

What is a disparity study ?

Disparity studies determine if inequities exist in public procurement and contracting that adversely affect Disadvantaged Businesses / minorities and/or women. In a case filed in the U.S. Supreme Court in 1989, it was ruled that governments must establish a “compelling interest” to support the creation of contracting programs that specifically target minority – and/or women-owned businesses.

A disparity study helps ensure any race-or gender-based remedial programs will withstand scrutiny in a court of law. The primary goal of the study is to assess, quantify, and evaluate the prevalence, significance (degree and weight) and scope of discrimination in the marketplace, *if any*, against minority- and women-owned business enterprises. Only the Port of Portland and Oregon Department of Transportation have conducted a recent disparity study.

The statewide study collects and examines quantifiable procurement and contracting data to determine the prevalence of disparity, or if any exists for every location (city/county) in Oregon where airports utilize contractors. The data types include census data on minority and female business owner populations, agency contractual and purchasing procedural methods, recent contracts awarded, and purchases issued. Anecdotal data is collected as well through focus groups, public hearings, telephone surveys of firms, online surveys, personal interviews and policy interviews. This is also where it's key to have the proper community engagement professional examining your communications strategy to maximize effectiveness. The consultant ODA is using is Keen Independent.

While there is no court-mandated expectation of time between studies, the standard is typically every five to seven years. The length of a study is determined by the scope of the research; condition and availability of data, scope of services, number of entities involved. A comprehensive disparity study lasts about 12 months, the current study we are conducting is on a similar timeline.

Steps of Analysis in Disparity Studies

Disparity studies for the FAA generally focus on economic issues involving DBE's that are competing for local and state government agency contracts. An economic disparity study will provide airport sponsors and the Seattle ADO's the insight to determine if access to government contracts are unfairly denied to DBE firms in the marketplace. The results and outcome of the study will help these

local or state governments assess the need for changes in contracting and purchasing policies and practices. The results will also allow the FAA to better understand the needs and the airport sponsors to formulate a plan if it is determined that procedural changes or new programs are required. The FAA is requiring this project be done for every airport in the state of Oregon prior to issuing future AIP grants.

There are several components or aspects to disparity research analysis

Utilization analysis. Utilization analysis is used to determine the universe of firms awarded government contracts and subcontracts in a particular time frame.

- Availability analysis. We determine the percentage of firms available to fulfill government contracts and subcontracts.
- Disparity analysis. This analysis will help determine if there are clear disparities in the dollar percentage for government contracts and subcontracts received by DBE in a particular time frame compared to their presence or availability in the marketplace.
- Anecdotal analysis or circumstantial analysis. Finally, but equally as important, anecdotal and circumstantial evidence is collected to provide context for the quantitative analysis. Anecdotal data is collected through focus groups, public hearings, telephone surveys of firms, online surveys, and personal interviews.

For full project scope of work, schedule, updates and letters to sponsors, please go to:

Oregon.gov/aviation???????

The statewide disparity study should not be confused with an airport sponsor's specific DBE Program, Goal Setting or Tri-annual report, nor should this be confused with an airport sponsor's requirements to provide continuous on time DBE monthly reporting.

The FAA requirements of an airport sponsor's DBE Program requirements and responsibilities can be found at:

https://www.faa.gov/about/office_org/headquarters_offices/acr/bus_ent_program/

If you would like additional information of ODA's specific DBE program and airport/project specific goal setting that can be found at the link below:

<https://www.oregon.gov/aviation/plans-and-programs/Pages/DBE.aspx>