CHAPTER 5.
Analysis of MBE/WBE/DBE Availability

BBC analyzed the relative availability of minority- and women-owned firms that are ready, willing and able to perform GDOT prime contracts and subcontracts. Chapter 5 contains six parts:

A. Purpose of the availability analysis and definitions of MBEs, WBEs and potential DBEs;
B. Information on firms available for GDOT work;
C. Number of minority-, women- and majority-owned firms included in the availability database;
D. Calculation of MBE/WBE availability as inputs to the disparity analysis;
E. Base figure for overall goal for DBE participation in FHWA-funded contracts; and
F. Implications for any DBE contract goals.

Appendices C and J provide supporting information.

A. Purpose of the Availability Analysis and Definition of MBEs, WBEs and Potential DBEs

BBC developed information on the availability of minority-, women- and majority-owned firms for GDOT contracts as an input for the disparity analysis and for developing a base figure for GDOT’s overall goal for DBE participation.

Input for the disparity analysis. In the disparity analysis, BBC compares the percentage of GDOT contract dollars going to MBEs and WBEs (for each racial/ethnic/gender group) to the percentage of dollars that might be expected to go to MBE/WBEs given their relative availability for specific types and sizes of GDOT prime contracts and subcontracts.

- In the disparity study, the actual percentage of dollars going to MBEs and WBEs is referred to as utilization.
- The percentage of dollars that might be expected to go to MBEs and WBEs is referred to as availability.
- The disparity analysis compares utilization and availability to identify whether there was a disparity between the dollars actually going to MBEs and WBEs and what might be expected based upon the availability analysis.

BBC examined the availability of minority-, women- and majority-owned firms for each GDOT prime contract and subcontract to calculate the availability benchmarks for use in the disparity analysis, as explained later in this chapter.
**Definition of MBEs and WBEs.** As discussed in Chapter 1, the disparity study follows the definitions of specific minority groups contained in 49 CFR Part 26. The study team separately examined utilization and availability for African American-, Asian-Pacific American-, Subcontinent Asian American-, Hispanic American-, Native American- and white women-owned firms.

The availability benchmarks for the disparity analysis count firms as minority- and women-owned regardless of whether they are or could be certified as DBEs. Most minority- and women-owned firms doing business in Georgia are not currently certified.\(^1\) BBC used the same methodology to count firms owned by minorities and women as MBEs and WBEs in both the utilization and the availability analyses.

**Definition of majority-owned firms.** “Majority-owned firms” in the disparity study are businesses that are not owned by minorities or women.

Majority-owned firms include any white male-owned firms certified as disadvantaged business enterprises.

**Definition of DBEs.** Disadvantaged business enterprises (DBEs) are businesses that are certified as such in Georgia (which means that they are certified as being below revenue and personal net worth limits included in 49 CFR Part 26). Because implementation of the Federal DBE Program requires GDOT to track DBE utilization, BBC reports certain utilization data for DBE-certified firms. It is not proper to compare utilization and availability of DBEs, however.

**Inputs for the base figure analysis related to the overall DBE goal.** When establishing its overall goal for DBE participation in its FHWA-funded contracts, GDOT must begin by calculating a “base figure” for the relative availability of DBEs.\(^2\) The Final Rule effective February 28, 2011, and USDOT “Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program”\(^3\) explain that minority- and women-owned firms that are not currently certified but could be counted as DBEs in the base figure; however, firms that have been decertified or appear that they will soon graduate from the DBE Program should not be counted as DBEs in the base figure calculation.

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1. Of the 281 MBE/WBE firms included in the availability database, 41, or about 15 percent, had DBE certification.
2. 49 CFR Section 26.45 (c).
3. USDOT. *Tips for Goals Setting in the Disadvantaged Business Enterprise (DBE) Program*
   http://www.osdhu.dot.gov/dbeprogram/tips.cfm
Definition of potential DBEs. BBC’s analysis of the base figure is the same as determining MBE/WBE availability benchmarks for the disparity analysis, except that firms are grouped into two sets: “potential DBEs” and all other firms. A small number of minority- and women-owned firms are not counted as “potential DBEs” in the base figure analysis — firms for which DBE certification has been denied, that were ineligible for the DBE Program, that graduated from the DBE Program, or that appear to have revenues in excess of the limits for DBE certification (and are not currently certified). Figure 5-1 provides further explanation of the firms that were counted as potential DBEs when calculating the base figure for GDOT’s overall DBE goal.

