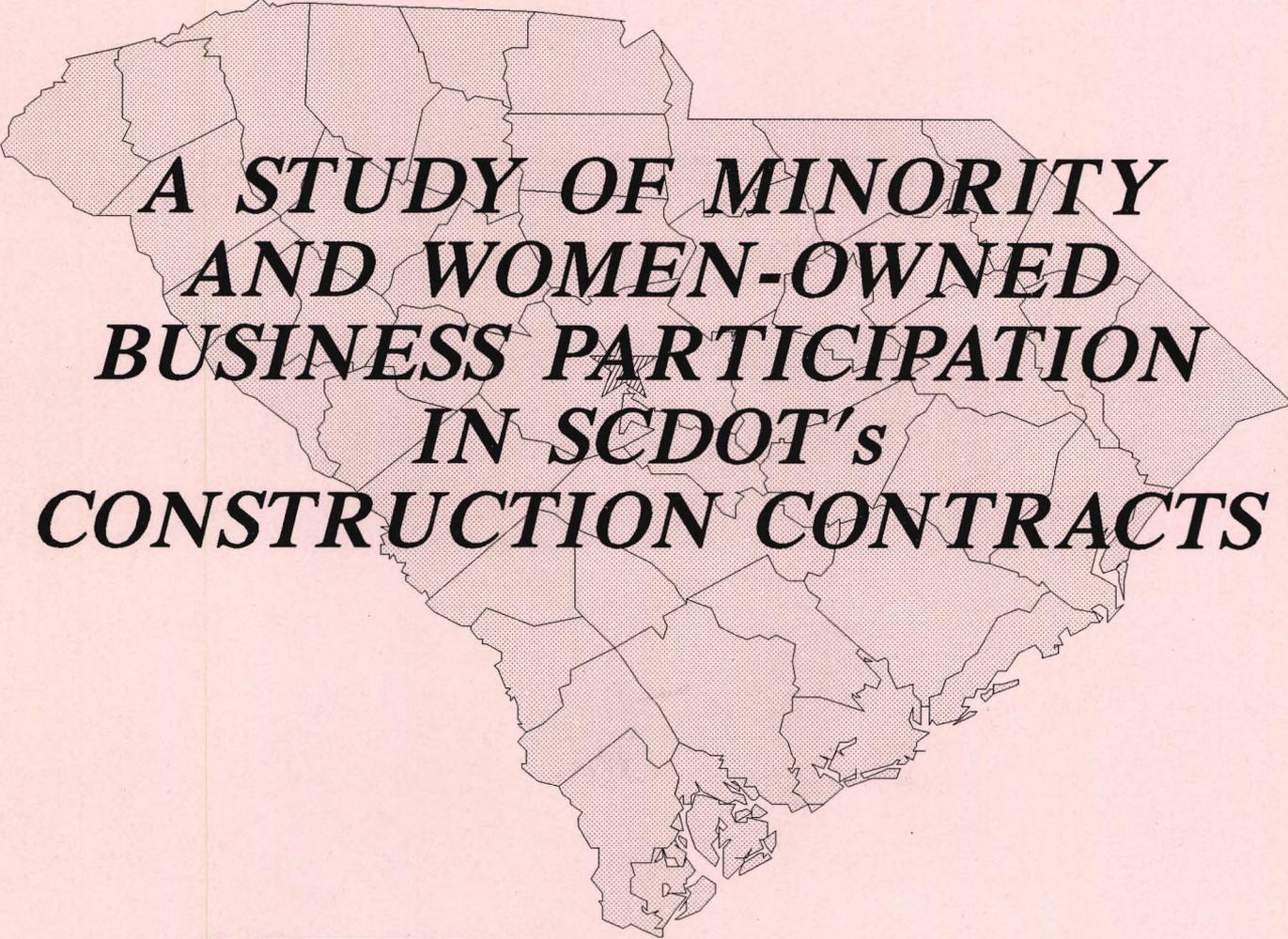


***SOUTH CAROLINA
DEPARTMENT OF TRANSPORTATION***



***A STUDY OF MINORITY
AND WOMEN-OWNED
BUSINESS PARTICIPATION
IN SCDOT'S
CONSTRUCTION CONTRACTS***

MGT of America, Inc.

