



Prince William County, VA 2025 Disparity Study – Executive Summary

E. Executive Summary

E.1 Introduction

Prince William County, VA (County) retained MGT Impact Solutions, LLC. ("MGT") to conduct a Disparity Study ("Study") to assess whether any discriminatory barriers or discrimination exist in its contracting procedures or within the geographic and product relevant markets ("Marketplace").

The Study also investigates other factors that may create challenges for minority- and/or women-owned enterprises (M/WBEs), potentially hindering their ability to effectively compete for County contracts and procurement opportunities.

The County may use the information from the Study to refine its contracting policies and programs to better encourage the participation of those businesses in its contracts and procurements, and to understand whether the use of race- and gender-based measures might be appropriate in the future.

The Study period includes procurement activity from July 1, 2021, through June 30, 2024, representing fiscal years ("FY") 2022 through FY 2024, and presents a rigorous, data-driven examination of the extent to which M/WBEs participate in County contracting and procurement.

MGT examined the statistical data using the following business categories:

- Construction
- Architecture & Engineering
- Professional Services
- Other Services
- Goods & Supplies.

E.2 Defining the Relevant Markets

The market area analysis is essential to establishing the universe of available vendors and spending that will be considered in the identification of any disparate treatment of assorted classifications of firms. Availability is a measure of the numbers and proportions of vendors willing and able to work with an agency, while disparity is an observed statistically significant difference between the utilization of minority- and/or women-owned firms relative to their respective availability.



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E.3 Private Sector (Marketplace) Analysis

Chapter 3, Private Sector Analysis provides a comprehensive analysis of whether discrimination exists in the private sector towards minority- and/or women-owned businesses in the Virginia Marketplace. The study utilizes data from the 2022 U.S. Census Annual Business Survey (“ABS”) and the 2019–2023 Census American Community Survey (“ACS”) Public Use Microdata Sample (“PUMS”) to assess whether race, ethnicity, and gender-based discrimination persist in business ownership, earnings, and self-employment. Additionally, the nomenclature utilized by the U.S. Census for defining and naming minority- and/or women-owned businesses is utilized in the analysis.

Private Sector Disparities in Annual Business Survey Census Data

The analysis of the 2022 ABS reveals persistent and pervasive disparities in private sector outcomes for minority- and/or female-owned businesses when compared to their nonminority male-owned counterparts, both at the national level and within the Prince William County Marketplace. These disparities—manifested across firm revenues, employment, and payroll—are consistent with patterns of discrimination that impede equitable market participation.

Analysis of Race, Ethnicity, and Gender Effects on Business Ownership and Earnings

Analysis of the U.S. Census PUMS 2019-2023 Data demonstrates that in response to the overarching research question underlying this analysis, marketplace discrimination exists for minority- and/or women-owned firms operating in the private sector within the County Marketplace.

E.4 M/WBE Utilization in Prince William County Activity

The utilization analysis shows that M/WBE firms are utilized at lower rates than their Unclassified counterparts. Overall, 17.25 percent of the County awards went to M/WBE firms, while 82.75 percent went to Unclassified Firms. While M/WBE utilization is low throughout the views on utilization that have been presented in this chapter, the proportion of firms willing and able to provide services to the County is a critical qualifying context in any determinations of disparity. Availability presented in **Chapter 4** and resulting disparity ratios, which follow, provide more definitive conclusions in this respect. **Table E-1** shows the percentage of utilization in each industry by business ownership classification.