Definition of “all other firms” in the base figure calculations. In the base figure analysis, all firms that are not “potential DBEs” are categorized as “all other firms.” This includes all majority-owned firms that are not DBE certified (which is nearly all majority-owned firms) and those minority- and women-owned firms that are not currently DBE-certified and have been denied DBE certification, graduated from the DBE Program or appear to be too large for DBE certification.

B. Information about Firms Available for GDOT Work

BBC’s availability analysis focused on specific construction and engineering subindustries in Georgia. Chapter 3 discusses BBC’s identification of specific subindustries for inclusion in the availability analysis, and selection of Georgia as the relevant market area for GDOT contracting.

Once the subindustries and relevant geographic market area were determined, BBC developed a database of available firms by attempting to interview each business establishment within the relevant Georgia construction and engineering subindustries. This method of examining availability is sometimes referred to as a “custom census.”

Overview of the availability interviews. BBC collected information from firm owners and managers to identify firms potentially available for GDOT work.

BBC first obtained all business establishment listings under the 8-digit industry codes maintained by Dun & Bradstreet (D&B) that were most pertinent to the subindustries involved in GDOT transportation contracts. D&B provided 14,614 business listings related to these subindustries.
BBC then worked with the telephone survey research firm Customer Research International (CRI), which performs business and consumer interviews throughout the country, to conduct telephone interviews with the owners or managers of identified business establishments. About 9,600 D&B listings had accurate working phone numbers. CRI was able to successfully contact 4,571 (48%) of these business establishments. About 2,500 establishments that were successfully contacted indicated they were not interested in participating in a discussion about their availability for GDOT work. More than 2,100 firms completed interviews about firm characteristics, their interest and qualifications for GDOT work and other topics. Interview topics included:

- Whether the organization was a subsidiary or branch of another company;
- Whether the organization was a private business or tribally-owned organization (and not a public agency or not-for-profit organization);
- Qualifications and interest in transportation contracting work for state and local agencies;
- Qualifications and interest in work as a prime, a subcontractor or a supplier/trucker;
- Firm specialization;
- The largest contract or subcontract bid on or performed in the past five years;
- Ability to work in specific geographic regions of Georgia;
- How long the firm has been in business; and
- Race/ethnicity/gender of firm ownership.

Appendix C provides an example of a telephone survey instrument.

Firm representatives were offered the option of answering questions that were e-mailed or faxed if they preferred not to complete an interview over the phone. (About 2 percent of interviews were completed through e-mail or fax.)

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4 CRI’s work includes many tens of thousands of business interviews as part of BBC disparity studies for other state and local agencies.

5 Other establishments could not be reached after multiple attempts (see Appendix C) or could not make a responsible staff member available to complete the interview.
C. Number of Minority-, Women- and Majority-owned Firms in the GDOT Availability Database

A useful starting point in the availability analysis is to simply count the number of minority-, women- and majority-owned firms in the availability database for the GDOT disparity study.

Total number of firms included in the availability database. The availability database for the GDOT study totaled 929 firms after screening for qualifications and interest in work with government agencies and firm location. The fundamental availability criteria for inclusion in the database were:

- Performance of work related to transportation contracting (in the lines of business pertinent to this study);
- Indication of qualifications and interest in performing work for state or local agencies in the future, as a prime contractor and/or subcontractor (or supplier or trucker);
- Past performance or bidding on work (in the public or private sector); and
- An office in Georgia.

The types of information above were gathered from the availability interviews with Georgia firms.

Minority-, women- and majority-owned firms in the availability database. Figure 5-2 provides race/ethnicity/gender information for the firms in the availability database for GDOT contracts and subcontracts. Of the 929 firms counted as potentially available, 281 indicated that they were minority- or women-owned. As shown in Figure 5-2, African American-owned firms comprised 14 percent and white women-owned firms were 11 percent of the firms in the availability database. Other minority-owned firms totaled about 5 percent of the firms. MBE/WBEs overall accounted for 30 percent of the firms in the availability database.