2425 Torreya Drive
Tallahassee, Florida 32303
(904) 386-3191

CROSON DECISION

J.A. Croson v. City of Richmond

1. What did this decision do?

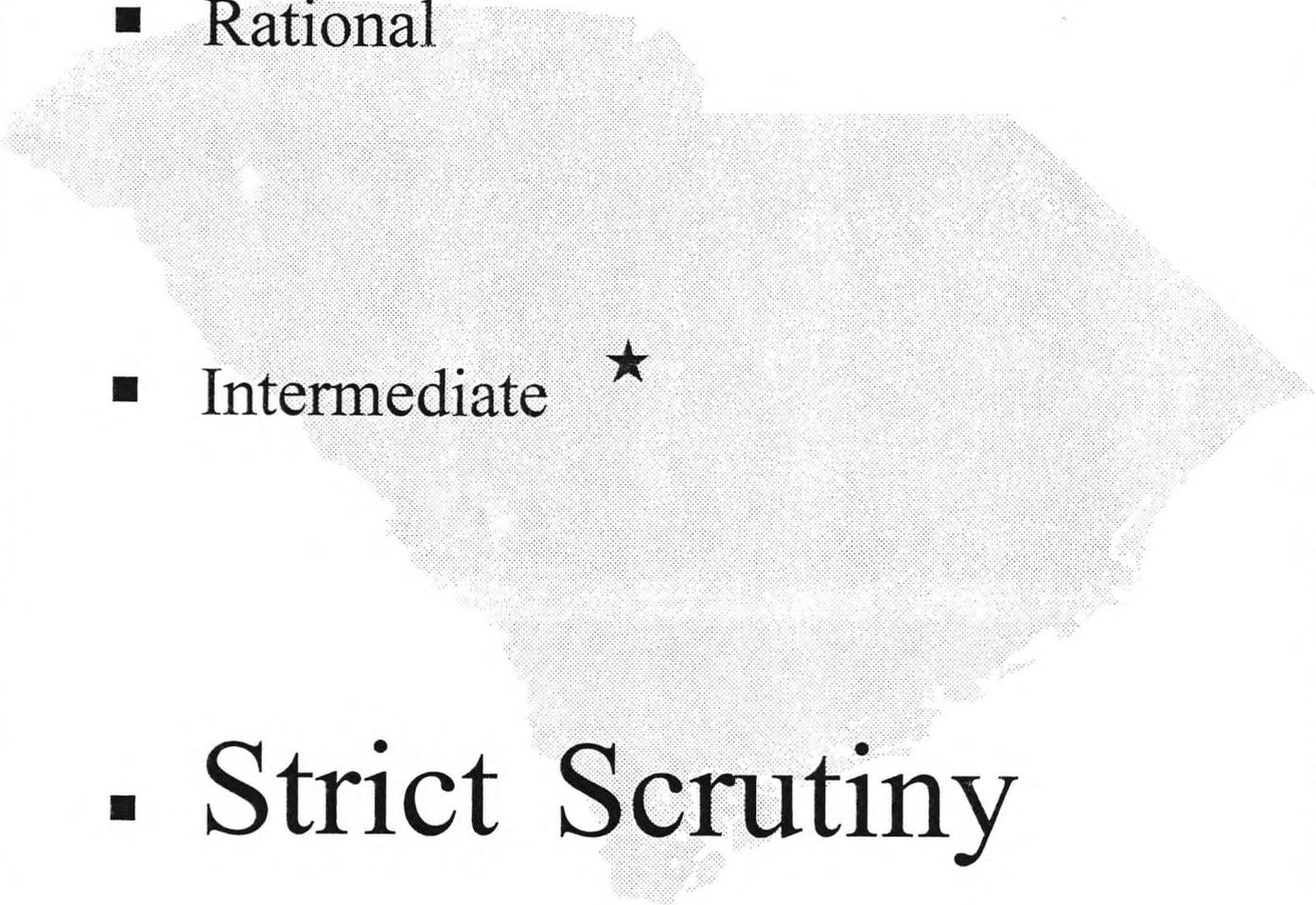


2. What did this decision mean?

