



ALASKA DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES
2016 DBE PROGRAM SHORTFALL ANALYSIS & ACTION PLAN

FEDERAL HIGHWAY ADMINISTRATION

PREPARED BY THE ALASKA DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES
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Introduction

The Alaska Department of Transportation & Public Facilities (ADOT&PF/the Department) had an overall DBE goal of 8.46% for federal fiscal year (FFY) 2016. ADOT&PF projected race-conscious (RC) achievement of 0.00% and race-neutral (RN) achievement of 8.46%. The actual RC and RN achievements were 0.04% and 5.73% respectively, constituting an overall achievement of 5.77%, and a shortfall of 2.69% relative to the overall DBE goal. Because ADOT&PF did not meet the overall DBE goal, and in accordance with 49 CFR Part 26.47, the ADOT&PF Civil Rights Office (CRO) conducted a detailed analysis to identify the factors that contributed to the shortfall, and established specific steps and milestones to address those factors and enable the Department to meet its overall DBE goal in FFY 2017. The CRO analyzed data from ADOT&PF contracting records, Alaska Unified Certifications Program (AUCP) certifications records, the ADOT&PF Bidders List, and the ADOT&PF Plan Holder Self Registration List (PHSRL) to identify the factors that contributed to the shortfall. The following factors were found to have likely contributed to the shortfall, and are detailed below.

- DBE availability in key work types and work categories
- Geographic barriers to participation
- DBE capacity
- DBE utilization on Professional Service Agreements (PSAs)
- Non-competitive quotes

DBE Availability in Key Work Types and Work Categories

DBE availability is an important consideration because it has a direct impact on DBE utilization, and adds context to DBE utilization data. There are multiple aspects of DBE availability, including the market areas in which DBEs are available to perform work, the types of work DBEs are certified to perform, DBE capacity, and the willingness of DBEs to participate. To explore DBE availability during FFY 2016, the CRO compiled and analyzed current DBE availability data from the following sources:

- The ADOT&PF CRO Contract Compliance Database (BizTrak)
- The Plan Holders Self Registration List (PHSRL)
- AUCP certifications records.
- The 2016 ADOT&PF Bidders List

Certifications

An important function of the CRO is implementing the AUCP, which provides “one-stop shopping” for applicants and USDOT funds recipients (recipients) throughout the State of Alaska, and also maintains the statewide DBE directory. As of 12/16/16 there are 196¹ DBEs certified by the AUCP that perform work across three operating regions². DBEs are located both inside and outside of the State of Alaska, and are certified in construction and non-construction related ADOT&PF Work Categories³.

¹ This figure excludes Airport Concessionaires

² ADOT&PF operates across three geographic regions within the State of Alaska – the Central Region, the Northern Region, and the Southcoast Region.

³ DBEs are certified by ADOT&PF Work Category – a numerical descriptor similar to North American Industry Classifications System (NAICS) codes.

⁴The AUCP certifies and removes DBEs from the program in accordance with the requirements of 49 CFR Part 26 Subparts D and E.

The CRO reviewed certifications actions during FFY 2016 to determine what impacts, if any, they had on DBE availability. During FFY 2016, 23 DBEs were removed from the program and 24 were certified, constituting a net increase of one DBE. Of the firms removed from the program, 13 withdrew and 10 were removed by AUCP certifications staff (the majority of these firms were removed for failure to provide required paperwork during annual reviews). ADOT&PF conducted a review to determine what portion of overall DBE utilization during FFY 2015 was attributable to DBEs that were removed during the fiscal year. This analysis showed that \$1,080,891, or 3.85% of total DBE utilization during FFY 2015 was attributable to DBEs that were removed from the program in FFY 2016.

It is not likely that certifications actions had a meaningful impact on DBE utilization during FFY 2016. However, it is worth noting that during FFY 2016 one DBE became certified shortly after entering subcontracts totaling \$1,442,020 on FHWA-funded projects. These awards are not creditable because the DBE became certified after the subcontracts were executed.

Bidders List

Compliant with the requirements of 49 CFR Part 26.11, the CRO maintains a bidders list on which all DBE and non-DBE firms performing work on federal-aid contracts must register each calendar year. Information collected from bidders includes firm contact information, gross receipts, DBE certification status, and the types of work performed. To gain insight into the current federal-aid contracting market and give context to DBE utilization on the Departments FHWA-funded contracts, the CRO analyzed bidder data collected from calendar year 2016. From this analysis the CRO found that there were 522 unique firms that submitted bidder registration forms during 2016, 59 (11.3%) of which are DBEs. Of the total number of registered bidders, 45 (76.3%) are DBE construction contractors, and 14 (23.72%) are DBE professional services providers. It is important to note that a bidder registration form is not only required to perform work on FHWA-funded contracts, but also to work on non-FHWA-funded contracts let by the Department, and to take advantage of other benefits such as the DBE reimbursement program. Because of this, all DBEs that complete bidder registrations may not necessarily intend to perform work on FHWA-funded contracts.

Plan Holders Self Registration List (PHSRL)

To further explore the availability of certified DBEs ready, willing, and able to perform work on FHWA-funded contracts, the CRO reviewed data from the ADOT&PF PHSRL. The PHSRL is an online portal for DBE and non-DBE contractors to express their interest in participating on FHWA-funded contracts. The Department maintains two separate PHSRLs, one for construction contracting and another for professional services procurements. The CRO reviewed PHSRL construction data from FFY 2016 and found that 27 unique DBEs registered, 20 of which registered for more than one project. A review of PHSRL professional services data from FFY 2016 shows that 16 unique DBEs registered on the PHSRL, 8 of which registered for more than one contract. Because some DBEs perform work on both professional services and construction contracts, the CRO cross referenced data from both PHSRLs and

⁴ DBEs certified in highway construction work categories are a subset of those certified in construction work categories.

found that there were a total of 38 unique DBEs that registered their interest in performing work on FHWA-funded contracts.

Active DBEs

The Department analyzed FHWA-funded prime and subcontracts awarded to DBEs during FFY 2016 to identify the number of unique DBEs that were utilized. This analysis showed that a total of 49 unique DBEs were awarded prime or subcontracts during FFY 2016 on construction projects and professional service agreements (PSAs). When reviewed by procurement type, 38 unique DBEs performed work on FHWA-funded construction contracts and 11 unique DBEs performed work on FHWA-funded PSAs during FFY 2016.

To estimate the number of “active” DBEs, or those DBEs that pursued work on FHWA-funded contracts during the review period, the CRO combined the firms that registered on the PHSRLs with firms that performed work on FHWA-funded contracts during the review period, and refined the data to avoid duplication. This process yielded a total of 65 unique DBEs (33% of certified DBEs) that were awarded contracts, or indicated their interest in performing work on FHWA-funded contracts.

Work Category Certifications

The ADOT&PF CRO performed an analysis of the types of work subcontracted on its FHWA-funded contracts to examine DBE availability by work category. Figure 1 reflects the top 10 subcontracted work categories by federal dollars expended during FFY 2016, and includes the number of DBEs certified in each work category. The CRO then cross-referenced active DBEs against the firms certified in each work category to estimate the number of active DBEs in each work category.

