Monthly Progress Report #4

For the project entitled:

Disparity/Availability Study

Reporting Period: August 1 –31, 2007

Submitted by:

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Submitted to:

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Research Programs
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September 5, 2007

Task 1: Conduct Legal Analysis

This task is completed. An update will be provided prior to submittal of the Final Report to include any new legal opinions issued, if necessary.

Task 2: Review Policies, Procedures and Programs

Charlotte Robinson has prepared a first draft of Section 3.0 – Review of MDT Programs, Policies and Procedures which is being reviewed internally within D Wilson.

Action Item for next month:

- Section 3.0 – Review of MDT Programs, Policies and Procedures, will be forwarded to MDT for review and comment.

Task 3: Conduct Data Collection

Our team has been has been on-site conducting data collection since August 20th. We have reviewed contract files from the following offices:

- Design/Consult Contracts
- Construction
- Purchasing

We have collected information on prime and subcontractors/consultants and bidders. Electronic files have also been received from Civil Rights and Construction.

Action Items for next month:

- We will provide a list of contract files that have been reviewed and that need to be collected.
- Staff will continue to conduct on-site data collection. We anticipate being on site until September 21.

Task 4: Conduct Market Area Analysis

This task is scheduled to begin in late November 2007.

Task 5: Calculate Private Sector Availability

This task is scheduled to begin in late November 2007.

Task 6: Conduct Availability Analysis

Based on our review of data collected last month, a revised Survey is included for your review.

Task 7: Conduct Regression Analysis

This task is scheduled to begin in November 2007.

Task 8: Conduct Utilization Analysis

This task is scheduled to begin in November 2007.

Task 9: Conduct Disparity Analysis

This task is scheduled to begin in mid-December 2007.

Task 10: Personal Interview, Focus Groups and Public Hearings

This task is scheduled to begin in October 2007.

Task 11: Recommend Narrowly Tailored Remedies for the DBE Policy and Programs

This task is scheduled to begin in January 2008.

Task 12: Final Report

Draft report is scheduled for review in mid-February 2008.

Final report is scheduled to be completed by April 2008.

Detailed Work Plan

A copy of our detailed work plan is attached. It provides the proposed timeline and current timeline.

Summary of Expenditures

Table 1 summarizes the expenditures on this project through August 31, 2007. Expenditures during the fourth month were $87,517.66, leaving $431,106.61 for the remainder of the project.

TABLE 1. Summary of Expenditures

Budget Category	Budgeted Funds	Spent This Period	Total Spent	Total Remaining
Labor	$516,492.21	$81,440.18	$180,718.33	$335,773.88
Sub Consultant	$90,431.25	$0.00	$15,750.00	$74,681.25
Travel	$41,810.00	$6,077.48	$21,158.52	$20,651.48
TOTALS	**$648,733.46**	**$87,517.66**	**$217,626.85**	**$431,106.61**

Montana Work Plan

Task	Task #	Activity	Proposed Date	Date Submitted
1.0 – Conduct Legal Analysis	1.1	Identify and obtain copies of relevant court cases.	6/15/07	5/2/07
	1.2	Conduct a detailed review and analysis of each set of opinions.	6/15/07	5/2/07
	1.3	Prepare a detailed list of the requirements of availability and disparity studies based upon opinions relevant to owner determinations of: • Race- and gender-neutral programs • Race- and gender-preference programs • Definition of business categories for disparity analysis • Definition of appropriate race and gender categories for disparity analyses • Definition and measurements of utilization • Definition and measurement of availability in the appropriate geographical study areas • Measurement of disparity due to discrimination • Methods for determining significant levels of disparity • Status of legal use of multivariate/regression, probability, and other statistical analyses • Measurement and relevance of disparity in the relevant private markets • Requirements related to documentation of anecdotal evidence; and • Requirements related to documentation of barriers in obtaining bonding and financing, disparities in business formation and earnings encountered by DBE firms • Any other related requirements or types of evidence approved by relevant cases	6/15/07	5/2/07
	1.4	Prepare a legal report that analyzes and summarizes the legal opinions relating to approved methods required by relevant cases for availability and disparity studies.	6/15/07	Draft Submitted 5/2/07
2.0 – Review Policies, Procedures and Programs	2.1	Review and analyze MDT statutes, regulations, resolutions, ordinances, policies and procedures, and existing programs, applicable during the relevant study time period.	9/30/07	6/18/07
	2.2	Review contracting and purchasing manuals currently in use and history of development for all MDT Members.	9/30/07	6/18/07