3. Why is this decision so important?

STANDARDS FOR REVIEW

- Rational



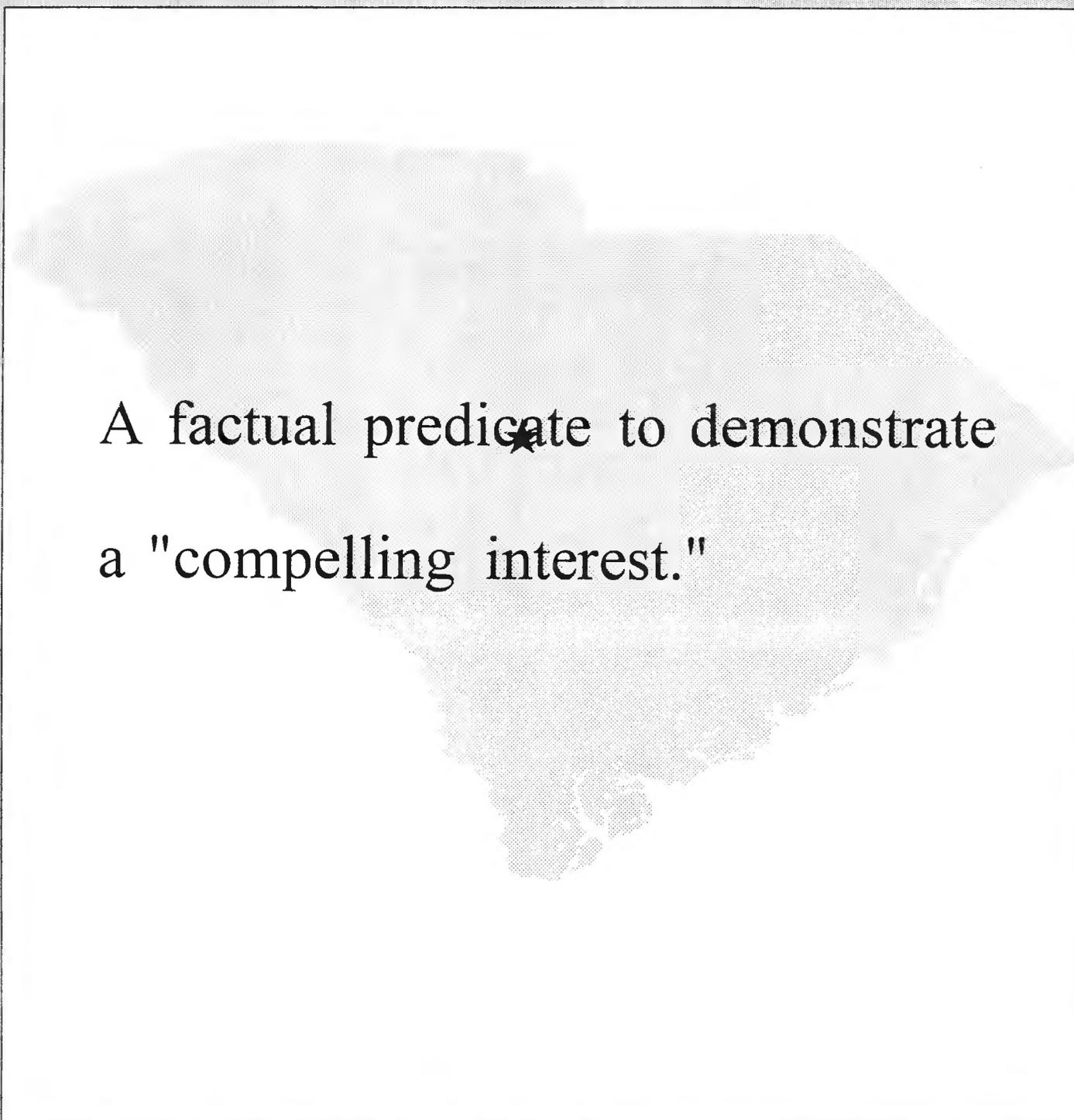
- Intermediate

- Strict Scrutiny

THREE PART TEST

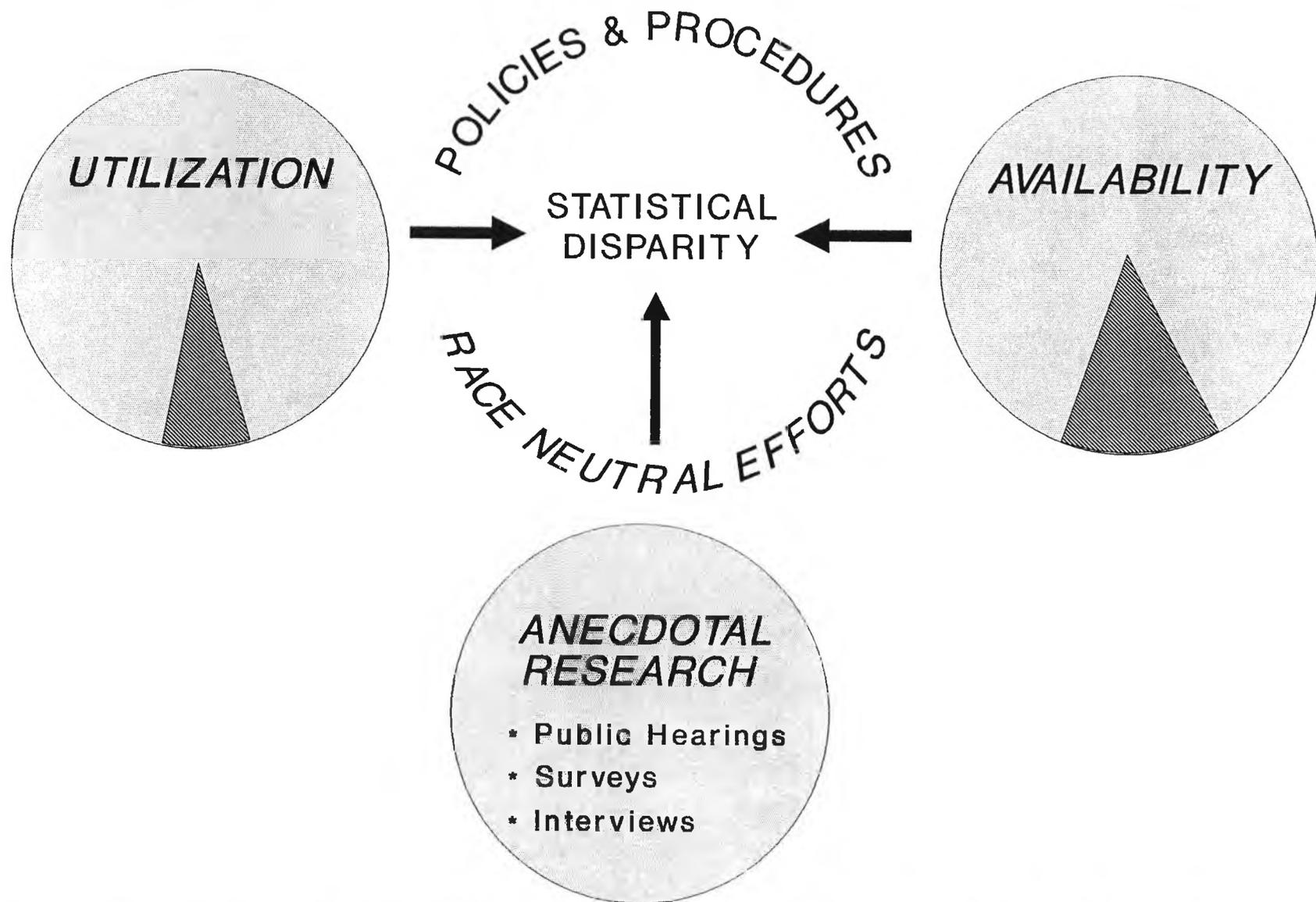
1. Does the governmental body have the authority to establish the MBE plan?
2. Were there adequate findings to ensure that the plan was remedying past discrimination?
3. Did the plan extend only as far as necessary to remedy the past discrimination?