ADOT&PF WORK CATEGORY	SUBCONTRACT DOLLARS (%)	CERTIFIED DBES	ACTIVE DBES (COUNT)				ACTIVE DBES (% OF CERTIFIED)
			TOTAL ACTIVE DBES	CR	NR	SC	
EXCAVATION & EMBANKMENT	13.82%	26	15	13	11	8	58%
CONCRETE (ALL)	11.20%	20	5	3	2	4	25%
SIGNALS & LIGHTING	8.73%	6	2	2	1	1	33%
TRAFFIC MARKINGS	7.57%	1	1	1	1	1	100%
TRUCKING	7.23%	14	9	7	6	4	64%
GUARDRAIL	6.28%	1	1	0	0	1	100%
ASPHALT SURFACE TREATMENT	4.36%	0	0	0	0	0	0%
CONSTRUCTION SURVEYING & MONUMENTS	3.83%	7	3	3	3	3	43%
STANDARD SIGNS	2.53%	8	8	6	6	5	100%
TRAFFIC MAINTENANCE	2.38%	3	3	3	3	2	100%

Figure 1: DBE Availability in Top Subcontracted Work Categories

There are several items to note about the data presented in Figure 1. First, the most commonly subcontracted work categories may vary depending on the period being reviewed, and can therefore impact DBE utilization due to different levels of DBE availability for different types of work. Second, the

difference between active DBEs and available DBEs should be made explicit. Active DBEs are those that were awarded FHWA-funded prime or subcontracts, or those that registered their interest in working on FHWA-funded contracts during the review period on the PHSRL. Active DBEs during any given period will likely vary, and the figures shown are reflective only of FFY 2016. With this understanding, during FFY 2016 there were disparities between the number of certified DBEs and the number of active DBEs by work category, which may have reduced the availability of DBEs to perform work on a given project and negatively impacted DBE utilization.

Geographic Barriers

The State of Alaska is the market in which ADOT&PF operates, however, due to geographic and logistical barriers, individual firms often operate in portions of the market area. For the purposes of evaluating the variation in DBE availability across the market area, the CRO analyzed AUCP certifications records. Currently there are 196⁵ DBEs located both inside and outside of the State of Alaska that are certified to perform work across 128 unique work categories (construction and non-construction) and three operating regions. Due to the geographic size of the market area, during the certification process DBEs are asked to identify in which regions they are available to work. Figures 2 and 3 separately reflect certified and active DBEs that perform work in construction and non-construction work categories by operating region:

