

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM PROPOSED THREE-YEAR OVERALL GOAL & METHODOLOGY SUBMISSION TO FHWA FOR FEDERAL FISCAL YEARS 2024 THROUGH 2026

October 2023 (March 2023 original version)

Introduction

The Arizona Department of Transportation (ADOT) hereby submits its three-year overall Disadvantaged Business Enterprise (DBE) goal for federal fiscal years (FFYs) 2024 through 2026 to the Federal Highway Administration (FHWA) pursuant to [49 CFR Part 26, Section 26.45](#).

Based on the results of the 2022 Availability Study and the 2020 Disparity Study provided to FHWA, ADOT proposes a 12.55% DBE goal for FFYs 2024 through 2026 for FHWA-funded contracts, 4.90 percentage points of which will be accomplished through race-neutral means (ADOT outreach, training and program efforts). The remaining 7.65 percentage points of which are projected to be accomplished through race- and gender-conscious means (DBE contract goals).

Step 1. Determining a Base Figure — Pursuant to 49 CFR Section 26.45(c)

ADOT began the process of determining its overall DBE goal by establishing a base figure. Consistent with USDOT regulations and guidance, ADOT established the base figure from a DBE availability analysis conducted by Keen Independent Research (Keen Independent) in the 2022 Availability Study. Keen Independent also prepared the 2014 Availability Study, 2015 Disparity Study, 2017 Availability Study and 2020 Disparity Study for ADOT. ADOT based its previous three-year goals for FHWA-funded contracts on these studies.

The availability analysis determined the percentage of ADOT FHWA-funded contracts from October 2018 through September 2021 that might go to current or potential DBEs if they had the same chance of winning that work as any other available firm, after accounting for the type, size and location of those prime contracts and subcontracts. ADOT used a dollar-weighted approach to determine this overall availability estimate. Note that a “potential DBE” is a minority- or woman-owned firm that appears that it could be certified as a DBE that is not currently DBE-certified.

October 2018 through September 2021 were the three most recent completed federal fiscal years at the time of the 2022 Availability Study. There were 658 ADOT- and local agency-awarded contracts and 3,895 associated subcontracts that were FHWA-funded during this time period. Contract dollars totaled about \$2.2 billion.

The types, sizes and locations of FHWA-funded contracts and subcontracts from October 2018 through September 2021 are similar to the work anticipated for FHWA-funded contracts for FFY 2024–FFY 2026. Therefore, the availability analysis for those three fiscal years of FHWA-funded contracts provides a reasonable projection of the percentage of FHWA-funded contract dollars that might go to available DBEs for FFY 2024 through FFY 2026.

As presented in the Summary Report section of the 2022 Availability Study report, one might expect current and potential DBEs to receive 14.28% of ADOT FHWA-funded transportation contract dollars based on analysis of FHWA-funded contracts from October 2018 through September 2021 and current availability of firms to perform that work.

This section explains how the relative availability of current and potential DBEs was calculated.

Keen Independent developed a database of available firms (DBEs and non-DBEs) to use when examining availability for individual October 2018 through September 2021 prime contracts and subcontracts.

- Based on analysis of FHWA-funded contracts for October 2018 through September 2021, Keen Independent determined that Arizona should be selected as the relevant geographic market area for the availability study.

82.63% of ADOT and local agency FHWA-funded contract dollars from October 2018 through September 2021 went to firms with locations in Arizona.

Therefore, the availability analysis examined firms with locations in Arizona. (The geographic market area for the availability analysis is identical to the 2014, 2015, 2017 and 2020 studies.)

- Keen Independent also examined the types of work involved in FHWA-funded contracts from October 2018 through September 2021. There were 31 types of work that accounted 98.29% of FHWA-funded contract dollars. The availability analysis focuses on firms performing these 31 types of work.

DBE Availability. As briefly set out below and explained in detail in the Summary Report and Appendix C of the 2022 Availability Study, Keen Independent compiled a master availability database and calculated the relative availability of current and potential DBEs on a dollar-weighted basis. This analysis produced an availability figure of 14.28% for ADOT's FHWA-funded transportation contracts.

Availability is expressed as the percentage of the associated contracting dollars that one might expect DBEs to receive based on factors including the type of work involved, the location of the work and the size of the contract or subcontract. In the base figure analysis, firms considered as DBEs were those businesses that were DBE-certified or appeared that they could be DBE-certified based on revenue criteria described in federal regulations including 49 CFR Section 26.65. ADOT followed up with these non-DBE-certified minority- and woman-owned firms to confirm that they might be eligible for and interested in certification as a DBE. Only those firms that met those criteria were counted as potential DBEs when calculating the overall DBE goal.

Master Availability Database. Keen Independent developed a master availability database (current and potential DBEs and non-DBEs) by contacting thousands of firms to collect information about availability for ADOT contracts. The firms contacted for the database came from the following sources:

- Companies that had previously identified themselves to ADOT as interested in learning about future work by being prequalified for certain types of work or by being on bidding lists; and
- Businesses that Dun & Bradstreet (D&B) identified in certain transportation contracting-related subindustries in Arizona (D&B's Hoover's business establishment database). D&B's Hoover's database is accepted as the most comprehensive and complete source of business listings in the nation.

Keen Independent completed surveys with 2,332 businesses. After consolidating duplicate responses and removing companies that are no longer in business, not-for-profit, unable to perform transportation-related work, not located in Arizona or not interested in discussing availability for ADOT work, the final database contains 503 businesses, of which 191 (37.97%) were minority- or women-owned (MBE or WBE). The left-hand columns of Figure 1 on the following page present these results.

Figure 1. Availability “Head Count” of Businesses Included in Availability Study

Race/ethnicity and gender	2022 Study		2020 Study	2017 Study
	Number of firms	Percent of firms	Percent of firms	Percent of firms
African American-owned	29	5.77 %	4.02 %	2.33 %
Asian American-owned	9	1.79	2.31	2.89
Hispanic American-owned	69	13.72	14.36	14.27
Native American-owned	12	2.39	2.31	3.08
Total MBE	119	23.66 %	22.99 %	22.57 %
WBE (white woman-owned)	72	14.31	16.77	16.14
Total MBE/WBE	191	37.97 %	39.76 %	38.71 %
Majority-owned firms	312	62.03	60.24	61.29
Total	503	100.00 %	100.00 %	100.00 %

Note: Numbers rounded to nearest hundredth of 1%.

Source: Keen Independent Research 2022 Availability Study (Summary Report, page 11).

Head Count DBE Availability. Minority- and woman-owned companies were 37.97% of all firms available for ADOT contacts. This 37.97% figure represents a simple “head count” of MBE and WBE firms and is only the initial stage of calculating the DBE availability base figure. The availability calculation is further refined by dollar-weighting and by not counting as a potential DBE those MBE or WBE firms that appear to be ineligible to become DBE-certified.