<table>
<thead>
<tr>
<th>Race, ethnicity and gender</th>
<th>Total MBE/WBE</th>
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</thead>
<tbody>
<tr>
<td>Number of firms</td>
<td>Percent of firms</td>
</tr>
<tr>
<td>African American-owned</td>
<td>131</td>
</tr>
<tr>
<td>Asian-Pacific American-owned</td>
<td>12</td>
</tr>
<tr>
<td>Subcontinent Asian American-owned</td>
<td>12</td>
</tr>
<tr>
<td>Hispanic American-owned</td>
<td>14</td>
</tr>
<tr>
<td>Native American-owned</td>
<td>9</td>
</tr>
<tr>
<td>Total MBE</td>
<td>178</td>
</tr>
<tr>
<td>WBE (white women-owned)</td>
<td>103</td>
</tr>
<tr>
<td>Total MBE/WBE</td>
<td>281</td>
</tr>
<tr>
<td>Total other firms</td>
<td>648</td>
</tr>
<tr>
<td>Total firms</td>
<td>929</td>
</tr>
</tbody>
</table>

The data in Figure 5-2 reflect a simple count of firms, with no analysis of a firm’s availability for specific types, sizes or locations of GDOT contracts. Thus, the percentages shown in Figure 5-2 are presented for informational purposes and are not the measures of MBE and WBE availability used as
benchmarks in the disparity analysis. Additional analyses were required to develop these availability benchmarks, as described below.

**Database designed to provide availability figures, not to identify every firm available for GDOT contracts.** The availability database is suitable for producing statistically reliable availability benchmarks for use in determining whether there were disparities in GDOT’s utilization of MBEs and WBEs and for calculating a base figure for the overall DBE goal. This methodology has been accepted in federal court, including the favorable review of a BBC disparity study for the California Department of Transportation by the Federal District Court in *Associated General Contractors of America, San Diego Chapter, Inc. v. California Department of Transportation, et al.*

The availability data allow BBC to develop a representative depiction of firms qualified and interested in state and local transportation agency work, but it should not be considered an exhaustive list of every minority-, woman- and majority-owned firm that could participate in a GDOT contract. Reasons for this are further discussed in Appendices C and J.

**D. Calculation of MBE/WBE Availability as Inputs to the Disparity Analysis**

After developing the availability database, BBC analyzed that information to developed dollar-weighted availability benchmarks for use in the disparity analysis.

**Purpose.** The availability analysis calculates the percentage of contract dollars that might be expected to go to MBE/WBEs given the availability of minority-, women- and majority-owned firms for the specific types and sizes of a particular set of GDOT prime contracts and subcontracts.

**Steps to calculating availability.** For any given GDOT prime contract, subcontract or other procurement (collectively referred to here as “contract elements”), only a subset of the GDOT firms in the availability database were counted as potentially available for that work.

As described below, BBC first examined the characteristics of the specific contract element, including type of work involved, contract size, location and contract date. BBC then identified firms in the availability database that performed work of that type, size, location and in that role (as a prime

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contractor or subcontractor), and were in business in the year the contract was awarded. This is a bottom up, contract-by-contract approach to determining availability measures specific to particular sets of GDOT contracts. The example in Figure 5-3 shows how BBC calculated availability for a subcontract on a specific GDOT project.

1. For each of the more than 4,800 GDOT prime contracts and subcontracts, BBC determined the type of work, contract role (prime/sub) and size of the work.

2. BBC then identified firms in the availability database that reported they:
   - Are qualified and interested in performing that role (prime or subcontractor) for the specific type of work, for local governments;
   - Have bid on or performed work of that size;
   - Report that they could work in that region; and
   - Were in business in the year the contract was awarded.

3. BBC counted the number of MBEs (by race/ethnicity), WBEs and majority-owned firms among all firms in the database available for that specific type of work.

4. The study team then translated the numeric availability of firms for a contract element into percentage availability for the contract element (e.g., the percentage of firms counted as available for a contract that are MBEs and WBEs).
   
   This process was repeated for each prime contract and subcontract.

5. BBC weighted the relative availability for each prime contract and subcontract by the dollars of work corresponding to each contract element.
   - For MBEs (for each race/ethnic group) and for WBEs, BBC multiplied percentage availability for each GDOT contract element by the dollars associated with the contract element;
   - Added the results across contract elements; and
   - Divided by total dollars for all GDOT contract elements to produce a dollar-weighted estimate of overall availability for MBE/WBEs and for each MBE/WBE group.

**Results for GDOT contracts.** Overall, MBE/WBE availability is 22 percent for GDOT contracts. Figure 5-4 shows complete results, including availability for GDOT contracts by race/ethnic group. These values serve as benchmarks to evaluate the actual percentage of GDOT contract dollars going to MBEs and WBEs from January 2009 through June 2011 (pertains to combined FHWA- and state-funded contracts).
Figure 5-4.
Dollar-weighted availability of firms for GDOT contracts, 2009 – June 2011, by race, ethnicity and gender

Note: See Figure K-2 in Appendix K.
Source: BBC Research & Consulting from Availability Database.

