

Georgia Department of Transportation

2016 DISPARITY STUDY



235 Peachtree Street, NE Suite 400
Atlanta, GA 30303
Phone: (404) 584-9777
Fax: (404) 584-9730



Study Team

- Griffin & Strong, P.C. Project Team
- Ken Weeden & Associates
- Hubert Owens
- Sandra Tarver Public Relations

TECHNICAL APPROACH



DETERMINATION OF RELEVANT MARKET



GEOGRAPHICAL RELEVANT MARKET

Construction

- State of Georgia

Other
Professional
Services

- State of Georgia

AWARD THRESHOLDS – CONSTRUCTION (FY2012-2014)

Award Threshold	Number of Awards	Percent of Total	Dollars
Under 100,000	4	0.64%	\$343,374
100,000-500,000	87	13.99%	\$29,450,272
500,000-1,000,000	103	16.56%	\$76,059,471
1,000,000-1,500,000	98	15.76%	\$121,886,696
1,500,000-2,000,000	68	10.93%	\$120,747,556
2,000,000-2,500,000	47	7.56%	\$105,066,127
2,500,000-5,000,000	109	17.52%	\$382,431,008
5,000,000-7,500,000	26	4.18%	\$159,747,569
7,500,000-10,000,000	14	2.25%	\$120,051,941
10,000,000-15,000,000	21	3.38%	\$255,335,581
15,000,000-20,000,000	15	2.41%	\$253,031,482
20,000,000-25,000,000	7	1.13%	\$159,811,677
25,000,000-30,000,000	7	1.13%	\$193,872,830
30,000,000-36,500,000	4	0.64%	\$132,564,059
Over 36,500,000	12	1.93%	\$704,646,231
Total	622	100.00%	\$2,815,045,874

Average:	\$ 4,525,797
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AWARD THRESHOLDS - PROFESSIONAL SERVICES* (FY2012-2014)

Award Threshold	Number of Awards	Percent of Total	Dollars
Under 100,000	186	50.54%	\$7,477,212
100,000 ≥ 500,000	127	34.51%	\$28,156,865
500,000 ≥ 1,000,000	27	7.34%	\$17,991,912
1,000,000 ≥ 1,500,000	13	3.53%	\$15,338,774
1,500,000 ≥ 2,000,000	3	0.82%	\$4,588,446
2,000,000 ≥ 2,500,000	2	0.54%	\$4,805,662
2,500,000 ≥ 5,000,000	6	1.63%	\$24,744,107
5,000,000 ≥ 7,500,000	3	0.82%	\$18,524,268
7,500,000 ≥ 10,000,000	1	0.27%	\$9,000,000
10,000,000 ≥ 15,000,000	0	0.00%	\$0
15,000,000 ≥ 20,000,000	0	0.00%	\$0
20,000,000 ≥ 25,000,000	0	0.00%	\$0
25,000,000 ≥ 30,000,000	0	0.00%	\$0
30,000,000 ≥ 36,500,000	0	0.00%	\$0
Over 36,500,000	0	0.00%	\$0
Total	368	100.00%	\$130,627,245

Average: \$354,965

* Does not include
Right of Way

CONSTRUCTION – PRIME MWBE/DBE AVAILABILITY VS. UTILIZATION (FY2012-2014)

	Asian Pacific American	Subcont. Asian American	Black American	Hispanic American	Native American	Other MBE	Woman	Other DBE	Total MWBE / DBE	Non MWBE
■ Utilized	0.00%	1.15%	0.02%	0.08%	0.00%	0.00%	0.95%	0.00%	2.20%	97.80%
■ Available	0.58%	0.96%	13.85%	2.88%	0.58%	0.00%	12.50%	0.00%	31.35%	68.65%

PROFESSIONAL SERVICES – PRIME MWBE/DBE AVAILABILITY V. UTILIZATION (FY2012-2014)

	Asian Pacific American	Subcont. Asian American	Black American	Hispanic American	Native American	Other MBE	Woman	Other DBE	Total MWBE / DBE	Non MWBE
■ Utilized	0.00%	0.00%	0.60%	0.01%	0.00%	0.00%	1.91%	0.00%	2.51%	97.49%
■ Available	0.75%	2.49%	6.23%	0.75%	0.00%	0.00%	6.48%	0.00%	16.71%	83.29%

CONSTRUCTION – SUBCONTRACTOR MWBE/DBE AVAILABILITY VS. UTILIZATION (FY2012-2014)

	Asian Pacific American	Subcont. Asian American	Black American	Hispanic American	Native American	Other MBE	Woman	Other DBE	Total MWBE / DBE	Non MWBE
■ Utilized	0.53%	0.00%	4.76%	0.71%	0.04%	0.00%	12.34%	0.00%	18.37%	81.63%
■ Available	0.75%	1.39%	27.98%	4.08%	1.48%	0.07%	11.18%	0.41%	47.36%	52.64%

PROFESSIONAL SERVICES – SUBCONTRACTOR MWBE/DBE AVAILABILITY VS. UTILIZATION (FY2012-2014)

	Asian Pacific American	Subcont. Asian American	Black American	Hispanic American	Native American	Other MBE	Woman	Other DBE	Total MWBE / DBE	Non MWBE
■ Utilized	0.00%	0.28%	6.13%	0.00%	0.00%	0.00%	6.83%	0.00%	13.24%	86.76%
■ Available	1.33%	3.59%	19.28%	2.26%	0.40%	0.00%	9.57%	0.00%	36.44%	63.56%

MANUFACTURING- SUBCONTRACTOR MWBE/DBE AVAILABILITY VS. UTILIZATION (FY2012-2014)