Table E-1.
Utilization Analysis Percentage by Business Ownership Classification,
All Expenditure Categories

BUSINESS OWNERSHIP CLASSIFICATION	CONSTRUCTION	A&E	PROFESSIONAL SERVICES	OTHER SERVICES	GOODS	Grand Total
African Americans	0.04%	0.11%	2.67%	2.20%	1.18%	1.05%
Asian American	1.29%	19.43%	31.42%	2.64%	2.73%	6.88%
Hispanic Americans	12.30%	2.71%	1.40%	2.49%	0.44%	5.23%
Native Americans	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%
Total MBE Firms	13.64%	22.26%	35.49%	7.34%	4.35%	13.17%
Nonminority Women	0.90%	4.17%	6.70%	5.47%	6.06%	4.08%
Total M/WBE Firms	14.53%	26.43%	42.19%	12.81%	10.40%	17.25%
Unclassified Firms	85.47%	73.57%	57.81%	87.19%	89.60%	82.75%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: MGT developed a Master Procurement Database based on County's spending between July 1, 2021, to June 30, 2024.

E-5 M/WBE Availability in Prince William County's Marketplace

Availability is a measure of the number and proportion of vendors willing and able to work with the County. Availability estimates of M/WBEs are an important element of the County disparity study. They provide benchmarks for assessing if any disparities exist with participation by M/WBEs in contracting and procurement with the County. In addition, they provide a means to establish overall goals, as well as contract-level goals, for the participation of M/WBEs that are tailored to the relevant market area. This chapter presents the results of analyses estimating the availability of firms willing and able to do business in the County Marketplace. **Table E-2** shows the estimated availability by business ownership classification.

Table E-2.
Estimation of Available Firms,
All Procurement Categories

BUSINESS OWNERSHIP CLASSIFICATION	% OF AVAILABLE FIRMS
African Americans	6.80%
Asian American	3.03%
Hispanic Americans	6.28%
Native Americans	1.31%
Total MBE Firms	17.53%
Nonminority Women	6.48%
Total M/WBE Firms	24.01%
Unclassified Firms	75.99%
TOTAL	100.00%

Source: Custom Census Analysis. Study Period: July 1, 2021 to June 30, 2024.

E-6 M/WBE Disparity Analyses

The calculations of availability and disparity within this chapter and the preceding depiction of utilization serve as the foundation for the future of the County M/WBE program. These analyses provide quantitative legal justification for any current or future remedies to assist M/WBE enterprises within the market. As summarized in the table below

Table E-3.
Disparity Indices and Significance Testing,
All Expenditure Categories

ETHNIC/GENDER CLASSIFICATION	UTILIZATION	AVAILABILITY	DISPARITY INDEX	DISPARITY IMPACT	STATISTICAL SIGNIFICANCE	DISPARITY CONCLUSION
AFRICAN AMERICANS	1.05%	6.80%	15.47	UNDERUTILIZED	***	DISPARITY
ASIAN AMERICANS	6.88%	3.03%	227.48	OVERUTILIZED	***	NO DISPARITY
HISPANIC AMERICANS	5.23%	6.28%	83.29	UNDERUTILIZED		DISPARITY
NATIVE AMERICANS	0.00%	1.31%	0.09	UNDERUTILIZED		DISPARITY
TOTAL MBE FIRMS	13.17%	17.53%	75.09	UNDERUTILIZED		DISPARITY
NON-MINORITY WOMEN	4.08%	6.48%	63.01	UNDERUTILIZED		DISPARITY
TOTAL M/WBE FIRMS	17.25%	24.01%	71.83	UNDERUTILIZED		DISPARITY
UNCLASSIFIED	82.75%	75.99%	108.90	OVERUTILIZED		NO DISPARITY

Note: Disparity index values may vary slightly from calculations of depicted figures due to rounding of presented levels of utilization and availability.

E.7 Qualitative Evidence of Disparities in the Marketplace

Anecdotal insights were obtained from a broad cross-section of businesses and industries through multiple engagement methods. Minority- and/or Women-owned Business Enterprises (MWBES) consistently reported significant challenges in accessing contracting opportunities with the County. Commonly cited concerns included limited communication during the bidding process, insufficient guidance, and a lack of clarity regarding requirements. Several MWBEs indicated that they had submitted bids without receiving updates or feedback, leaving them feeling excluded and discouraged. Many participants further described the process as overly complex and confusing. In addition, some business owners expressed concern that M/WBEs are often included in bids primarily to satisfy prime contractor quota requirements, rather than being afforded genuine consideration.