Task	Task #	Activity	Proposed Dates	Date Submitted
	2.3	Identify and interview key MDT managers regarding the history and development of the policies currently in use, implementation of the policies and impacts of the implementation of the policies, including the race/gender neutral and preference programs.	9/30/07	7/20/07
	2.4	Identify and interview DBE firms and non-minority firms regarding the MDT policies, barriers and implementation and impact of the policies, including the race/gender neutral and preference programs.	9/30/07	
	2.5	Provide the results to the client for review and feedback regarding existing programs.	9/30/07	
	2.6	Prepare a report that summarizes the impacts of existing policies and contracting programs.	9/30/07	
3.0 – Conduct Data Collection	3.1	Conduct a data assessment to determine the condition of contract and purchasing data and develop data collection methodology. Data collected will cover the time period of **October 1, 1999 through September 30, 2006.**	9/30/07	8/20/07
	3.2	Develop, review and receive approval for data collection methodology from Project Manager.	9/30/07	8/20/07
	3.3	Work with appropriate MDT personnel to transfer electronic data to Wilson Consulting and hard copy files for data extraction.	9/30/07	In Progress
	3.4	Collect data from outside sources, such as certification lists, minority and majority professional organizations, *Dun and Bradstreet, Construction Market Data,* and *F.W. Dodge, Inc.*	9/30/07	8/30/07
	3.5	Finalize Programming Wilson Consulting database to record and analyze the utilization data.	9/30/07	8/30/07
	3.6	Obtain 100 percent of subcontractor data, where appropriate. If data is in hard copy, scan the contracts and subcontracts to enter in database.	9/30/07	In Progress
	3.7	"Clean" data for consistency: removing duplicates; formatting; multiple office locations, etc. Remove unnecessary data to include employees, other government agencies, nonprofit organizations and other fields as appropriate.	9/30/07	
	3.8	Prepare List of Contracts for review.	9/30/07	

Task	Task #	Activity	Proposed Dates	Date Submitted
4.0 – Conduct Market Area Analysis	4.1	From the statistics gathered from contract data, determine the location of successful vendors. Determine the geographic area from which prime contractors or vendors are hired for each type of contracting.	10/31/07	
	4.2	A market area analysis will be prepared for each major business category: heavy construction services, professional services and supplies.	10/31/07	
	4.3	Review the draft market area analyses with Project Manager.	10/31/07	
	4.4	Prepare report on the recommended market areas.	10/31/07	
5.0 – Calculate Private Sector Availability	5.1	Determine the relevant private sector market area taking into account total market activity, geography and operational capability indicators.	11/30/07	In Progress
	5.2	Collect the relevant public data from resources such as the National Survey of Small Business Finances (NSSBF), US Small Business Administration (SBA), Current Population Survey (CPS), Economic Census and Five Percent Public Use Microdata Samples (PUMS).	11/30/07	In Progress
	5.3	Determine the relevant firm type and characteristics to be included in the private sector availability analysis.	11/30/07	
	5.4	Collect required data on private organizations providing the relevant services in the defined market area. Data should be collected on: • First and last name • Company name • Physical and mailing addresses • Phone number • Fax number • Email address • NAICS • DBE status If available, collect data on number of employees, year founded, annual revenues and geographic areas of operation.	11/30/07	

