Race-Neutral DBE Goals in Practice

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Take away points

- Significant innovations in race-neutral goals in Minnesota and other states
- Many State DOTs and Transit Agencies have misinterpreted FTA regulations to require only race neutral DBE goals
- But, not all DBEs benefit from some of these innovations
Innovations: Minnesota DOT

- Collaborative of DBEs, Primes and DOT Engineers and officials
- De-bundling of contracts
- Requirements for subcontracting for specific projects
- Mentor-Protégé program
- Wage subsidies for OJT

Challenges: Lessons from NJDOT

- NJ Long History of Implementing and then abandoning set-asides and goals when sued
- Sued in 2003 and abandoned state-wide Minority/Women Programs
- Applied an ESBE Program to implement its race-neutral goals
Percentage of dollars awarded to DBEs:
Construction

Percentage of dollars awarded to DBEs:
Professional Services
Implications of ESBE-type Programs

- Help better educated DBEs in specialized areas
- Do not help DBEs in areas with lower education but high work experience areas (concrete, carpentry, electrical work, etc.)
- Potential for favoring groups with high concentrations in specialized areas (e.g. Asian Immigrants)
The Colorado-Minnesota- Consortium (CMC)

1. Experienced Economic Researchers and Specialists in Public Procurement and Contracting
2. Innovative and state-of-the-art methodology and extensive experience with messy data
3. Close and inseparable link between the legal analysis and the economic analysis