

WSDOT/FAA Disparity Study Information Meeting

Colette Holt & Associates

Blackstar Services, Inc.

Pacific Communications Consultants, Inc.

March 2018

Study Team

- Colette Holt & Associates (DBE)
 - Colette Holt, JD – Project Manager & Legal Counsel
 - Nationally recognized expert, educator & author on D/S/M/WBE issues
 - Conducted court-approved disparity studies & designed court-approved D/S/M/WBE programs for over 25 years
 - Co-authored National Academy of Sciences Transportation’s “Guidelines for Conducting a Disparity and Availability Study for the Federal DBE Program”
 - Conducted WSDOT’s 2017 Disparity Study
 - General Counsel to the American Contract Compliance Association

Study Team

- Colette Holt & Associates
 - Steven Pitts, Ph.D. – Economist & Statistician
 - Nationally recognized expert, educator & author on market issues regarding minorities for over 25 years
 - Serves as economist & statistician for CHA disparity studies
 - Associate Chair of the University of California at Berkeley's Center for Labor Research & Education
 - Extensive experience using large databases, including Census Bureau files, to perform statistical analyses of labor & employment issues

Study Team

- Colette Holt & Associates (CHA)
 - Robert Ashby, JD – Legal & Program Analysis
 - Deputy General Counsel for Regulations and Enforcement for the USDOT for over 27 years
 - Responsible for all DOT DBE regulations; advising state, local and federal officials concerning DBE certification, goal setting and other DBE issues; and serving as liaison with the Department of Justice on DBE matters
 - Qualified expert witness; has offered testimony in federal courts on issues related to the USDOT DBE Program

Study Team

- Colette Holt & Associates (CHA)
 - Ilene Grossman, B.A.– Assistant Project Manager/
COO
 - Serves as operating officer of all CHA activities, including the WSDOT & State of Washington Disparity Studies
 - Coordinates all study requirements & oversees all outside firm resources
 - Coordinates internal scheduling & project timelines
 - Oversees all interdepartmental communication
 - Directs all financial transactions and accounting staff

Study Team

- Colette Holt & Associates
 - Victoria Farrell, M.B.A. – Assistant Project Manager
 - Experienced project manager
 - Works on all aspects of studies
 - Coordinates with Project Manager on all project requirements & oversees daily study activities, scheduling & project timelines
 - Supervises subconsultants

Study Team

- Colette Holt & Associates
 - Carol Borst– Data Collection Team Manager
 - Serves as data manager for CHA studies
 - Coordinates all follow up activities to ensure complete study contract data files
 - Organizes resources for anecdotal data collection
 - Manages all requirements for training & communicating with subconsultants on data collection

Study Team

- Blackstar Services, Inc. (DBE)
 - Assists with anecdotal evidence gathering
 - Daucey Brewington is an enrolled member of the Lumbee Tribe of North Carolina.
 - Blackstar works directly with Native individuals & tribally owned businesses to create business pathways into Indian Country, particularly by leveraging federal programs that offer advantages for tribally owned concerns

Study Team

- Pacific Communications Consultants, Inc. (DBE)
 - Assists with anecdotal evidence gathering
 - PCC specializes in diversity and inclusion compliance
 - President Regina Glenn provides diversity & management training, community relations, public involvement & M/WBE development services

Disparity Study Legal Principles

- Evidence must comport with case law & sound science
- DBE programs must reflect this evidence
- Programs that result from inadequate legal & economic analyses or political motivations will be struck down if challenged
- Properly supported & narrowly tailored programs based upon expert testimony will survive strict scrutiny

Disparity Study Objectives

- Provide a legal defense if the DBE program is challenged
- Meet USDOT DBE Program Regulations
- Develop recommendations for program improvements & enhancements
- Educate policy makers & stakeholders about the legal & economic issues to build consensus

Study Methodology

- Legal Review
- Determination of the airports' geographic market
- Determination of the airports' industry markets
- Determination of the airports' utilization of D/M/WBEs
- Estimation of D/M/WBE Availability
- Disparity analysis
- Economy-wide disparity analyses
- Anecdotal data collection & analysis
- Review of airports' DBE Programs
- Recommendations

Utilization Analysis

- Study period is FFY 2012 to FFY 2016
- Step 1: Gather airports' prime contracts to create Contract Data File
- Step 2: Contact primes for missing subcontractor data
 - Collect at least 80% of the contract dollars
 - Assign missing race & gender to all firms
 - Assign missing NAICS codes
- Step 3: Determine geographic & industry markets

Utilization Analysis, cont.

- Determine airports' markets
 - Determine the unconstrained product market
 - Analyze data for primes, subs & primes & subs together
 - 75% of NAICS codes comprise this market
 - Determine the geographic market for at least 75% of the contracts
 - Determine product market constrained by geographic market to create Final Contract Data File
- Determine detailed utilization by race, gender, industry codes, location & funding source

Estimation of DBE Availability

- Create Master List of D/M/WBEs from multiple entities
- Purchase Hoovers for initial business universe
- Assign missing NAICS codes
- Assign missing race & gender status
- Estimate detailed, unweighted & weighted availability by combined & disaggregated race, gender & industry codes

Disparity Analysis

- Disparity ratio = D/M/WBE utilization ÷ availability
- Calculate disparity indices for:
 - All race & sex groups & all industry groups combined & disaggregated
 - To the extent data are available, calculate disparity indices separately for contracts with & without goals

Economy-Wide Disparity Analyses

- Compare M/WBEs' revenues to non-M/WBEs' using the Census Bureau's Survey of Business Owners
- Compare M/WBEs' formation rates & business earnings to non-M/WBEs' using the Census Bureau's American Community Survey
- Review & summarize literature & surveys on M/WBEs' access to commercial credit
- Critical for evaluation of effectiveness of race-neutral measures

Anecdotal Data Collection & Analysis

- Public Study Introduction Meeting
- Business Owner & Stakeholder Interviews
- On line Business Owner Survey
- Legislative & Judicial Findings

Review of Airports' DBE Programs

- Review the airports' DBE program documents
- Solicit airports' & interviewees' experiences & suggestions regarding program Issues
- Topics will include:
 - DBE goal setting
 - Meeting goals
 - Compliance & monitoring
 - Barriers to airport contracting
 - Outreach to D/M/WBEs & small firms
 - Business assistance programs

Recommendations

- Race- & gender-neutral measures to reduce barriers & increase opportunities
- Possible race- & gender-conscious Remedies
 - Annual DBE goals
 - Contract goal setting methodology

Study Participation Information

Stakeholder Sessions- late Spring 2018

Business Owner Interviews – Fall 2018

Study Website: <http://wsdot-faa.disparity-study.com>

Study email: wsdot-faa-study@mwbelaw.com

Study Telephone Number: (855) mwbelaw /
(855) 692-3529

WSDOT/FAA Disparity Study Assistant Project
Manager: Michael Carpenter
carpenm@wsdot.wa.gov or 360-522-0848.



3350 Brunell Drive • Oakland, CA 94619
773.255.6844 • colette.holt@mwbelaw.com
www.mwbelaw.com • Twitter: @mwbelaw