Task	Task #	Activity	Proposed Dates	Date Submitted
	5.5	Select survey targets for assessing the private market for availability predictors.	11/30/07	
	5.6	Refine the survey instrument to ensure that it captures the requested as well as needed data regarding the private sector.	11/30/07	
	5.7	Issue and collect the survey from relevant private firms.	11/30/07	
	5.8	Analyze the survey data to determine barriers of entry, operating conditions and other marketplace characteristics.	11/30/07	
	5.9	Model the private sector availability based on ready, willing and able. Utilize original data (survey), secondary data (federal, state, and commercial data) and other resources.	11/30/07	
	5.10	Use econometric modeling to estimate the size of the firm population based on the private sector data by category.	11/30/07	
	5.11	Ensure that secondary measures are utilized that validate the calculations.	11/30/07	
	5.12	Determine private sector availability by District (geographic area), NAICS code, business concentration, preference status (race and gender) and component scores on the availability measures.	11/30/07	
	5.13	Validate the calculated selections based on vendor data to ensure that the similar firms are determined to be available for each stratum.	11/30/07	
	5.14	Create the private sector availability database for disparity analysis.	11/30/07	
6.0 – Conduct Availability Analysis	6.1	Verify the validity of the client databases containing vendor, bidder and subcontractor data collected in previous tasks.	12/31/07	
	6.2	Determine other organizations and jurisdictions that should be approached for vendor, bidder and subcontractor data.	12/31/07	In Progress
	6.3	Collect electronic listings from other public jurisdictions and organizations. This should include other public organizations, associations or groups.	12/31/07	In Progress

Task	Task #	Activity	Proposed Dates	Date Submitted
	6.4	Create a database that contains the relevant vendor, bidder and subcontractor data for the state and other organizations. Data should be organized on: • First and last name • Company name • Physical and mailing addresses • Phone number • Fax number • Email address • SIC • NAICS • DBE status If available, collect data on preference status, number of employees, year founded, annual revenues and geographic areas of operation.	12/31/07	In Progress
	6.5	Create a list of organizations with missing data and what the missing elements are.	12/31/07	
	6.6	Contact by phone the organizations with missing data and collect as much as possible for entry into the vendor, bidder and subcontractor database.	12/31/07	
	6.7	Update the database with the collected information where appropriate.	12/31/07	
	6.8	Compare the overlap of the public and private databases. Eliminate any redundant entries to ensure that the database is comprehensive and accurate.	12/31/07	
	6.9	Verify the bidder and subcontractor data with the same standards for availability with the private sector firms.	12/31/07	
	6.10	Create a master database for availability analysis that indicates the source of the entry but includes all entries.	12/31/07	
	6.11	Determine availability based on public vs. private market participants, combined public and private, geographic location, size categories, preference status (race and gender) and other demarcations.	12/31/07	

Task	Task #	Activity	Proposed Dates	Date Submitted
	6.12	Create the availability contact database.	12/31/07	
	6.13	Prepare the chapter summarizing the availability analysis.	12/31/07	
7.0 – Conduct Regression Analysis	7.1	Review data collected from the vendor survey and ensure that the data presents a sufficient and defendable sample for analysis. A comparison to the public and private availability data should be conducted.	11/30/07	
	7.2	Conduct descriptive analysis to determine the robustness of the data.	11/30/07	
	7.3	Select the econometric models necessary for determining the causal factors related to firm utilization.	11/30/07	
	7.4	Verify the analysis assumptions to ensure the identified relationships are correct.	11/30/07	
	7.5	Conduct additional analysis as needed to determine other mitigating factors impacting the results.	11/30/07	
	7.6	Summarize the findings and link possible predictors to programs, initiatives and other environmental factors related to the results.	11/30/07	
	7.7	Identify potential recommendations that would result in increasing available firms, utilization and reaching the organization's goals.	11/30/07	
8.0 – Conduct Utilization Analysis	8.1	Review utilization (vendor) database for completion and appropriateness of elements. Ensure that all of the necessary elements are present in the database.	11/30/07	
	8.2	Create initial utilization summaries by project type, location, size and other major characteristics to provide the project manager.	11/30/07	
	8.3	Gain approval from the project manager on the output of the utilization database.	11/30/07	
	8.4	Conduct basic descriptive analysis on the utilization database.	11/30/07	

