

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM
PROPOSED THREE-YEAR OVERALL GOAL & METHODOLOGY SUBMISSION
FOR FEDERAL FISCAL YEARS 2019 THROUGH 2021
DRAFT FOR PUBLIC COMMENT

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 Aviation Administration (FAA) pursuant to [49 CFR Part 26, section 26.45](#). ADOT uses FAA funds for contracts at Grand Canyon National Park Airport and for some system-wide planning; therefore, the overall DBE goal pertains to those activities.

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 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 Availability Study (submitted with this document as supporting information) and the methodology described below produced an overall DBE goal for FFYs 2019 - 2021 of 8.05% for FAA contracts; all of which is expected to be accomplished through race and gender-neutral means (ADOT outreach, training and other program efforts).

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

ADOT began the process of determining its overall DBE goal by establishing a base figure. Consistent with USDOT regulations and guidance, ADOT established a base figure from a 2017 Availability Study conducted by Keen Independent. Keen Independent used information from its 2015 Disparity Study, including a database of available firms developed in that study, when performing the 2017 Availability Study.

Keen Independent compiled data on FAA-funded contracts for July 2014 through June 2016, the two most recently completed state fiscal years at the time of the 2017 Availability Study. There were seven FAA-funded prime contracts and 23 subcontracts awarded within this time period. Contract dollars totaled \$12.6 million.

Based on these data, Keen Independent confirmed that Arizona should be selected as the relevant geographic market area for the availability analysis. About 89% of ADOT FAA-funded contract dollars for July 2014 - June 2016 went to firms with locations in Arizona. As the 2015 availability database included firms that had Arizona locations, confirmation that Arizona was still the relevant geographic market area for FAA-funded contracts indicated that the 2015 availability data were useable in the 2017 Availability Study.

In addition, 99% of the dollars of FAA-funded contracts went to firms performing one of 37 different types of work examined in the 2015 Disparity Study. The availability data survey in the 2015 Disparity Study focused on firms performing one or more of those 37 types of work. These results also confirmed the suitability of the 2015 availability data for use in the 2017 Availability Study.

The approach described below was used to estimate the availability of DBEs and other businesses for the 30 FAA-funded transit and research prime contracts and subcontracts awarded 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 FAA-funded contracts and those within the July 2014 through June 2016 study period, the DBE availability results for those years are used as the base figure for the overall DBE goal for FAA-funded contracts for FFYs 2019 through 2021.

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 and 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 2017 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 2017 Availability Study

Dollar-Weighted Availability

Using the availability database described above, Keen Independent performed an availability analysis for each of the 30 FAA-funded prime contracts and subcontracts during the study period, and then summarized results.

The resulting “dollar-weighted” availability estimate represents the percentage of FAA-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.¹

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.²

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.

¹ 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>.

² 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.*;³ *Western States Paving Company v. Washington State DOT*;⁴ *Rothe Development Corp. v. U.S. Department of Defense*;⁵ and *Engineering Contractors Association of S. Fla. Inc. vs. Metro Dade County*⁶).

4. Geographic Location of the Work. This was determined by using the location where work was performed for ADOT and local agency contracts (Northern, Central or Southern Arizona). Only firms reporting that they were able to work in Northern Arizona were counted as available for contracts at Grand Canyon National Park Airport.
5. Dollar-Weighted Results. Relative availability was determined on a contract-by-contract basis and then dollar-weighted to determine overall DBE availability for FAA-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 30 prime contracts and subcontracts was calculated by dividing the dollars for that prime contract/subcontract by \$12,600,000 (the total FAA-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 \$126,000 prime contract would receive a weight of 1% ($\$126,000 \div \$12,600,000 = 1\%$). 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 USDOT's "Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program," which suggests a dollar-weighted approach to calculating availability.

Figure 2 below provides an example of the contract-by-contract dollar-weighted availability calculation that was conducted on each prime and subcontract during the study period. Keen Independent repeated these calculations for each of the 30 prime contracts and subcontracts during the study period.

Figure 2. Example of an Availability Calculation

One of the subcontracts Keen Independent examined in the 2017 Availability Study was for materials testing (\$11,970) on a 2015 contract at Grand Canyon Airport. To determine the number of DBEs and other firms available for that subcontract, Keen Independent identified businesses in the availability database that:

- a. Were in business in 2015;
- b. Indicated that they performed soils and materials testing on transportation-related projects;
- c. Reported working or bidding on subcontracts in Arizona in the past;
- d. Reported bidding on work of similar or greater size in the prior seven years;
- e. Reported ability to perform work in Northern Arizona; and
- f. Reported qualifications and interest in working as a subcontractor on ADOT transportation projects.