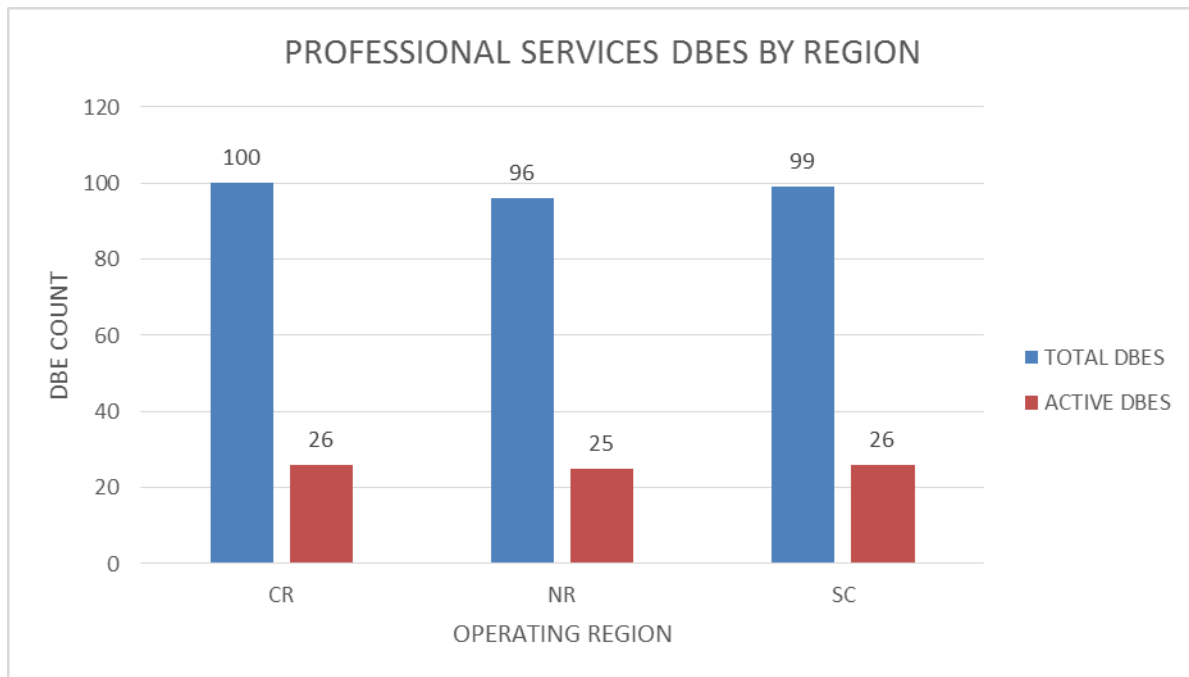


Figure 2: Professional Services DBEs by Region

⁵ Excluding Airport Concessionaires

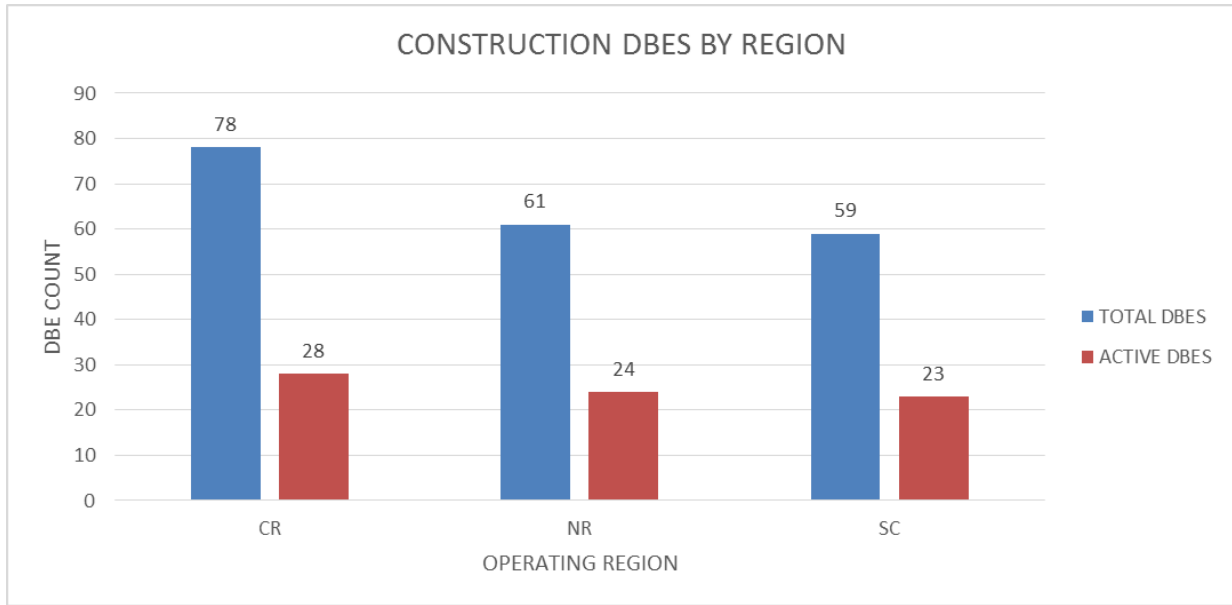


Figure 3: Construction DBEs by Region

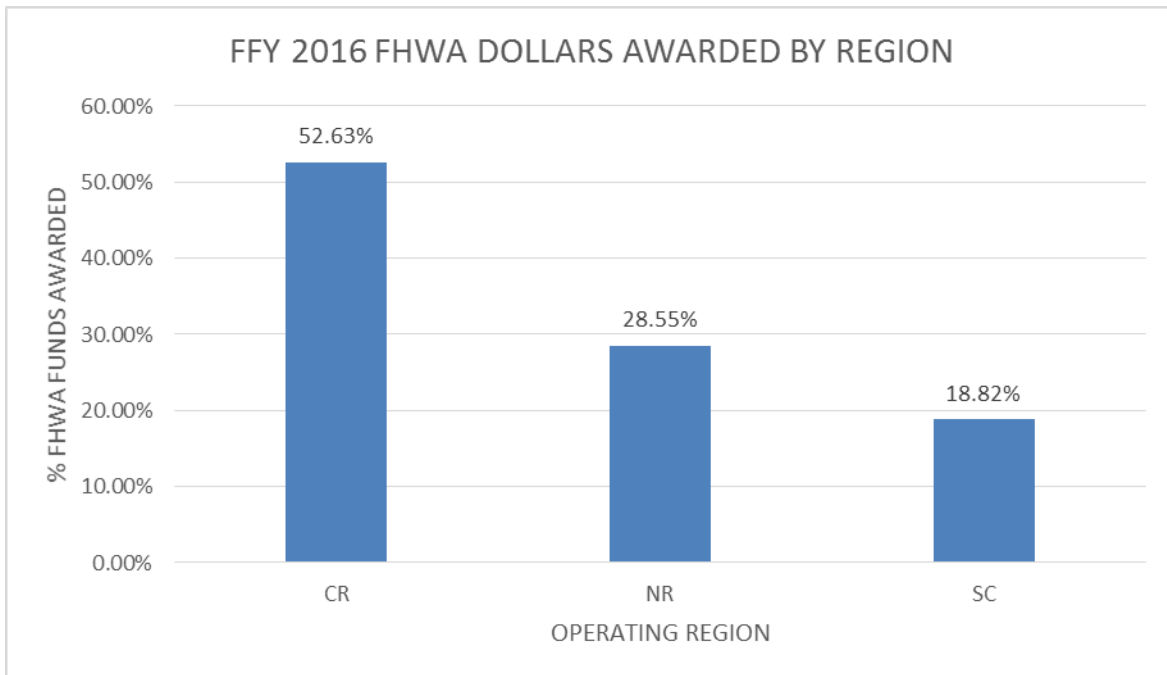


Figure 4: FHWA Dollars by Region

From Figure 4 it is evident that over half of all FHWA dollars awarded during FFY 2016 were awarded in the Central Region, and as reflected in Figures 2 and 3 there are no more than 178 DBEs available to perform work in any given operating region. Considering that there are currently a total of 196 DBEs certified by the AUCP and that, at most, 178 are available to perform work on any one contract, these findings imply that geographic or logistical barriers may negatively impact DBE availability, which can translate to lower DBE utilization. However, when looking specifically at active DBEs, the number of DBEs available to perform work remains relatively equal from region to region.

Referring back to Figure 1, while the total number of active DBEs available to perform work on a regional basis remains relatively constant, the work that these firms are certified to perform varies. DBEs certified to perform guardrail work provide anecdotal evidence supporting this argument. Guardrail is one of the most commonly subcontracted work items on FHWA-funded contracts (Figure 1), yet there is currently only one DBE certified to perform this work, and that firm is only available in the Southcoast Region. The negative impact on DBE utilization in this case is compounded due to relatively fewer FHWA dollars being awarded in the Southcoast Region (Figure 4).

DBE Capacity

The AUCP is the sole certifying agency in the State of Alaska, and all other USDOT funds recipients utilize the same population of DBEs to meet their DBE goals. Competition for DBE participation on both FHWA-funded and non-FHWA-funded contracts exists between AUCP members and non-members, as well as the private sector. While DBE participation on non-USDOT funded contracts is generally not tracked by the CRO, available records show that during FFY 2016 DBEs were awarded four construction prime contracts funded by the State of Alaska totaling \$2,336,205. Presumably, non-FHWA funded contracts that draw DBE capacity will limit those firms ability to pursue work on FHWA-funded contracts let by ADOT&PF. This argument is supported by RN good faith efforts (GFE) data collected by the CRO. As part of the ADOT&PF RN DBE Program, the CRO requires prime contractors to document and submit to the CRO all efforts made to procure DBE participation. A review of this data shows that in instances where DBEs responded to prime contractor requests for quotes and were not subcontracted, multiple DBEs indicated that they were booked to capacity for the season and not available to work.

DBE Utilization on PSAs

To explore how DBEs were utilized during FFY 2016 and to identify factors that contributed to the shortfall, the CRO compiled and analyzed data from the following sources:

- The ADOT&PF CRO Contract Compliance Database (BizTrak)
- ADOT&PF RN Good Faith Efforts (GFE) Documentation

The following table details DBE utilization on FHWA-funded contracts awarded during FFY 2016:

ADOT&PF PROJECT NUMBER	PROJECT	TYPE	REGION	CONTRACT GOAL	DBE PRIME	FHWA AMOUNT ⁶	DBE UTILIZATION ⁷	DBES USED
Z546250000	GLENN HIGHWAY AND MULDOON ROAD INTERCHANGE IMPROVEMENTS	PROJ	CR	0.00%	NO	\$38,056,383.31	0.19%	YES
63818	DALTON HIGHWAY MP 379- 397 RECONSTRUCTION	PROJ	NR	0.00%	NO	\$28,176,993.22	0.84%	YES
Z681290000	EGAN DR PAVE REHAB & SALMON CREEK SAFETY IMPROVEMENTS	PROJ	SC	0.00%	NO	\$15,113,977.77	5.91%	YES
Z566980000	STERLING HWY MP 114 TO MP 135	PROJ	CR	0.00%	NO	\$14,293,464.12	5.33%	YES
69534	KTN REPLACEMENT OF WATER STREET TRESTLE #2	PROJ	SC	0.00%	NO	\$12,742,248.57	13.93%	YES
CFHWY00057	GLENN HWY: HILAND ROAD TO EKLUTNA PP	PROJ	CR	0.00%	NO	\$9,990,281.72	0.54%	YES
Z597700000	SEWARD HIGHWAY: 92ND AVENUE CONNECTOR	PROJ	CR	0.00%	NO	\$9,982,119.90	0.03%	YES
Z566990000	CHINIAK HIGHWAY MP 10-15 PAVEMENT PRESERVATION & HSIP: KODIAK BRIDGE RAIL UPGRADES	PROJ	CR	0.00%	NO	\$9,450,439.60	4.66%	YES
61271	ALASKA HWY MP 1354-1365	PROJ	NR	0.00%	NO	\$8,897,202.56	1.57%	YES
Z575280000	SCHROCK ROAD AND MAT-SU AREA ROADS PAVEMENT PRESERVATION A & B	PROJ	CR	0.00%	NO	\$8,186,012.05	0.03%	YES
NFWY00143	RICHARDSON HIGHWAY MP 24-35 RESURFACING	PROJ	NR	0.00%	NO	\$8,174,715.56	0.00%	NO
Z674740000	CHIGNIK PUBLIC DOCK	PROJ	SC	0.00%	NO	\$8,156,734.08	0.86%	YES

⁶ FHWA Amount reflects original basic bid amount and excludes recipient match and change orders.

