

**Dallas Fort Worth  
International Airport  
Disparity Study  
Board Presentation  
January, 2020**

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**Colette Holt & Associates**

# Background

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- Board approved and adopted previous study on 9/1/2011
- Adopted revised Minority/Women Business Enterprise Policy and Small Business Enterprise Policy 9/6/2012
- Existing program sunsets 9/1/2020
- Commissioned Disparity Study RFP 8/30/2017
- Evaluation process completed 12/31/2017
- Board approved the award of the contract to Colette Holt and Associates (CHA) on 2/1/2018 with CHA committing to achieving a 30% SBE goal using:
  - Nervi' Strategic Solutions, LLC
  - MRR & Associates, LLC

# Background

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- Public Introductory Meeting held 6/6/2018
- M/WBE Stakeholder Sessions held 6/21/2018
- Non-M/WBE Stakeholder Sessions 6/21/2018
- Business Owner Interview Sessions conducted August 2018.
  - There were a total of 8 sessions

# Disparity Study Objectives

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- Provide a legal defense if the programs are challenged
- Meet constitutional and FAA requirements
- Educate policy makers and stakeholders about the legal, regulatory and economic issues.
- Provide policy and program recommendations

# Disparity Study Elements

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- Conduct Legal review and analysis
- Review DFW's current Business Diversity programs
- Determine of DFW's Geographic and Industry markets
- Review the Utilization of minority- and women-owned firms
- Estimate the Availability of minority- and women-owned firms
- Conduct Economy-wide analyses
- Collect Anecdotal data collection and analysis
- Develop Recommendations

# Disparity Study Findings (DFW Airport)

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- Study analyzed FFY 2012-2017 contracts
  - Final Contract Data File
    - 163 non-FAA funded contracts totaling \$1.738B
    - 5 FAA funded contracts totaling \$57.731M
    - 1,054 concessions contracts totaling \$2.084B
    - 88 car rental concessions contracts totaling \$1.517B
- Geographic markets: Locations that account for 75% of DFW's airport contract and subcontract dollar amounts
  - Non-FAA funded contracts: Dallas, Tarrant, Denton and Collin Counties
  - FAA funded contracts: Dallas, Denton and Tarrant Counties
  - Concessions contracts: Dallas, Tarrant, Harris, Midland, Denton and Collin Counties
  - Car-rental concessions contracts: Tarrant County (TX) and Los Angeles County (CA)

# Disparity Study Findings (Qualitative)

## DFW Airport

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- General perception of experiences with DFW's Programs
  - Interviewed 154 individuals
  - Programs generally work well
  - Contract goals remain essential
  - Information through BDDD is easy to access
  - Technical assistance and supportive services are needed
  - Contracting processes and requirements are barriers
  - Slow payments were reported
  - Change orders and project delays are problematic

# Disparity Study Findings (Qualitative)

## DFW Airport

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- DBE and MBE/SBE programs
  - Most prime contractors were able to meet DBE and MBE goals
    - Some thought goals were too high
    - It can be difficult to find qualified certified firms
    - Good faith efforts process is cumbersome and the short window increases risk
    - It can be difficult to substitute a non-performing certified firm
- ACDBE program
  - Creates opportunities for minorities and women
  - Some expressed concern that the program did not protect their financial interests
  - Distributions are timely



# Disparity Study Findings

## Market Place

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- Qualitative Evidence of Disparities in DFW's Market Place
  - M/W/DBEs experience stereotypes, discriminatory attitudes and biased perceptions
  - Bias operates against small firms
  - Workplace harassment continues, especially for women
  - M/W/DBEs are unable to obtain public sector work on an equal basis
    - Certification helped to reduce barriers

# Disparity Study Findings

## Economy Wide

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- Economy-Wide Disparity Analysis
  - Useful to evaluate the effectiveness of race-neutral measures
  - Survey of Business Owners
    - Very large disparities in firm sales receipts between minority and White women firms and non-minority non-White women firms across all industries
  - American Community Survey
    - Blacks, Hispanics, Native Americans and White women earned lower wages, earned less from their businesses and formed fewer businesses than White males
  - Credit discrimination barriers remain high
  - Human capital constraints continue to impede success

