

SECTION V.

ODOT Utilization of Minority- and Women-owned Firms

In Section V, BBC examines participation of minority- and women-owned firms in ODOT contracts. The disparity analyses that follow in Section VI compare the utilization results from Section V with the availability analyses introduced in Section IV.

Results concerning MBE/WBE and DBE utilization are important for reasons beyond the disparity analysis. State legislators and others have also expressed interest in an accurate, independent picture of ODOT utilization of minority- and women-owned firms, especially for engineering-related contracts. In addition, USDOT suggests that agencies examine utilization for contracts without DBE contract goals when designing their future implementation of the Federal DBE Program.¹

ODOT did not set any DBE goals on its state-funded contracts during the July 2004–June 2009 study period, nor did it apply any other race- or gender-based programs for these contracts. During this time, ODOT only operated a DBE contract goals program for its FHWA-funded construction contracts. The Department began setting DBE contract goals on certain engineering and other professional contracts after the end of the study period.

Section V is organized in four parts:

- A. Overview of the utilization analysis;
- B. MBE/WBE and DBE utilization in ODOT transportation contracts;
- C. MBE/WBE and DBE utilization in ODOT construction contracts; and
- D. MBE/WBE and DBE utilization in ODOT engineering-related contracts.

Figure V-1. Defining and measuring “utilization”

“Utilization” of minority- and women-owned firms refers to the share of contract dollars going to these MBEs and WBEs. BBC reports results for both certified DBEs (firms certified as disadvantaged business enterprises in the year of the specific contract) and for all minority- and women-owned firms. BBC also examines results by race/ethnic/gender group.

Utilization is expressed as a percentage of prime contract and subcontract *dollars*. (“Prime contract dollars” are total contract dollars less the money identified as going to subcontractors.) For example, WBE utilization of 5 percent means that 5 percent of the contract dollars examined went to women-owned firms. Expressed another way, 5 cents of every contract dollar went to WBEs.

Information concerning utilization of minority- and women-owned firms is useful on its own, but is even more instructive when compared with a benchmark for the level of utilization expected given relative availability of minority- and women-owned firms for a particular set of contracts. BBC introduces this “disparity analysis” in the next section of the report (see Section VI).

¹.<http://www.dotcr.ost.dot.gov/Documents/Dbe/49CFRPART26.doc>.

A. Overview of the Utilization Analysis

BBC examined utilization of minority- and women-owned firms as prime contractors and subcontractors in ODOT transportation contracts from July 2004 through June 2009.

Definition of utilization. As outlined in Figure V-1, “utilization” of minority- and women-owned firms refers to the percentage of contract dollars going to MBE/WBEs. If MBE/WBEs were awarded \$10 million in prime contracts and subcontracts out of a total of \$100 million in contract dollars, MBE/WBE utilization would be 10 percent.

Differences between ODOT and BBC utilization analyses. BBC’s analysis of MBE/WBE utilization goes beyond what ODOT currently reports to the USDOT, as explained below.

BBC identified minority- and women-owned businesses in addition to firms certified as DBEs.

Because USDOT regulations require state and local agencies to report participation of DBEs on FHWA-funded contracts, ODOT’s utilization reports to FHWA focus on DBEs. ODOT does not track utilization of other firms owned by minorities and women.

In addition to counting certified DBEs in the utilization statistics, BBC examined minority- and women-owned firms that may have once been DBE-certified and graduated (or let their certifications lapse), and MBE/WBEs that have never been DBE-certified. BBC identified race/gender ownership through:

- ODOT DBE certification records;
- City of Tulsa MBE/WBE Directory;
- U.S. Small Business Administration 8(a) certification directory;
- Study team telephone interviews with owners and managers of utilized firms (the study team attempted to reach each utilized firm via phone, fax or e-mail); and
- ODOT staff review.

BBC also examined utilization for firms certified as DBEs. Although a firm owned by a socially and economically disadvantaged white man has received DBE certification from ODOT, BBC identified no DBE certified as a white male-owned firm receiving an ODOT prime contract or subcontract during the study period. Therefore, Section V results for DBE participation in ODOT contracts are a subset of overall MBE/WBE utilization — all DBE firms in the data are minority- or women-owned.