WHAT IS A "DISPARITY STUDY?"

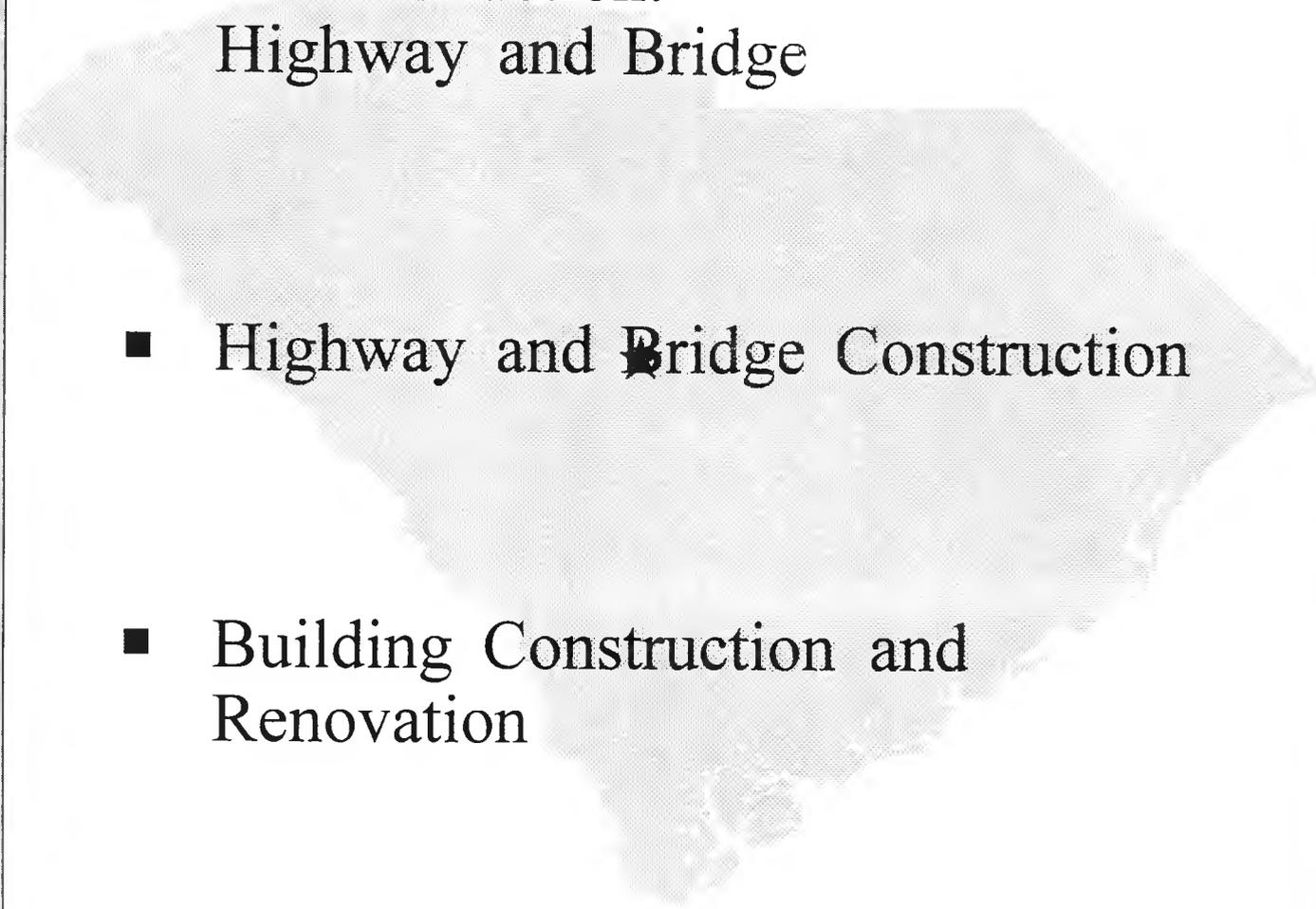


A factual predicate to demonstrate
a "compelling interest."

DISPARITY STUDY DATABASE DEVELOPMENT AND RELATIONSHIP



BUSINESS CATEGORIES

- 
- Preconstruction:
Highway and Bridge
 - Highway and Bridge Construction
 - Building Construction and
Renovation

MARKET AREA

■ Preconstruction: Highway and Bridge

- State of South Carolina (41.03%)
- Fulton (GA) (19.69%)
- Fairfax (VA) (13.64%)
- Wake (NC) (10.96%)

■ Highway and Bridge Construction

- State of South Carolina (77.95%)

■ Building Construction and Renovation

- State of South Carolina (96.71%)

**MARKET AREA DETERMINATION
FOR DOLLAR AMOUNT BY COUNTY**

SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

BUILDING CONSTRUCTION AND RENOVATION

COUNTY	# OF CONTRACTS	% OF CONTRACTS	# OF UNIQUE FIRMS	% OF FIRMS	DOLLARS 1/	% OF DOLLARS	CUMULATIVE % 2/	3/
ALL COUNTIES IN SOUTH CAROLINA	368	90.64%	227	91.90%	\$26,804,042.85	96.71%	96.71%	
UNION (NC)	4	0.99%	1	0.40%	\$453,638.00	1.64%	98.35%	
