

Washington State Department of Transportation/ Federal Aviation Administration Disparity Study

Public Information Webinar

**Colette Holt & Associates
Yates Consulting
WindGypsy Consulting**

25 February 2025

Disparity Study Team

■ Colette Holt & Associates

- Colette Holt, J.D. - Project Manager & Legal Counsel
 - Nationally recognized expert, educator and author on DBE issues
- Steven Pitts, Ph.D. - Economist and Statistician
 - Nationally recognized expert, educator and author on market issues regarding minorities for over 30 years
- Joanne Lubart, J.D. - Associate Counsel
 - National expert DBE programs
- Glenn Sullivan - Chief Technology Officer/Project Lead Quantitative Data
 - Extensive experience with CHA data collection and website management

Disparity Study Team, cont.

- Ilene Grossman, B.A. - Chief Operating Officer/ Assistant Project Manager
 - Experienced manager of disparity studies
- Victoria Farrell, M.B.A. – Director Qualitative Data Collection
 - Experienced researcher and data manager
- Megan Schenk, BS- Megan Schenk - Senior Data Research Specialist
 - Experienced researcher for missing data variables
- DBE Subconsultants
 - Yates Consulting
 - WindGypsy Consulting

Disparity Study Objectives

- Comply with constitutional standards and the DBE Program regulations to ensure the recipients' DBE programs are narrowly tailored
- Develop accurate data for triennial and contract goal setting
- Gather feedback for program improvements
- Educate elected officials, agency staffs and business owners on these issues

Public Engagement

- Dedicated study website updated throughout the process
 - WSDOT approved photos
 - Elements of the study
 - FAQ sheet
 - Team member bios
 - Information about how to participate
 - Contact and comment information
 - Materials to increase public understanding of, and participation in, the study process
 - Answer inquiries and provide updates

Public Engagement

- Outreach and engagement

- Yates Consulting will assist with extensive outreach and anecdotal data collection to maximize participation and understanding
 - Outreach to DBE and non-DBE stakeholder groups, including attendance at meetings, fairs, etc.
 - Follow-up for stakeholder and small group business owner interview sessions
 - Follow-up for the business owner survey

Legal Analysis

- Review current case law, other relevant legal documents, with emphasis on 9th Circuit decisions
- Review 49 C.F.R. Part 26 and USDOT Guidance
- Describe the legal standards and 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

Quantitative Data Collection & Analysis

- Study period is Federal Fiscal years 2017-2022
- Study will analyze all formally procured construction and engineering contracts \$50,000 or greater
- Step 1: determine airports' geographic market area
 - Gather airports' prime contracts to create Initial Contact Data File
 - Contact primes for missing subcontractor data
 - Collect at least 80% of the contract dollars
 - Assign missing race and gender ownership status
 - Assign missing NAICS codes

Quantitative Data Collection & Analysis

- Determine the geographic market by contiguous counties for at least 75% of the contracts
 - Limit further analysis to firms in the designated counties
- Step 2: determine airports' product market
 - Determine the unconstrained product market
 - Determine product market constrained by geographic market to create Final Contract Data File
- Step 3: Determine detailed utilization by race, gender and six-digit NAICS codes

Quantitative Data Collection & Analysis

- Step 4: determine DBE availability
 - Availability sources
 - Master D/M/WBE Directory
 - UCP directories; other Washington government directories; private sector listings
 - Master Business List and Bidders List of airports' prime and subcontractors from Contract Data Files
 - Hoovers for business universe of firms in the market area
 - Assign missing race or gender status and six-digit NAICS codes in Master Directory and Master Business List

Quantitative Data Collection & Analysis

- Produce unweighted availability disaggregated by race, gender and NAICS codes
 - Unweighted six-digit results can be used for narrowly tailored contract goal setting
- Produce weighted availability by race and gender aggregated across all NAICS codes
 - Weighted results can be used for Step 1 baseline estimate for DBE triennial goal submissions

Quantitative Data Collection & Analysis

- Conduct disparity analysis
 - Disparity ratio = DBE utilization ÷ weighted availability
 - Calculate disparity indices for all race and sex groups aggregated across all industry groups
 - Calculate statistical significance
 - Calculate substantive significance
 - Examine whether disparities are the result of discrimination or some other factors
 - Are DBE contract goals needed to ensure a level playing field?

Quantitative Data Collection & Analysis

- Economy-Wide Disparity Analyses
 - Census Bureau data sources
 - Compare M/WBEs' formation rates & business earnings to non-M/WBEs' rates using the American Community Survey
 - Possible basis for step 2 adjustment under §26.45(d)?
 - Compare M/WBEs' revenues to non-M/WBEs' revenues using the Annual Business Survey
 - Extensive government and academic reports on discrimination in market for commercial credit
 - Critical for evaluation of effectiveness of race-neutral measures

Overconcentration Analysis

- Examine specific NAICS codes with ratios over 100% to look for patterns
 - Do the results reflect the success of a few DBEs?
- Step 1
 - Identify codes over 100%
 - Identify codes where DBEs received a large share of dollars
- Step 2
 - Compare outcomes by group
 - Compare outcomes by codes
- Gather anecdotal data on firm and industry concentration

Anecdotal Data Analyses

- Outreach process
 - Develop invitation and outreach lists for extensive follow-up by subconsultant
 - Utilize study website, invitations, meeting attendance, traditional and social media, etc.
- Gather evidence and input through:
 - Public informational webinar
 - Electronic survey of business owners
 - Stakeholder and small group business owner interviews, grouped by industry and DBE status
 - Written comments
- Review judicial or administrative opinions or data

Anecdotal Data Analyses

- Survey and interview topics
 - Equal access to networks and information
 - Biased perceptions and stereotypes
 - Workplace harassment or hostile work environments
 - Experiences with barriers to equal access to prime and subcontracting opportunities
 - Barriers to obtaining business credit, surety bonds insurance coverage, etc.
 - Impact of experience and specification requirements
 - Unequal payments or performance standards

Review of Airports' DBE Programs

- Review and evaluate program elements
 - Certification process
 - Outreach and access to information
 - DBE compliance
 - Small business elements
 - Supportive services offerings
- Process
 - Review documents
 - Interview stakeholder groups, business owners and WSDOT/larger airports' staff
 - Survey smaller airports

Findings and Recommendations

- Provide recommendations for race-neutral measures based on study results
- Provide recommendations for race-conscious remedies if supported by the study findings, including a triennial DBE goal setting methodology

Study Participation Information

- Public study introduction webinar Winter 2025
- Stakeholder/Business Owner Interviews Spring/Summer 2025
- Electronic survey of business owners Spring/Summer 2025
- Study information
 - <http://wsdotfaa2025.disparity-study.com>
 - wsdotfaa2025-study@mwbewlaw.com
 - 855-692-3529 (855-MWBELAW)
- WSDOT Study Manager
 - Michael Carpenter, carpenm@wsdot.wa.gov
360-705-6864



16 Carriage Hills • San Antonio, Texas 78257
773.255.6844 • colette.holt@mwbewlaw.com
www.mwbewlaw.com • Twitter: @mwbewlaw