Dollar-Weighted Availability. The “head count” data were further analyzed to produce “dollar-weighted” availability estimates, which represent the percentage of ADOT transportation contracting dollars that DBEs might be expected to receive based on their availability for specific types, sizes and locations of ADOT FHWA-funded prime contracts and subcontracts. This approach to calculating availability was a bottom-up, contract-by-contract process of “matching” available firms to specific prime contracts and subcontracts based on the types, sizes and locations of work they do. In other words, Keen Independent performed an availability analysis for each of the 4,553 FHWA-funded prime contracts and subcontracts during the study period, and then summarized results.

This approach to availability is much more precise than a simple “head count” of businesses because it considers the following factors:

1. **Type of Work.** USDOT suggests calculating availability based on businesses’ abilities to perform specific types of work and gives the following example in Part II F of “Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program”:

For instance, if 90% of your contract dollars will be spent on heavy construction and 10% on trucking, you should weight your calculation of the relative availability of firms by the same percentages.¹

¹ USDOT. *Tips for Goal-Setting in the Federal Disadvantaged Enterprise (DBE) Program as updated December 22, 2014* <http://www.dot.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

The type of work was taken into account by examining 31 different subindustries related to transportation construction and engineering as part of estimating availability for ADOT and local agency work.²

2. Qualifications and Interest in Transportation-Related Prime Contract and Subcontract Work. Keen Independent collected information on whether businesses are qualified and interested in working as prime contractors, subcontractors, or both on ADOT and/or local agency transportation work, in addition to the consideration of several other factors related to prime contracts and subcontracts (e.g., contract types, sizes and locations):
 - Only businesses that reported being qualified for and interested in working as prime contractors were counted as available for prime contracts (additional firms were counted as available for prime contract work because contract data for ADOT or local agencies indicated that they had prime contracts in the previous three years).
 - Only businesses that reported being qualified for and interested in working as subcontractors were counted as available for subcontracts (additional firms were counted as available for subcontract work because contract data for ADOT or local agencies indicated that they had subcontracts in the previous three years).
 - Businesses that reported being qualified for and interested in working as both prime contractors and subcontractors (or performed both prime contractor and subcontractor work for ADOT or local agencies in the previous three years) were counted as available for both prime contracts and subcontracts.
3. Size of Prime Contracts and Subcontracts. Also considered was the size, in terms of dollar value, of the prime contracts and subcontracts that a business bid on or received in the three years prior to the survey (i.e., “bid capacity”) when determining whether to count that business as available for a specific prime contract or subcontract.

This approach is consistent with many recent court decisions that have found relative capacity measures to be important to measuring availability (e.g., *Associated General Contractors of America, San Diego Chapter, Inc. v. California Department of Transportation, et al.*;³ *Western States Paving Company v. Washington State DOT*;⁴ *Rothe Development Corp. v. U.S. Department of Defense*;⁵ and *Engineering Contractors Association of S. Fla. Inc. vs. Metro Dade County*⁶).

4. Geographic Location of the Work. This was determined by using the location where work was performed for ADOT and local agency contracts (Northern, Central or Southern Arizona, or statewide). Only firms reporting that they were able to work in a region were counted as available for contracts in that region.
5. Dollar-Weighted Results. Relative availability was determined on a contract-by-contract basis and then dollar-weighted to determine overall DBE availability for FHWA-funded contracts. For each prime contract and subcontract, Keen Independent calculated (a) the number of DBEs available for that type, size and

² The subindustries considered included: general road construction and widening; engineering; structural steel work; bridge work; asphalt paving; temporary traffic control; electrical work including lighting and signals; trucking and hauling; Portland cement concrete paving; installation of guardrails, fencing or signs; landscaping and related work; pavement milling; drilling and foundations; striping or pavement marking; concrete flatwork, including sidewalk, curb and gutter; concrete pumping; underground utilities; surveying and mapping; asphalt, concrete or other paving materials; soils and materials testing; traffic engineering; wrecking and demolition; excavation, site prep, grading and drainage; concrete cutting; environmental consulting; painting for road or bridge projects; street cleaning services; landscape architect; commercial industrial machinery; construction remediation and cleanup; and structural concrete work.

³ *Associated General Contractors of America, San Diego Chapter, Inc. v. California Department of Transportation, et al.*, 713 F. 3d 1187, 2013 WL 1607239 (9th Cir. April 16, 2013).

⁴ *Western States Paving Co. v. Washington State DOT*, 407 F.3d 983 (9th Cir. 2005), cert. denied, 546 U.S. 1170 (2006).

⁵ *Rothe Development Corp. v. U.S. Department of Defense*, 545 F.3d 1023 (Fed. Cir. 2008).

⁶ *Engineering Contractors Association of S. Fla. Inc. vs. Metro Dade County*, 943 F. Supp. 1546 (S.D. Fla. 1996).

location of work, (b) the total number of firms available for that work, and (c) the percentage DBE availability for that prime contract or subcontract, calculated by dividing (a) by (b). The factor used to dollar-weight the availability results for each of the 4,553 prime contracts and subcontracts was calculated by dividing the dollars for that prime contract/subcontract by \$2,177,000,000 (the total FHWA-funded contract dollars examined). Small prime contracts or subcontracts received small weights and the largest contracts received the highest weights. For example, availability results for a \$21 million prime contract would receive a weight of 1% ($\$21,000,000 \div \$2,177,000,000 = 1.0\%$). Thus, the results of relatively large contract elements contributed more to overall availability estimates than those of relatively small contract elements. Once weighted, the DBE availability percentage results for each prime contract and subcontract were added to develop the overall availability figure. This approach is consistent with USDOT's "Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program," which suggests a dollar-weighted approach to calculating availability.

Figure 2 below provides an example of the contract-by-contract dollar-weighted availability calculation. Availability calculations were first done for minority- and women-owned firms and then refined to show results for current and potential DBEs.

Figure 2. Example of an Availability Calculation for an ADOT subcontract on an FHWA-funded contract

One of the subcontracts examined was for a temporary traffic control site (\$14,000) on a 2020 FHWA-funded contract in Northern Arizona. To determine the number of MBE/WBEs and majority-owned firms available for that subcontract, the study team identified businesses in the availability database that:

- a. Were in business in 2020;
- b. Indicated that they performed temporary traffic control work;
- c. Reported ability to perform work in Northern Arizona;
- d. Indicated qualifications and interest in such subcontracts; and
- e. Reported bidding on work of similar or greater size in the three years in Arizona.

There were 36 businesses in the availability database that met those criteria. Of those businesses, 16 were MBE/WBEs. Therefore, MBE/WBE availability for the subcontract was 44.4% (i.e., $16/36 = 44.4\%$).

The contract weight was $\$14,000 \div \$2.2 \text{ billion} = 0.0006\%$ (equal to its share of total FHWA-funded contract dollars). Keen Independent made this calculation to determine the weight for each prime contract and subcontract.