CUMBERLAND (NC)	1	0.25%	1	0.40%	\$213,450.00	0.79%	99.14%	
DALLAS (TX)	9	2.22%	1	0.40%	\$138,925.00	0.50%	99.64%	
MECKLENBURG (NC)	4	0.99%	3	1.21%	\$55,455.00	0.20%	99.84%	
FULTON (GA)	4	0.99%	1	0.40%	\$23,059.00	0.08%	99.92%	
VIRGINIA BEACH (CITY) (VA)	1	0.25%	1	0.40%	\$8,250.00	0.03%	99.95%	
JEFFERSON (AL)	1	0.25%	1	0.40%	\$3,489.00	0.01%	99.96%	
RUTHERFORD (NC)	4	0.99%	1	0.40%	\$3,258.50	0.01%	99.98%	
NORFOLK (CITY) (VA)	1	0.25%	1	0.40%	\$2,035.00	0.01%	99.98%	
ROBESON (NC)	1	0.25%	1	0.40%	\$1,200.00	0.00%	99.99%	
ALAMANCE (NC)	1	0.25%	1	0.40%	\$1,078.40	0.00%	99.99%	
HENDERSON (NC)	1	0.25%	1	0.40%	\$750.00	0.00%	99.99%	
CHATHAM (GA)	1	0.25%	1	0.40%	\$531.11	0.00%	100.00%	
LENOIR (NC)	1	0.25%	1	0.40%	\$400.00	0.00%	100.00%	
DADE (FL)	1	0.25%	1	0.40%	\$268.23	0.00%	100.00%	
RICHMOND (GA)	1	0.25%	1	0.40%	\$239.00	0.00%	100.00%	
FAIRFAX (VA)	1	0.25%	1	0.40%	\$150.00	0.00%	100.00%	
ETOWAH (AL)	1	0.25%	1	0.40%	\$125.00	0.00%	100.00%	
TOTAL	406	1	247	100.00%	\$27,716,344.09	100.00%		

