

**FEDERAL TRANSIT ADMINISTRATION  
DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM  
PROPOSED THREE-YEAR OVERALL GOAL & METHODOLOGY SUBMISSION  
FOR FEDERAL FISCAL YEARS 2019 THROUGH 2021**

**Introduction**

The Arizona Department of Transportation (ADOT) hereby submits its three-year overall Disadvantaged Business Enterprise (DBE) goal for federal fiscal years (FFYs) 2019 through 2021 to the Federal Transit Administration (FTA) pursuant to [49 CFR Part 26, section 26.45](#).

Utilizing the two-step goal-setting methodology outlined in 49 CFR Part 26, section 26.45, the United States Department of Transportation's (USDOT) Tips for Goal-Setting, and other USDOT official guidance, ADOT based its goal on data from a recently completed DBE Availability Study. ADOT commissioned Keen Independent Research LLC (Keen Independent) in November 2016 to conduct an Availability Study related to its implementation of the Federal DBE Program. The data from the completed 2017 Availability Study (submitted with this document as supporting information) and the methodology described below produced an overall DBE goal for FFYs 2019–2021 of 11.00% for FTA contracts. ADOT expects to continue to operate the Federal DBE Program for FTA-funded contracts solely using race and gender-neutral means (ADOT outreach, training and other program efforts), as it has been able to significantly exceed its goal in that manner over the past three years.

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

Consistent with USDOT regulations and guidance, ADOT established a base figure from a 2017 Availability Study. Keen Independent used information from its 2015 Disparity Study for ADOT, including a database of available firms developed in that study, when performing the 2017 Availability Study.

In the 2017 Availability Study, Keen Independent compiled data on FTA-funded contracts for July 2014 through June 2016, the two most recently completed state fiscal years at the time of the 2017 Availability Study. Based on contract data tracked by ADOT, there were 87 FTA-funded prime contracts and two subcontracts awarded within this time period. Contract dollars totaled \$9.2 million.

After analyzing these data, Keen Independent confirmed that Arizona should be selected as the relevant geographic market area for the availability analysis. About 91% of ADOT FTA-funded contract dollars for July 2014–June 2016 went to firms with locations in Arizona. The availability database used in the 2017 Availability Study contained information for businesses with Arizona locations.

In addition, 95% of the dollars of FTA-funded contracts went to firms performing one of 37 different types of work examined in the availability database. (The availability survey in the 2015 Disparity Study focused on firms performing one or more of those 37 types of work.) These results also confirm the suitability of the 2015 availability data in the availability analysis for recent FTA-funded contracts.

Keen Independent used the approach described below to analyze the availability of DBEs and other businesses for the 89 FTA-funded prime contracts and subcontracts awarded by ADOT and local public agencies from July 2014 through June 2016. DBE availability is expressed as the percentage of the contract dollars that one might expect DBEs to receive based on various factors including the type of work involved, the location of the work and the size of the contract or subcontract. Because of the expected similarities between future FTA-funded contracts and those within the July 2014 through June 2016 study period, the DBE availability results of 2.79% for the study period are used as the base figure for the overall DBE goal for FTA-funded contracts for FFYs 2019 through 2021 before a Step 2 adjustment is made.

## Head Count Availability of Minority- and Women-owned Firms

In the 2015 Disparity Study, Keen Independent began the availability analysis by building a database of firms that expressed qualifications and interest in ADOT work related to transportation-related construction, engineering, and other goods and services. Keen Independent identified 1,429 companies in Arizona available for that work.

Figure 1 presents the number of businesses included in the availability database for each racial, ethnic and gender group. Of the 1,429 businesses reporting that they were available for specific types, sizes and locations of ADOT and local agency transportation-related prime contracts and subcontracts, 500 (about 35%) were minority- or women-owned firms (MBEs or WBEs).