Unique availability benchmark for each set of contracts. BBC did not just conduct a disparity analysis for all GDOT contracts, but also performed analyses for subsets of contracts (e.g., separating FHWA- and state-funded contracts, as well as construction contracts and engineering-related contracts and prime contracts and subcontracts). Therefore, BBC needed to determine availability benchmarks for each set of GDOT contracts and subcontracts examined in the disparity analysis. A number of tables in Appendix K report MBE/WBE availability and disparity analysis results for subsets of GDOT contracts and subcontracts. MBE/WBE availability varies from around 20 percent to about 31 percent depending upon the work examined. In general:

- MBE/WBE availability is greater for small GDOT contract elements;
- MBE/WBE availability is greater for subcontracts; and
- MBE/WBE availability is greater for state-funded contracts (26%) than for FHWA-funded contracts (22%).

Availability benchmarks improve upon what would be derived from a simple “headcount” of firms. The availability benchmark for GDOT contracts identified above (22%) is lower than the percentage of firms in the availability database that are MBE/WBEs (30%). There are a number of reasons why the overall availability benchmark is lower than what might be calculated by just counting MBEs and WBEs and dividing the sum by the total number of firms in the availability database. The most important reasons are:

- The availability analysis considered specialization of work involved in GDOT contracts;
- BBC considered a firm’s qualifications and interest in prime contract work and subcontract work when determining availability for a GDOT contract element;
- The availability analysis considered size of contracts that firms have bid on when counting firms as available for a contract element;
- Consideration of the geographic location of the work and the firms indicating that they could perform work in that region; and
- BBC dollar-weighted results of the contract-by-contract availability analyses when determining an overall availability figure.

<table>
<thead>
<tr>
<th>Race, ethnicity and gender</th>
<th>Utilization benchmark (availability %)</th>
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<tbody>
<tr>
<td>African American-owned</td>
<td>14.1 %</td>
</tr>
<tr>
<td>Asian-Pacific American-owned</td>
<td>1.5</td>
</tr>
<tr>
<td>Subcontinent Asian American-owned</td>
<td>0.6</td>
</tr>
<tr>
<td>Hispanic American-owned</td>
<td>0.5</td>
</tr>
<tr>
<td>Native American-owned</td>
<td>0.1</td>
</tr>
<tr>
<td>Total MBE</td>
<td>16.8 %</td>
</tr>
<tr>
<td>WBE (white women-owned)</td>
<td>5.2</td>
</tr>
<tr>
<td>Total MBE/WBE</td>
<td>22.0 %</td>
</tr>
</tbody>
</table>
Specialization of work. USDOT suggests considering the availability of firms based on their ability to perform specific types of work. The example USDOT gives in “Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program” is as follows: If 90 percent of an agency’s contracting dollars is spent on heavy construction and 10 percent on trucking, the agency would calculate the percentage of heavy construction firms that are MBEs or WBEs and the percentage of trucking firms that are MBEs or WBEs, and weight the first figure by 90 percent and the second figure by 10 percent when calculating overall MBE/WBE availability.  

BBC examined more than 20 areas of specialization (“subindustries”) in the GDOT disparity study. The study team determined the work type for each prime contract and subcontract from the information in GDOT contract records and the primary line of work of the prime contractor or subcontractor performing the work item. Some subindustries reflect grouping of certain specializations.

Once BBC identified the work type for each prime contract and subcontract, the study team matched firms performing that type of work with the work type. Study team members conducting the availability interviews asked owners and managers of construction-related firms to identify the types of work they perform based upon the following work descriptions:

- Grading, excavation, drainage or other land prep;
- Paving, concrete work, or other heavy construction related to road work;
- Bridge or elevated highway construction or repair;
- Underground utilities;
- Electrical work related to highways such as lighting and signal installation;
- Painting, striping or pavement marking;
- Installation of highway fences, guardrails or signs;
- Temporary traffic control;
- Trucking and hauling for road projects; and
- Grassing or erosion control.

Interviewers also asked if the firm sold:

- Asphalt, concrete or other paving materials;
- Erosion control materials;
- Traffic or highway signs;
- Traffic signals;
- Fence or guardrail materials;
- Steel; and
- Petroleum.