⁷ DBE Utilization reflects original DBE commitments regardless of the fiscal year in which commitments were made, and may not reflect final DBE utilization.

ADOT&PF PROJECT NUMBER	PROJECT	TYPE	REGION	CONTRACT GOAL	DBE PRIME	FHWA AMOUNT ⁵	DBE UTILIZATION ⁶	DBES USED
61661 & 63035	FMATS PEDESTRIAN , PEGER ROAD RESURFACING, NR SIGNAL INTERCONNECT	PROJ	NR	0.00%	NO	\$8,153,671.30	0.06%	YES
Z586510000	WILLOW FISHHOOK MP 37.7 TO PARKS HWY PP	PROJ	CR	0.00%	NO	\$7,818,101.03	0.87%	YES
Z591900000	ABBOTT RD REHAB PHASE I ATA	PROJ	CR	0.00%	NO	\$7,594,467.61	3.97%	YES
Z585700000	KENAI SPUR HIGHWAY: MP 8- 12.4 PAVEMENT PRESERVATION	PROJ	CR	0.00%	NO	\$7,185,470.79	1.08%	YES
69377	HNS KLEHINI RIVER BRIDGE REPLACEMENT	PROJ	SC	0.00%	NO	\$6,703,503.50	0.21%	YES
63567	SLANA RIVER BRIDGE	PROJ	NR	0.00%	NO	\$6,654,749.53	0.00%	NO
56727 & 58760	RASPBERRY RD, JEWEL LAKE TO MINNESOTA PAVEMENT PRESERVATION & HSIP: JEWEL LAKE RD AT RASPBERRY RD EA	PROJ	CR	0.00%	NO	\$6,158,538.00	6.10%	YES
Z570920000	HSIP CR HIGH FRICTION SURFACE TREATMENT	PROJ	CR	0.00%	NO	\$6,100,999.20	0.00%	NO
Z546270000	ALEKNAGIK WOOD RIVER BRIDGE CONSTRUCTION - PHASE II	PROJ	CR	0.00%	NO	\$5,814,307.52	5.56%	YES
Z585260000	ALYESKA HWY RESURFACING: SEWARD HWY TO ARLBERG AVE	PROJ	CR	0.00%	NO	\$4,728,717.48	1.20%	YES
Z544740000	CR FLASHING YELLOW ARROW ITS	PROJ	CR	0.00%	NO	\$4,327,941.84	13.66%	YES
Z550070000	LUCAS ROAD IMPROVEMENTS	PROJ	CR	0.00%	NO	\$4,220,360.29	19.96%	YES

ADOT&PF PROJECT NUMBER	PROJECT	TYPE	REGION	CONTRACT GOAL	DBE PRIME	FHWA AMOUNT ⁵	DBE UTILIZATION ⁶	DBES USED
52797 & 53728	HSIP: ANCHORAGE FLASHING YELLOW ARROW PROJECT	PROJ	CR	0.00%	NO	\$4,168,209.60	16.86%	YES
Z684130000	KTN-NORTH TONGASS HIGHWAY: ILLUMINATION UPGRADES (HSIP)	PROJ	SC	0.00%	NO	\$4,163,270.00	0.60%	YES
64270	TOK CUTOFF MP 17 TULSONA CREEK BRIDGE #1250 REPLACEMENT	PROJ	NR	0.00%	NO	\$3,824,517.98	0.00%	NO
54599	HSIP: KLATT ROAD/JOHNS ROAD INTERSECTION IMPROVEMENTS	PROJ	CR	0.00%	NO	\$3,776,608.80	1.48%	YES
67564	JNU - GLACIER HWY PAVEMENT REHABILITATION, POINT LENA TO TEE HARBOR	PROJ	SC	0.00%	NO	\$3,491,195.00	3.98%	YES
Z585240000	STERLING HIGHWAY: SOLDOTNA URBAN PAVEMENT PRESERVATION	PROJ	CR	0.00%	NO	\$3,355,566.37	3.69%	YES
60435	RICHARDSON HWY MP 0 - 3.6 ASPHALT SURFACE REPAIRS	PROJ	NR	0.00%	NO	\$3,271,889.38	7.33%	YES
Z575870000	HSIP: CR SIGN ASSEMBLY IMPROVEMENTS	PROJ	CR	0.00%	DBE	\$2,987,383.50	100.00%	YES
62966	PARKS HWY BRIDGE DECK REHABILITATION	PROJ	NR	0.00%	NO	\$2,895,305.67	0.00%	NO
Z641210000	VALDEZ RIVER ENCROACHMENT REPAIRS	PROJ	NR	0.00%	NO	\$2,739,466.70	0.00%	NO
63293	GOLDHILL ROAD BICYCLE AND PEDESTRIAN FACILITY	PROJ	NR	0.00%	NO	\$2,606,188.61	3.89%	YES
Z509940000	GLENN HWY MP 49	PROJ	CR	0.00%	NO	\$2,552,732.85	10.73%	YES
CFHWY00003	GLENN HWY MP 63 & 64 EROSION PROTECTION	PROJ	CR	0.00%	NO	\$2,469,243.82	0.69%	YES

ADOT&PF PROJECT NUMBER	PROJECT	TYPE	REGION	CONTRACT GOAL	DBE PRIME	FHWA AMOUNT ⁵	DBE UTILIZATION ⁶	DBES USED
68084	POW BIG SALT LAKE RD RESURFACING	PROJ	SC	0.00%	NO	\$2,452,963.00	0.24%	YES
62127 & 64307	COF PEDESTRIAN FACILITY UPGRADES & AURORA & AUBORN DR. RESURFACING	PROJ	NR	0.00%	NO	\$2,311,181.78	0.02%	YES
SAMHS00015	KETCHIKAN FERRY TERMINAL IMPROVEMENTS	PROJ	SC	0.00%	NO	\$2,299,710.00	1.57%	YES
60741	PARKS HWY MP 192-194 RESURFACING	PROJ	NR	0.00%	NO	\$2,089,539.00	3.29%	YES
Z577090000	KODIAK ROCK FALL MITIGATION	PROJ	CR	0.00%	NO	\$1,991,515.50	0.00%	NO
Z581040000	GLENN HWY RECONSTRUCTION, MP 34- 42, PARKS TO OLD GLENN APPRAISAL, ACQUISITION & RELOCATION SVCS	PSA	CR	0.00%	NO	\$1,899,187.19	0.00%	NO
Z683620000	ANGOON FERRY TERMINAL PASSENGER FACILITY	PROJ	SC	0.00%	NO	\$1,593,868.30	0.00%	NO
CFHWY00012	SEWARD HIGHWAY: O'MALLEY RD TO DIMOND BLVD RECONSTRUCTION DESIGN SERVICES	PSA	CR	0.00%	NO	\$1,559,588.53	0.00%	NO
68480	SGY KLONDIKE HWY REPAIRS	PROJ	SC	0.00%	NO	\$1,549,720.05	0.00%	NO
60634	US CREEK RD RESURFACING	PROJ	NR	0.00%	NO	\$1,424,518.00	1.22%	YES
NFWY00047	JIM RIVER RESTORATION PROJECT	PROJ	NR	0.00%	NO	\$1,321,590.00	0.00%	NO
60820	BADGER ROAD BIKE PATH RESURFACING	PROJ	NR	0.00%	NO	\$1,257,111.00	5.00%	YES
68753	YAK - DANGEROUS RIVER ROAD RESURFACING	PROJ	SC	0.00%	NO	\$1,229,352.00	1.26%	YES

