity and Native American owned firms were overutilized. All other MBE groups were underutilized.
- In Professional Services, Native American owned firms were overutilized and all other MWBE groups were underutilized.
- In Non-Professional Services all MWBE groups were underutilized.

E. Recommendations

1. All subcontractors requested to give quotes on a bid should be tracked (MWBEs and Non-MWBEs)
2. Subcontractor data should include an indication of the type of work to be performed (preferably using six-digit UNSPS codes), address, and race/ethnicity/gender.
3. Awards or expenditures made to subcontractors by prime contractors should be reported by the prime contractor as a condition of final payment and maintained in an electronic data file.
4. Metro should undertake a comprehensive review of procurement regulations, specifically regarding subcontractor records collections and reporting guidelines, for both vendors and departments, to ensure future benchmarking is more accurate.

Based on the results of the Threshold Analysis, MWBEs, and small businesses in general, have the capacity to perform as prime contractors and not just subcontractors. Since minority and woman-owned firms, as well as small businesses in general, are often equated with performing only as subcontractors, it is important to change that thinking and assist these firms to bid and quote as prime contractors.

F. Conclusion

The benchmarking of prime contractors strongly indicates that Metro Nashville’s attainment of prime contractors from FY2014-FY2016 has come very close overall to meeting the previously set benchmarks for MWBEs as a group. However, when the attainment is separated by MBE and WBE, there is more over-attainment by WBEs and under-attainment by MBEs. This is consistent with the disparity indices that compare current availability to utilization from FY2014-2016.

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