



To the Mayor and Members of the City Council

April 2, 2024

Page 1 of 4

**SUBJECT: UPDATED MARKETPLACE AVAILABILITY ANALYSIS FOR  
BUSINESS EQUITY, VETERAN, SERVICE-DISABLED VETERAN  
OWNED FIRMS**

The purpose of this Informal Report is to provide a status update on the selection of a professional services vendor to conduct an update of utilization and availability disparity analysis for fiscal years 2019 through 2023, an aspect of a full availability and disparity study for Business Equity Firms and to create a baseline availability analysis for Veteran and Service-Disabled Veteran-Owned firms in the Fort Worth marketplace for goal-setting.

**Understanding the Difference.** To understand the difference in scope of work, update cycle, time to complete and cost between a full Availability and Disparity Study, a Utilization and Availability Disparity Analysis, and an Availability Analysis, the table below provides a general overview for consideration. Following the table is a more detailed summary of the differences outlined in the table.

Table 1: Comparison of Types Public Sector Goal-Setting Analysis

Type of Analysis	Scope of Work	Update Cycle	Time to Complete*	Cost
Availability and Disparity Study	<ol style="list-style-type: none"> <li>1. Legal and case law analysis</li> <li>2. Utilization analysis</li> <li>3. Availability analysis</li> <li>4. Disparity analysis of utilization and availability;</li> <li>5. Disparity analysis in extended marketplace</li> <li>6. Anecdotal and qualitative data about the experiences of business equity firms</li> <li>7. Evaluation of the City's existing programs</li> </ol>	Every 5 to 7 years	12 to 18 months	Up to \$460K
Utilization and Availability Analysis	<ol style="list-style-type: none"> <li>1. Utilization analysis</li> <li>2. Availability analysis</li> <li>3. Disparity analysis in utilization and availability</li> </ol>	Every 2 fiscal years	3 to 6 months	Up to \$150K
Availability Analysis	<ol style="list-style-type: none"> <li>1. Availability Analysis</li> </ol>	Annually or every fiscal year	1 to 3 months	Up to \$75K

\*contingent on the quality of available data

**Availability and Disparity Studies.** Currently, industry best practice recommends updating the full Business Equity Firm Availability and Disparity Study every five to seven years in order to evaluate the effectiveness of both race neutral and race conscious strategies for contractor utilization, any potential changes in the economic conditions within the city's established marketplace, current understanding of any existing or new barriers for business equity firm participation, and compliance with any legal case law updates.

An Availability and Disparity Study to analyze Business Equity Firms (also known as Minority and Women's Business Enterprises or MWBEs) follows a very specific methodology. The methodology for these studies must embody the constitutional principles of *City of Richmond v. Croson*, Fifth Circuit Court of Appeals case law and best practices for designing race- and gender-conscious and small business contracting programs. Colette Holt & Associates (CHA)



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April 2, 2024

Page 2 of 4

**SUBJECT: UPDATED MARKETPLACE AVAILABILITY ANALYSIS FOR  
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OWNED FIRMS**

completed the City of Fort Worth 2020 Availability and Disparity Study for Business Equity Firms. The CHA approach has been specifically upheld by the federal courts. It is also the approach developed by Ms. Holt for the National Academy of Sciences that is now the recommended standard for designing legally defensible disparity studies.

As an example of this specific availability and disparity study methodology, the 2020 City of Fort Worth Availability and Disparity Study scope of work included a scientific analysis of the following:

1. Legal standards for Affirmative Action programs for public sector including relevant judicial case law analysis;
2. City's utilization of Business Equity Firms (M/WBEs) during fiscal years 2013 through 2018;
3. The availability of these firms as a percentage of all firms in the City's geographic and industry market areas; and
4. Any disparities between the City's utilization of M/WBEs and M/WBE availability;
5. Disparities in the wider Dallas-Fort Worth Metroplex economy, where affirmative action is rarely practiced, to evaluate whether barriers continue to impede opportunities for minorities and women when remedial intervention is not imposed;
6. Gathered anecdotal and qualitative data about the experiences of minority- and women-owned firms in obtaining City contracts and the associated contracts and concession opportunities; and
7. An evaluation of the City's programs for conformance with constitutional standards, national best practices, and the M/WBE program regulations.

*Availability and Disparity Study Cost and Timeline.* January 29, 2019, City Council authorized an Agreement with Colette Holt and Associates (CHA) for a Minority and Women-owned Business Enterprise Availability and Disparity study for an amount up to \$454,200.00. The Availability and Disparity Study process was scheduled to take 12 months from the date of the study initiation meeting subject to the availability and quality of data required for analysis. The final report was presented to the City June 16, 2020, and included an executive summary, legal standards for contracting affirmative action programs section, an overview of the City's existing Business Diversity Program, a utilization, availability and disparity analysis, an analysis of economy-wide disparities in Fort Worth markets, qualitative evidence of race and gender barriers in Fort Worth markets, recommendations and appendices.

Utilization and Availability Analysis. While best practice for conducting an update for a full availability and disparity study is recommended to take place every five to seven years, a scientific analysis of firm utilization, availability and disparity ratios within a marketplace could be updated every two years. This methodology would include aspects of steps two, three, four, and five of the full seven step disparity study methodology and could show any economic marketplace changes or developing trends in participation and or barriers.