	Asian Pacific American	Subcont. Asian American	Black American	Hispanic American	Native American	Other MBE	Woman	Other DBE	Total MWBE / DBE	Non MWBE
■ Utilized	0.90%	0.00%	2.79%	0.00%	0.00%	0.00%	5.83%	0.00%	9.52%	90.48%
■ Available	1.52%	0.91%	9.10%	1.97%	1.37%	0.30%	9.41%	0.00%	24.58%	75.42%

Summary of Statistically Significant Disparity Analysis: in Federally Funded Prime Contracting (FY2012-2014)

	Construction	Other Professional Services
Asian Pacific	●	●
Subcontinent Asian American	●	●
Black American	●	●
Hispanic American	●	●
Native American	●	
Other MBE		
Woman	●	●
Other DBE		
Total MWBE/DBE	●	●

● overutilized

● underutilized

Summary of Statistically Significant Disparity Analysis: MWBE/DBEs in Federally Funded Subcontracting (FY2012-2014)

	Construction	Other Professional Services	Manufacturing
Asian Pacific	●	●	●
Subcontinent Asian American	●	●	●
Black American	●	●	●
Hispanic American	●	●	●
Native American	●	●	●
Other MBE	●		●
Woman		●	●
Other DBE	●		
Total MWBE/DBE	●	●	●

Summary of Statistically Significant Disparity Analysis: MWBE/DBEs in State Funded Contracting (FY2012-2014)

	Construction - Prime	Construction- Subcontracting
Asian Pacific	●	●
Subcontinent Asian American	●	●
Black American	●	●
Hispanic American	●	●
Native American	●	●
Other MBE	●	●
Woman	●	●
Other DBE	●	●
Total MWBE/DBE	●	●

● overutilized

● underutilized

PRIVATE SECTOR

THE REGRESSION ANALYSIS INDICATED RACE,
ETHNICITY, AND GENDER STATUS HAD A
STATISTICALLY SIGNIFICANT EFFECT ON
SECURING PUBLIC CONTRACTING
OPPORTUNITIES

PRIVATE SECTOR ANALYSIS

- **NATIVE AMERICAN/ALASKANS AND WOMEN** owned firms **are LESS LIKELY THAN NON-MWBEs** to submit bids
- **BLACK AMERICAN AND BI-MULTI-RACIAL** owned firms are **LESS LIKELY THAN NON-MWBEs** to have served as subcontractors.
- **BLACK AMERICAN** owned firms are **MORE LIKELY THAN NON-MINORITY OR NON-WOMAN OWNED FIRMS** to be new entrants to the State of Georgia marketplace.
- **BLACK AMERICAN** owned firms are **MORE LIKELY THAN NON-MWBEs** to face barriers in submitting bids and securing public contracts with GDOT as a result of Pre-Qualification Requirements, Performance Bond Requirements, Bid Bond Requirements, and Financing.
- **BLACK AMERICAN** owned firms are **MORE LIKELY THAN NON-MWBEs OR WOMAN OWNED FIRMS** to face financing barriers

ANECDOTAL FINDINGS

- INFORMATIONAL MEETINGS
- FOCUS GROUPS
- PUBLIC HEARINGS
- ANECDOTAL INTERVIEWS
- EMAIL COMMENTS
- SURVEY OF BUSINESS OWNERS

ANECDOTAL FINDINGS

- Certification Issues
 - DBE Certification “Invasive”, “Lengthy” and Non-Beneficial.
- Suppliers and Consultants are Left Out
 - Services not geared to their needs
- Expanding Outreach outside of Atlanta
 - Networking, DBE Program Specific-Training
- Business “Fronts” and Informal Business Networks (“Good Ole Boys)
- Monitoring for GDOT Spending
 - Contracts w/o goals outside of Atlanta

ANECDOTAL FINDINGS cont.

- Bonding
 - Breaking up contracts to alleviate capacity. Most commonly heard complaint.
- Prequalification Concerns
 - Especially for Engineering
- Lack of “Buy In” for Majority Firms and GDOT Staff
 - No Majority Firms Chose to Speak at Public Forums.
 - Outreach and DBE training to Majority Firms may be beneficial.
- DBE Overconcentration in Trucking
- Widely recognized praise for GDOT in efforts for program success and praise for staff.

DBE GOAL-SETTING

GSPC RECOMMENDED GOAL 17.86%

RACE/GENDER-NEUTRAL

5%

RACE/GENDER-CONSCIOUS

13%

**AFTER GDOT SPECIFIC ACTIVITY
ADJUSTMENT**

15% GOAL

RECOMMENDATIONS

CONTINUE FEDERAL DBE PROGRAM

EXTEND DBE PROGRAM TO STATE FUNDED PROJECTS
(If Administered by GDOT)

INSTITUTE ROBUST NON-DISCRIMINATION PROGRAM
AND SMALL BUSINESS PREFERENCE PROGRAM FOR
STATE FUNDED CONTRACTS
(If Administered by Local Governmental Authorities)

RECOMMENDATIONS

DBE-TO-DBE MENTOR-PROTÉGÉ PROGRAM &
JOINT VENTURE CONTRACTS/DBE TEAMS

ADJUST PREQUALIFICATION REQUIREMENTS

REVIEW CONTRACT SIZING

PERFORMANCE REVIEWS AND EVALUATIONS

RECOMMENDATIONS

ADDITIONAL BONDING ASSISTANCE

MANDATORY PRE-BID CONFERENCES

CONTINUED MONITORY OF WOMAN OWNED FIRMS

ADDRESS OVERCONCENTRATION OF DBE FIRMS IN
HAULING

A nighttime cityscape featuring a prominent skyscraper with a glowing, illuminated spire. The scene is filled with city lights, including streetlights and building windows. A large yellow rectangular area with a white dotted pattern is overlaid on the center of the image, containing text. The overall atmosphere is vibrant and urban.

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