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

Race/ethnicity and gender	Number of firms	Percent of firms
African American-owned	26	1.8 %
Asian-Pacific American-owned	19	1.3
Subcontinent Asian American-owned	18	1.3
Hispanic American-owned	189	13.2
Native American-owned	37	2.6
Total MBE	289	20.2 %
WBE (white women-owned)	211	14.8
Total MBE/WBE	500	35.0 %
Total majority-owned firms	929	65.0
Total firms	1,429	100.0 %

Note: Numbers rounded to nearest tenth of 1%.  
Source: Keen Independent 2015 DBE Availability and Disparity Study

## Dollar-Weighted Availability

Using the availability database described above, Keen Independent performed an availability analysis for each of the 89 FTA-funded prime contracts and subcontracts during the study period, and then summarized results.

The resulting “dollar-weighted” availability estimate represents the percentage of FTA-funded contract dollars that DBEs might be expected to receive based on their availability for specific types, sizes and locations of ADOT 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.

Using this dollar-weighted approach typically results in more refined availability estimates for MBEs and WBEs than a “head count” approach in part due to the consideration of “bid capacity” in measuring availability and because of dollar-weighting availability results for each contract element (i.e., a large prime contract has a greater weight in calculating overall availability than a small contract or subcontract). The largest contracts that DBEs have bid on or performed in Arizona tend to be smaller than those of other businesses. Therefore, DBEs are less likely to be identified as available for the largest prime contracts and subcontracts.

The “dollar-weighted” 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.<sup>1</sup>*

The type of work was taken into account by examining 37 different sub-industries related to construction and engineering as part of estimating availability for ADOT work.<sup>2</sup>

2. Qualifications and Interest in Transportation-Related Prime Contract and Subcontract Work. Information was collected on whether businesses are qualified and interested in working as prime contractors, subcontractors, or both on ADOT and 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 (or included because contract data for ADOT or local agencies indicated that they had prime contracts in the previous seven years).
  - Only businesses that reported being qualified for and interested in working as subcontractors were counted as available for subcontracts (or included because contract data for ADOT or local agencies indicated that they had subcontracts in the past seven years).
  - Businesses that reported being qualified for and interested in working as both prime contractors and subcontractors 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 previous seven years (i.e., "bid capacity") when determining whether to count that business as available for a specific prime contract or subcontract. When counting available businesses for a particular prime contract or subcontract, the availability analysis considered whether businesses had previously bid on or received a contract of an equivalent or greater dollar value in Arizona in the seven years prior to the time the firm was surveyed.

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<sup>1</sup> USDOT. *Tips for Goal-Setting in the Federal Disadvantaged Enterprise (DBE) Program as updated June 25, 2013* <http://www.dot.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>.

<sup>2</sup> The sub-industries considered were (in descending order of dollars): general road construction and widening; asphalt paving; pavement surface treatment; design engineering; bridge work; guardrail, signs or fencing; trucking and hauling; steel work; structural concrete work; concrete flatwork; temporary traffic control; electrical work including lighting and signals; landscaping and related work; excavation, grading and drainage; Portland cement concrete paving; drilling and foundations; soils and materials testing; concrete cutting; surveying and mapping; underground utilities; striping or pavement marking; milling; transportation planning; environmental consulting; construction management; erosion control; painting for road or bridge projects; wrecking and demolition; concrete pumping; asphalt, concrete or other paving materials; petroleum; and fence, guardrail materials. Sub-industries also included other construction-related; other engineering-related; other materials; and other services.

This approach is consistent with many recent, key 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.*;<sup>3</sup> *Western States Paving Company v. Washington State DOT*;<sup>4</sup> *Rothe Development Corp. v. U.S. Department of Defense*;<sup>5</sup> and *Engineering Contractors Association of S. Fla. Inc. vs. Metro Dade County*<sup>6</sup>).