ADOT&PF PROJECT NUMBER	PROJECT	TYPE	REGION	CONTRACT GOAL	DBE PRIME	FHWA AMOUNT ⁵	DBE UTILIZATION ⁶	DBES USED
SAMHS00002	KAKE FERRY TERMINAL PASSENGER FACILITY	PROJ	SC	0.00%	NO	\$1,115,500.20	0.30%	YES
2501000005	DENALI STATE PARK: VISITOR CENTER COMPLEX. INTERPRETIVE CENTER	PROJ	CR	0.00%	DBE	\$939,991.50	100.00%	YES
68584	JUNEAU MENDENHALL VALLEY ADAPTIVE TRAFFIC SIGNAL CONTROL	PROJ	SC	0.00%	DBE	\$934,929.00	98.45%	YES
62125	RICHARDSON HWY MP 2 IMPROVEMENTS	PROJ	NR	0.00%	NO	\$874,685.19	9.09%	YES
CFAPT00071	CENTRAL REGION AERONAUTICAL SURVEYS 2015	PSA	CR	0.00%	NO	\$866,032.50	0.00%	NO
77227	COLLEGE RD RIGHT TURN LANES	PROJ	NR	0.00%	NO	\$852,478.61	2.19%	YES
64031	NOME-COUNCIL ROAD SAFETY SOUND BRIDGE CATHODIC PROTECTION	PROJ	NR	0.00%	NO	\$766,842.64	9.15%	YES
63213	UNIVERSITY AVENUE REHABILITATION & WIDENING - DESIGN & ENGINEERING SERVICES - SEGMENT 2	PSA	NR	0.00%	NO	\$725,865.73	0.00%	NO
NFHWHY00044	FMATS IMPROVEMENTS 2016	PROJ	NR	0.00%	NO	\$711,959.24	4.94%	YES
Z640780000	AIRPORT WAY/CUSHMAN STREET INTERSECTION RECONSTRUCTION SERVICES	PSA	NR	5.00%	NO	\$696,276.19	6.23%	YES
Z591280000	CR ENGINEERING AND ON- SITE MONITORING SERVICES FOR NHS STORM DRAIN INSPECTIONS	PSA	CR	0.00%	NO	\$574,994.08	0.00%	NO

ADOT&PF PROJECT NUMBER	PROJECT	TYPE	REGION	CONTRACT GOAL	DBE PRIME	FHWA AMOUNT ⁵	DBE UTILIZATION ⁶	DBES USED
CFHWY00022 & 23	AMATS: BICYCLE PLAN IMPLEMENTATION	PROJ	CR	0.00%	NO	\$564,961.14	0.00%	NO
VARIOUS	2016 NAVIGATOR PUBLIC INFORMATION FOR TRANSPORTATION CONSTRUCTION ACTIVITIES	PSA	CR	0.00%	NO	\$549,000.00	0.00%	NO
64259 & 64261	HSIP: PARKS HIGHWAY SIGNING AND STRIPING- PROJECT A	PROJ	NR	0.00%	NO	\$544,441.25	0.00%	NO
Z632130000	UNIVERSITY AVENUE CMGC DEVELOPMENT	PSA	NR	0.00%	NO	\$530,471.46	3.80%	YES
NFWY00007	FAIRBANKS AND NORTH POLE INTERSECTION STRIPING REPAIRS STAGE II	PROJ	NR	3.67%	NO	\$519,866.26	0.54%	YES
Z634790000	AIRPORT WAY WEST IMPROVEMENTS & FAIRBANKS DANBY-WEMBLEY ROUNDAABOUT	PSA	NR	5.00%	NO	\$488,146.50	6.36%	YES
62491	HSIP: NORTHERN REGION AVALANCHE GATES	PROJ	NR	0.00%	NO	\$476,707.00	1.65%	YES
64119 & 64264	HSIP: CHENA HOT SPRINGS ROAD SAFETY IMPROVEMENTS / HSIP: PARKS HWY MP 321 SPEED FEEDBACK SIGN	PROJ	NR	0.00%	NO	\$471,767.50	0.06%	YES
Z582110000	POINT MACKENZIE RD IMPORVEMENT MP 21-23	PROJ	CR	0.00%	NO	\$419,951.10	0.00%	NO
Z591280000	CR: NHS STORM DRAIN INSPECTION	PROJ	CR	0.00%	NO	\$417,643.27	0.00%	NO
Z607340000	RICHARDSON HWY MP 359 GRADE SEPARATED FACILITY	PSA	NR	5.00%	NO	\$415,288.16	18.09%	YES

ADOT&PF PROJECT NUMBER	PROJECT	TYPE	REGION	CONTRACT GOAL	DBE PRIME	FHWA AMOUNT ⁵	DBE UTILIZATION ⁶	DBES USED
Z612990000	PARKS HIGHWAY MP231 ENHANCEMENTS CMGC	PSA	NR	0.00%	NO	\$406,126.55	0.00%	NO
NFHWHY00008	DENALI HWY MP 120 RIVER ENCROACHMENT	PROJ	NR	0.00%	NO	\$382,202.00	0.52%	YES
Z589770000	MAT-SU AREA ROADS PAVEMENT PRESERVATION (GROUP C) DESIGN SERVICES	PSA	CR	0.00%	NO	\$356,947.18	0.00%	NO
Z684640000	HAINES-FERRY TERMINAL IMPROVEMENTS FLOATING END BERTH	PSA	SC	0.00%	NO	\$309,066.03	0.00%	NO
63978	HSIP: ALASKA HIGHWAY SIGNING AND STRIPING UPGRADES	PROJ	NR	0.00%	NO	\$304,035.00	0.00%	NO
Z568100000	SNUG HARBOR ROAD IMPROVEMENTS ADVANCED UTILITY RELOCATION	PROJ	CR	0.00%	DBE	\$276,988.98	100.00%	YES
80665	SGY MINE MNT REPEATER POWER SYSTEM UPGRADE	PROJ	SC	0.00%	NO	\$265,487.00	10.68%	YES
Z642320000	FMATS FREIGHT MOBILITY PLAN	PSA	NR	0.00%	NO	\$264,269.00	7.57%	YES
Z605800000	KOTZEBUE SLOUGH BRIDGE #1690 PIER REPAIRS	PROJ	NR	0.00%	NO	\$223,693.00	0.00%	NO
Z607350000	DALTON HIGHWAY MP 18-37 RECONSTRUCTION: DESIGN SERVICES	PSA	NR	5.00%	NO	\$163,625.92	5.60%	YES
NFHWHY00010	YUKON RIVER RECONNAISSANCE STUDY	PSA	NR	0.00%	NO	\$144,007.93	8.06%	YES
Z617630000	NORTHERN REGION PEGER COMPLEX MAINTENANCE AND OPERATIONS BUILDING ADDITION	PSA	NR	0.00%	NO	\$111,723.90	0.00%	NO