BBC had more comprehensive data on engineering subcontracts. Utilization reports that ODOT submitted to FHWA contained information on DBE subcontractors for FHWA-funded construction contracts but not for engineering-related contracts. During the study period, ODOT did not compile complete information on DBE subconsultants on engineering contracts. As discussed in Section II and Appendix B, these data had to be compiled as part of the disparity study effort.

The disparity study also examined state-funded contracts. ODOT’s DBE utilization reports are for FHWA-funded contracts, not state-funded contracts (contracts solely funded through non-USDOT sources). In addition to analyzing FHWA-funded contracts, BBC examined MBE/WBE and DBE participation in ODOT’s state-funded contracts.

B. MBE/WBE and DBE Utilization in ODOT Transportation Contracts

The following figures present MBE/WBE and DBE utilization as a percentage of ODOT contract dollars. Utilization in these figures includes prime- and subcontractor participation.²

Each figure separately reports results for ODOT's FHWA- and state-funded transportation contracts. The figures also show aggregate results across all FHWA- and state-funded contracts.

Figure V-2 combines results for construction and engineering contracts.

- Each bar in the graph indicates the percentage of overall contract dollars going to minority- and women-owned firms (the statistic shown on the top of the bar), including the share going to certified DBEs.
- The dark shading in the bottom portion of the bar presents the share of overall contract dollars going to DBEs alone.
- The difference between DBE utilization and total MBE/WBE utilization corresponds to the participation of MBE/WBEs that were not certified as DBEs.

Figure V-2.
MBE/WBE and DBE share of prime contract/subcontract dollars for ODOT construction and engineering contracts, July 2004–June 2009, FHWA vs. state funding

Note:

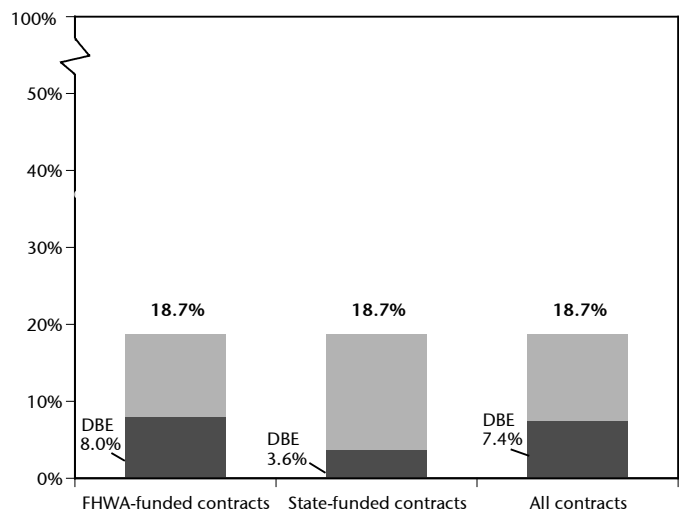
Certified DBE utilization.

Number of contracts/subcontracts analyzed is 6,306 for FHWA-funded contracts, 1,685 for state-funded contracts and 7,991 for all contracts.

For more detail and results by group, see Figures K-3, K-4 and K-2 in Appendix K.

Source:

BBC Research & Consulting from data on ODOT contracts.



FHWA-funded contracts. BBC examined 1,542 ODOT FHWA-funded transportation construction and engineering contracts from July 2004 through June 2009. BBC was able to obtain data for 4,764 subcontracts associated with these contracts. In total, BBC identified \$2.9 billion for these 6,306 contract elements.

Minority- and women-owned firms obtained 18.7 percent of the dollars of FHWA-funded contracts from July 2004 through June 2009, as presented in Figure V-2. DBE utilization for these contracts was 8 percent.³

² When calculating prime contractor utilization, BBC counts dollars retained by the prime contractor (total dollars less subcontract dollars for the contract). In this way, addition of prime contractor and subcontractor utilization for a contract equals the contract amount.

³ By comparison, ODOT utilization reports for FFY 2004–FFY 2009 showed DBE participation to be 8.6 percent of FHWA-funded contracts. ODOT examined \$ 3.1 billion in FHWA contracts for this time period.

State-funded contracts. BBC analyzed 603 ODOT state-funded contracts, which included 1,082 subcontracts. State-funded contracts for July 2004–June 2009 totaled \$453 million. MBE/WBEs (including DBEs) received the same percentage of total state-funded contract dollars — 18.7 percent — as for FHWA-funded contracts. The share of contract dollars going to DBEs was 3.6 percent.

