

DFW Airport Disparity Study Public Information Meeting

**Colette Holt & Associates
Nervi' Strategic Solutions, LLC
MRR & Associates, LLC
June 6, 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
 - Conducting current study for the City of Houston
 - Performed studies or program reviews for D/FW Airport; Dallas County & Parkland Hospital; DART; City of Austin, Corpus Christi Transit Authority; VIA San Antonio Regional Transit; & Travis County
 - Co-authored USDOT-approved National Study Guidelines
 - Extensive experience as an expert witness in the successful defense of programs, including TXDOT
 - 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
 - Serves as chief operating officer of all CHA activities
 - 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. – Researcher
 - Experienced project manager
 - Serves as liaison and supervises subconsultants
 - Coordinates with Project Manager on all project requirements & oversees daily study activities, scheduling & project timelines

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

Study Team

■ Subconsultants

- Nervi' Strategic Solutions, LLC (M/WBE) (NSS) (SBE)
 - 25 years of experience in supplier diversity & working with D/S/M/WBEs in all industries
 - Worked with CHA on studies for Dallas County & Parkland Hospital
- MRR & Associates, LLC (SBE)
 - Advocate for underserved business sectors at the local & national levels
 - Leader in community outreach and engagement

Disparity Study Objectives

- Provide a legal defense if the D/ACDBE or M/WBE programs are challenged
- Meet USDOT D/ACDBE Program Regulations
- Develop recommendations for program improvements & enhancements
- Educate policy makers & stakeholders about the legal & economic issues to build consensus

Study Methodology

- Legal Review & Analysis
- Determination of DFW's Geographic Market
- Determination of DFW's Industry Markets
- Determination of DFW's Utilization of D/M/WBEs & ACDBEs
- Estimation of DBE/ACDBE/MWBE Availability
- Disparity Analysis of non-USDOT contracts
- Economy-Wide Analysis
- Anecdotal Data Collection & Analysis
- Review of DFW's Business Diversity Programs
- Recommendations

Utilization Analysis

- Study period is FY 2012 to FY 2017
- Step 1: Gather DFW's prime contracts to create Sample Contract Data File. Collect DFW's concessions contracts.
- Step 2: Gather additional data for contracts in the Sample Contract Data File
- Step 3: 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 4: Determine geographic & industry markets by funding source

Utilization Analysis, cont.

- Determine DFW's 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 D/MWBE/ACDBE Availability

- Use the Custom Census
 - Create Master List of D/M/WBE/ACDBEs from multiple entities
 - Purchase Hoovers/Dun & Bradstreet 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 = M/WBE utilization ÷ availability
- Calculate disparity indices for non-USDOT contracts:
 - 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
- Stakeholder Interviews
- Business Owner Interviews
 - Grouped by industry (construction; construction-related services; goods & services, concessions)
 - Grouped by D/MWBE status
- Business Owner Electronic Survey

Review DFW's Business Diversity Programs

- Solicit DFW's & interviewees' experiences & suggestions regarding program issues
- Topics will include:
 - D/MWBE/ACDBE goal setting
 - Meeting goals
 - Compliance & monitoring
 - Barriers to DFW contracting
 - Outreach to D/MWBE/ACDBEs
 - Business assistance programs

Recommendations

- Race & Gender Neutral Measures to Reduce Barriers & Increase Opportunities
 - Small business elements under 49 CFR Part 26
 - Additional revisions as established in the study
- Potential Race- & Gender-Conscious Remedies
 - Annual DBE/MWBE/ACDBE goals
 - Contract goal setting methodology

Study Participation Information

- Stakeholder Sessions- June 21, 2018
- Business Owner Interviews – August 13, 15, 16, 17, 2018
- Study Website: <http://dfw.disparity-study.com>
- Study email: dfw-study@mwbela.com
- Study Telephone Number: (855) mwbela / (855) 692-3529
- DFW Disparity Study Manager: Tamela Lee, Vice President, Business Diversity and Development Department, Disparity Study Manager
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