ADOT&PF PROJECT NUMBER	PROJECT	TYPE	REGION	CONTRACT GOAL	DBE PRIME	FHWA AMOUNT ⁵	DBE UTILIZATION ⁶	DBES USED
Z524640000	KNIK GOOSE BAY ROAD MP 0.3 TO 6.8 RECONSTRUCTION PUBLIC INVOLVEMENT SERVICES	PSA	CR	0.00%	NO	\$104,460.85	0.00%	NO
Z607740000	FARMERS LOOP RESURFACING PROJECT	PSA	NR	0.00%	NO	\$98,201.21	0.00%	NO
64254	HSIP: COPPER RIVER HIGHWAY SIGNING AND STRIPING	PROJ	NR	0.00%	NO	\$90,663.00	0.00%	NO
Z524610000	HOMER: LAKE STREET REHABILITATION PUBLIC INVOLVEMENT AND DESIGN SUPPORT SERVICES	PSA	CR	0.00%	NO	\$90,176.74	0.00%	NO
61297	VALUE ENGINEERING STUDY FOR PARKS HWY MP 163-183 REHABILITATION	PSA	NR	0.00%	DBE	\$74,200.70	100.00%	YES
Z768840000	KOTZEBUE TO CAPE BLOSSOM APPRAISALS	PSA	NR	0.00%	NO	\$35,478.30	0.00%	NO
64095 & 61969	NOME-COUNCIL RD EMERGENCY REPAIRS MP 15- 33	PROJ	NR	0.00%	NO	\$28,501.31	1.28%	YES
Z607390000	NOME BERING STREET REHABILITATION	PSA	NR	5.00%	NO	\$23,527.57	123.72%	YES
NFHWHY00003	FMATS BIKE AND PEDESTRIAN COUNT METHODOLOGY	PSA	NR	0.00%	NO	\$19,177.39	0.00%	NO
Z539420000 & va	ANCHORAGE TRANSPORTATION FAIR ORGANIZER	PSA	CR	0.00%	DBE	\$15,985.25	100.00%	YES

ADOT&PF PROJECT NUMBER	PROJECT	TYPE	REGION	CONTRACT GOAL	DBE PRIME	FHWA AMOUNT ⁵	DBE UTILIZATION ⁶	DBES USED
Z542910000	CHIGNIK BAY AIRPORT ACCESS ROAD REHABILITATION APPRAISAL SERVICES	PSA	CR	0.00%	NO	\$7,186.63	0.00%	NO

Figure 5: FFY 2016 Contract Awards and DBE Utilization

As Figure 5 demonstrates, DBEs were utilized on approximately two thirds of all FHWA-funded prime contracts awarded during FFY 2016 and over three quarters of construction prime contracts. DBEs were utilized to a lesser extent on PSA prime contracts. Figure 5 highlights that approximately 38% of PSA prime contracts awarded during FFY 2016 had DBE participation. While DBE utilization on PSA contracts has a lower dollar-weighted impact on overall DBE utilization when compared to construction contracts, it nevertheless likely contributed to the shortfall in FFY 2016.

Non-competitive Quotes

To further explore causes of the shortfall in DBE utilization, the CRO analyzed efforts made by prime contractors to obtain DBE participation on construction contracts. As part of the ADOT&PF RN DBE Program, the CRO requires prime contractors to document and submit to the CRO all efforts made to procure DBE participation. The CRO reviewed this data and found that in all but one instance, prime contractor efforts to procure DBE participation were at a level that would have been sufficient to meet RC GFE requirements had contract goals been in place. The CRO also reviewed RN GFE data to evaluate DBE responses to prime contractor outreach. In instances where DBEs responded to prime contractor requests for quotes and were not subcontracted, DBE responses included:

- Not interested in quoting
- Busy (capacity)
- Submitted non-competitive quote
- Not interested in quoting due to project location
- DBE did not bid on solicited items

These responses are consistent with the arguments that low DBE participation, limited DBE capacity, and geographic barriers to participation negatively impacted DBE utilization during the fiscal year. Additionally, based on the RN GFE data reviewed, non-competitive quotes supplied by DBEs appear to have also been a barrier for DBE utilization during FFY 2016. During FFY 2016, two FHWA-funded construction projects stand out as the largest awarded during the fiscal year, and comprised 20.05% of all FHWA funds awarded. These projects had combined dollar-weighted DBE utilization of 0.47%, and while multiple DBEs participated on both contracts, the relatively low DBE utilization rates on these projects had a disproportionately negative impact on FFY 2016 DBE utilization. A review of RN GFE data pertaining to these contracts shows that on each contract, prime contractors solicited quotes from multiple DBEs that were both registered and not registered on the PHSRL as interested firms. DBE bids were either accepted or found to be non-competitive. In some instances DBEs indicated that they were not interested in quoting or did not reply. Where DBE quotes were submitted and found to be non-competitive, potential DBE utilization was lost.

Summary of Shortfall

The shortfall in DBE utilization relative to the overall goal in FFY 2016 is attributable to multiple factors. Based on the analysis conducted by the CRO, the following factors were found to have likely contributed to the Departments FFY 2016 shortfall:

DBE Availability in Key Work Types and Work Categories

The availability of firms to perform work on FHWA-funded contracts negatively impacted DBE utilization during the fiscal year. From Figures 2 and 3 it is apparent that the majority of certified DBEs in

each operating region are professional services firms, while approximately 4% of FHWA dollars were awarded for professional services in FFY 2016. On construction contracts, low DBE availability in several of the top work categories by subcontract dollars impacted the Departments ability to meet the overall DBE goal. Low DBE participation during FFY 2016 may have also contributed to the shortfall. The actual number of DBE construction firms that pursued contracting opportunities on FHWA-funded contracts during FFY 2016 was considerably less than the total number of DBEs certified to perform construction-related work. As Figure 1 highlights, there are disparities between the number of DBEs certified to perform work and the number of DBEs actively pursuing work in the top subcontracted work categories on FHWA-funded contracts.

Geographic Barriers to Participation

Geographic barriers to participation may have reduced DBE participation in FFY 2016. Disparities between the availability of DBEs certified to perform work in key work categories across ADOT&PF operating regions as well as variation in FHWA dollars awarded in each region likely had a negative impact on DBE utilization. RN GFE data supports these conclusions, showing DBEs declining to provide quotes in multiple instances due to project location.

