Metropolitan Water Reclamation
District of Greater Chicago
Public Informational Webinar

Colette Holt & Associates
Sandi Llano & Associates, Inc.

2 February 2021
Disparity Study Team

- Colette Holt & Associates
  - Colette Holt, J.D. – Project Manager
    - Nationally recognized expert, educator and author on M/W/DBE issues
  - Steven Pitts, Ph.D. – Economist and Statistician
    - Nationally recognized expert, educator and author on market issues regarding minorities for over 30 years
  - Joanne Lubart, J.D. – Associate Counsel
    - National expert DBE programs
  - Glenn Sullivan – Director of Technology
    - Extensive experience with CHA data collection and website management
Disparity Study Team, cont.

- Ilene Grossman, B.A. – Assistant Project Manager/COO
  - Experienced manager of disparity studies
- Victoria Farrell, M.B.A. – Anecdotal Team Manager
  - Experienced researcher and data manager
- Carol Borst – Contract Data Collection Team Manager
  - Highly experienced coordinator of all contract data collection activities

- Sandi Llano & Associates (WBE)
  - Specializes in D/M/WBE consulting services to government, small and large firms and non-profits
Disparity Study Objectives

- Comply with constitutional mandate to regularly review evidence supporting race- and gender-based programs
- Develop accurate data for annual and contract goal setting
- Gather feedback for program improvements
- Educate elected officials, MWRD staff, assist agencies and business owners on these issues
Disparity Study Elements

- Study website
  - Home page
  - Meet Our Team
  - Participate
  - Contact Us and Public Comment

- Legal Review

- MWRD’s utilization of M/WBEs as a percentage of all dollars
  - Study period is FY 2015 to FY 2019
  - Step 1: Gather the District’s prime contracts to create Initial Contact Data File
Disparity Study Elements

• Step 2: Gather any missing data for the (Sample) Initial Contract Data File to construct the Final Contract Data File

• Step 3: Contact primes for missing subcontractor data
  ▪ Collect at least 80% of the contract dollars
  ▪ Assign missing race and gender ownership status
  ▪ Assign missing NAICS codes

• Step 4: Determine geographic and product markets
  ▪ Analyze data for primes, subs and combined
  ▪ Determine the geographic market for at least 75% of the contracts
  ▪ Determine product market constrained by geographic market
  ▪ Determine detailed utilization by race, gender and 6-digit NAICS codes
Disparity Study Elements

- Availability of M/WBEs in MWRD’s markets
  - Three sources
    - Create Master List of M/WBEs from multiple entities
      - Develop list from the Contract Data File, City of Chicago, Cook County, State of Illinois and other lists
    - Obtain Hoovers/Dun & Bradstreet for initial business universe
    - Develop a list of firms from the Final Contract Data File
  - Combine these three sources and estimate:
    - Unweighted availability by race and gender disaggregated by industry codes
    - Unweighted availability by race and gender aggregated across all industry codes
    - Weighted availability by race and gender aggregated across all industry codes
Disparity Study Elements

- **Disparity analysis**
  - Disparity ratio = M/WBE utilization ÷ M/WBE weighted availability
  - Calculate disparity indices:
    - By race and gender aggregated by all industry codes
    - To the extent data are available, calculate disparity indices separately for contracts with and without goals
  - Examine the indices for:
    - Substantive significance – indices of 80% or less
    - Statistical significance – at different levels of statistical confidence
Disparity Study Elements

- Economy-wide disparity analyses
  - Compare revenues of M/WBEs to non-M/WBEs using the Census Bureau’s Annual Business Survey
  - Examine the impact of race and gender on wages, business incomes and business formation rates using the Census Bureau’s American Community Survey
  - Critical for evaluation of effectiveness of race- and gender-neutral measures
Disparity Study Elements

- Anecdotal data collection and analysis
  - Small group business owner interviews
    - M/WBEs and non-M/WBEs
    - Explore
      - Barriers to M/WBEs’ success in the MWRD area markets
      - Experiences with discrimination
      - Ability to access District prime and subcontracts
      - Possible supportive services or other race- and gender-neutral measures
  - MWRD staff interviews
  - Other Chicago area disparity studies
Disparity Study Elements

- M/WBE Ordinance Review
  - Review policy/program documents
  - Solicit stakeholders’, business owners’ and MWRD staff’s suggestions
  - Topics will include:
    - Outreach to M/WBEs and small firms
    - Program elements
      - Annual and contract goal setting
      - Review of bids/proposals
      - Contract monitoring, including commercially useful function evaluations and sub substitutions
    - Barriers to MWRD contracting and subcontracting
    - Contract data collection and reporting processes
Disparity Study Elements

**Recommendations**

- Race- and gender-neutral measures to reduce barriers and increase opportunities
- Potential narrowly tailored race- and gender-conscious remedies
  - Program eligibility
  - Contract goal setting methodology
  - Bid/proposal evaluation
  - Contract performance policies and processes
  - Monitoring and data collection
Study Participation Information

- Business Owner Interviews Spring 2021
- Study information
  - [http://mwrd.disparity-study.com](http://mwrd.disparity-study.com)
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- MWRD Managers
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