

City of Fort Worth Disparity Study Public Introductory Webinar

**CH Advisors, Inc
Nervi' Strategic Solutions, LLC**

May 2, 2019



Disparity Study Team

- CH Advisors, Inc.
 - Currently conducting City of Houston & TxDOT studies; conducted DFW Airport, Dallas County & Parkland Hospital studies
 - Colette Holt, J.D. - Project Manager & Legal Counsel
 - Nationally recognized expert, educator & author on D/S/M/WBE issues
 - Steven Pitts, Ph.D. - Economist & Statistician
 - Nationally recognized expert, educator & author on market issues regarding minorities for over 25 years
 - Joanne Lubart, J.D. - Associate Counsel
 - National expert DBE & M/WBE programs
 - Glenn Sullivan - Director of Technology
 - Extensive experience with CHA data collection & website management

Disparity Study Team, cont.

- Ilene Grossman, B.A. - Assistant Project Manager
 - Coordinates all study requirements & oversees CHA day-to-day operations
- Victoria Farrell, M.B.A. - Researcher
 - Coordinates with Project Manager
- Carol Borst - Contract Data Collection Team Manager
 - Coordinates all follow up activities to ensure complete study contract data files
- Nervi' Strategic Solutions, LLC (MBE/SBE)
 - Highly experienced supplier diversity consultant
 - Partnered with Advisors on DFW, TxDOT, Dallas County & Parkland Hospital studies
 - Responsible for Study community outreach & assistance with anecdotal data collection

Disparity Study Legal Principles

- Evidence must comport with case law & sound science
- M/WBE 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 a race- and gender-based program is challenged
- Develop recommendations for program improvements & enhancements
- Educate policy makers & stakeholders about the legal & economic issues to build consensus

Disparity Study Elements

- Legal Review & Analysis
- Determination of City's Geographic Market
- Determination of City's Industry Markets
- Determination of City's Utilization of M/WBEs
- Estimation of M/WBE Availability
- Disparity Analysis
- Economy-Wide Analysis
- Anecdotal Data Collection & Analysis
- Review of City of Fort Worth's Contracting Policies and Programs
- Recommendations

Utilization Analysis

- Study period is FY 2014 to FY 2018
- Step 1: Gather City's prime contracts to create Initial Contact Data File
- Step 2: Gather any 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
 - Assign missing NAICS codes
- Step 4: Determine geographic & product markets

Utilization Analysis, cont.

- Determine the unconstrained product market
- Analyze data for primes, subs & primes, & subs together
- Determine the geographic market for at least 75% of the contracts
- Determine product market constrained by geographic market to create Final Contract Data Utilization File
- Determine detailed utilization by race, gender, & industry codes

Estimation of M/WBE Availability

- Create Master List of 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 = M/WBE utilization ÷ weighted availability
- 80% or less is substantive, supporting the inference of discrimination
- 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
- Critical for evaluation of effectiveness of race-neutral measures

Anecdotal Data Collection & Analysis

- Public study Introduction Meeting
- Business owner & stakeholder interviews
 - Explore
 - Barriers to M/WBEs' success in the Fort Worth area markets
 - Ability to access City prime & subcontracts
 - Possible supportive services or other race-neutral measures
- City of Fort Worth staff interviews

Review City's M/WBE Contracting Policies and Programs

- Review program documents
- Solicit the City's staff & interviewees' suggestions regarding improvements
- Topics will include:
 - Barriers to City contracting & subcontracting
 - Outreach to M/WBEs & small firms
 - Program elements
 - Data collection systems

Recommendations

- Race- & gender-neutral measures to reduce barriers & increase opportunities
- Potential narrowly tailored race- & gender-conscious remedies
 - Program eligibility
 - Annual M/WBE goals
 - Contract goal setting methodology
 - Bid/proposal evaluation
 - Monitoring & data collection

Study Participation Information

- Business Owner Interviews
- Study Website
 - <http://fortworth.disparity-study.com>
- Study email
 - fortworth-study@mwbela.com
- Study Telephone Number
 - (855) mwbelaw/(855) 692-3529
- City Study Manager:
 - Gwen Wilson, gwen.wilson@fortworthtexas.gov
 - 817-392-2676



3350 Brunell Drive • Oakland, CA 94602
773.255.6844 • colette.holt@mwbelaw.com
www.mwbelaw.com • Twitter: [@mwbelaw](https://twitter.com/mwbelaw)