

Harris County Disparity Study Public Information Meeting

Colette Holt & Associates

Sylvia Cavazos Public Relations/ Public Affairs, LLC

November 15, 2018

Disparity Study Team

- Colette Holt & Associates (DBE)
 - Currently conducting City of Houston, TxDOT & DFW Airport 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 on all project requirements & oversees daily study activities, scheduling & project timelines
- **Carol Borst - Contract Data Collection Team Manager**
 - Coordinates all follow up activities to ensure complete study contract data files
- **Subconsultant Sylvia Cavazos Public Relations/Public Affairs, LLC (DBE)**
 - Highly experienced in reaching multicultural audience & under-served communities
 - Part of the City of Houston Disparity Study team
 - Responsible for Study community outreach

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

- Study period is FY 2015 to second quarter of fiscal year FY 2018
- Legal Review & Analysis
- Determination of Harris County's Geographic Market
- Determination of Harris County's Industry Markets
- Determination of Harris County's Utilization of M/WBEs
- Estimation of M/WBE Availability
- Disparity Analysis
- Economy-Wide Analysis
- Anecdotal Data Collection & Analysis
- Review of Harris County's Contracting Policies
- Recommendations

Utilization Analysis

- Step 1: Gather Harris County'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 to all firms
 - Assign missing NAICS codes

Utilization Analysis, cont.

- Step 4: Determine geographic & product markets
 - 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 Contract Data Utilization File
- Step 5: 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 total 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
- Will conduct statistical significance testing
- 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
- 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
- Business Owner Interviews
 - Explore
 - Barriers to M/WBEs' success in the Houston area markets
 - Ability to access County prime & subcontracts
 - Possible supportive services or other race-neutral measures
- Harris County staff interviews
- Review other relevant local disparity studies

Review of the County's Contracting Policies

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

Recommendations

- Race & Gender Neutral Measures to Reduce Barriers & Increase Opportunities
- Potential Narrowly Tailored Race- & Gender-Conscious Remedies
 - M/WBE Program
 - Program eligibility
 - Annual M/WBE goals
 - Contract goal setting methodology
 - Bid/proposal evaluation
 - Monitoring & data collection

Study Participation Information

Business Owner Interviews – Spring 2019

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

Study email: harriscounty-study@mwbelaw.com

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

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