# Disparity Study Recommendations

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- Augment race- and gender-neutral measures
  - Ensure prompt payment of prime vendors and subcontractors
  - Increase contract “unbundling”
  - Review contracting requirements
  - Provide additional training to prime bidders on program compliance
  - Ensure bidder non-discrimination and fairly priced subcontractor quotations by the primes
  - Review existing bonding program for M/WBEs

# Disparity Study Recommendations

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- Continue to implement narrowly tailored DBE and ACDBE programs
  - Use the Study to set triennial DBE and ACDBE Goal and contract goals
  
- Revise the M/WBE Program
  - Use the Study to set M/WBE annual and contract goals
  - Include all racial and ethnic minority groups and White women in the program

# Recommended Goals

Industry Area	Previous Goal %	Recommended Goal %
MBE Construction	25	31% (M/WBE goal for all industries)
*SBE Construction <1M	20	
M/WBE A&E	35	
*SBE Goods and Services	20	
DBE (Construction and A&E) **Submitted to FAA for approval	28	32%**
ACDBE Concessions **Retain existing goal until 9/30/2020 when the submission of a new Triennial goal is due	33%	33%**

\*SBE program was not recommended to continue



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## Major Policy Changes

Support development and growth of minority/women business enterprises to maximize participation

Transitioned from an SBE Program for Construction under \$1 million and Goods and Services to all local programs M/WBE

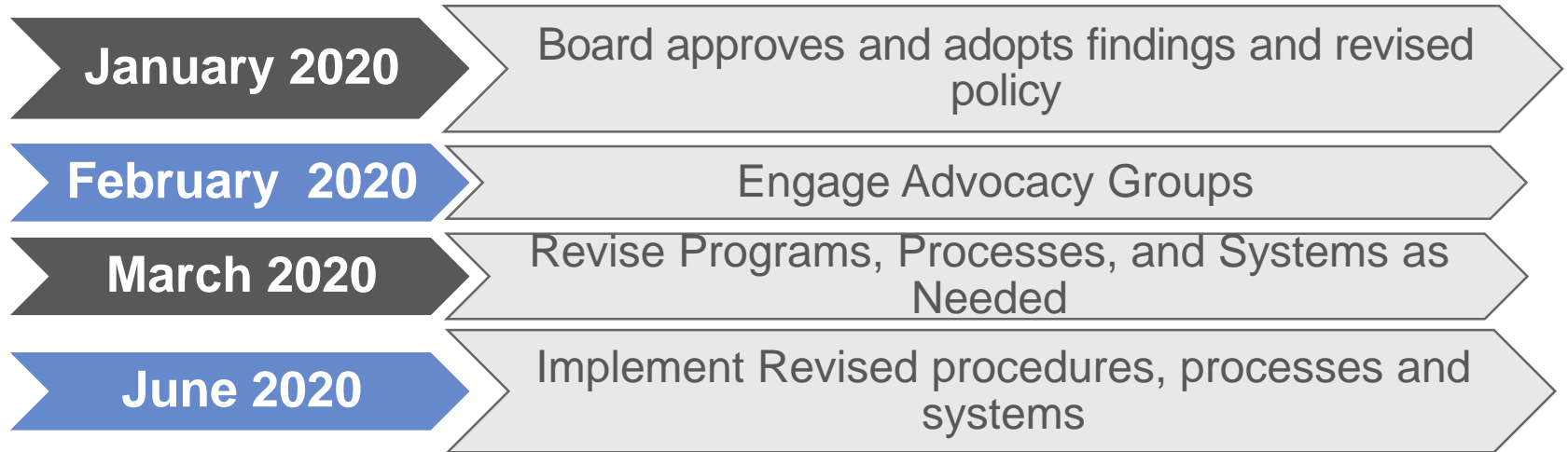
Amended the M/WBE Local Annual Goals

Reduced DFW's Relevant Market Area from twelve to four counties

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# Disparity Study

## Next Steps





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