Task	Task #	Activity	Proposed Dates	Date Submitted
	8.5	Based on contract size, relevant market area, time period and preference status, estimate utilization for prime and subcontractors.	11/30/07	
	8.6	Examine utilization within the context of programs and incentives in place during the time period analyzed.	11/30/07	
	8.7	Provide the results to the client for review and feedback.	11/30/07	
9.0 – Conduct Disparity Analysis	9.1	Develop a draft set of disparity analyses (in the form of report layouts) and statistical analyses (in tabular form) to be conducted.	1/15/08	
	9.2	Review draft report layouts and tables with the Project Manager and make appropriate revisions.	1/15/08	
	9.3	Utilizing the availability data and the utilization data, calculate disparity indices for the categories shown above.	1/15/08	
	9.4	Subject disparity analyses to statistical tests to determine statistical significance.	1/15/08	
	9.5	Conduct comparative analysis of disparity when a race preference program was used and when only race neutral program was used.	1/15/08	
	9.6	Review the disparity calculations, statistical tests results with the Project Officer and make appropriate revisions.	1/15/08	
10.0 – Personal Interviews, Focus Groups and Public Hearings	10.1	D. Wilson Consulting Group will schedule and conduct not les than 40 personal interviews; 4 with DBE firms and 4 with non-DBE firms in each district. The purpose of the interviews is to gather anecdotal data concerning barriers to contracting for performance of work in the State of Montana. D. Wilson Consulting Group will utilize the DBE interview instrument developed in Task 5 to collect data during the interview. D. Wilson Consulting Group will obtain signed affidavits from all interviewees attesting to the accuracy of the information provided during the interviews.	12/31/07	
	10.2	D. Wilson Consulting Group will conduct 5 focus groups, 1 in each District. Each focus group will include prime contractors only. The purpose of the focus group is to gather anecdotal information on DBE utilization from their perspective. D. Wilson Consulting Group shall distribute the prime Contractor interview instrument developed in Task 5 to focus group attendees and shall collect completed instruments at the end of each focus group.	12/31/07	

Task	Task #	Activity	Proposed Dates	Date Submitted
	10.3	D. Wilson Consulting Group will conduct 5 public hearings, 1 public hearing in each District. D. Wilson Consulting Group will provide a hearing officer and panel to gather anecdotal evidence concerning contracting experiences with the State of Montana including disparate treatment, contracting barriers and suggestions for improvement.	12/31/07	
	10.4	Draft Anecdotal chapter for review by Project Manager	2/15/08	
11.0 – Recommend Narrowly Tailored Remedies for the DBE Policy and Programs	11.1	Based on the results of the availability, regression, and utilization analyses, and the review of programs, identify problem areas, if any.	2/15/08	
	11.2	Identify what problem areas, if any that can be corrected with race- and gender-neutral remedies.	2/15/08	
	11.3	Identify what problem areas, if any, cannot be corrected by race- and gender-neutral remedies.	2/15/08	
	11.4	Identify narrowly tailored remedies for each problem area (or group of areas) consistent with the legal parameters.	2/15/08	
	11.5	Prepare alternative recommendations and solutions, if necessary, to modify existing race- and gender-neutral programs and policies and existing race- and gender-preference programs.	2/15/08	
	11.6	Develop methods for monitoring and data collection.	2/15/08	
	11.7	Prepare draft report on the recommendations. Review draft report with the Project Manager and make appropriate revisions.	2/15/08	
	11.8	Submit final report with recommendations.	2/15/08	
12.0 – Final Report	12.1	Compile all draft chapter reports into one for review by the Wilson Consulting Group team.	4/30/08	
	12.2	Revise report base upon team comments.	4/30/08	
	12.3	Present Draft Report to the Project Manager for review and comments.	4/30/08	
	12.4	Discuss comments with Project Manager for clarification.	4/30/08	

Task	Task #	Activity	Proposed Dates	Date Submitted
	12.5	Prepare Final Report.	4/30/08	
	12.6	Conduct three presentations of the results of the Availability/Disparity Study.	4/30/08	
13.0 – Deliverables	13.1	Final Report – with Appendices	4/30/08	
	13.2	Executive Summary	4/30/08	
	13.3	Three Presentations	4/30/08	
	13.4	CD with available firms.	4/30/08	

Montana Proposed / Current Timeline

TASK	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
1.0 – Conduct Legal Analysis												
2.0 – Review Policies, Procedures and Programs												
3.0 – Conduct Data Collection												
4.0 – Conduct Market Area Analysis												
5.0 – Calculate Private Sector Availability												
6.0 – Conduct Availability Analysis												
7.0 – Conduct Regression Analysis												
8.0 – Conduct Utilization Analysis												
9.0 – Conduct Disparity Analysis												
10.0 – Personal Interviews, Focus Groups and Public Hearings												
11.0 – Recommend Narrowly Tailored Remedies for the DBE Policy and Programs												
12.0 – Final Report												

* For presentations of the Final Report