Source: Keen Independent Research Availability Analysis from 2022 Availability Study (Summary Report, page 12).

Summing the Dollar-Weighted Availability. Keen Independent performed the calculations shown in Figure 2 for 4,553 FHWA-funded prime contracts and subcontracts for the study period. When Keen Independent summed the results for all contracts, overall dollar-weighted MBE/WBE availability for FHWA-funded contracts was 23.75%.

Keen Independent used the approach described above to estimate the availability of current and potential DBEs for FHWA-funded prime contracts and subcontracts that ADOT and local agencies awarded during the study period.

Figure 3 below presents overall dollar-weighted availability by MBE/WBE group for FHWA-funded contracts. Keen Independent’s availability analysis for ADOT and local agency FHWA-funded contracts indicates that MBE/WBEs might be expected to receive 23.75% of these contract dollars, somewhat less than the “headcount” availability in Figure 1.

Figure 3. Overall Dollar-Weighted Availability Estimates by MBE/WBE Group for ADOT FHWA-Funded Contracts, October 2018–September 2021

Race/ethnicity and gender	FHWA
African American-owned	3.79 %
Asian-Pacific American-owned	1.26
Subcontinent Asian American-owned	0.31
Hispanic American-owned	7.10
Native American-owned	2.42
Total MBE	14.88 %
WBE (white woman-owned)	8.87
Total MBE/WBE	23.75 %
Majority-owned firms	76.25
Total	100.00 %

Note: Results for FHWA-funded contracts include potential DBEs.

Source: Keen Independent Research 2022 ADOT Availability Study (Summary Report, page 13).

Note that the analysis of MBE/WBE availability took into account for the work type of each firm (and other factors described in previous pages). Keen Independent generated results from 4,553 availability calculations (one for each prime contract and subcontract during the study period) prior to weighting results of each calculation by the share of total contract dollars represented by each contract and subcontract. Due to space constraints, results of each individual calculation are not reported here).

Potential and Certified DBE Availability Adjustments. To determine the DBE base figure, which focuses on availability of currently certified DBEs and firms that could be certified as DBEs, Keen Independent refined the 23.75% dollar-weighted availability figure by not counting any MBE or WBE firms as potential DBEs that appear to be ineligible for certification. The following groups of MBE/WBEs did not count as potential DBEs when calculating the base figure:

- Firms that, in recent years, graduated from the DBE Program or had applied for DBE certification in Arizona and had been denied (based on information supplied by ADOT and information from the USDOT Decertified, Denials and DBE Appeals Decisions website);
- Businesses in the availability interviews that reported having average annual revenue over three years that exceeded the revenue limits for DBE certification for their subindustry;
- MBE/WBEs that, upon telephone and email follow-up by ADOT in 2022, indicated that they would not qualify for DBE certification or were not interested in certification, or could not be reached when ADOT attempted to follow up with them; and
- Firms that did not have an active account in the Arizona Corporation Commission.

After subtracting the availability of these categories of MBE/WBEs, the dollar-weighted availability for current and potential DBEs is 14.28%, or 9.47 percentage points lower than total MBE/WBE availability. This information is shown in Figure 4 on the following page.

Figure 4. Overall Dollar-Weighted Availability Estimates for DBEs for ADOT FHWA-Funded Contracts, October 2018–September 2021

Calculation of base figure from past contracts	Availability
Total MBE/WBE	23.75 %
Less firms that graduated from the DBE program or denied DBE certification in recent years or exceed revenue threshold or indicated that they were not interested in DBE certification or did not have an active account with the Arizona Corporation Commission	9.47
Subtotal	<u>14.28 %</u>
Plus white male-owned firms	<u>0.00</u>
Current and potential DBEs	14.28 %
Current DBEs only	7.21 %

Note: Numbers may not add to totals due to rounding.

Source: Keen Independent Research 2022 Availability Study (Summary Report, page 15).

Base Figure. The base figure representing potential and certified DBEs available for ADOT’s FHWA-funded contracts is 14.28%. Figure 5 below compares overall dollar-weighted availability estimates for those contracts (right-hand column) with the same analysis for FHWA-funded contracts in the 2017 Availability Study and 2020 Disparity Study. The base figure analysis in 2022 produced results lower than found in the 2020 Study.

Figure 5. Comparison of Overall Dollar-Weighted Availability Estimates for DBEs for ADOT FHWA-Funded Contracts

	2017 Availability Study	2020 Disparity Study	2022 Availability Study
FHWA	9.25 %	16.15 %	14.28 %

Note: Results include potential DBEs.

Source: Keen Independent Research 2017 ADOT Availability Study; Keen Independent Research 2020 ADOT Disparity Study;

Step 2. Consideration of Possible Adjustments — 49 CFR Section 26.45(d)

In accordance with DBE Program regulations, after the base figure was calculated, ADOT considered available evidence to determine whether the figure should be adjusted higher or lower than the base figure (a “step 2 adjustment”). The regulations indicate that an agency must consider the following:

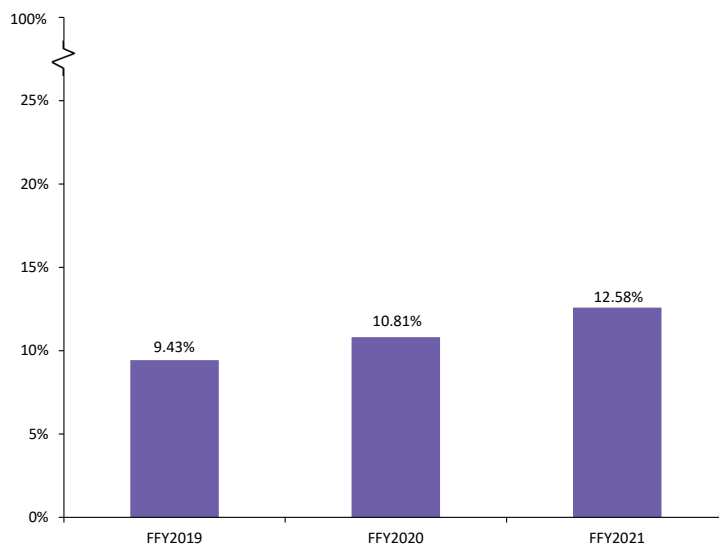
- Current capacity of DBEs to perform work, as measured by the volume of work DBEs have performed in recent years;
- Information related to employment, self-employment, education, training and unions;
- Any disparities in the ability of DBEs to get financing, bonding and insurance; and
- Other relevant factors.⁷

Considering relevant information from the 2022 Availability Study and the 2020 Disparity Study, ADOT reviewed each of the factors listed above in determining whether or not to adjust the base figure.

