

Texas Department of Transportation (TxDOT) Disparity Study Public Information Meeting

Colette Holt & Associates
Nervi' Strategic Solutions, LLC
Sylvia Cavazos Public Relations/Public Affairs, LLC
Pink Consulting
Reach Out Austin!
Lopez PR & Marketing Group
Gabriel Communications
April 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)
 - 25 years of experience in supplier diversity and working with D/S/M/WBEs in all industries
 - Worked with CHA on studies for Dallas County & Parkland Hospital
 - Sylvia Cavazos Public Relations/Public Affairs, LLC (DBE) (SCPA)
 - 15 years experience in reaching multicultural audience and under-served communities
 - Expert in engagement and communication using local and grassroots outreach
 - Working with CHA on City of Houston Disparity Study

Study Team

- **Pink Consulting (DBE)**
 - 30 plus years of experience working with diverse segments of the Austin & Central Texas communities
 - Expert in developing and implementing community outreach initiatives and public participation processes
- **Reach Out Austin! (DBE)**
 - 15 years of experience in multi-level community outreach
 - Specializes in helping organizations enhance & increase public engagement

Study Team

- Lopez PR & Marketing Group (HUB)
 - A professional public relations & public engagement firm
 - Worked on many TxDOT public involvement projects
Very familiar with leadership in the El Paso and surrounding areas
- Gabriel Communications (HUB, DBE)
 - Provides professional communication primarily in the public sector
 - Works with regional communities, civic leaders, and government municipal entities.
 - Instrumental in community engagement in the Rio Grande area

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 or HUB programs are 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 & Analysis
- Determination of TxDOT's Geographic Market
- Determination of TxDOT's Industry Markets
- Determination of TxDOT's Utilization of D/M/WBEs/HUBs
- Estimation of DBE/HUB Availability
- Disparity Analysis of non-USDOT contracts
- Economy-Wide Analysis
- Anecdotal Data Collection & Analysis
- Review of TxDOT's DBE Program
- Recommendations

Utilization Analysis

- Study period is FY 2012 to FY 2016
- Step 1: Gather TxDOT's & subrecipients' prime contracts to create Sample Contract Data File
- 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 TxDOT'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 DBE Availability

- Use the Custom Census
 - Create Master List of D/M/WBEs 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 = D/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 Meetings
- Business Owner/Stakeholder Interviews
 - Grouped by industry (construction; construction-related services; goods & services)
 - Grouped by D/MWBE/HUB status
- Business Owner Electronic Survey
- Legislative & Judicial Findings

Review of TxDOT's DBE Program

- Review TxDOT's DBE & HUB programs
- Solicit TxDOT's & interviewees' experiences & suggestions regarding program issues
- Topics will include:
 - DBE goal setting
 - Meeting goals
 - Compliance & monitoring
 - Barriers to TxDOT contracting
 - Outreach to D/MWBEs/HUBs
 - Business assistance programs

Recommendations

- Race & Gender Neutral Measures to Reduce Barriers & Increase Opportunities
- Potential Race- & Gender-Conscious Remedies
 - Annual DBE goals
 - Contract goal setting methodology

Study Participation Information

Business Owner Interviews – Fall/ Winter 2018

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

Study email: txdot-study@mwbelaw.com

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

TxDOT Disparity Study Manager: Debra Lyon, Civil Rights Division, Disparity Study Manager
debra.lyon@txdot.gov or (512) 416-4710.



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