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). 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 FTA-funded contracts. For each prime contract and subcontract, Keen Independent calculated (a) the number of DBEs available for that type, size and 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 89 prime contracts and subcontracts was calculated by dividing the dollars for that prime contract/subcontract by \$9,200,000 (the total FTA-funded contract dollars examined). Small prime contracts or subcontracts received low weights and the largest contracts received the highest weights. For example, availability results for a \$92,000 prime contract would receive a weight of 1% ( $\$92,000 \div \$9,200,000 = 1\%$ ). 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 US DOT'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 that was conducted on each prime and subcontract during the study period. Keen Independent repeated these calculations for each of the 89 prime contracts and subcontracts during the study period.

#### Figure 2. Example of an Availability Calculation

One of the prime contracts Keen Independent examined in the 2017 Availability Study was for design engineering (\$68,855) for a local public agency in Central Arizona. To determine the number of DBEs and other firms available for that contract, Keen Independent identified businesses in the availability database that:

- a. Indicated that they performed design engineering on transportation-related projects;
- b. Reported working or bidding on contracts in Arizona in the past seven years;
- c. Reported bidding on work of similar or greater size in the past seven years;
- d. Reported ability to perform work in Central Arizona; and
- e. Reported qualifications and interest in working as a prime consultant on local government transportation projects.

There were 260 businesses in the availability database that met those criteria. Of those businesses, 40 were DBEs. Therefore, DBE availability for the subcontract was 14.9% ( $40/268 = 14.9\%$ ).

Source: Keen Independent Availability Analysis from 2017 Availability Study

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

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

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

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

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

After considering each of the 89 prime contracts and subcontracts, dollar weighted availability was 2.79% for July 2014 through June 2016 for FTA-funded contracts as the base Step 1 figure.

## **Step 2. Determining if an Adjustment is Needed – 49 CFR Section 26.45(d)**

Per the Federal DBE Program, ADOT considered potential step 2 adjustments to the base figure as part of determining its overall annual DBE goal for FTA-funded contracts. Federal regulations outline factors that an agency must consider when assessing whether to make any step 2 adjustments to its base figure:

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

Keen Independent completed an analysis of each of the above step 2 factors and was able to quantify the effect of certain factors on the base figure. Other information examined was not as easily quantifiable but is still relevant in ADOT's consideration of any step 2 adjustments.

### **1. Current Capacity of DBEs To Perform Work, as Measured by the Volume of Work DBEs Have Performed in Recent Years**

US DOT's "Tips for Goal-Setting" suggests that agencies should examine data on past DBE participation on their US DOT-funded contracts in recent years (i.e., the percentage of contract dollars going to DBEs).

ADOT has examined the most recent three years of DBE participation data available and has determined that the level of participation warrants a Step 2 adjustment, which is discussed later in this document.

**DBE participation based on Keen Independent utilization analysis for FTA- funded contracts.** Keen Independent's analysis identified 26.90% participation of DBEs on FTA- funded contracts from July 2007 through June 2013. ADOT also considered these data when determining whether to make a step 2 adjustment based on past DBE participation.

### **2. Information Related to Employment, Self-Employment, Education, Training and Unions**

Chapter 4 of the 2015 Disparity Study summarizes information about conditions in the Arizona marketplace for minorities, women and MBE/WBEs. Detailed quantitative analyses of marketplace conditions in Arizona are presented in Appendices E through H of the 2015 Disparity Study. Keen Independent's analyses indicate that there are barriers that certain minority groups and women face related to entry and advancement and business ownership in the Arizona marketplace. 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

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<sup>7</sup> 49 CFR Section 26.45.

transportation contracting industry. However, the effects of barriers in business ownership can be quantified, as explained in Chapter 4 of the 2017 Availability Study.

The Keen Independent 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 the 2015 Disparity Study provides detailed results of the business ownership regression analyses).<sup>8</sup> Those analyses revealed that African Americans, Native Americans and white women working in construction were less likely than non-minorities and white men to own construction businesses, even after accounting for various gender-neutral personal characteristics. Each of these disparities was statistically significant.