1. Current Capacity of DBEs to Perform Work, as Measured by the Volume of Work DBEs have Performed in Recent Years. USDOT’s “Tips for Goal-Setting” suggests that agencies should examine data on past DBE participation on their USDOT-funded contracts in recent years (i.e., the percentage of contract dollars going to DBEs). USDOT further suggests examining *median* DBE participation for several years as a measure of current capacity.

Based on payments data from ADOT Uniform Reports of DBE Awards or Commitments and Payments reported to the FHWA, the median DBE participation from FFY 2019 through FFY 2021 was 10.81%. As this value is lower than the 14.28% base figure, it suggests a possible downward step 2 adjustment based on this factor. These results are presented in Figure 6.

Figure 6. DBE Participation on FHWA-Funded Contracts Based on ADOT Uniform Reports to FHWA, Fiscal Years 2019 through 2021



Source: ADOT Uniform Reports of DBE Award or Commitments and Payments.

⁷ 49 CFR Section 26.45.

2. Information Related to Employment, Self-Employment, Education, Training and Unions. Chapter 4 of the 2020 Disparity Study report summarizes information about conditions in the Arizona transportation contracting industry for minorities, women and MBE/WBEs. Detailed quantitative analyses of marketplace conditions in Arizona are presented in Appendices E through H. Keen Independent’s analyses indicate barriers that certain minority groups and women face related to entry and advancement and business ownership in the Arizona construction and engineering industries. Such barriers may affect the availability of MBE/WBEs to obtain and perform ADOT and local agency transportation contracts.

It may not be possible to quantify the cumulative effect that barriers in employment, education and training may have had in depressing the availability of minority- and women-owned firms in the Arizona transportation contracting industry. However, the effects of barriers in business ownership can be quantified, as explained below.

In the 2020 Disparity Study, the study team used regression analyses to investigate whether race, ethnicity and gender affected rates of business ownership among workers in the Arizona construction and engineering industries. The regression analyses allowed the study team to examine those effects while statistically controlling for various personal characteristics including education and age (Appendix F of that report provides detailed results of the business ownership regression analyses).⁸

- Those analyses revealed that African Americans, Asian Americans, Native Americans and white women working in construction were less likely than nonminorities and white men to own construction businesses, even after accounting for various gender-neutral personal characteristics. Each of these disparities was statistically significant.
- In addition, there was a statistically significant disparity in firm ownership for other minorities and white women in the Arizona engineering industry.

Keen Independent analyzed the impact that barriers in business ownership would have on the base figure if African Americans, Asian Americans, Hispanic Americans, Native Americans and white women owned businesses at the same rate as similarly situated nonminorities and white men. This type of inquiry is sometimes referred to as a “but for” analysis because it estimates the availability of MBE/WBEs *but for* the effects of race- and gender-based discrimination.

As the explanation of these calculations is somewhat complex, ADOT provides Figure 7 to document how the upward adjustment was determined. A detailed explanation of each portion of the calculation follows the figure.

Figure 7 on the following page calculates the impact on overall MBE/WBE availability, resulting in a possible upward adjustment of the base figure to 20.58%. The analysis included the same contracts that the study team analyzed to determine the base figure (i.e., FHWA-funded construction and engineering prime contracts and subcontracts that ADOT and local agencies awarded from October 2018 through September 2021). Calculations are explained below.

⁸ The study team examined U.S. Census data on business ownership rates using methods similar to analyses examined in court cases involving state departments of transportation in California, Illinois, and Minnesota.

Figure 7. Potential Step 2 Adjustment to ADOT’s Overall DBE Goal for FHWA-Funded Contracts Considering Disparities in the Rates of Business Ownership

	a.	b.	c.	d.	e.
Current and potential DBEs	Current and potential availability	Disparity index for business ownership	Availability after initial adjustment*	Availability after scaling to 100%	Components of overall DBE availability**
Construction					
African American	0.58 %	61	0.95 %	0.88 %	
Asian American	0.01	65	0.02	0.02	
Native American	2.65	36	7.35	6.79	
Other minorities	4.95	n/a	4.95	4.58	
White women	6.96	69	10.09	9.32	
Minorities and women	15.15 %	n/a	23.36 %	21.59 %	18.13 %
All other businesses	84.85	n/a	84.85	78.41	
Total firms	100.00 %	n/a	108.21 %	100.00 %	
Engineering and other subindustries					
Hispanic American	2.44 %	n/a	2.44 %	2.29 %	
Other minorities	2.48	37	6.71	6.29	
White women	4.81	67	7.17	6.73	
Minorities and women	9.73 %	n/a	16.32 %	15.31 %	2.46 %
All other businesses	90.27	n/a	90.27	84.69	
Total firms	100.00 %	n/a	106.59 %	100.00 %	
Total for current and potential DBEs	14.28 %	n/a	n/a		20.58 %
Difference from base figure					6.30 %

Note: Numbers may not add to 100.00% due to rounding.

* Initial adjustment is calculated as current availability divided by the disparity index for business ownership.

** Components of the goal were calculated as the value after adjustment and scaling to 100%, multiplied by the percentage of total FHWA-funded contract dollars in each industry (construction = 84%, engineering = 16%).

Source: Keen Independent Research 2022 Availability Study (Appendix D, page 4).

The study team completed these “but for” analyses separately for construction and engineering contracts and then weighted the results based on the proportion of FHWA-funded contract dollars that ADOT awarded for construction and engineering for October 2018 through September 2021 (i.e., 84.85% weight for construction and 16.32% weight for engineering).⁹ The rows and columns of Figure 7 present the following information from Keen Independent’s “but for” analyses.

1. **Current Availability.** Column (a) presents the current availability of DBEs by group for construction and for engineering and other subindustries. Each row presents the percentage availability for minority- and women-owned DBEs. The current combined availability of DBEs for ADOT FHWA-funded transportation contracts for October 2018 through September 2021 is 14.28%, as shown in the bottom row of column (a).

⁹ Analysis does not include South Mountain Freeway contracts.

2. Disparity Indices for Business Ownership. As presented in Appendix F of the 2020 Disparity Study report, African Americans, Asian Americans, Native Americans and white women were less likely to own construction firms than similarly situated nonminorities and white men. This difference was statistically significant for each of those groups.

Keen Independent calculated simulated business ownership rates if those groups owned businesses at the same rate as nonminorities and white males who share similar personal characteristics. The study team then calculated a business ownership disparity index for each group by dividing the observed business ownership rate by the benchmark business ownership rate and then multiplying the result by 100.

Column (b) of Figure 7 presents disparity indices related to business ownership for the different racial/ethnic and gender groups. For example, as shown in column (b), Native Americans own construction businesses at 36.1% of the rate that would be expected based on the simulated business ownership rates of white males who share similar personal characteristics. Appendix F of the 2020 Disparity Study report explains how the study team calculated the disparity indices.