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7 Id.
Interviewers asked firms performing engineering-related services whether they conducted one or more of the following types of work:

- Transportation planning;
- Bridge design;
- Highway design;
- Soils and materials testing;
- Construction management;
- Surveying and mapping;
- Erosion control planning and inspection;
- Mass transit operation and design; and
- Traffic control systems.

As with the interviews of construction firms, engineering-related services firms could identify more than one work type, and could point out other services they performed.

**Qualifications and interest in prime contractor and subcontractor work.** BBC collected information on whether firms reported qualifications and interest in working as a *prime contractor* and as a *subcontractor*. In BBC’s availability analysis for GDOT construction and engineering contracts:

- Only firms reporting that they are qualified and interested in working with GDOT as a prime contractor are counted as available for GDOT-awarded prime contracts;
- Only firms reporting qualifications and interest in working with GDOT as a subcontractor, trucker/hauler or supplier are counted as available for these contract elements;
- Firms reporting qualifications and interest in both contract roles can be counted as available for either role.

**Consideration of the size of contracts and subcontracts.** BBC considered the size of contracts or subcontracts that a firm had bid on in the previous five years (referred to as “bid capacity”) when determining whether to count that firm as available for a GDOT contract or subcontract of a certain size. When counting available firms for a prime contract or subcontract, BBC considered whether a firm had previously worked or bid on a project of equivalent size (in dollars) to the specified contract or subcontract element.

BBC used this approach to examining bid capacity in the California Department of Transportation disparity study that was favorably reviewed in *Associated General Contractors of America, San Diego Chapter, Inc. v. California Department of Transportation*. BBC’s approach is consistent with guidance from the U.S. Court of Appeals for the Federal Circuit regarding capacity of firms to perform different sizes of contracts (see *Rothe Development Corp. v. Department of Defense*).  

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Location of contract. GDOT provided information on the district in which each contract was performed. BBC considered a firm available for work in a region if it indicated that it could do work or serve customers in that region. The definitions of regions are as follows:

- **Atlanta Metro Area (GDOT District 7).** This includes Fulton, DeKalb, Rockdale, Clayton, Cobb, and Douglas Counties.

- **Northwest Georgia (GDOT District 6).** This region extends from the Chattanooga Valley to the Cartersville area.

- **Northeast Georgia (GDOT District 1).** This includes the Gainesville, Lawrenceville, and Athens areas.

- **Middle Georgia (GDOT Districts 2 and 3).** This region extends from the Columbus to Augusta areas.

- **Southeast Georgia (GDOT District 5).** This region extends from the Savannah area to the Florida border.

- **Southwest Georgia (GDOT District 4).** This includes the Albany and Valdosta areas.

Note that BBC combined several of these regions when reporting disparity results.9

Dollar-weighting results. BBC examined availability contract-by-contract and subcontract-by-subcontract, and then dollar-weighted the results for each specific set of contracts. In calculating overall availability, the availability results for a large prime contract or subcontract contribute more to the overall calculation than small contract elements.

This is the same approach that BBC used in the California Department of Transportation disparity study that was favorably reviewed in the case cited above. “Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program” also suggests a dollar-weighted approach to determining availability.10

The effect of considering bid capacity and then dollar-weighting availability results is lower availability figures for MBEs and WBEs than if BBC had simply used a simple “head count” of MBEs, WBEs and majority-owned to determine availability.

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9 Disparity analysis results reported for North Georgia, the Atlanta Metro Area, Middle Georgia and South Georgia.

10 Id.
Availability benchmarks are determined for MBE/WBEs and not just certified DBEs. Analysis of utilization and availability of minority- and women-owned firms (by race, ethnicity and gender) allows one to analyze whether there are disparities affecting minority- and women-owned firms.

- In other words, the possibility that race or gender discrimination affects utilization of firms is analyzed by comparing outcomes for firms based on the race/ethnicity/gender of their ownership, not certification status.

- Firms may be discriminated against because of the race or gender of the business owner regardless of whether that owner has applied for DBE certification.

- Furthermore, analysis of whether firms face disadvantages based on the race/ethnicity/gender of the firm owner counts the most successful, highest-revenue minority- and women-owned firms in the statistics for all minority- and women-owned firms. A disparity analysis focusing on DBEs would improperly compare outcomes for certified DBEs (by definition, “economically disadvantaged” minority- and women-owned firms) with all other firms (combining majority-owned firms with very successful firms owned by minorities and women). One might find disparities for any group of firms for which membership is limited to low-revenue firms.11

Another reason not to base the disparity analysis on DBEs is that white male-owned firms can be certified as DBEs under the Federal DBE Program.

