

Nevada Department of Transportation 2013 Statewide Disparity Study



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Purpose of a disparity study

- Provides information for NDOT to make decisions about future operation of the Federal DBE Program
 - Set overall goal for DBE participation
 - Consider whether NDOT can achieve overall DBE goal solely through Small Business Program and other neutral means
 - If NDOT needs to continue DBE contract goals, determine specific race/ethnic/gender groups eligible for that program component
- USDOT recommended disparity studies after Ninth Circuit decision in *Western States Paving v. Washington State DOT*
- Outside review of NDOT practices and other policies is useful

Information collected

- Began study in September 2012
- Examined data for more than 1,800 NDOT and Local Public Agency Program construction and engineering prime contracts and subcontracts from 2007 through June 2012
- Contacted more than 3,900 Nevada businesses about the work they performed and whether they were qualified and interested in NDOT work
- Analyzed data on the Nevada marketplace
- Conducted in-depth interviews with 40 individuals and collected comments from 228 other business owners or managers
- Analyzed bids and proposals for NDOT contracts
- Met with an External Stakeholder Group and FHWA representatives throughout study

Overall DBE goal

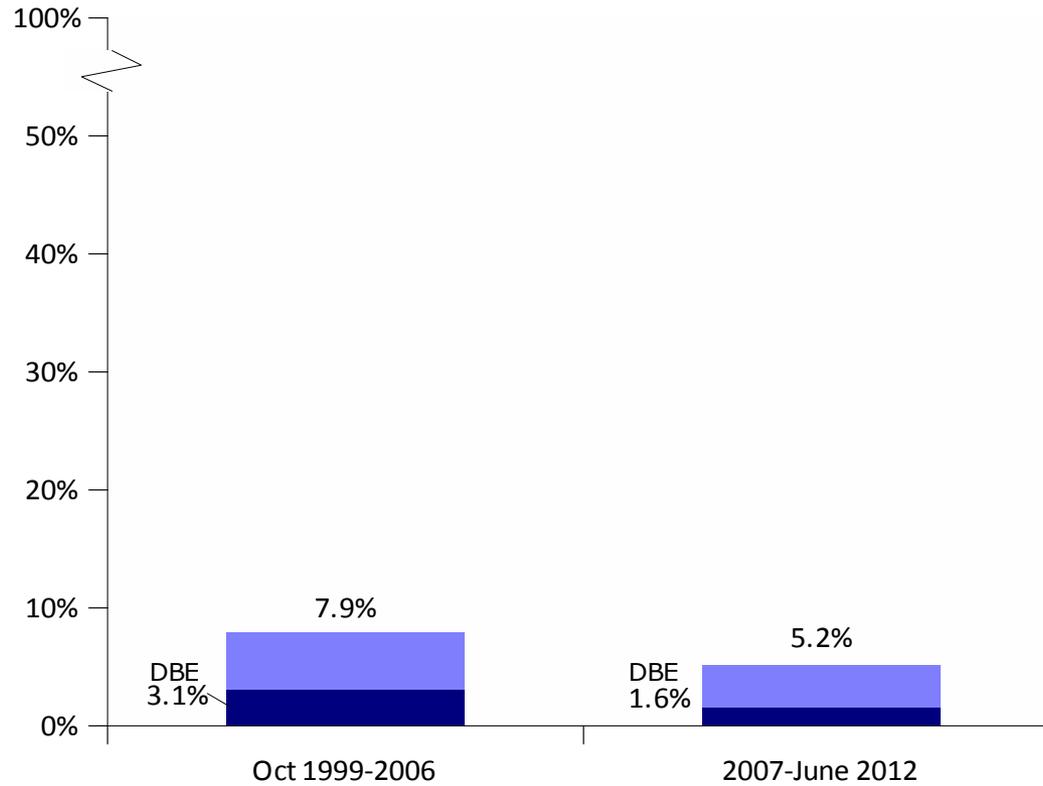
- NDOT must develop:
 - Overall DBE goal for FHWA-funded contracts
 - Determine “base figure” and consider “step 2” adjustments
- Study results:
 - Base figure of 4.5%
 - After analyzing Step 2 adjustment, support for NDOT to consider overall DBE goal in range of 7.5%

Percentage of overall goal to be met through neutral means

- NDOT must:
 - Meet maximum feasible portion of the overall DBE goal through neutral means

- Study information includes:
 - DBEs obtained 1% of contract dollars when no DBE contract goals
 - NDOT has not met overall DBE goal in past years

MBE/WBE share of NDOT contract dollars 1999-2012



Utilization and disparity results by group

- African American-, Asian-Pacific American-, Subcontinent Asian American- and Native American-owned firms:
 - Combined, received 0.1% of contract dollars,
 - Substantial disparity for each group

- Hispanic American-owned firms:
 - Received 2.2% of contract dollars for study period
 - Substantial disparity in most recent time period

- White women-owned firms
 - Received 2.9% of contract dollars
 - No disparities in WBE utilization on NDOT contracts overall
 - However, nearly 0% utilization on NDOT engineering contracts (substantial disparity)

Action items for consideration

- Encourage subcontracting (explore setting subcontracting minimums)
- Modify prequalification process that limits size of contracts a firm can bid
 - Might require State action to change process for State Contractors' Board and NDOT construction prequalification
- Reexamine state local preference bid law to ensure that newer and smaller Nevada businesses can benefit
- Consider set-asides and bid preferences to encourage use of small businesses for small construction contracts
- Review other efforts to remove barriers to small businesses and DBEs
- Monitor and address any “overconcentration” of DBE participation in certain types of work such as trucking
- Examine staffing, training and information systems necessary to improve NDOT operation of Federal DBE Program

Next steps

- Draft Disparity Study now available for public review and comment
- Will conduct outreach to trade associations, business owners and others
- Holding two public meetings
 - October 22 at District II (and District III via videoconference)
 - October 24 at RTC offices in Las Vegas
- Final Disparity Study will incorporate public input
- NDOT reviewing potential initiatives and changes in policies and practices
- Disparity study an important source of information for:
 - NDOT's overall DBE goal for 2014 through 2016
 - Other aspects of NDOT's future operation of the Federal DBE Program