3. Availability after Initial Adjustment. Column (c) presents availability estimates for MBEs and WBEs by industry after initially adjusting for statistically significant disparities in business ownership rates. The study team calculated those estimates by dividing the current availability in column (a) by the disparity index for business ownership in column (b) and then multiplying by 100.
4. Availability after Scaling to 100%. Column (d) shows adjusted availability estimates that were re-scaled so that the sum of the availability estimates equals 100% for each industry. The study team re-scaled the adjusted availability estimates by taking each group's adjusted availability estimate in column (c) and dividing it by the sum of availability estimates shown under "Total firms" in column (c) — and multiplying by 100. For example, the re-scaled availability estimate for Native Americans shown for construction was calculated in the following way: $(7.35\% \div 108.21\%) \times 100 = 6.79\%$.
5. Components of Overall DBE Goal with Upward Adjustment. Column (e) of Figure 7 shows the component of the total base figure attributed to the adjusted MBE and WBE availability for construction versus engineering and other subindustries. The study team calculated each component by taking the total availability estimate shown in column (d) for construction and for engineering/other subindustries — and multiplying it by the proportion of total FHWA-funded contract dollars in each industry (i.e., 84.85% for construction and 16.32% for engineering). For example, the study team used the 21.59% shown for MBE/WBE availability for construction firms in column (d) and multiplied it by 84.85% for a result of 18.13%. A similar weighting of MBE/WBE availability for engineering/other subindustries produced a value of 2.46%.

The values in column (e) were then summed to equal the overall base figure adjusted for barriers in business ownership, which is 20.58% as shown in the bottom of column (e).

Finally, Keen Independent calculated the difference between the "but for" MBE/WBE availability (20.58%) and the current availability (14.28%) to calculate the potential upward adjustment. This difference, and potential upward adjustment, is 6.30 percentage points $(20.58\% - 14.28\% = 6.30\%)$.

3. Any Disparities in the Ability of DBEs to Secure Financing, Bonding and Insurance. Analysis of access to financing and bonding revealed quantitative and qualitative evidence of disadvantages for minorities, women and MBE/WBEs.

- Any barriers to obtaining financing and bonding might affect opportunities for minorities and women to successfully form and operate construction and engineering businesses in the Arizona marketplace.
- Any barriers that MBE/WBEs face in obtaining financing and bonding would also place those businesses at a disadvantage in obtaining ADOT and local agency construction and engineering prime contracts and subcontracts.

Note that financing and bonding are closely linked, as discussed in Chapter 4 and Appendix J of the 2020 Disparity Study.

There was also evidence in the 2020 Disparity Study that some firms cannot bid on certain public sector projects because they cannot afford the levels of insurance required by the agency. This barrier appears to affect small businesses, which might disproportionately impact minority- and women-owned firms. Additionally, MBEs and WBEs were somewhat more likely to report that insurance requirements on contracts were a barrier to bidding.

The information about financing, bonding and insurance supports an upward step 2 adjustment in ADOT’s overall annual goal for DBE participation in FHWA-funded contracts.

4. Other Factors. The Federal DBE Program suggests that federal aid recipients also examine “other factors” when determining whether to make any step 2 adjustments to their base figure.¹⁰

Among the “other factors” ADOT examined was the information in the 2020 Disparity Study about the comparative success of MBE/WBEs and majority-owned businesses in the Arizona marketplace. There was quantitative evidence that certain groups of MBE/WBEs are less successful than majority-owned firms, and face greater barriers in the marketplace, even after considering neutral factors. There was also qualitative evidence of barriers to the success of minority- and women-owned businesses. Some of this qualitative information suggests that discrimination on the basis of race, ethnicity and gender affected minority- and women-owned firms in the Arizona transportation contracting industry.

There is no straightforward way to project the number of MBE/WBEs available for ADOT work but for the effects of these other factors.

¹⁰ 49 CFR Section 26.45.

Summary of Approaches for Making Step 2 Adjustments. Quantification of potential downward or upward step 2 adjustments is summarized below.

1. Current Capacity of DBEs to Perform Work, as Measured by the Volume of Work DBEs have Performed in Recent Years. Analysis of this factor might indicate a downward step 2 adjustment if ADOT analyzed its estimates of past DBE participation (based on payments) — for recent years, the median DBE participation on FHWA-funded contracts was 10.81% (from Figure 6).

USDOT “Tips for Goal-Setting” suggests taking one-half of the difference between the base figure and evidence of current capacity as one approach to calculating the step 2 adjustment for that factor. Keen Independent calculated the median past participation following the USDOT “Tips for Goal-Setting.”

The difference between the 14.28% base figure and 10.81% DBE participation is 3.47 percentage points (14.28% - 10.81% = 3.47%). One-half of this difference is a downward adjustment of 1.74 percentage points (3.47 ÷ 2 = 1.74%). The goal would then be calculated as follows: 14.28% - 1.74% = 12.55%. (These calculations are presented in Figure 8.)

2. Information Related to Employment, Self-Employment, Education, Training and Unions. The study team was not able to quantify all of the information regarding barriers to entry for MBE/WBEs. Quantification of the business ownership factor indicates an upward step 2 adjustment of 6.30 percentage points to reflect the “but-for” analyses of business ownership rates presented in Figure 7. If ADOT made this adjustment, the overall DBE goal for FHWA-funded contracts would be 20.58% (14.28% + 6.30% = 20.58%). Figure 8 summarizes these calculations.

Figure 8. Potential Step 2 Adjustments to ADOT’s Overall DBE Goal for FHWA-Funded Contracts, FFY 2024–FFY 2026

Step 2 adjustment component	Value	Explanation
Lower adjustment of overall DBE goal for current capacity		
Base figure	14.28 %	From base figure analysis
Evidence of current capacity	<u>10.81</u>	Past DBE participation
Difference	3.47 %	
	÷ <u>2</u>	Reduce by one-half
Adjustment	1.74 %	Downward adjustment for current capacity
Base figure	14.28 %	From base figure analysis
Adjustment for current	- <u>1.74</u>	Downward step 2 adjustment
Overall DBE goal	12.55 %	Lower range of DBE goal
Upward adjustment of overall DBE goal for business ownership		
Base figure	14.28 %	From base figure analysis
Adjustment for "but for"	+ <u>6.30</u>	"But for" step 2 adjustment for business
Overall DBE goal	20.58 %	Upward adjustment of DBE goal for business