In Chapter 4 of the 2017 Availability Study Keen Independent analyzed the impact that barriers in business ownership would have on the base figure for FTA-funded contracts if African Americans, Native Americans and white women owned businesses at the same rate as similarly-situated non-minorities 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.

The analysis indicated a possible upward step 2 adjustment of 3.51 percentage points. Although the analysis was specific to FHWA-funded contracts, this range of potential upward adjustment, 3.51 percentage points, might reasonably apply to the overall goal for FTA-funded contracts as well.

### **3. Any Disparities in the Ability Of DBEs to Get 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 prime contracts and subcontracts.

Note that financing and bonding are closely linked, as discussed in Chapter 4 and Appendix J of the 2015 Disparity Study.

There is also evidence 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.

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

There is also evidence 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.

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<sup>8</sup> 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.

The information about financing, bonding and insurance supports an upward step 2 adjustment in ADOT's overall annual goal for DBE participation in FTA-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.<sup>9</sup>

Among the "other factors" examined in this disparity study was the success of MBE/WBEs relative to majority-owned businesses in the Arizona marketplace. There is 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. Chapter 4 of the 2015 Disparity Study summarizes that evidence and Appendix H presents supporting quantitative analyses. There is also qualitative evidence of barriers to the success of minority- and women-owned businesses, as summarized in Chapter 4 of the 2015 Disparity Study. Some of this qualitative information suggests that discrimination on the basis of race, ethnicity and gender affects minority- and women-owned firms in the Arizona transportation contracting industry.

#### Approaches for Making Step 2 Adjustments

Quantification of potential step 2 adjustments is discussed below.

**1. Information Related to Employment, Self-employment, Education, Training and Unions.** Keen Independent 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 3.51 percentage points to reflect the "but-for" analyses of business ownership rates presented in Chapter 4 of the 2017 Availability Study.

**2. Any disparities in the ability of DBEs to get 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.

**3. Other factors.** Impact of the many barriers to success of MBE/WBEs in Arizona could not be specifically quantified. However, the evidence supports an upward adjustment.

#### 4. Current Capacity Of DBEs to Perform Work, as Measured by the Volume Of Work DBEs Have Performed in Recent Years.

Since ADOT's DBE Availability Study completed in the summer of 2017 examined DBE Availability for FTA prime contracts and subcontracts from July 2014 through June 2016, ADOT reviewed its last three years of DBE participation on FTA contracts and made a Step 2 adjustment to the 2.79% base figure to make the DBE goal as precise as possible, in accordance with US DOT Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program.

ADOT's DBE participation for Federal Fiscal Years 16, 17 and 18 was 19.21%, 16.11% and 38.21% respectively. The median participation (the middle number, rather than the mean) is 19.21%. Adding together the base figure of 2.79% with the median past participation of 19.21% and dividing by 2 ( $2.79 + 19.21 = 22$  divided by 2 = 11) represents an 11% DBE goal with an upward Step 2 adjustment for past participation.

**Summary.** Therefore, ADOT is proposing a final DBE goal of 11% for FTA funded contracts for FFY 2019 through FFY 2021. This figure is higher than ADOT's 7.25% DBE goal for the past three fiscal years, which it exceeded, and takes into consideration the relatively low availability of DBEs for FTA contracts based on the Step 1 base figure.

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<sup>9</sup> 49 CFR Section 26.45.

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

In accordance with federal regulations and USDOT guidance, ADOT proposes to meet the maximum feasible portion of its proposed overall DBE goal by using race- and gender-neutral measures. As part of the 2017 Availability Study, Keen Independent analyzed a number of factors related to ADOT's race- and gender-neutral DBE program component based on 49 CFR Part 26, including:

- Is there evidence of discrimination within the local transportation contracting marketplace for any racial, ethnic or gender groups? (This information mostly came from the 2015 Disparity Study.)
- What has been the agency's past experience in meeting its overall DBE goal?
- What has DBE participation been when the agency did not use race- or gender-conscious measures?<sup>810</sup>
- What is the extent and effectiveness of race- and gender-neutral measures that the agency could have in place for the next fiscal year?

