2016 MDT DISPARITY STUDY

The 2016 Montana Department of Transportation (MDT) Disparity Study is analyzing whether there is a level playing field for minority- and women-owned firms in the statewide transportation contracting industry and in MDT contracts. This information will help MDT operate the Federal Disadvantaged Business Enterprise (DBE) Program for its federally-funded contracts. A team led by Keen Independent Research is performing the study. David Keen has conducted disparity studies for more than 70 government agencies, including many state DOTs. More details about why the study is underway and study methods are provided on the next page.

PUBLIC INVOLVEMENT

There are many ways the public can stay informed and participate in the disparity study. This input will be considered and incorporated into the study report.

- The study website (www.mdt.mt.gov/disparitystudy) provides the latest information about the project.
- A Technical Panel composed of MDT staff, industry and DBE representatives is providing input to the study team throughout the study.
- The study team will be briefing key groups including the Montana Contractors Association (MCA) and the American Council of Engineering Companies of Montana (ACEC).
- Interviewers from Customer Research International (CRI), a disparity study team member, will contact hundreds of highway contracting and engineering businesses to collect information about each company and marketplace conditions in Montana. We encourage all companies that are available for highway-related prime contracts, subcontracts, and trucking and supply work to participate in these telephone interviews.
- Lynn Fagan, Fagan Law Office (Missoula), and Merry Lee Olson and Ed Jones from Olson Communications (Billings) will be conducting 40+ in-depth interviews with trade associations and business owners.
- Other stakeholders and business owners can provide input at any time via a dedicated hotline (406.333.1690), email (info@mdtdisparitystudy.com) or online comment form (www.mdt.mt.gov/disparitystudy).
- Keen Independent Research will provide preliminary results to the public for review and comment in early 2016. After release of the draft report, MDT will hold two community meetings and five virtual meetings to receive public comment. Anyone with comments or suggestions can also provide them via email or mail at the addresses below. The final report in March 2016 will incorporate this feedback.

ADDITIONAL INFORMATION

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Email: info@mdtdisparitystudy.com | Website: www.mdt.mt.gov/disparitystudy | Project Hotline: 406.333.1690
STUDY PURPOSE
The U.S. Department of Transportation recommends that agencies such as Montana Department of Transportation periodically conduct disparity studies to determine if there is evidence of discrimination affecting their local transportation contracting marketplace.

The 2016 MDT Disparity Study will help MDT in setting an overall goal for Disadvantaged Business Enterprise (DBE) participation in its future contracts funded by the Federal Highway Administration (FHWA) and help MDT operate its program for its federally-funded contracts. MDT must set this overall DBE goal every three years.

Comparison between an agency’s utilization of minority-and women-owned businesses and the availability of those businesses to perform that work is referred to as “disparity analysis.” The study will determine whether there are disparities between:

- The percentage of dollars that minority-and women-owned businesses received on MDT prime contracts and subcontracts during the study time period (referred to as a “utilization analysis”); and
- The percentage of dollars that those firms might be expected to receive based on their availability to perform on MDT’s prime and subcontracts (referred to as an “availability analysis”).

The 2016 Disparity Study will also provide MDT with information to determine if it should continue to set DBE contract goals on its FHWA-funded contracts. If such a program continues to be needed, the study will help MDT determine the racial, ethnic and gender groups of certified DBEs eligible to meet DBE contract goals.

STUDY METHODS
To conduct the utilization analysis, Keen Independent Research is collecting information about FHWA- and state-funded MDT prime contracts and subcontracts going to minority- and women-owned firms and other businesses from October 2009 through September 2014.

To prepare the availability analysis, the study team will conduct interviews with hundreds of construction, engineering and related businesses to compile information about their qualifications and interest in different types of MDT work. This process will determine a company’s:

- Qualifications and interest in working with MDT or with local governments as a prime contractor or as a subcontractor;
- Types, sizes and locations of contracts and subcontracts the firm can perform;
- Race/ethnicity and gender of the owner; and
- Insights into marketplace conditions and potential improvements to working with MDT and local agencies.

Participants can complete the availability survey over the phone or online. The availability survey information will be used to analyze the availability of different groups of businesses for specific types of MDT contracts. Company contact information will be added to existing MDT lists for future outreach; however comments received will not be associated with specific companies or individuals.

The study team will also conduct a series of in-depth personal interviews with a large number of business owners and trade associations throughout the state. Interview results and other public input will be analyzed when developing recommendations to improve MDT’s contracting process and its operation of the DBE Program.

MDT initiated the 2016 Disparity Study in early 2015 with surveys and interviews being conducted in the spring and summer of 2015. Keen Independent Research will submit preliminary results to MDT and make initial results available for public review in early 2016, with study completion by spring 2016.

Additional information can be found at www.mdt.mt.gov/dispartystudy.