The courts that have reviewed utilization and availability analyses have accepted analyses based on race/ethnicity/gender ownership and not certification status.

**Coding of minority women-owned firms.** In the GDOT disparity study, BBC combines firms owned by minority women and firms owned by minority men into “minority-owned firms.” “WBEs” are firms owned by white women. Figure 5-5 discusses BBC rationale for that classification.

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11 An analogous situation concerns analysis of possible wage discrimination. A disparity analysis that would compare wages of minority employees to wages of all employees should include both low- and high-wage minorities in the statistics for minority employees. If the analysis removed high-wage minorities from the statistics for minorities, any comparison of wages between minorities and non-minorities would likely show disparities in wage levels.
E. Base Figure for Overall Goal for DBE Participation in FHWA-funded Contracts

Establishing the base figure is the first step in calculating an overall annual goal for DBE participation in GDOT FHWA-funded contracts. BBC calculated the base figure using the same availability database and approach for determining MBE/WBE availability as described above, except that calculations were specific to “potential DBEs.” This methodology is consistent with court-reviewed methodologies in states including California, Illinois and Minnesota, instructions in the 2011 revisions to the Federal DBE Program, and USDOT’s “Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program.”

As Figure 5-1 explained, BBC counted firms as potential DBEs if they were certified as DBEs in Georgia or were minority- and women-owned and did not have DBE certification applications denied, had graduated from the DBE Program or appeared to be too large to meet the revenue limits for DBE certification (overall or for the specific subindustry).

It is also important to note that just one in seven of the MBE/WBE firms interviewed in the availability analysis was certified as a DBE.

Base figure. BBC’s availability analysis indicates that minority- and women-owned firms currently or potentially certified as DBEs might be expected to receive 19.8 percent of prime contract and subcontract dollars for GDOT FHWA-funded transportation contracts.

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12 Id.
GDOT should consider 19.8 percent as the base figure for its overall goal for DBE participation if the distribution of FHWA-funded contracts for the time period covered by the goal is expected to be similar to FHWA-funded contracts from 2009 through June 2011.

**Difference from overall availability of MBE/WBEs for FHWA-funded contracts.** If BBC had counted all minority- and women-owned firms as potential DBEs, the base figure would have been 21.8 percent.

**Calculation of base figure if mix of FHWA-funded contracts will differ in the future.** Figure 5-6 presents the construction and engineering components of the base figure for the overall DBE goal. The base figure reflects a weight of 90 percent for construction and 10 percent for engineering based on dollars of FHWA-funded contracts for 2009 through June 2011 examined in the availability analysis. If the dollars of FHWA-funded construction contracts as compared with FHWA-funded engineering-related service contracts varies in the future, GDOT may wish to apply different weights to the base figure data for each set of contracts when calculating a base figure.

Similarly, GDOT could consider adjusting the base figure if the future geographic mix of contracts were to differ substantially from the 2009 through June 2011 time period. MBE/WBE availability was several percentage points higher for contracts in North Georgia and the Atlanta Metropolitan Area than in Middle Georgia and South Georgia.

In addition, the availability analysis included a number of projects funded through the American Recovery and Reinvestment Act. When considering an overall DBE goal for the next three fiscal years, GDOT should consider how its future mix of FHWA-funded projects may differ from the 2009 through June 2011 time period.

The 19.8 percent base figure presented in Figure 5-6 is higher than the overall DBE goals GDOT has adopted in the past, which have been around 12 percent.

**Additional steps before determining the overall annual DBE goal.** GDOT must consider whether to make a “step 2” adjustment to the base figure before determining a final overall DBE goal. The step 2 adjustment can be upward or downward. Chapter 10 of the report presents information GDOT should consider in choosing whether to make such an adjustment.
F. Implications for any DBE Contract Goals

If GDOT chooses to utilize DBE contract goals in the future, it might use the availability database, the current DBE directory at that time, a newly-developed bidders list and/or other information to examine the availability of DBEs to participate in that contract. If it uses DBE contract goals, GDOT should continue to:

- Set goals on a contract-by-contract basis given the unique attributes of a contract and the availability of DBEs to perform that work.

- Set DBE contract goals only on FHWA-funded contracts.

- Only set DBE contract goals on contracts that have meaningful subcontracting opportunities.

- Retain flexibility in how prime contractors could comply with the contract goals program, including showing good faith efforts to meet the contract goal.