



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

PAT MCCRORY
GOVERNOR

ANTHONY J. TATA
SECRETARY

March 31, 2014

TO: Senator Kathy Harrington
NC Senate
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Raleigh, North Carolina 27601-2808

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NC House of Representatives
300 N. Salisbury Street, Room 637
Raleigh, NC 27603-5925

Representative John A. Torbett
NC House of Representatives
300 N. Salisbury Street, Room 538
Raleigh, NC 27603-5925

FROM: J. Trent Rawley
NCDOT Director of Inclusion and Workforce Services

In accordance with NCGS 136.28.4 the Department of Transportation submits the following annual report to the Joint Legislative Transportation Oversight Committee regarding the use of Minority Business Enterprise (MBE)/Women Business Enterprise (WBE) participation for transportation projects. Please find attached report for MBE/WBE participation on state funded projects.

Please contact Trent Rawley at 919-508-1886 with any questions.

cc: Jason Soper (w)
Amna Cameron (w)
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Rep. William Brawley
Rep. Rayne Brown
Rep. Becky Carney
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Rep. Phil Shepard
Rep. Paul Tine
Sen. Warren Daniel
Sen. Joel D. M. Ford
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Sen. Dan Soucek
Sen. Michael P. Walters

Advisory Members

Rep. Dana Bumgardner
Sen. Brent Jackson



**Joint Transportation Legislative Oversight Committee
Report
March 31, 2014**

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Purpose: The purpose of this report is to provide the Joint Transportation Legislative Oversight Committee (JTLOC) a periodic update of the utilization of minority-owned and woman-owned businesses, and any program adopted to promote contracting opportunities to those businesses.

Authority: G.S. 136.28.4 (d)

Part 1. Annual Report for SFY 2013

Definitions:

- Minority Business Enterprise (MBE) is defined as a business that is 51 percent owned, operated and controlled by an ethnic minority (i.e., Black, Hispanic, Asian American or Native American) as identified by the most recent Disparity Study.
- Women Business Enterprise (WBE) is defined as a business that is 51 percent owned, operated and controlled by a non-ethnic minority female.

Aspirational Goals:

- MBE goal was 6.7%.
- WBE goal was 7.1%.

Attainment: July 1, 2012 – June 30, 2013

Contract Type	Contract amount	State MBE Amount	Total MBE %	State WBE Amount	Total WBE %	Total MB+WB	Total MB+WB %
Private Engineering Contracts	\$ 68,388,654.20	\$ 911,563.58	1.33 %	\$ 3,921,974.14	5.73 %	\$ 4,833,537.72	7.07 %
Other Professional Services	\$ 288,534.99						
TIP and Resurfacing	\$ 546,073,930.20	\$ 17,464,856.88	3.20 %	\$ 28,301,560.81	5.18 %	\$ 45,766,417.69	8.38 %
Small Bus Program	\$ 27,654,648.72	\$ 1,682,865.97	6.09 %	\$ 1,663,239.72	6.01 %	\$ 3,346,105.69	12.10 %
Division Contracts	\$ 128,656,853.00	\$ 1,195,906.34	0.93 %	\$ 13,695,694.39	10.65 %	\$ 14,891,600.73	11.57 %
Total	\$ 771,062,621.11	\$ 21,255,192.77		\$ 47,582,469.06		\$ 68,837,661.83	8.93 %
Total %			2.76 %		6.17 %	8.93 %	*

Evaluation and Improvement:

1. If MBE/WBE goals were not met, explain why the goal was not met and describe efforts to improve.

Although contract goals (on projects) have been set higher, this has not resulted in substantial increases in attainment. The Department has reorganized and our Certification, Utilization, and Business Development Units, have been re-equipped with new management to move this program forward to success.

Our plans are to:

- Ensure we have an accurate MBE/WBE Database
- Establish a baseline of qualified minority firms (MBE/WBE)
- Send our Business Development Specialists out to visit these firms and conduct “on-site” assessments
- Provide training to those firms who are not “ready, willing, and able” once we have identified their needs
- Work with our external partners to provide training
- Work with our colleges and university systems to provide specialized technical training
- Target centrally-let and division- let projects in order to better identify the items of work and match the available MBE/WBEs
- Continue to conduct training on how to do business with the Department and its divisions
- Conduct targeted business development outreach to the minority-owned businesses for projects scheduled to be let before the end of the fiscal year; and

- Conduct targeted certification outreach in order to recruit minority businesses that have the expertise and capacity to participate in State highway construction contracting.

The goal is to maximize those firms who are certified/available and firms who are “ready, willing, and able” to perform work on our projects.

Part 2. Cumulative Report for July to December 2013

A. Aspirational Goals:

- MBE goal is 6.7%.
- WBE goal is 7.1%.

B. Cumulative Attainment: July 1 – December 31, 2013

Contract Type	Contract amount	Total MBE	Total MBE %	Total WBE	Total WBE %	Total MB+WB	Total MB+WB %
Private Engineering Contracts	\$ 37,870,703.24	\$ 384,815.21	1.02 %	\$ 1,706,893.07	4.51 %	\$ 2,091,708.28	5.52 %
Other Professional Services	\$ 144,751.32						
TIP and Resurfacing	\$ 324,331,492.25	\$ 9,766,161.95	3.01 %	\$ 14,813,545.11	4.57 %	\$ 24,579,707.06	7.58 %
Small Bus Program	\$ 14,142,245.66	\$ 734,160.26	5.19 %	\$ 670,092.58	4.74 %	\$ 1,404,252.84	9.93 %
Division Contracts	\$ 64,836,889.49	\$ 520,647.74	0.80 %	\$ 5,018,450.24	7.74 %	\$ 5,539,097.98	8.54 %
Total	\$ 441,326,081.96	\$ 11,405,785.16		\$ 22,208,981.00		\$ 33,614,766.16	7.62 %
Total %			2.58 %		5.03 %		7.62 %

C. Analysis:

- Based on the cumulative data reported:
 - The Department is at risk for not meeting the MBE goal of 6.7%.
 - WBE attainment appears to be on track to meet, or exceed, the goal of 7.1%.

Part 3. Program Updates

1. MB/WB Program:

- Consistent with G.S. 136.28.4 (b), the Department is in the process of conducting a Disparity Study on the availability and utilization of disadvantaged minority-owned and women-owned business enterprises. The Disparity Study is scheduled to be completed in Spring 2014. The findings of this study will determine if there is continued evidence of race-based or gender-based discrimination upon the utilization of these businesses in all modes of transportation and in all aspects of a project. The statute is typically extended for 5 years to allow a new study to be completed per section (b) of 136-28.4.