3/10/95

BLD_MK.XLS

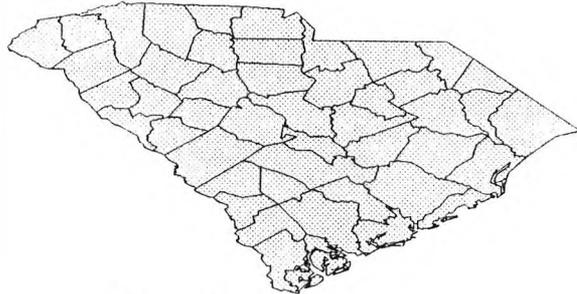
1/ Dollars represent Building Construction contracts for 1980-1993 and Building Renovation contracts for 1989-1993.

2/ Cumulative total of % of dollars in market area.

3/ Counties above the line are included in the market area.

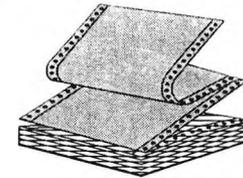
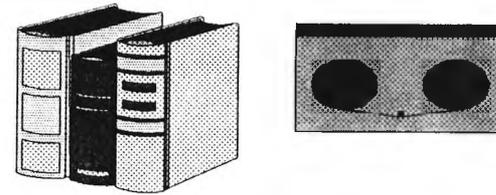
AVAILABILITY

MARKET AREA



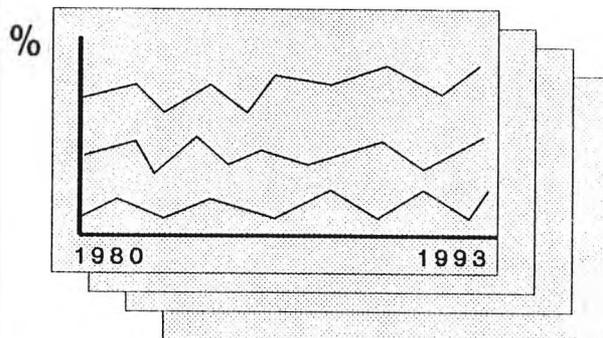
Firm Locations

VENDOR FILE AND CENSUS DATA

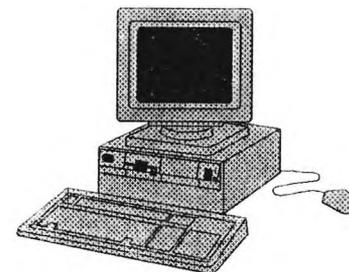


- * All Firms
- * SMOBE
- * SWOBE
- * County Business Patterns
- * SIC Codes

AVAILABILITY OVER TIME



PROJECT TEAM



- * MGT Availability Model
- * Number of Firms by SIC Code
- * Growth Rates
- * Proportions

STANDARD INDUSTRIAL CODES USED IN AVAILABILITY ANALYSIS

Preconstruction: Highway & Bridge

- 871 Engineering, Architectural, and Surveying Services
- 078 Landscaping and Horticultural Services

Highway and Bridge Construction

- 161 Highway and Street Construction, Except Elevated Highways
- 162 Heavy Construction, Except Highway and Street Construction
- 172 Painting and Paper Hanging
- 173 Electrical Work
- 177 Concrete Work
- 179 Miscellaneous Special Trade Contractors

