

TOWN OF CARRBORO, NORTH CAROLINA

2025 DISPARITY STUDY

FINDINGS & RECOMMENDATIONS

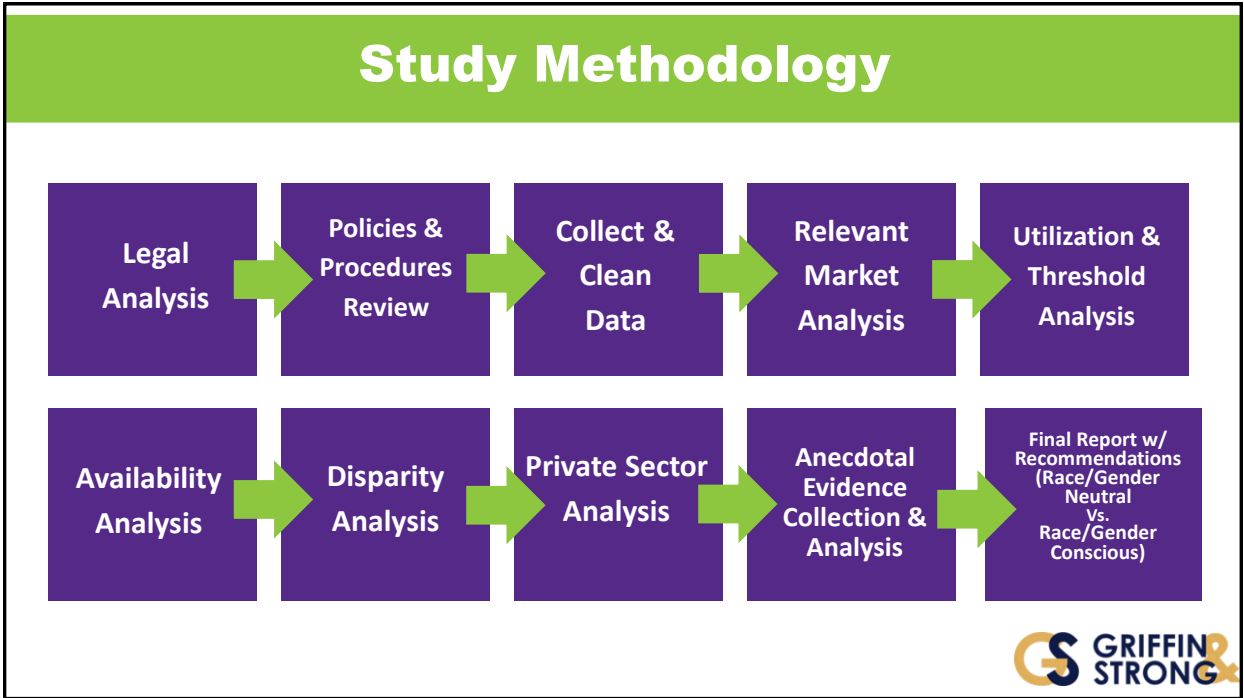
January 21, 2025



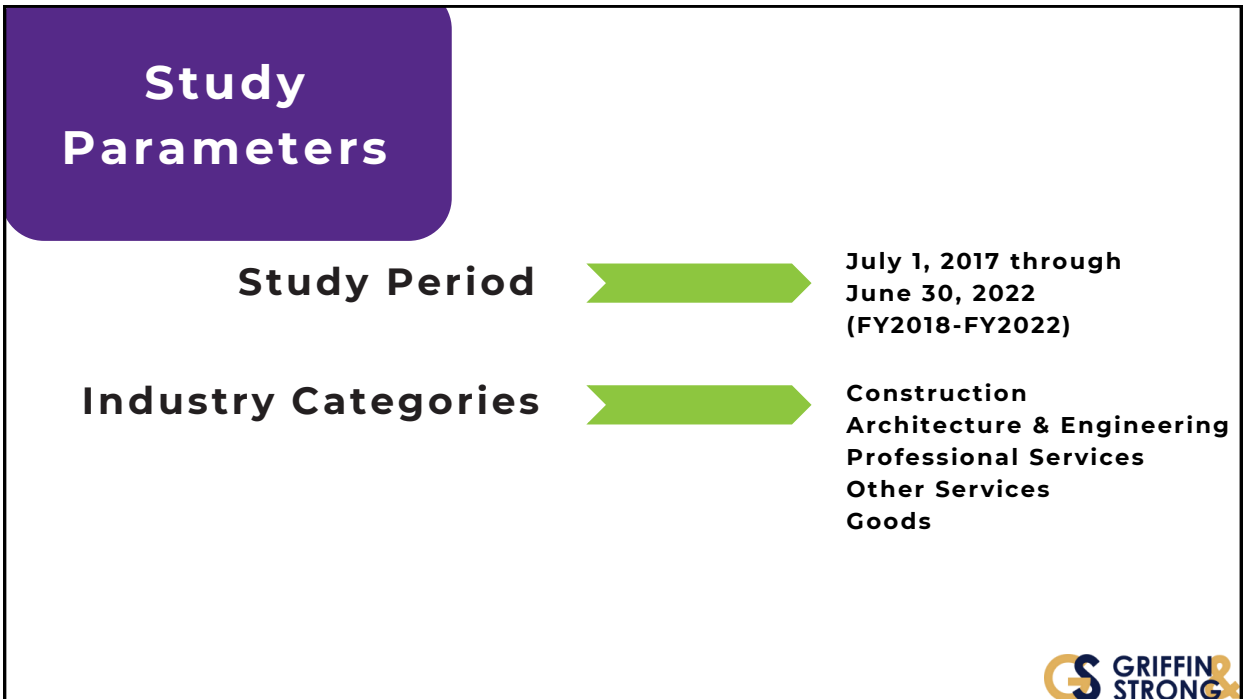
Agenda

- Study Methodology
- Study Parameters
- Relevant Geographic Market
- Quantitative Findings
- Overall Findings
- Commendations
- Recommendations
- Next Steps
- Q&A





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RELEVANT GEOGRAPHIC MARKET

- The Relevant Market analysis reflects the geographic location where the Town of Carrboro spent approximately 75% of its dollars.
- The Town of Carrboro’s Relevant Market was determined to be a ten-county area surrounding Carrboro composed of:
Alamance County, NC; Caswell County, NC; Chatham County, NC; Durham County, NC; Granville County, NC; Orange County, NC; Person County, NC; Wake County, NC; Johnston County, NC; Guilford County, NC.
- Within this area, the Town of Carrboro’s spend was broken down into the following categories:
 - Construction: 83.70%**
 - A&E: 89.04%**
 - Professional Services: 92.75%**
 - Other Services: 75.01%**
 - Goods: 47.01%**
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 - Total: 84.05%**



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SUMMARY OF MWBE AVAILABILITY BY INDUSTRY CATEGORY

Business Owner Classification	Construction	A&E	Professional Services	Other Services	Goods
African American	17.07%	10.31%	15.36%	11.37%	6.46%
Asian American	0.99%	4.67%	1.84%	0.70%	0.92%
Hispanic American	4.51%	3.54%	0.67%	0.86%	0.56%
Native American	0.45%	0.64%	0.36%	0.24%	0.08%
TOTAL MINORITY	23.03%	19.16%	18.23%	13.16%	8.01%
Non-Minority Woman	9.80%	13.20%	4.86%	3.50%	5.18%
TOTAL MWBE	32.82%	32.37%	23.09%	16.66%	13.19%
Non-MWBE	67.18%	67.63%	76.91%	83.34%	86.81%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