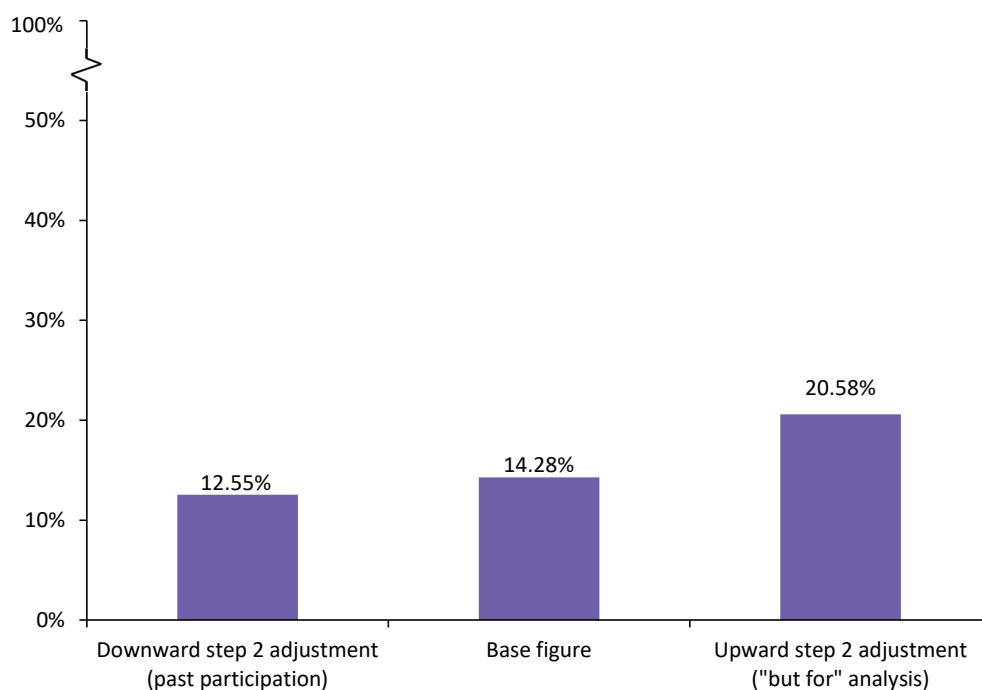
Source: Keen Independent Research 2022 Availability Study (Summary Report, page 17).

3. Any Disparities in the Ability of DBEs to Secure Financing, Bonding and Insurance. Analysis of financing, bonding and insurance indicates that an upward adjustment is appropriate. However, impact of these factors on availability could not be quantified in 2022 Availability Study or the 2020 Disparity Study.

4. Other Factors. Impact of the barriers to success of MBE/WBEs in Arizona could not be quantified in the 2020 Disparity Study. However, evidence supports an upward adjustment.

Summary. ADOT considered whether to make a downward, upward or no step 2 adjustment when determining its overall DBE goal. If ADOT were to make a downward step 2 adjustment reflecting current capacity to perform work, its overall DBE goal for FHWA-funded contracts would be 12.55%. If ADOT decided to not make a downward adjustment and to make an upward adjustment that reflects analyses of business ownership rates, its overall DBE goal would be 20.58%. Figure 9 summarizes the potential adjustments described in this document.

Figure 9. Potential Step 2 Adjustments to ADOT’s Overall DBE Goal for FHWA-Funded Contracts



Source: Keen Independent Research 2022 Availability Study (Summary Report, page 19).

Adjustments Summary. For FHWA-funded contracts from FFY 2024 through FFY 2026, ADOT proposes utilizing a downward adjustment of the base figure, for an overall DBE goal of 12.55%.

The downward adjustment takes into consideration the demonstrated capacity of DBEs to perform ADOT FHWA-funded contracts (10.81% using data available at the time of the original development of this goal document). ADOT also considered the fact that to achieve a goal of 12.55%, it must still successfully recruit additional eligible minority- and woman-owned businesses to participate in the DBE Program and support them as they pursue ADOT work opportunities. (This is because each goal calculation counts as DBEs those firms that are currently certified as DBEs *and* non-certified firms that appear they could be DBE-certified if they chose to pursue certification.) For ADOT, these two considerations outweigh the reasons for making an upward adjustment that would reflect disparities in rates of business ownership.

Race-/Gender-Neutral and Race-/Gender-Conscious Split — 49 CFR Section 26.51(c)

To comply with the Federal DBE Program, ADOT must meet the maximum feasible portion of its overall DBE goal using race- and gender-neutral measures.¹¹ Race- and gender-neutral measures are initiatives that encourage the participation of all businesses, or all small businesses, and are not specifically limited to MBE/WBEs or DBEs. ADOT has considered whether it can meet its overall DBE goal solely through neutral means or whether race- and gender-conscious measures — such as DBE contract goals — are also needed. As part of doing so, ADOT has projected the portion of its overall DBE goals that it expects to meet (a) through race- and gender-neutral means, and (b) through race- and gender-conscious programs (if any).

USDOT offers guidance concerning how transportation agencies should project the portions of their overall DBE goals that will be met through race- and gender-neutral, and race- and gender-conscious measures, including the following:

- USDOT Questions and Answers about 49 CFR Part 26 addresses factors for federal aid recipients to consider when projecting the portion of their overall DBE goals that they will meet through race- and gender-neutral means.¹²
- USDOT “Tips for Goal-Setting” also suggests factors for federal aid recipients to consider when making such projections.¹³

Based on 49 CFR Part 26 and the resources above, ADOT considered the following questions:

1. Is there evidence of discrimination within the local transportation contracting marketplace for any racial, ethnic or gender groups?
2. What has been the agency’s past experience in meeting its overall DBE goal?
3. What has DBE participation been when ADOT did not use DBE contract goals (or other race- or gender-conscious measures)?¹⁴
4. What is the extent and effectiveness of race- and gender-neutral measures that ADOT currently has in place and will put in place for the next fiscal years?

The balance of this section is organized around each of those general areas of questions.

1. Is There Evidence of Discrimination within the Local Transportation Contracting Marketplace for any Racial, Ethnic or Gender Groups? The 2020 Disparity Study considered conditions in the local marketplace to address this question. Quantitative and qualitative information is summarized below.

Marketplace Conditions. As discussed in Chapter 4 of the 2020 Disparity Study, Keen Independent examined conditions in the Arizona marketplace, including:

- Entry and advancement;
- Business ownership;
- Access to capital, bonding and insurance; and

¹¹ 49 CFR Section 26.51.

¹² See <https://www.transportation.gov/sites/dot.gov/files/2020-01/docr-20180425-001part26qa.pdf>

¹³ 49 CFR Section 26.51.

¹⁴ USDOT guidance suggests evaluating (a) certain DBE participation as prime contractors if the DBE contract goals did not affect utilization, (b) DBE participation as prime contractors and subcontractors for agency contracts without DBE goals, and (c) overall utilization for other state, local or private contracting where contract goals are not used.

- Success of businesses.

There was quantitative evidence of disparities in outcomes for minority- and women-owned firms in general and for certain MBE/WBE groups concerning the above issues. Qualitative information indicated some evidence that discrimination may have been a factor in these outcomes.