DBE Capacity

DBE capacity negatively impacted DBE utilization during FFY 2016 with competition for DBE participation on both FHWA-funded and non-FHWA-funded contracts between AUCP members and non-members, as well as the private sector. Four prime contracts worth a combined \$2,336,205 and funded by the State of Alaska were awarded to DBE prime contractors during FFY 2016. Because these contracts were not funded by FHWA they are not creditable, and may have drawn DBE capacity to perform work on FHWA-funded contracts. A review of RN GFE data shows that in instances where DBEs responded to prime contractor requests for quotes and were not subcontracted, multiple DBEs indicated that they were booked to capacity for the season and not available to work.

DBE Utilization on PSAs

DBEs participated on less than half (38%) of PSA contracts awarded during FFY 2016. While DBE utilization on PSA contracts has a lower dollar-weighted impact on DBE utilization relative to construction contracts, it nevertheless likely contributed to the shortfall in FFY 2016.

Non-Competitive Quotes

DBE utilization on large construction projects had a disproportionately negative impact on overall DBE utilization during FFY 2016. Combined, the two largest FHWA-funded contracts awarded during FFY 2016 constituted 20.05% of all FFY 2016 FHWA dollars, and had combined dollar-weighted DBE utilization of 0.47%, 7.99% below the overall goal. A review of these contracts showed that multiple DBEs were utilized on each, and that prime contractors solicited quotes from DBEs that both were and were not registered on the PHSRL. DBE quotes that were submitted were either accepted or found to be non-competitive. Where DBE quotes were submitted and found to be non-competitive, potential DBE utilization was lost.

Certifications

The total population of DBEs certified by the AUCP grew during FFY 2016, with a net gain of one DBE. It is not likely that certifications actions had a meaningful impact on DBE utilization during FFY 2016. However, it is worth noting that during FFY 2016 one DBE became certified shortly after executing subcontracts totaling \$1,442,020 on FHWA-funded projects. These awards are not creditable because the DBE became certified after the subcontracts were executed.

FFY 2016 Race-Neutral Measures

The ADOT&PF DBE program has been structured in such a way that available assets are leveraged to facilitate DBE utilization on FHWA-funded contracts solely through RN means. DBE program operations and RN initiatives are administered via the CRO with intradepartmental support, as well as with support from external stakeholders. The following details the RN measures utilized by ADOT&PF to foster DBE participation on FHWA funded contracts. Information regarding specific activities conducted during the fiscal year, including DBE participation and engagement, are available in the ADOT&PF DBE Support Services Annual Report.

FFY 2016 RACE-NEUTRAL MEASURES
Facilitating DBE Participation through Pre-Bid Notification of Subcontracting Opportunities
Aspirational Subcontractor Project Goals
Recording Outreach Efforts
Increased Reporting
Outreach to M/WBEs
Coordination with Industry
Providing DBEs with One-on-One Business Reviews
Providing Firms with Training Classes and Technical Education
The Plan Holders Self Registration List (PHSRL)
The Transporter
Quality Assurance Reviews (QAR)
Facilitating Meetings and Networking between DBEs and Prime Contractors
DBE Reimbursement Program
Access to Capital

Figure 6: ADOT&PF Race-Neutral Measures

Facilitating DBE Participation through Pre-Bid Notification of Subcontracting Opportunities

ADOT&PF has taken steps to ensure DBE awareness of subcontracting opportunities through several approaches. One approach that the Department has utilized is the State of Alaska Online Public Notices Service. This service provides registered users a cost-free way of staying informed of upcoming federally-funded contracts by procurement type and region. Building on the State of Alaska Online Public Notices Service is the PHSRL which allows interested subcontractors to connect with prime contractors bidding on federally-funded contracts. Beyond these web-based mechanisms, the ADOT&PF CRO has begun working with prime contractors to ensure that interested DBEs are given fair consideration for subcontracting opportunities. Under the RN program, prime contractors have demonstrated a continued commitment to solicit bids from DBEs who register on the PHSRL, and to consider quotes received by DBEs regardless of being registered on the PHSRL. Toward this end the CRO has begun developing a sample bid solicitation form to assist prime contractors in their efforts to procure DBE participation. Additionally, ADOT&PF has taken steps to highlight subcontracting opportunities to DBEs on a non-project specific basis. By brokering discussions between DBEs and

ADOT&PF leadership during events throughout the year, DBEs were able to preview upcoming projects and subcontracting opportunities.

Aspirational Subcontractor Project Goals

Aspirational goal-setting serves several purposes for the RN program. First, it gives the ADOT&PF CRO a standard against which DBE utilization on individual projects can be measured. Aspirational goals are calculated in the same manner as race-conscious contract goals. By considering available work that may be subcontracted on a project and the availability of DBEs to perform that work, the Department can estimate the level of DBE utilization expected on a given project. By allowing the Department to compare actual utilization against projected utilization, aspirational goals help foster more oversight of the RN program. In regards to the information collected for the purposes of calculating aspirational goals, subcontractable items aid in identifying probable upcoming subcontracting opportunities.

Recording Outreach Efforts

One of the key components of the ADOT&PF RN DBE program is documentation of efforts made by prime contractors to procure DBE participation on FHWA-funded contracts. The means by which the Department accomplishes this is through contract provisions that require prime contractors to detail the outreach efforts that are made to DBEs. Under this system, the sufficiency of outreach performed is not evaluated as a condition of award, however, documentation of any efforts made to utilize DBEs is required.

Increased Reporting

Increased reporting under the RN program refers primarily to monthly status reports made to FHWA regarding overall DBE utilization. However, the Department has expanded on this to include other DBE program stakeholders such as the AGC of Alaska, certified DBEs, and other sections within the Department. By using multiple platforms such as AGC of Alaska's ADOT&PF Steering Committee and DBE events sponsored by the ADOT&PF CRO, the Department seeks to maintain a high level of awareness of the RN DBE program and the responsibilities of individual stakeholders.

Outreach to M/WBEs

Performing outreach to non-certified M/WBEs includes activities related to the recruitment of new DBEs in order to build the availability of DBEs to work on FHWA-funded contracts. The Department estimates that there are at least some firms performing work on FHWA-funded contracts that could become DBE certified. When DBE firms that can be certified actually become certified, DBE participation is maximized.

Coordination with Industry

Coordination with industry includes identifying and leveraging external resources to encourage DBE utilization on FHWA-funded contracts. External partners play an important part in the DBE program not only from the perspective of being primary stakeholders, but in providing resources for many of the RN initiatives as well.

Providing DBEs with One-on-One Business Reviews

The Map to Success Specialized Assistance Program offers one-on-one consultation with business advisors who conduct in-depth analyses of firms' business operations. The consultations are

intended to identify areas for improvement, and upon completion of the initial assessment, provide firms with a business profile that includes recommendations for strengthening their business infrastructure. The goal of the program is to provide business owners with the tools necessary to bring their businesses to a performance level that would result in an increased percentage of work on FHWA-assisted contracts.

Providing Firms with Training Classes and Technical Education

Training classes and technical education are effective ways of delivering generalized information that is applicable to most DBEs. Various platforms are available for providing these educational offerings. Quarterly orientations for newly certified DBEs, business consultant presentations, and coordinated trainings with PTAC, USDOT, and the SBA are some of the avenues ADOT&PF uses to provide DBEs with information pertinent to their business operations.