Combined contracts. Of the \$3.3 billion in combined FHWA- and state-funded contract dollars examined for July 2004–June 2009, MBE/WBEs received \$618 million, or 18.7 percent. DBEs accounted for 7.4 percentage points (\$243 million) of the overall MBE/WBE participation.

Utilization by MBE/WBE group. Figure V-3 details utilization for minority- and women-owned firms (top half of the figure) and for just DBEs (bottom half of the figure) by specific racial/ethnic/gender groups. As noted previously, DBE utilization is a subset of total MBE/WBE utilization.

Native American- and white women-owned firms accounted for nearly all of the MBE/WBE utilization in ODOT contracts.⁴ Native American-owned firms received 4.9 percent of FHWA – funded contract dollars and 9.5 percent of state-funded contract dollars, for a total of 5.5 percent of combined FHWA- and state-funded transportation contract dollars. White women-owned firms obtained 12.1 percent of combined contract dollars (12.6 % of FHWA-funded and 8.9 % of state-funded contract dollars).

⁴ WBE refers to white women-owned firms in the utilization analysis to match the use of WBE in the availability analysis, as discussed in Section IV.

Figure V-3.

MBE/WBE and DBE share of prime/subcontract dollars for ODOT construction and engineering contracts, by race/ethnicity/gender, July 2004–June 2009 (thousands)

	FHWA-funded contracts		State-funded contracts		Total	
	\$ in thousands	Percent	\$ in thousands	Percent	\$ in thousands	Percent
MBE/WBEs						
African American-owned	\$3,440	0.1 %	\$28	0.0 %	\$3,468	0.1 %
Asian-Pacific American-owned	423	0.0	0	0.0	423	0.0
Subcontinent Asian American-owned	648	0.0	53	0.0	701	0.0
Hispanic American-owned	28,845	1.0	1,181	0.3	30,026	0.9
Native American-owned	139,285	4.9	43,088	9.5	182,373	5.5
WBE (white women-owned)	360,430	12.6	40,098	8.9	400,528	12.1
Total MBE/WBE	\$533,072	18.7 %	\$84,448	18.7 %	\$617,520	18.7 %
Majority-owned	2,318,022	81.3	386,266	81.3	2,686,288	81.3
Total	\$2,851,094	100.0 %	\$452,714	100.0 %	\$3,303,808	100.0 %
DBEs						
African American-owned	\$3,140	0.1 %	\$28	0.0 %	\$3,168	0.1 %
Asian-Pacific American-owned	0	0.0	0	0.0	0	0.0
Subcontinent Asian American-owned	319	0.0	47	0.0	366	0.0
Hispanic American-owned	28,126	1.0	404	0.1	28,530	0.9
Native American-owned	83,120	2.9	8,143	1.8	91,263	2.8
WBE (white women-owned)	112,385	3.9	7,497	1.7	119,883	3.6
White male-owned DBE	0	0.0	0	0.0	0	0.0
Total DBE	\$227,091	8.0 %	\$16,119	3.6 %	\$243,210	7.4 %
Non-DBE	2,624,003	92.0	436,595	96.4	3,060,598	92.6
Total	\$2,851,094	100.0 %	\$452,714	100.0 %	\$3,303,808	100.0 %

Note: Numbers rounded to nearest tenth of 1 percent. Numbers may not add to totals due to rounding.

Number of contracts/subcontracts analyzed is 6,306 for FHWA-funded contracts, 1,685 for state-funded contracts and 7,991 for all contracts.

For more detail and dollars by group, see Figures K-3, K-4 and K-2 in Appendix K.

Source: BBC Research & Consulting from data on ODOT contracts.

C. MBE/WBE and DBE Utilization in ODOT Construction Contracts

Figure V-4 presents MBE/WBE and DBE participation in ODOT FHWA- and state-funded transportation construction contracts.