There were 80 businesses in the availability database that met those criteria. Of those businesses, 13 were DBEs. Therefore, DBE availability for the subcontract was 16% ($13/80 = 16.2\%$)

Source: Keen Independent 2017 Availability Study.

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

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

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

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

Keen Independent used the approach described above to estimate the availability of DBEs and other businesses for FAA-funded prime contracts and subcontracts that ADOT awarded during the study period. Dollar weighted availability was 8.05% for July 2014 through June 2016 FAA-funded contracts. ADOT proposes 8.05% as the base figure for FAA-funded contracts for FFY 2019 through FFY 2021.

This DBE availability result is higher than the dollar-weighted availability of 4.87% for FAA-funded contracts from July 2007 through June 2013 determined in the 2015 Disparity Study.

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 FAA-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.⁷

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 to ADOT as it was determining whether to make 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

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

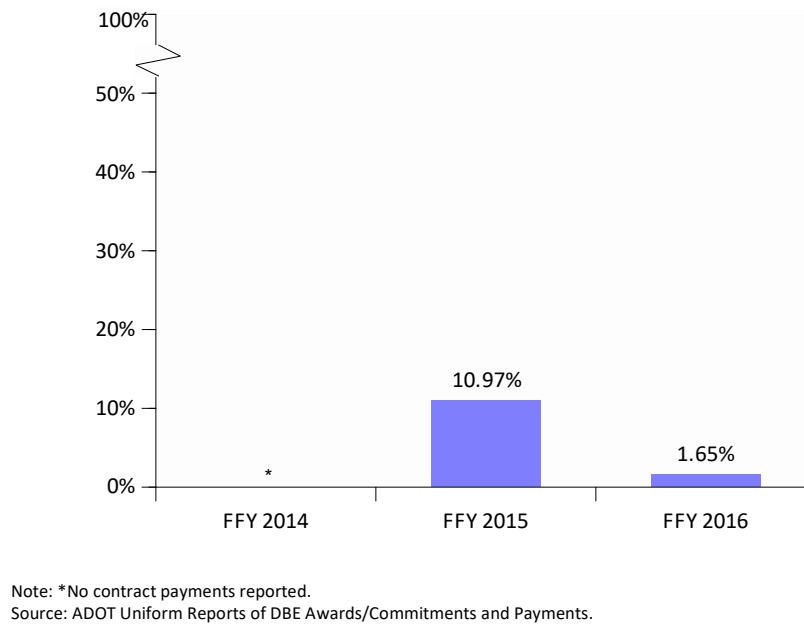
ADOT reported no prime contract or subcontract awards or payments to DBEs in the FFY 2014 Uniform Reports of DBE Awards or Commitments and Payments reported to the FAA. There was 10.97% and 1.65% participation in the Uniform Reports for FFY 2015 and for FFY 2016, respectively. Therefore, median participation is 6.31%.⁸ ADOT might consider these data when determining whether to make a step 2 adjustment based on past DBE participation.

Figure 3 on the following page shows these results.

⁷ 49 CFR Section 26.45.

⁸ The median of 10.97% and 1.65% is the halfway point between these two figures ($10.97 - 1.65 = 9.32\%$ and $9.32\% \div 2 = 4.66\%$. $1.65\% + 4.66\% = 6.31\%$).

Figure 3. Past DBE participation on FAA-funded Contracts based on Payments, FFYs 2014, 2015 and 2016



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 transportation contracting industry 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 construction and engineering industries. Such barriers may affect the availability of MBE/WBEs to obtain and perform ADOT transportation contracts.

It may not be possible to quantify the cumulative effect that barriers in employment, education and training may have had in depressing the availability of minority- and women-owned firms in the Arizona transportation contracting industry. However, the effects of barriers in business ownership can be quantified, as explained in Chapter 8.

Keen Independent 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).⁹ 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 FHWA-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.

⁹ 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 analysis indicated a possible upward step 2 adjustment of 3.51 percentage points. This range of potential upward adjustment, 3.51 percentage points, might reasonably apply to the overall goal for FAA-funded contracts as well, as discussed in Chapter 5 of the 2017 Availability Study.

