

Disparity Study



Key Technical Applications

Market Analysis

Disparity Analysis

The Philadelphia Gas Works, Fiscal Years 2013-2016

The Philadelphia Gas Works (PGW) has commissioned the services of Econsult Solutions, Inc. (ESI), along with Milligan & Company, LLC, to complete a disparity study that expresses the utilization of minority and women-owned businesses in PGW's contracts. PGW initiated the study to obtain a better understanding of their supplier diversity potential and to identify areas of success as well as areas for improvement.

This report measured the utilization of these businesses relative to their availability in PGW's marketplace and determined whether over-utilization or under-utilization of minority-owned, women-owned, and disabled-owned (M/W/DSBE) firms exists. The analysis in this study will help inform PGW's supplier diversity policy, initiatives to increase economic opportunities, and contract goal-setting.

For this disparity study, the ESI team reviewed over 162,000 prime contractor purchase orders and about 550 M/W/DSBE subcontractor purchase orders from fiscal years 2013 through 2016. ESI discovered that these purchase orders totaled approximately \$486 million and 98 of these firms were M/W/DSBE prime contractors who received about \$51.3 million or 10.6%.

The M/W/DSBE program is designed to encourage the participation of minority and women-owned businesses in contracting to create a fair, competitive and equitable environment for those businesses. ESI concluded that PGW strongly supports the inclusion of M/W/DSBEs in economic opportunities arising under its procurement systems but that future M/W/DSBE goals should be based on vendor availability in the relevant market area. The availability estimates in this disparity study were provided by the Survey of Business Owners (SBO), which does not report availability across sub-industries. PGW may want to explore or consider having a more robust disparity study performed, which utilizes other data sets besides the SBO, including primary data collection, to arrive at a more detailed and better understanding of availability.

Project Information

Location: Philadelphia, PA
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