FHWA-funded contracts. From July 2004 through June 2009, ODOT awarded 1,230 FHWA-funded construction contracts for \$2.7 billion that were within the scope of the disparity study. BBC examined 4,511 subcontracts associated with these contracts. MBEs and WBEs obtained 19.5 percent of FHWA-funded construction contract dollars for July 2004–June 2009. Native American- and white women-owned firms accounted for most of the MBE/WBE utilization. DBE utilization for these contracts was 8.3 percent. Figure K-6 in Appendix K provides additional information concerning MBE/WBE/DBE utilization for these contracts.

State-funded contracts. There were 529 ODOT state-funded construction contracts from July 2004–July 2009 included in the utilization analysis. These contracts totaled \$417 million. MBE/WBEs received 19.8 percent of state-funded construction contract dollars. DBE participation was 3.7 percent. (No DBE contract goals applied to these contracts.) Figure K-7 in Appendix K provides additional information concerning MBE/WBE and DBE utilization for these contracts.

Combined contracts. Combining FHWA- and state-funded construction, MBE/WBE participation was 19.5 percent (7.7% DBE utilization). Utilization by racial/ethnic/gender group can be found in Figure K-5.

Figure V-4.
MBE/WBE and DBE share of prime contract/subcontract dollars for ODOT construction contracts July 2004–June 2009, FHWA vs. state funding

Note:

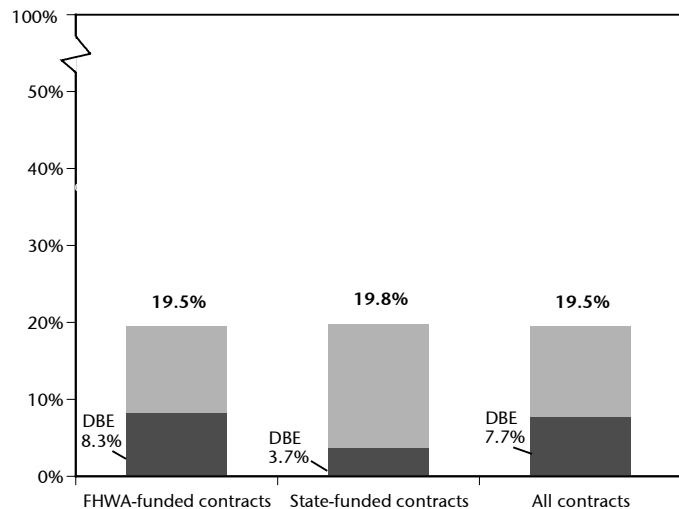
Certified DBE utilization.

Number of contracts/subcontracts analyzed is 5,741 for FHWA-funded contracts, 1,552 for state-funded contracts and 7,293 for all contracts.

For more detail and results by group, see Figures K-6, K-7 and K-5 in Appendix K.

Source:

BBC Research & Consulting from data on ODOT contracts.



D. MBE/WBE and DBE Utilization in ODOT Engineering-related Contracts

Figure V-5 presents information for ODOT engineering and related professional services contracts. As with previous figures in Section V, MBE/WBE and DBE participation results in Figure V-5 include prime– and subcontractor participation. Note that ODOT did not apply DBE contract goals to its FHWA- or state-funded engineering-related contracts during the study period.

FHWA-funded contracts. BBC examined 316 FHWA-funded engineering-related contracts (\$142 million) and was able to compile information for 253 related subcontracts. MBEs and WBEs obtained 4.0 percent of FHWA-funded engineering contract dollars for July 2004–June 2009. DBE utilization for these contracts was 1.6 percent.

State-funded contracts. BBC analyzed 74 state-funded engineering-related contracts for July 2004–July 2009. These contracts totaled \$35.6 million. MBE/WBE participation was 5.0 percent of total contract dollars (2.1 percent DBE participation).

Combined contracts. Of the \$177 million in combined FHWA- and state-funded engineering contracts, MBE/WBEs utilization was \$7.4 million, or 4.2 percent of contract dollars (1.7% DBE participation).

Figure V-5.
MBE/WBE and DBE share of prime contract/subcontract dollars for ODOT engineering and related professional services contracts July 2004–June 2009, FHWA vs. state funding

Note:
Certified DBE utilization.
Number of contracts/subcontracts analyzed is 565 for FHWA-funded contracts, 133 for state-funded contracts and 698 for all contracts.
For more detail and results by group, see Figures K-9, K-10 and K-8 in Appendix K.

Source:
BBC Research & Consulting from data on ODOT contracts.