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SUMMARY OF PRIME UTILIZATION BY INDUSTRY CATEGORY

Business Ownership Classification	Construction (\$)	Architecture and Engineering (\$)	Professional Service (\$)	Other Services (\$)	Goods (\$)	TOTAL (\$)
African American	\$ 70,632	\$ -	\$ 4,000	\$ 1,100	\$ 484	\$ 76,216
Asian American	\$ -	\$ -	\$ -	\$ 256,048	\$ 16,758	\$ 272,806
Hispanic American	\$ 101,156	\$ 191,415	\$ -	\$ 73,809	\$ -	\$ 366,381
American Indian	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL MINORITY	\$ 171,788	\$ 191,415	\$ 4,000	\$ 330,957	\$ 17,242	\$ 715,403
Non-Minority Woman	\$ 1,260,681	\$ 311,571	\$ -	\$ 7,610	\$ 117,132	\$ 1,696,995
TOTAL MWBE	\$ 1,432,470	\$ 502,986	\$ 4,000	\$ 338,567	\$ 134,375	\$ 2,412,398
Non-MWBE	\$ 6,710,053	\$ 3,331,092	\$ 1,633,673	\$ 3,983,761	\$ 4,895,274	\$ 20,553,852
TOTAL FIRMS	\$ 8,142,522	\$ 3,834,078	\$ 1,637,673	\$ 4,322,328	\$ 5,029,649	\$ 22,966,250

Business Ownership Classification	Construction (%)	Architecture and Engineering (%)	Professional Service (%)	Other Services (%)	Goods (%)	TOTAL (%)
African American	0.87%	0.00%	0.24%	0.03%	0.01%	0.33%
Asian American	0.00%	0.00%	0.00%	5.92%	0.33%	1.19%
Hispanic American	1.24%	4.99%	0.00%	1.71%	0.00%	1.60%
American Indian	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
TOTAL MINORITY	2.11%	4.99%	0.24%	7.66%	0.34%	3.12%
Non-Minority Woman	15.48%	8.13%	0.00%	0.18%	2.33%	7.39%
TOTAL MWBE	17.59%	13.12%	0.24%	7.83%	2.67%	10.50%
Non-MWBE	82.41%	86.88%	99.76%	92.17%	97.33%	89.50%
TOTAL FIRMS	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

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SUMMARY OF STATISTICALLY SIGNIFICANT UNDERUTILIZATION OF MWBES IN PRIME CONTRACTING

Business Owner Classification	Construction	A&E	Professional Service	Other Services	Goods
African American	X	X	X	X	X
Asian American	X	X	X		X
Hispanic American	X		X		X
Native American	X	X	X	X	X
Non-Minority Woman		X	X	X	X

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QUANTITATIVE FINDINGS

MWBE SUBCONTRACTOR UTILIZATION

Town of Carrboro does not track subcontracting dollars across all projects. Consequently, G&S conducted a prime vendor questionnaire. The survey results were quite limited, resulting in only \$182,017 in reported subcontract dollars. There were no reported subcontract dollars in Professional Services or Goods. Of those reported subcontract dollars, 76.85% was in A&E subcontract dollars and most of those dollars went to firms owned by Non-Minority Woman (76.85%). Overall MWBEs won 90.06% of reported subcontract dollars. Because of this limited subcontract data no disparity analysis was reported for subcontracting.



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OVERALL FINDINGS

G&S found that the Town has a factual basis for establishing race and gender-conscious program elements for some groups in addition to race and gender-neutral efforts.

A regression analysis found that disparities by race, ethnicity, or gender status of the firm owners remained after controlling for capacity and other race and gender-neutral factors.

Anecdotal findings and practices & procedures findings support the statistical analysis and regression analysis.



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COMMENDATIONS

TRAINING PARTNERSHIP

The Town recently began a partnership with a training facility for MWBE firms, called “EMPOWERment, Inc.” This was outside the Study Period. Interviews indicated that among the activities of the facility are business “pop-up” markets for minority entrepreneurs and firms to introduce themselves and their products/services to public and private buyers. The program is not limited to firms seeking to do business with the Town.

TARGETED BID ADVERTISEMENT

Staff interviews revealed that the Town advertises bids in a publication specifically targeting minority communities.

