

# Washington State Department of Transportation DBE Program Disparity Study

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May & June 2016  
Public Informational Meetings

## Agenda

Introduction of Study Team  
Approach & Methodology  
Questions & Answers  
Next Steps

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# Washington State Department of Transportation DBE Program Disparity Study

## Approach & Methodology

Public Informational Meetings

May & June 2016

# WSDOT Key Staff

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- Roger Millar, PE, AICP - Acting Secretary of Transportation
- Earl Key, Esquire - Director of Office of Equal Opportunity
- Jackie Bayne - DBE Disparity Study Project Manager/Policy & Reporting Liaison

# Study Team

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- **Colette Holt & Associates**
  - Colette Holt, J.D. – Project Manager & Legal Counsel
  - Steven Pitts, Ph.D. – Economist & Statistician
  - Robert Ashby, J.D. – Legal & Program Analysis
  - Melissa Boyles, M.B.A. – Assistant Project Manager
  - Glenn Sullivan, P.M.P – Director of Technology
  - Ilene Grossman, B.A. – Firm Administrator
- **Pacific Communications Consultants, Inc. (PCC) (DBE)**
  - Regina Glenn, M.B.A.

# Approach & Methodology

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- Legal Review

- Review current case law & other relevant legal documents, with emphasis on *Western States* decisions & USDOT guidance for 9<sup>th</sup> Circuit recipients

- Describe the legal standards & how the research methodology conforms to the case law

- Explain how the legal principles apply to each Study element

- Objectives

- Educate the reader about the legal standards

- Provide a framework for a court in litigation

# Determination of WSDOT's Geographic Market

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- Prepare the Master Contract Data File
  - Obtain WSDOT & subrecipient contract data
  - Create database of contracts & associated subcontracts
  - Collect any missing contract data, including for subcontracts & subrecipients
  - Collect at least 80% of the contract dollars

# Determination of WSDOT's Geographic Market, cont.

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- Assign race & gender to all firms
- Assign missing NAICS codes
- Apply race/gender adjustments to ensure accurate race & gender assignments
- Determine detailed utilization by race, gender, industry codes, location, funding source & user unit
- Apply the court-approved test of 75+% of the industries & the locations to determine market area

# Determination of the Relevant Industry Classifications

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- Use the Master Contract Data File to determine utilization by industry codes
  - Collapse the dollar amounts using zip & industry codes
  - Sort results by dollar amount, create a cumulative distribution & define the product markets
  - Determine aggregated & disaggregated results by race, gender & industry classifications
- Results will be used to narrowly tailor the availability data



# Estimation of DBE Availability

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- Use the true Custom Census
  - Create Master List of D/M/WBEs from multiple entities
  - Purchase Hoovers for initial business universe
  - Assign NAICS codes
  - Apply race/gender adjustments to ensure accurate race & gender assignments
  - Estimate detailed, unweighted & weighted availability by combined & disaggregated race, gender & industry codes

# Disparity Analysis

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- Disparity ratio = D/M/WBE utilization ÷ availability
- Calculate disparity indices for 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

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

# Qualitative Evidence of Discrimination

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- Anecdotal Evidence
  - Disseminate study information & encourage participation through DBE Advisory Group, public informational meetings, Study website, invitations, meeting attendance, traditional & social media, etc.
  - Conduct business owner & stakeholder interview sessions by industries to explore:
    - Biased perceptions & stereotypes
    - Experiences with barriers to equal access to prime & subcontracting opportunities on WSDOT & subrecipient projects & private sector no-goals projects, including bonding, financing, networks, etc.
    - Experiences with WSDOT's DBE program

# Review of WSDOT's Contracting & Procurement Methods

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- Review program policies, procedures & forms
  - Annual & contract goal setting procedures & outcomes
  - Counting DBE participation
  - Race-neutral measures
  - Outreach efforts
  - Access to WSDOT decision makers
  - Contract award policies & procedures
  - Performance standards & experience requirements
  - Monitoring & data collection systems & policies, including subrecipients

# Overall DBE Goal Recommendations

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- Use the Study's unweighted availability estimates to calculate the step 1 base figure
- Consider other Study evidence, such as the economy-wide data & anecdotal findings to in whether to make a step 2 adjustment
- Estimate the portion of the goal to be met through race-neutral & race-conscious measures
- Assist with public consultation & USDOT review process

# Findings, Recommendations, Reports & Presentations

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- CHA will provide:
  - Draft Report
  - Final Report, including an Executive Summary, findings & recommendations
- Study Team Presentations to include:
  - WSDOT key personnel, departments, & leadership
  - DBE Advisory Group
  - Other stakeholder groups & forums as determined by WSDOT

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# Questions?



# Next Steps & Contact Information

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## Informational Public Meeting Schedule

May 10 - Shoreline

May 11 - Vancouver

May 12 - South Seattle

June 1 - Pasco

June 2 - Spokane

**Stakeholder Meetings – Summer 2016**

**Business Owner Interviews – Fall 2016**

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

**Study email:** [wsdot\\_study@mwbelaw.com](mailto:wsdot_study@mwbelaw.com)

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

Colette Holt

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