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 construction and engineering prime contracts and subcontracts.

Note that financing and bonding are closely linked, as discussed in Chapter 4 and Appendix J of the 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 FAA-funded contracts.

4. Other Factors

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

Among the "other factors" 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.

¹⁰ 49 CFR Section 26.45.

Approaches for Making Step 2 Adjustments

Quantification of potential step 2 adjustments is discussed below.

1. Current capacity of DBEs to perform work, as measured by the volume of work DBEs have performed in recent years. Analysis of this factor might indicate an upward step 2 adjustment if ADOT based this determination on its reported 6.31% DBE participation in the most recent two federal fiscal years, although DBE participation has varied considerably between years.

2. 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 the 2017 Availability Study. If ADOT made this upward adjustment, the overall DBE goal for FAA-funded contracts would be 8.05% + 3.51% = 11.56%.

3. 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.

4. 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.

Proposed Overall DBE Goal for FAA-funded Contracts for FFY 2019 through FFY 2021

ADOT chose not to make a step 2 adjustment based on the information from the 2017 Availability Study data.

- Because of the very small number of FAA-funded contracts in recent years, it is difficult to consider an upward or downward adjustment based on demonstrated capacity of DBEs to perform these contracts.
- There is also considerable variability in DBE participation from one year to the next. Participation results of one of the three most recent years suggest a downward adjustment and results of another year indicate an upward adjustment. (There were no payments to DBEs on FAA-funded contracts reported for the third of the most recent federal fiscal years.)
- It also does not appear necessary at present for ADOT to increase the overall DBE goal based on information from the “but for” analyses of business ownership rates. ADOT increased its overall DBE goal in FFY 2016 from previous levels, and can consider future increases after the FFY 2019 through FY 2021 time period.

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 8.05% 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?¹¹
- 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 2015 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.

¹¹ 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.

Disparity Analysis. There was a substantial disparity between the utilization of MBE/WBEs combined (11.5%) and what might be expected from the availability analysis for MBE/WBEs (24.8%). The disparity index was 46. (There were disparities for MBEs and WBEs when examined separately.) The 2015 Disparity Study explains these results in detail.

Summary. There is substantial evidence that there is not a level playing for minority- and women-owned firms in the Arizona marketplace.

2. What Has Been the Agency’s Past Experience in Meeting its Overall DBE Goal?

As shown in Figure 3, ADOT achieved 10.97% DBE participation in FFY 2015 and 1.65% participation in FFY 2016 based on payments data.

Based on those results, it appears that ADOT could meet a goal of 8.05% solely through neutral means in some years and not in others.

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 FAA contracts has been in a race and gender neutral environment without the application of DBE contract goals or other race and gender-conscious programs.

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 concluded that it will attempt to achieve 100% of its overall DBE goal through neutral means.

- In FFY 2015, DBE participation was 10.97%, which is above the proposed overall goal of 8.05%.
- Keen Independent's analysis of July 2014 through June 2016 FAA-funded contracts suggests that prime contractors and consultants included DBEs as subcontractors on some of the seven contracts during that time period, without DBE contract goals applied.

Although the small number of FAA-funded contracts in any year may make it difficult for ADOT to achieve its overall DBE goal in each year of the FFY 2019 through FFY 2021 time period, it is possible that ADOT can meet this overall goal over the three-year period as a whole solely through neutral efforts.

Public Participation – 49 CFR Section 26.45(g)

As it did with the 2015 Disparity Study, ADOT is publishing the proposed overall DBE goal and the draft 2017 Availability Study report for public comment before submitting these documents to FAA. The public comment period for the report and proposed overall DBE goal will be open through June 22, 2017.

The public is 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 can do to enhance support of the Federal DBE Program.

The public comment period runs from May 15 through June 22. As part of the comment period, ADOT will be holding public hearings on the following dates:

- June 13, 4 to 6 p.m. at Ellie Towne Community Center, 1660 W. Ruthrauff Rd. in Tucson.
- June 15, 4 to 6 p.m. at the ADOT Business Engagement and Compliance Office, 1801 W. Jefferson St. in Phoenix.

All documents related to the proposed goal and methodology and draft Availability Study will be available for review from May 15 through June 22 online at <https://www.azdot.gov/business/business-engagement-and-compliance>. The documents will also be 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 can 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.
- 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 will be reviewed before ADOT submits the final DBE goal request to FAA.