Results of the Disparity Analysis for FHWA- and State-Funded Contracts. Chapter 6 of the 2020 Disparity Study report examines disparity in ADOT contracting. Keen Independent compared utilization and availability of minority- and women-owned firms on FHWA- and state-funded transportation contracts for which DBE goals were not applied. There were substantial disparities for each MBE group and a disparity for white women-owned firms. The disparity was substantial for white women-owned firms if a specific firm that identifies as a WBE is properly considered as majority-owned. (Chapter 6 of the 2020 Disparity Study presents complete results.)

Summary. ADOT reviewed the information about marketplace conditions presented in Chapter 4 and Appendices E through J of the 2020 Disparity Study, as well as other information it has, when considering the extent to which it can meet its overall DBE goal through neutral measures. The combined information from the marketplace analyses and the disparity analyses indicates evidence of disparate outcomes for each group of businesses included in the Federal DBE Program: African American-, Asian-Pacific American-, Hispanic American-, Subcontinent Asian American-, Native American- and women-owned firms.

The 2020 ADOT Disparity Study report provides those results. Results include the following disparity analysis for ADOT contracts with and without contract goals from figure 6-14 in Chapter 6 Utilization Analysis. As shown, for ADOT FHWA- and state-funded contracts without contract goals, there were substantial disparities for each racial and ethnic group of minority-owned firms and for white woman-owned companies.

Figure 10. MBE/WBE utilization and availability with and without DBE contract goals for FHWA- and state-funded transportation contracts by specific racial groups, October 2013–September 2018

	With goals			Without goals		
	Utilization	Availability	Disparity index	Utilization	Availability	Disparity index
African American-owned	0.33 %	1.68 %	20	0.04 %	4.57 %	1
Asian-Pacific American-owned	0.68	3.97	17	0.98	3.81	26
Subcontinent Asian American-owned	0.15	0.42	36	0.48	1.11	43
Hispanic American-owned	6.63	5.46	122	5.93	8.01	74
Native American-owned	2.31	7.91	29	0.66	7.93	8
Total MBE	10.10 %	19.44 %	52	8.08 %	25.43 %	32
WBE (white woman-owned)	6.16	5.19	119	3.75	7.88	48
Total MBE/WBE	16.26 %	24.63 %	66	11.83 %	33.31 %	36
Majority-owned	83.74	75.37	111	88.17	66.69	132
Total	100.00 %	100.00 %		100.00 %	100.00 %	

Source: 2020 ADOT Disparity Study, Keen Independent Research.

2. What has been the Agency’s Past Experience in Meeting its Overall DBE Goal? ADOT’s reported certified DBE participation based on DBE commitments/awards on FHWA-funded contracts is summarized in Figure 11. As shown, reported DBE participation based on DBE commitments/awards on FHWA-funded contracts was higher than the goal for FFY 2019 through FFY 2021.

ADOT also reported DBE participation based on payments. As presented in the far-right column of Figure 11, DBE participation was slightly lower than the overall DBE goal in two of the past three fiscal years when examining payments.

Figure 11. ADOT Overall DBE Goal and Reported DBE Participation on FHWA-Funded Contracts, FFY 2019 through FFY 2021

Federal fiscal year	DBE goal	DBE commitments/awards	DBE payments	Difference from DBE goal	
				Awards	Payments
2019	9.55 %	11.46 %	9.43 %	1.91 %	-0.12 %
2020	9.55	12.57	10.81	3.02	1.26
2021	12.89	15.67	12.58	2.78	-0.31

Source: ADOT Uniform Reports of DBE Awards/Commitments and Payments.

3. What has DBE Participation been when ADOT has not Applied DBE Contract Goals (or other Race- or Gender-Conscious Measures)? Keen Independent examined three sources of information to assess race-neutral DBE participation:

- ADOT-reported race-neutral DBE participation on FHWA-funded contracts for the most recent years;
- Keen Independent estimates of DBE participation on FHWA- and state-funded contracts for which no DBE contract goals applied; and
- Information concerning DBE participation as prime contractors on FHWA-funded contracts.

The following discussion examines these three sets of participation figures.

Race-Neutral DBE Participation in Recent ADOT Uniform Reports. Per USDOT instructions, ADOT counts as “neutral” participation any prime contracts, as well as subcontracts, going to DBEs beyond what was needed to meet DBE contract goals set for a project or that were otherwise awarded in a race-neutral manner.

ADOT’s Uniform Reports of DBE Awards/Commitments and Payments submitted to FHWA for the three most recent federal fiscal years indicate median race-neutral participation of 4.90%. Figure 12 presents these results.

Figure 12. ADOT-Reported Race-Neutral and Race-Conscious DBE Participation on FHWA-Funded Contracts for FFY 2019 through FFY 2021

Federal fiscal year	DBE commitments/award		
	Total	Race-conscious	Race-neutral
2019	11.46 %	8.11 %	3.35 %
2020	12.57	7.67	4.90
2021	15.67	10.32	5.35

Source: ADOT Uniform Reports of DBE Awards/Commitments and Payments.

DBE Participation on Contracts Without DBE Contract Goals. Keen Independent also analyzed DBE participation on ADOT’s FHWA-funded contracts without DBE contract goals. As reported in the 2022 Availability Study, ADOT achieved 5.71% DBE participation on these contracts from October 2018 through September 2021.

DBE Participation as Prime Contractors. Keen Independent also analyzed DBE participation based on FHWA-funded prime contract dollars. From October 2018 through September 2021, the median DBE participation on prime contracts was about 1.1% for FHWA-funded contracts.

4. What is the Extent and Effectiveness of Race- and Gender-Neutral Measures that ADOT Currently has in Place and Will Put in Place for the Next Fiscal Year? When determining the extent to which it could meet its overall DBE goal through the use of neutral measures, ADOT reviewed the race- and gender-neutral measures that it and other organizations currently have in place, and those it has planned or could consider for future implementation.

Keen Independent’s analysis of neutral remedies in Chapter 7 of the 2020 Disparity Study indicates that ADOT has implemented an extensive set of neutral measures. ADOT has a well-established DBE Supportive Services Program to provide assistance to DBEs and Small Business Concerns. Race-and gender-neutral initiatives being implemented by ADOT include (but are not limited to) the following:

- ADOT established a successful Business Development program designed to provide DBEs with general and firm-specific training and technical assistance to help them to become more competitive within the transportation industry. This program will give DBE firms an opportunity to gain a competitive edge within and outside the highway industry.
- Facilitation of DBE and Small Business Workshops, Quarterly Joint Task Force Meetings, and DBE and small business transportation conferences and expos. Such initiatives have included one-on-one networking between DBEs, small businesses, prime consultants, and contractors, as well as opportunities to learn and hear about upcoming projects from public owners who advertise and are awarding prime contracting opportunities.
- ADOT provides free online construction plans and specifications.
- DBEs and small businesses can sign up to receive email notifications about current project solicitations, industry events and business resources that may be of interest to help grow their Firms.