Plan Holders Self Registration List

The PHSRL serves as a portal for DBE and non-DBE subcontractors to express interest in participating on FHWA-funded contracts. For prime contractors, the PHSRL is a simplified way to identify potential DBE subcontractors. Additionally, the PHSRL can act as an indicator of the availability of DBEs to perform work on a given project, and in turn, provide the Department with information to evaluate DBE outreach and participation.

The Transporter

The Transporter is a quarterly newsletter published by the CRO Office of Support Services. The newsletter communicates DBE program news, upcoming events, and other news pertinent to DBE firms and DBE program stakeholders. The newsletter is made available on the CRO website, and is also emailed to prime contractors, industry stakeholders, and all DBE firms.

Quality Assurance Reviews (QARs)

The objective of QARs is to evaluate DBEs experience on ADOT&PF construction projects from the DBE perspective, as well as from the perspectives of the prime contractor and ADOT&PF project personnel. QARs help to ensure that all DBE program requirements are being met on FHWA-funded contracts, and also serve as a means to promote DBE program best practices on construction projects.

Facilitating Meetings and Networking between DBEs and Prime Contractors

Facilitating networking opportunities for DBEs is an important part of the RN DBE program. These events allow DBEs and prime contractors to meet face-to-face to build their networks of professional relationships, which can translate into additional DBE utilization on FHWA-funded contracts.

DBE Reimbursement Program

The DBE Reimbursement Program benefits DBEs by assisting them in building their business so that they may better compete in the marketplace. This ultimately benefits the RN program by providing an additional incentive to becoming certified, and by building DBE capacity to perform work on FHWA-funded contracts. DBE firms may receive assistance to cover the costs of training, consultation and/or association fees that enhance the management skills or expertise of the DBE. A 50% reimbursement program is available to individuals of qualifying DBE firms. Under this program firms may be reimbursed for 50% tuition or other costs (up to \$1,000.00 per calendar year) for business or technical training,

workshops, consulting services, and professional association fees. Small Business Development Center core classes are reimbursed at 90% through the program.

Access to Capital

External resources such as the USDOT Short Term Lending Program (STLP), the Alaska Department of Economic Development Microloan Fund, the 504 Loan Program, and the Kenai Peninsula Economic Development District are available to both certified and non-certified DBEs to help with access to capital.

FFY 2017 Action Plan

In addition to continued implementation of the previously discussed RN measures, ADOT&PF will take the following steps to meet its DBE goal in FFY 2017:

Alaska Native Corporation-Owned DBE NAICS Code Policy Change

In response to guidance issued by USDOT for Alaska Native Corporation (ANC)-owned DBEs, the AUCP has updated its policy for assigning NAICS codes. Prior to December of 2016, the AUCP policy regarding NAICS code assignments for ANC-owned firms applying under the special rules was to limit NAICS code assignments for such firms to the one NAICS code assigned by the Small Business Administration (SBA) under the firms 8(a) certification. In following USDOT guidance, the AUCP has updated its policy to allow ANC-owned DBEs certified under the special rules to apply for certification in multiple NAICS codes.

Under the previous policy, creditable utilization of such firms was limited to only one NAICS code, thus limiting the amount of creditable work an ANC-owned DBE may perform. Under the new policy, more of the work performed by these DBEs will be creditable. The CRO expects that the new policy will benefit DBEs affected by the change, as prime contractors can now count a larger portion of the work performed by these firms.

AASHTOWARE

The ADOT&PF CRO has begun the process of transitioning its information system to AASHTOWARE, an integrated data management system with civil rights functionality. The CRO expects that this transition will ultimately benefit the contracting community, including DBE and non-DBE contractors, by reducing paperwork requirements, augmenting the Departments prompt payment monitoring mechanisms, and facilitating a more transparent DBE program. As part of the transition to AASHTOWARE, the CRO is exploring defining new geographic regions for DBE certifications in the State of Alaska. Currently, the AUCP certifies DBEs and details their availability based on ADOT&PF operating regions, which can be overly broad. By redefining narrower regions of availability, DBEs would be able to more accurately state in which portions of the ADOT&PF market area they are ready, willing and able to perform work.

The AASHTOWARE tentative go-live date is January 1, 2018, and the CRO will be working with DBE and non-DBE contractors to strive for a smooth transition.

Outreach to Professional Organizations

Since transitioning to a RN DBE program, a primary focus of the ADOT&PF CRO has been leveraging relationships with professional organizations to encourage DBE utilization on FHWA-funded

contracts. To date, these efforts have mainly focused on coordinating with construction organizations, as the vast majority of FHWA dollars are awarded on construction contracts. This initiative has been very successful at increasing DBE program awareness and engagement among the community of construction prime contractors. During FFY 2017, the CRO will expand its outreach efforts to include professional organizations, specifically those related to architectural, engineering, land surveying, and other professional services. The expectation of these efforts is that by engaging with the community of professional services providers in Alaska, the CRO will be able to replicate the successes seen with construction contractors, and increase DBE utilization on FHWA-funded PSA contracts.

ADOT&PF Mentor-Protégé Program

The CRO has contracted with a third-party DBE consulting firm to assist in establishing a Mentor-Protégé program to be implemented in FFY 2017. The Mentor-Protégé program will focus on professional services providers, and help ADOT&PF increase DBE participation on FHWA-funded professional services contracts. By entering into a mentor-protégé arrangement with a more established firm, DBEs can acquire essential skills while also building relationships with larger prime consultants.

Professional Services RFP Update

The ADOT&PF CRO has received feedback from several sources regarding confusion about the RN DBE program as it applies to professional services contracts. This confusion stems from variations in program implementation across ADOT&PF operating regions, as well as the language included in contract documents. To clarify program requirements and goals for stakeholders, in FFY 2017 ADOT&PF will modify and make uniform its processes surrounding DBE program implementation on professional services procurements, and make efforts to educate stakeholders regarding program requirements and goals.

Additional Design Work

In the coming years, ADOT&PF may reduce the amount of design work it performs in-house, and instead utilize contractors to perform this work. Advertising additional contracts has the potential to create more opportunities for DBEs to participate on FHWA-funded contracts. More information will be provided as it becomes available.

Contract Goals

ADOT&PF will monitor DBE utilization during FFY 2017, and compliant with the requirements of 49 CFR Part 26.51(f)(1), will evaluate whether adding contract goals is necessary to meet the overall DBE goal. The CRO compiled data from the ADOT&PF All Regions Tentative Advertising Schedule, and the Central and Northern Region RFP Advertising Schedules to identify upcoming FHWA-funded contracts expected to be awarded during FFY 2017 based on an estimated time from advertisement to award of two months. The data reviewed shows that the majority of upcoming advertisements will be released between the months of January and March. To ensure adequate time to make necessary adjustments, the CRO will evaluate overall DBE utilization in February of 2017 to make a determination of whether adding contract goals will be necessary to meet the overall DBE goal. If it is determined that contract goals are necessary to meet the overall DBE goal for FFY 2017, ADOT&PF will coordinate with FHWA to make the required adjustments to its program implementation for the remainder of FFY 2017 or until DBE utilization reaches a level where contract goals are not needed to meet the overall DBE goal.