### 1. Is There Evidence of Discrimination within the Local Transportation Contracting Marketplace for Any Racial, Ethnic Or Gender Groups?

The 2015 Disparity Study provides results of the local marketplace research (summarized in Chapter 4 of the study) and analyses of MBE/WBE utilization and availability (see Chapters 6 and 7). This information is also summarized below.

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

- Entry and advancement;
- Business ownership;
- Access to capital, bonding and insurance; and
- 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. However, it is important to note that some minority and female business owners interviewed did not think they had been affected by race or gender discrimination.

ADOT reviewed the information about marketplace conditions presented in Chapter 4 and Appendices E through H of the 2015 Disparity Study, as well as other information, when it considered the extent to which it can meet its overall DBE goal through neutral measures.

**Disparity Analysis.** Overall, the utilization of MBE/WBEs (45.8%), higher than what might be expected from the availability analysis for MBE/WBEs for FTA-funded contracts in the 2015 Disparity Study (33.8%).

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<sup>10</sup>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.

**Summary.** There is substantial evidence that there is not a level playing for minority- and women-owned firms in the Arizona marketplace. However, minority- and women-owned firms received nearly one-half of the FTA contract dollars during the years examined in the 2015 Disparity Study, more than what might be anticipated from the availability analysis for those years.

## **2. What has been the agency's past experience in meeting its overall DBE goal?**

ADOT's FTA DBE participation for Federal Fiscal Years 16, 17 and 18 was 19.21%, 16.11% and 38.21% respectively, which more than exceeded its 7.25% race and gender-neutral goal.

## **3. What has DBE participation been when ADOT has not applied DBE contract goals (or other race-conscious remedies)?**

All of ADOT's DBE participation on FTA contracts has been in a race and gender-neutral environment and the agency has consistently exceeded its goal.

## **4. What are 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 the 2015 Disparity Study indicated that ADOT had implemented an extensive set of neutral measures. Activities since then include the following:

- ADOT has conducted substantial outreach to encourage eligible firms to become DBE certified. This is one way to increase reported DBE participation through neutral means, as some of these companies may already be doing business with ADOT. Certification will allow this participation to count toward ADOT's overall DBE goal.
- ADOT substantially expanded its online information available to small businesses, including DBEs, through an ADOT Business Coach on Demand website.
- ADOT has a "Just One More" campaign to encourage prime contracts to use one more DBE than needed to meet a DBE contract goal.

In the 2015 Disparity Study, Keen Independent also examined other potential neutral measures. Research into expanded SBC programs, such as SBC contract goals and an SBC set-aside program, indicate that ADOT might not have the authority under state law to implement such measures.

## **Summary**

ADOT's FTA DBE participation for Federal Fiscal Years 16, 17 and 18 was 19.21%, 16.11% and 38.21% respectively, which more than exceeded its 7.25% race and gender-neutral goal for that time period. All of ADOT's DBE participation on FTA contracts in those years has been in a race and gender-neutral environment. Therefore, ADOT expects that it will continue to meet and exceed 100% of its proposed 11% FTA DBE goal for FFY 19-21 solely through race and gender-neutral means.

## **Public Participation – 49 CFR Section 26.45(g)**

As it did with the 2015 Disparity Study, ADOT published the preliminary overall DBE goal and the draft 2017 Availability Study report for public comment. The public comment period for the report and proposed overall DBE goal was open from May 15, 2017 through June 22, 2017.

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 2017 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 made wide-ranging efforts to publicize the goal draft report and opportunities for public input, including distribution of the information to more than 5,000 individuals and organizations throughout the state. ADOT presented results to the following stakeholder groups in May and June 2017:

- ADOT DBE Special Event on May 9, 2017;
- Arizona Association of General Contractors at the May 16, 2017 (and via telephone with AGC staff on May 9);
- American Council of Engineering Companies, AZ Chapter on June 7, 2017; and
- Certified Agencies Peer Group Meeting, on June 16, 2017.