The majority of reported instances of discrimination were attributed to the broader marketplace and challenges associated with operating as a small business, rather than to the County directly. Additional barriers identified included reliance on informal industry networks, prime contractor practices, and financial constraints. To address these challenges, many businesses recommended that the County strengthen communication with vendors and provide workshops on the bidding process as a means to promote greater participation.

The perspectives collected through this engagement process provide a critical foundation for the development of policies and procedures designed to better support M/WBEs and expand equitable opportunities for local businesses.

E.8 Legal Review

When governments develop and implement a contracting program sensitive to race and gender, they must understand the case law developed in the federal courts. These cases establish specific requirements that must be addressed so that such programs can withstand judicial review for constitutionality and prove to be just and fair. Given current trends in applying the law, local governments must engage in specific fact-finding processes to compile a thorough, accurate, and specific evidentiary foundation to determine whether there is, in fact, discrimination sufficient to justify an affirmative action plan. Further, state and local governments must continue to update this information and revise their programs accordingly.

In creating and implementing a race-conscious contracting program, it is necessary to understand how the courts have interpreted the constitutional requirements. To satisfy strict scrutiny, agencies must provide a compelling interest for a race-conscious program.

The compelling interest begins with showing disparities, if any, between the availability and utilization of firms by demographic category. However, the disparity analysis must be supplemented by factoring in issues such as type of work, as well as firm capacity and interest in pursuing agency contracts. How subcontractors are treated in the absence of goals is also an important part of the factual predicate for a race and gender conscious program. This quantitative analysis must then be supplemented with qualitative evidence from interviews, surveys, and other methods of anecdotal data collection.

If a factual predicate is found for a race- and gender-conscious efforts, the program still must be narrowly tailored. Critical elements of narrow tailoring include taking race-neutral measures seriously, setting goals near business availability, having mechanisms for flexible program implementation, and avoiding the random inclusion of groups into the program.

While the Supreme Court has yet to return to this exact area of law to sort out some of the conflicts, the Fourth Circuit has provided some guidance on core standards. Ultimately, M/WBE programs can withstand challenges if state and local governments comply with the requirements outlined by the courts.

E.9 Review of Policies, Procedures, and Programs

MGT conducted a policy review focused on procurement policies, procedures, and practices that support the participation of minority- and/or women-owned businesses. Discussions were held with County staff involved in contracting, procurement, and vendor relations to identify potential obstacles in procurement and contracting processes impacting small and diverse businesses. It was also essential to understand the structure and environment in which these activities occur to evaluate the operational impact of procurement regulations on County agencies/departments and vendors conducting or seeking to conduct business with the County. MGT observed that the

County has comprehensive policies that govern its solicitation and contracting processes in alignment with the VPPA. These regulations provide guidance to both departmental end users and suppliers seeking procurement opportunities.

Procurement was seen as a lever to enhance economic development and community well-being. The County emphasized the importance of retaining and growing local businesses, not just attracting new ones, and departments serving vulnerable populations faced unique procurement challenges due to regulatory complexity and the need for 24/7 services. There was a shared aspiration to make procurement more accessible, equitable, and impactful for the community, with a recognition that procurement policy shaped not only compliance but also the local economy and community outcomes. A comprehensive assessment of the impact of these policies and procedures on the vendor community requires a combination of statistical and qualitative evidence found in [Chapters 4](#) through [7](#) of this report. This information will collectively inform recommendations and help identify selected practices.

E.10 Key Recommendations

Recommendation A: Increasing Procurement Data Collection for the County

To effectively monitor and implement any County procurement inclusion program, it is essential to ensure robust data collection, link award and payment data, and track subcontract activities. Improved data collection will help the County understand the economic impact of diverse businesses and create detailed reports. A comprehensive approach, including a robust e-procurement system with contract compliance integration, can streamline processes and reduce manual workloads. The County should implement and standardize a process to collect all subcontractor data, including the business status of M/WBE, non-minority, or veteran, for complete analysis in vendor contracts.