- ADOT maintains an email and outreach service for prime consultants and contractors looking for DBEs to work on their projects. Companies can sign up for DBE Request for Proposals emails distributed by the ADOT Supportive Services team on behalf of primes seeking DBE participation.
- ADOT issues a bi-weekly DBE Newsletter featuring industry news, networking events, and ADOT contract opportunities.
- Department staff participate in procurement fairs and similar events throughout the state.
- ADOT holds quarterly Joint Task Force meetings with the construction and professional services industries and ADOT leadership.
- ADOT holds quarterly joint cooperative meetings and training sessions with the Arizona Chapter of the Associated General Contractors of America (AGC) and with the American Council of Engineering Companies of Arizona (ACEC). ADOT and AGC dedicate time on the meeting agenda for DBEs and Small Businesses to introduce themselves and pitch their companies' capabilities.
- ADOT provides workshops and other training for DBEs and other Small Businesses to learn more about how to access capital, bonding and financing.

At this time, it is difficult to quantify how much those initiatives can further increase race-neutral participation of DBEs in ADOT's FHWA-funded contracts.

Proposed Projection of the Portion of the Overall DBE Goal to be Achieved through Neutral Means. ADOT considered whether it can achieve 100% of its overall DBE goal through neutral means or whether race-conscious programs are still needed. ADOT considered the information in the 2022 Availability Study, 2020 Disparity Study, the 2017 Availability Study, the 2015 Disparity Study and other sources when reaching its decision on any use of race- and gender-conscious programs (such as DBE contract goals).

If ADOT implements its proposed overall DBE goal for FHWA-funded contracts of 12.55%, the evidence presented in this report indicates that ADOT might not meet its DBE goal solely through neutral means.

- There is information indicating disparities in outcomes for minority- and women-owned firms, supported by some qualitative evidence of discrimination within the local transportation contracting marketplace, as summarized in Chapter 4 of the 2020 Disparity Study.
- For the past three federal fiscal years, ADOT's reported race-neutral participation has been 3.35% (2019), 4.90% (2020) and 5.35% (2021). Each of these figures for race-neutral participation is well below a future overall DBE goal in the range of 12.55%.
- ADOT has extensive neutral measures in place, and there are many small business assistance programs offered by other institutions throughout the state. Any additional measures ADOT might be able to immediately institute would probably have only a small impact in comparison with what already exists. It is unlikely that ADOT could increase its neutral participation of DBEs to reach an overall DBE goal of 12.55% solely through additional neutral measures.

For the following reasons, ADOT proposes a race-neutral projection of 4.90 percentage points for its overall DBE goal for FFY 2024 through FFY 2026.

- The median race-neutral portion of ADOT's DBE participation was 4.90% based on ADOT's reports for FFY 2019 through FFY 2021 (presented earlier in this document).
- ADOT neutral initiatives are already considerable and will continue to expand.

- The projection of DBE participation achieved through neutral means continues to grow (it is 4.72% in ADOT’s current goal for FHWA-funded contracts.)

The second column of numbers in Figure 13 presents projections using an overall DBE goal of 12.55% and a 4.90 percentage point race-neutral projection for FFY 2024 through FFY 2026. The race-conscious portion of the goal is 7.65 percentage points.

ADOT projected a 4.72 percentage point neutral and 8.17 percentage point race-conscious split when it prepared its overall DBE goal of 12.89% for FFY 2021 through FFY 2023 after the 2020 Disparity Study. The first column of numbers in Figure 13 presents these projections.

Figure 13. ADOT Overall DBE Goal and Projections of Race-Neutral Participation for FHWA-Funded Contracts for FFY 2024 through FFY 2026

Component of overall DBE goal	FFY 2021–FFY 2023	FFY 2024–FFY 2026
Overall goal	12.89 %	12.55 %
Neutral projection	- <u>4.72</u>	- <u>4.90</u>
Race-conscious projection	8.17 %	7.65 %

Source: Keen Independent Research 2022 Availability Study (Summary Report, page 23).

Public Participation — 49 CFR Section 26.45(g)

As it did with its previous proposed overall DBE goal, ADOT published its Proposed Preliminary Three-Year Overall DBE Goal & Methodology and the draft 2022 Availability Study report for public comment on the ADOT official website to receive public comments before submitting final versions of these documents to FHWA. The public comment period for the draft report and ADOT's proposed overall DBE goal was open from Nov. 15 through Dec. 30, 2022.

ADOT met with the ADOT DBE Task Force, Arizona Chapter of the Associated General Contractors, and the American Council of Engineering Companies of Arizona to inform them of study results and obtain comments about the draft 2022 Availability Study and proposed DBE goals. These meetings were held as follows:

- ADOT DBE Joint Task Force from 9:00 to 10:30 a.m. on Tuesday, Nov. 15, 2022;
- AGC from 12:00 to 1:30 p.m. on Tuesday, Nov. 15, 2022;
- ACEC from 8:00 to 9:00 a.m. on Wednesday, Dec. 7, 2022; and
- ADOT DBE Small Business Conference from 1:15 to 2:00 p.m. on Wednesday, Dec. 7, 2022.

ADOT also held two virtual public meetings to discuss and obtain verbal comments about the 2022 Availability Study and proposed DBE goals:

- From 12:00 to 1:00 p.m. on Wednesday, Nov. 30, 2022; and
- From 5:00 to 6:00 p.m. on Thursday, Dec. 1, 2022.

The public was able to submit feedback and provide written comments through the following means:

- At the virtual public meetings;
- At the BECO website <http://azdot.gov/business/business-engagement-and-compliance>;
- Via email at ADOTAvailabilityStudy2022@keenindependent.com;
- Through regular mail at 1801 West Jefferson, Suite 101, Phoenix AZ 85007; and
- Via fax at 602-712-8429.

The public was encouraged to comment on the size of the proposed overall DBE goals, the methodology used to develop the goals, the results of the 2022 Availability Study, as well as suggestions on how to improve contracting opportunities for DBEs and other small businesses, including what ADOT and the industry could do to enhance support of the Federal DBE Program. ADOT reviewed this additional information before formally submitting its final proposed overall DBE goal to FHWA, incorporating any changes needed based on the comments. A summary of the comments follows. No changes were made to the methodology based on comments received during the public meeting since comments received were regarding the operation of the DBE Program (see page 22 for a summary of comments).

Attachment — Input Received During the Public Comment Period

Three individuals submitted comments on behalf of themselves or their organizations.

DBE Program. By email, a male representative of a minority-owned firm asked that DBE program allow primes to “bank” DBE participation and to develop quantitative performance measures for the overall success of the DBE program.

Per an email, a white female representative of a local government entity mentioned that there may be a need for larger firms to mentor smaller firms. She also observed that the proposed DBE goals were reasonable.

Other comments about the DBE Program. Through an email, a male representative of a majority-owned firm commented that in his opinion, the DBE program put non-DBE firms at a disadvantage. He remarked that his firm is only able to work for ADOT when “there are no DBE requirements.”