**Consultation with organizations.** ADOT discussed and/or distributed its proposed overall DBE goals and rationale for the goals to a wide variety of businesses and government entities, including DBEs, small businesses, other contractors, other consultant engineering firms and Local Public Agencies and Subrecipients of ADOT federal funding. Requests for comments were made along with the distribution of information. The information was distributed to the following organizations and their membership:

- ADOT’s DBE Professional Services and Construction Task Forces;
- Members of the Arizona Unified Certification Program (AZ UCP);
- American Council of Engineering Companies (ACEC) of Arizona;
- Associated General Contractors (AGC) of Arizona;
- American Indian Chamber of Commerce of Arizona;
- American Subcontractors Association of Arizona;
- Arizona Concrete Promotional Council;
- Arizona Hispanic Chamber of Commerce;
- Arizona Small Business Association;
- Arizona Society of Civil Engineers (Northern, Southern and Phoenix Chapters);
- Grand Canyon Minority Supplier Development Council;
- Great Phoenix Black Chamber of Commerce;
- Minority and Small Business Alliance of Southern Arizona;
- National Association of Women Business Owners – Phoenix Metro Chapter;
- Phoenix Minority Business Development Agency;
- Arizona Transportation Builders Association (Formerly TUCA);
- Yuma Southwest Contractors Association;
- National Association of Minority Contractors (AMC) of Arizona; and
- Minority Supplier Development Council (MSDC).

**Public notice.** ADOT published a series of public notices announcing its proposed amended overall DBE goals and rationale for the goals in Phoenix and Tucson newspapers. ADOT also used email blasts, meetings and other communication tools to make the public aware of the proposed DBE goals. The notices stated that ADOT will accept comments on its overall DBE goals for 39 days. The notices were also posted on ADOT’s website.

All documents related to the proposed goal and methodology and draft Availability Study were available for review from May 15 through June 22, 2017 online at <https://www.azdot.gov/business/business-engagement-and-compliance>. The documents were also available for review at the ADOT Business Engagement and Compliance Office, 1801 W. Jefferson St, Phoenix during normal business hours.

At any time during the public comment period, comments could also be provided in the following ways:

- Verbal testimony: At public meetings.
- At the BECO website <https://www.azdot.gov/business/business-engagement-and-compliance>.
- Email: [info@keenindependent.com](mailto:info@keenindependent.com).
- By mail: ADOT Business Engagement and Compliance, 1801 W. Jefferson St, Phoenix, AZ 85007.
- Via fax: 602-712-8429.

All public comments received by June 22, 2017 were reviewed before ADOT submitted the final DBE goal request to FTA.

**Public meetings.** ADOT conducted two public meetings in two Arizona locations in June of 2017 to provide information about its proposed overall DBE goals and rationale for the goals, as well as to solicit comments about the goals and Availability Study results from meeting participants. At each meeting, ADOT solicited participants for testimony about its goal, Availability Study and about local marketplace conditions for minority- and women-owned businesses and other companies. Participants were invited to submit testimony in either verbal or written format. The two public meetings were on:

- June 13 at Ellie Towne Community Center, 1660 W. Ruthrauff Rd. in Tucson.
- June 15 at the ADOT Business Engagement and Compliance Office, 1801 W. Jefferson St. in Phoenix.

Each meeting was held from 4 pm to 6 pm. Attendees signed in at each public meeting and had the opportunity to fill out comment cards. Each meeting began with a brief presentation of the proposed DBE goals and methods to calculate those goals. Court reporters transcribed discussion during the question and answer period and the public comment portion of each public meeting. A Spanish translator was available at each meeting. ADOT also provided a webinar option for attending each public meeting.

**Appendix D.** Appendix D of the final Availability Study report provides comments received from the public at scheduled public meetings and via email.