RACIAL EQUITY COMMISSION

The Town has established by legislation a Racial Equity Commission, consisting of twelve (12) Town residents appointed by the Town Council. The purpose of the Commission is “to advise and work with the Town Council, Chief Race and Equity Officer, and Town staff to educate, provide leadership, and facilitate on-going equitable engagement within the immediate and greater Carrboro community toward the goal of creating a community of inclusiveness in which political, economic, social, and cultural institutions are no longer predicated and influenced by race.”



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COMMENDATIONS

PROMPT PAYMENT TO PRIMES

Of the 25 respondents to the Survey of Business Owners that indicated that they were paid by the Town for a project, it is commendable that none of the respondents indicated payments made to them over 60 days.

OUTREACH PLAN

The Town of Carrboro’s “Outreach Plan and Guidelines for Recruitment and Selection of Minority Businesses for Participation in Town Building Construction Contracts,” which provides bidders and Town administration with an outline of requirements for outreach, utilization, documentation, and Good Faith Efforts (GFEs) toward MWBE participation in Town contracts/projects.



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RECOMMENDATIONS

1. *EVALUATE NEED FOR ADDITIONAL STAFFING AND RESOURCES*
2. *INCLUDE A COMMERCIAL NON-DISCRIMINATION POLICY IN ALL VENDOR CONTRACTS*
3. *CREATE ELECTRONIC VENDOR DATABASE*
4. *ALIGN ASPIRATIONAL GOALS TO DISPARITY STUDY AVAILABILITY*
5. *ENHANCE CONTRACT COMPLIANCE*
6. *ENFORCE STATE PROMPT PAY PROVISION*
7. *SMALL BUSINESS RESERVE*
8. *ENHANCE COMMUNICATIONS AND MARKETING RESOURCES*



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RECOMMENDATIONS

9. DATA REFORM

- **Vendor System/File:** Centralizing the vendor list within the Finance Department is an effective step. However, although there are 12,263 vendors, only 116 phone numbers are currently recorded. The Town should ensure that vendor contact information, including phone numbers and email addresses, is consistently captured across datasets. Additionally, vendor certifications and, where applicable, commodity codes should be recorded in the Town's vendor lists.
- **Commodity Codes:** G&S recommends the use of standardized commodity codes, such as NIGP, NAICS, or the Town's general ledger codes, across all data sources to enhance the accuracy of data analysis. Vendor applications also allow firms to self-identify and provide a description of their work. The Town should maintain these self-identified work categories within the centralized vendor list.
- **Bids:** Bid records should be maintained in a centralized electronic database, accessible to the Town. This database would enable prompt retrieval of all bidders, bid tabs, and solicitation numbers. Suggested database fields include bid number, creation date, date appended, date closed, vendor information, address, project details, and project number. A centralized database would reduce the need for manual PDF inspections. Currently, bid tabs are kept by individual project managers; a unified system for maintaining bid tabs should be established.
- **Payments:** Payment data currently provided in Excel format often contains truncated vendor names, leading to challenges in vendor identification. The Town should maintain full vendor names in the payment dataset. Additionally, associating payments with contract and purchase order numbers would improve organization and clarity.
- **Awards/Contracts:** Centralizing contracts and awards within the Finance Department in an electronic database is beneficial. However, the contract database should also include the project or bid number, creation date, start date, end date, contract type (e.g., RFP, Federal, CO-OP), and information on vendors and subcontractors.
- **Subcontractor Data:** The Town should track the utilization of all subcontractors. Where possible, subcontractor race and gender information should be recorded, ideally through certification data if available.



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NEXT STEPS FOR THE TOWN

1. Accepting the Study and its Recommendations;
2. Conduct a Gap Analysis (What needs new legislation and what can be implemented under current authority?);
3. Plan for Implementation (Steps, Phases, and Tasks);
 4. Create a Program Plan/Policy;
5. Determine Budget and Staffing Needs for New Program Elements; and
6. Develop a Training Protocol and Train Staff.



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