Recommendation B: Establish a Business Inclusion Program

To promote equitable access to contracting opportunities and support the growth of minority, women, disabled, veteran, and small businesses within Prince William County, the County should establish a business inclusion program with two paths. The business inclusion program should have a race- and gender-based path for minority and/or women-owned businesses as well as a race- and gender-neutral path for disabled, veteran, and small businesses. This program would provide targeted support and increased access for disadvantaged businesses, helping them participate successfully in the County's procurement process. Implementing a Business Inclusion Program will enhance the County's economic impact by fostering a more inclusive environment for local businesses, which often face barriers to entry in public contracts.

Recommendation C: Establish a Business Inclusion Office

The County plays a crucial role in fostering economic mobility for businesses in the marketplace. One key responsibility will be identifying minority, women, veterans, and other such firms. This office should be directed by a senior position that will hold others accountable for meeting countywide inclusion goals.

Recommendation D: Promoting Procurement Transparency and Inclusivity

It is recommended that the County develop and publicize a procurement forecast covering six to twelve months. This forecast should detail planned contracting opportunities across various industries, including anticipated capital improvement projects and informal procurements. A comprehensive and transparent online platform providing information on upcoming bid opportunities would serve as a race and gender-neutral strategy, assisting all firms in accessing information about business opportunities.

Recommendation E: Establish a Program Sunset Clause

Race- and gender-based business inclusion programs should be evaluated every five years to determine if an evidentiary basis exists to continue these programs. Programs should be continued only if there is strong evidence that discrimination continues to disadvantage M/WBEs in the relevant market area. Given that Prince William County does not have race- and gender-based business inclusion programs, the initial sunset date should be set for seven years following the establishment of these programs.

Recommendation F: Adopt Aspirational Goals

Estimates of M/WBE availability in the County's market area provide the starting point for countywide annual aspirational goals for contracting across all industry categories. As the County continues to review its achievement toward the annual aspirational goals, it should assess whether race- and gender-based remedies are necessary for all industry categories. Proposed goals are presented in [Table E-4](#).

Table E-4.
M/WBE Aspirational Goals

BUSINESS OWNERSHIP CLASSIFICATION	RECOMMENDED ASPIRATIONAL GOALS
MBE	12%
WBE	5%

Source: Data derived from the Utilization Analysis, Chapter 4 and Availability Analysis, Chapter 5

E-9. Market Analysis

The County's market analysis provided critical insights into spending patterns and business dynamics across multiple procurement categories. The study encompassed 21 counties within the defined market area, with County expenditures distributed across 232 NAICS industry groups: 13 in Construction, 1 in Architecture & Engineering, 47 in Professional Services, 72 in Other Services, and 101 in Goods. Construction represented the highest spending rate at 91.24%, totaling \$230,813,884.

Availability estimates indicated that 24.01% of firms willing and able to provide services were minority- or women-owned (M/WBE). In contrast, utilization analysis revealed that M/WBE firms accounted for only 17.25% of total County spending. Disparity analysis identified significant gaps between the utilization and availability of Black-owned firms across all procurement categories. Further, private sector data confirmed the persistence of marketplace discrimination affecting M/WBE firms.

Most reported instances of discrimination were attributed to systemic marketplace challenges rather than County-specific practices. Key barriers included reliance on informal industry networks, prime contractor practices, and financial constraints. Stakeholders recommended enhanced vendor communication and targeted workshops on the bidding process to improve participation.

The recommendations outlined in this report are designed to strengthen opportunities for minority-, women-, and service-disabled veteran-owned small businesses. Initial strategies emphasize race- and gender-neutral approaches, including improved procurement data collection, expanded outreach, and greater transparency in contracting opportunities. These measures will help ensure that County initiatives remain effective, equitable, and aligned with best practices.