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FOR IMMEDIATE RELEASE
September 23, 2014

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Croson Study on Disparity in Purchasing & Construction to be Presented to City Council for Adoption; Committee to be Formed to Implement Recommendations

JERSEY CITY – The 2011 Croson Study on disparity in purchasing and construction will be presented to the City Council at their meeting tomorrow for adoption, and the administration will recommend the creation of a committee to develop a strategic plan to determine the best ways to implement the findings.

By adopting the study, the City is ratifying the findings and taking a first step at fixing the problems of the past, which has been asked for by City Council and the community.

The disparity study, usually referred to as a Croson Study, was commissioned by the City in 2007 with MGT of America and was completed in May of 2011. The study, which cost \$370,590, was designed to determine whether existing Jersey City efforts had eliminated active and passive discrimination by analyzing City procurement trends and practices from fiscal year 2002 through fiscal year 2008 and to evaluate various options for future development of programs.

The study found there was an underutilization by the City of minority women businesses, there was a general disparity in the City award of subcontractors, and that developers who were awarded city abatements were not utilizing minority or women owned businesses.

While some of the recommendations have been implemented, most have not. After the study was completed, the previous administration chose not to formally implement the study.

A committee comprised of representatives from the City Council, the Mayor's Office, the Office of the Business Administrator, the Law Department and community members, will be formed to develop the strategic plan for implementation.

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“Creating both employment and business opportunities for all of our residents has been a focus of this administration since taking office,” said **Mayor Fulop**. “We have reviewed the Croson Study that was conducted more than four years ago, and while time has passed, we know that many of the findings are still relevant. To address this issue, we have revamped our compliance office and are working closely with the construction community to develop ways to ensure Jersey City residents and minority- and women-owned businesses are utilized.”

A Croson Study is conducted to provide evidence for a governmental entity in developing and implementing a contracting program that is sensitive to race and gender. A local governmental entity must engage in a specific fact finding process to compile a thorough, accurate and specific evidentiary foundation to determine whether there is in fact discrimination sufficient to justify an affirmative action program. Moreover, a local governmental entity must continue to update this information and review their programs in view of such updates.

“Not only should the Croson Study and its findings be formally adopted by the City Council, but we should ensure its findings are implemented,” said **Council President Rolando Lavarro, Jr.** “City practices set a standard for how business is conducted and it is only right that in a City as diverse as Jersey City that all of our businesses, including minority- and women-owned businesses, are provided an equal opportunity.”

Recommendations from the Croson Study:

1. In outreach to Minority Women Business Enterprise Programs, the City should consider adding additional resources to improve their outreach to such programs.
2. The City should consider the use of selective vendor rotation to expand utilization of underutilized Minority Women Business Enterprise particularly professional services contracts.
3. The City should consider requiring the solicitation of Minority Women Business Enterprise for small purchases.
4. The City should consider requiring purchasing to use Minority Women Business Enterprise that are on the state contracts when the City uses state contracting for purchases.
5. The City should use multi-prime construction contracts in which a construction project is divided into several prime contracts that are overseen by a construction manager.
6. On larger projects over \$10 million, the City should require prime contractors to joint venture with a firm from a different ethnic/gender groups in order to ensure prime contracting opportunities for all businesses.

All media inquiries should be directed to Jennifer Morrill, Press Secretary to Mayor Steven M. Fulop at 201-547-4836 or 201-376-0699.////