A utilization and availability analysis would use information from a more recent data collection range, including fiscal years *after* the final year of data used in a City Council authorized Availability and Disparity Study for goal-setting. For example, the 2020 City of Fort Worth Availability and Disparity Study used data from fiscal years 2013 – 2018. An updated Utilization and Availability Disparity Analysis would use data from fiscal years 2019 – 2023 since that would be the most recent data that could show changes in marketplace conditions, and trends including program outcomes towards overall, citywide annual aspiration goal-setting. This updated information *would not replace the authorized city goal* established through the most recent Availability and Disparity Study, but *could inform* city leaders of developing trends.

It is important to note, that consistent with national best practice for contract goal-setting, the City calculates project specific goals based on available vendors in our marketplace that are willing and able to provide goods and services



To the Mayor and Members of the City Council

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Page 3 of 4

**SUBJECT: UPDATED MARKETPLACE AVAILABILITY ANALYSIS FOR  
BUSINESS EQUITY, VETERAN, SERVICE-DISABLED VETERAN  
OWNED FIRMS**

listed in specific project scopes of work using North American Industry Code System (NAICS) or National Institute for Government Purchasing (NIGP) categories.

*Utilization and Availability Analysis Cost and Timeline.* Since this would be a new and innovative approach in measuring trends and progress towards participation goals, the City of Fort Worth doesn't have any prior existing information. However, based on preliminary conversations with CHA, we have an idea, based on the CHA's national experience in providing this a la carte service, of expected time to complete the analysis and costs for the City of Fort Worth based on the quality and availability of the required data we currently have. The cost to complete this analysis in six months is expected to not to exceed \$150,000.

Availability Analysis. While best practice to conduct a full Availability and Disparity Study in the public sector should occur every five to seven years, and a Utilization, Availability Disparity Analysis could be performed every two fiscal years, a simple availability analysis could be conducted annually or every fiscal year. This type of analysis only includes one step (step three in Table 1 Availability and Disparity Study) of a full seven step process required to authorize a citywide goal for Business Equity Firms.

This analysis may include a compilation of all registered vendors as well as vendors identified through U.S. Census data and Dun & Bradstreet or Hoovers database of vendors that exist in a specified geographic marketplace. This availability listing may include specific vendor certifications such as Business Equity Firms (MWBES), Veteran-Owned Small Business Enterprise (VOSBE), or Service-Disabled Veteran-Owned Small Business Enterprises (SDVBEs).

*Availability Analysis Cost and Timeline.* Like a Utilization and Availability Disparity Analysis, this would also be a new and innovative approach in measuring trends in the availability of vendors in our marketplace that provide goods and services for which the City regularly issues contracts. Because the city doesn't have existing information on time and cost to conduct this type of analysis, we again sought insight from CHA on their national experience in providing this specialized analysis. Based on CHA's experience, the cost to complete this analysis within 3 months is not expected to exceed \$75,000.

Colette Holt & Associates (CHA) conducted the City of Fort Worth's most recent Business Equity Firm Availability and Disparity Study with the final report presented to City Council in 2020. City staff is recommending we retain Colette Holt & Associates (CHA) again to conduct the utilization and availability analysis updates for Business Equity Firms in the city's marketplace as well as to perform the baseline availability analysis for Veterans and Service Disabled Veteran Owned Firms in the City of Fort Worth marketplace for goal-setting at a cost not to exceed \$150,000.00.

**Service Delivery Expectations**

Business Equity Firms. The Diversity and Inclusion Business Equity Division is expected to continue service delivery that includes race neutral and race conscious strategies as outlined in the Business Equity Ordinance as well as updated Administrative Regulations for city contracts. This includes but is not limited to

1. Implementing Additional Features of the City's Electronic Contracting Data Collection and Monitoring System
2. Increase Outreach to Business Equity Firms and Small Firms
3. Increase Contract "Unbundling"
4. Review Requirements for all Bids and Proposals and Pre-qualifications
5. Provide training to City Staff and External Stakeholders

**To the Mayor and Members of the City Council****April 2, 2024**

Page 4 of 4

**SUBJECT: UPDATED MARKETPLACE AVAILABILITY ANALYSIS FOR  
BUSINESS EQUITY, VETERAN, SERVICE-DISABLED VETERAN  
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6. Review Required Forms
7. Review Contractor Partnership Agreements

Veteran, and Service-Disabled Veteran-Owned Firms. The Diversity and Inclusion Business Equity Division is expected to deliver services to VOSBs and SDVSBs that includes but is not limited to

1. Implementing Additional Features of the City's Electronic Contracting Data Collection and Monitoring System
2. Increase Outreach to Veteran and Service-Disabled Veteran Firms
3. Increase Contract "Unbundling" for Small Veteran and Service-Disabled Veteran Firms
4. Review Requirements for all Bids and Proposals and Pre-qualifications
5. Provide training to City Staff and External Stakeholders
6. Review Required Forms
7. Review Contractor Partnership Agreements

**Funding Source for Analysis**

As this analysis cost was not included in the current fiscal year Diversity and Inclusion Department budget, the cost will be covered through an M&C for use of Non-Departmental funds up to \$150,000.

If you have any questions about this information, please contact Christina Brooks, Chief Equity Officer | Director, Diversity and Inclusion Department, at 817-392-8988.

**David Cooke**  
**City Manager**