***STANDARD INDUSTRIAL CODES USED
IN AVAILABILITY ANALYSIS*** (Continued)

Building Construction & Renovation

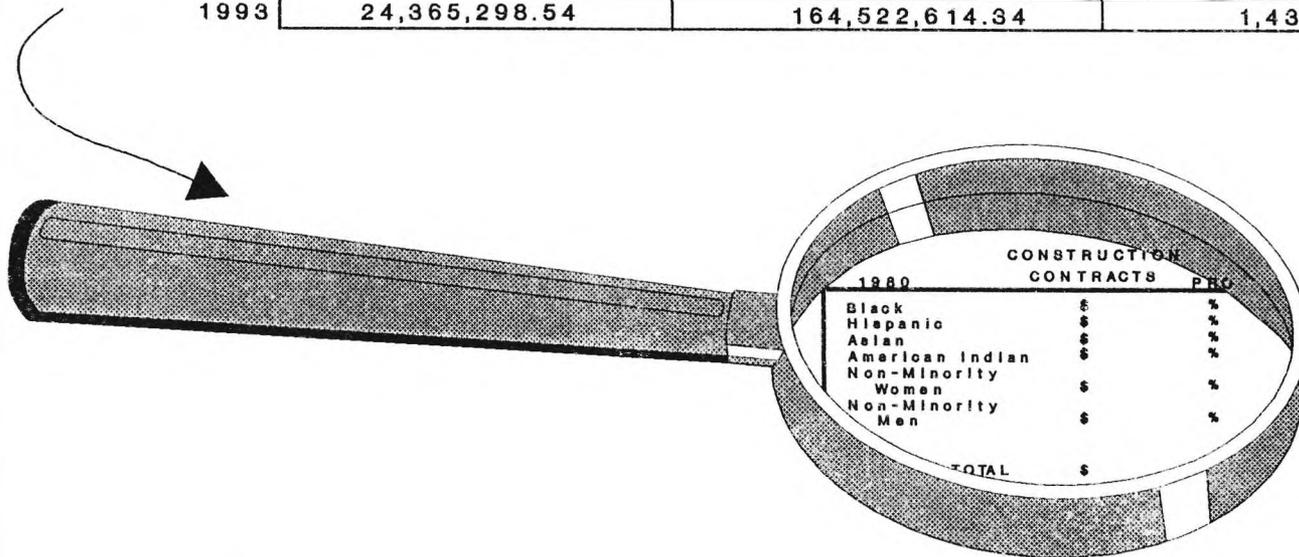
- 154 General Building Contractors -
Non-Residential Buildings
- 172 Painting and Paper Hanging
- 171 Plumbing, Heating and
Air-Conditioning
- 173 Electrical Work
- 174 Masonry, Stonework, Tile Setting,
and Plastering
- 175 Carpentry and Floor Work
- 176 Roofing, Siding, and Sheet Metal
Work
- 177 Concrete Work
- 179 Miscellaneous Special Trade
Contractors

UTILIZATION ANALYSIS

	PRECONSTRUCTION: HIGHWAY AND BRIDGE	HIGHWAY & BRIDGE CONSTRUCTION	BUILDING CONSTRUCTION & RENOVATION
1980	\$77,580.00	74,328,028.29	507,781.90
1981	0.00	105,650,056.82	336,812.00
1982	19,758,313.64	102,787,221.55	0.00
1983	273,128.10	131,442,969.16	362,408.43
1984	19,461,775.31	182,861,280.76	970,306.50
1985	476,064.05	168,678,300.40	1,748,075.70
1986	35,988,291.12	229,779,994.94	6,872,224.66
1987	3,704,703.74	317,288,603.72	1,183,353.90
1988	711,388.00	215,313,591.75	837,137.50
1989	9,468,013.65	131,237,469.17	4,360,143.69
1990	10,126,167.88	181,268,876.91	3,139,787.69
1991	5,918,788.57	189,184,111.39	3,345,689.69
1992	15,258,867.98	229,242,863.90	1,707,717.27
1993	24,365,298.54	164,522,614.34	1,432,603.92

TOTAL AWARDS
IN THE
RELEVANT
MARKET AREA

12



SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION DISPARITY STUDY

UTILIZATION OF PRIME CONTRACTOR FIRMS BY M/WBE CLASSIFICATION
WITHIN THE RELEVANT MARKET AREA

CALENDAR YEARS 1980-1993

BUILDING CONSTRUCTION AND RENOVATION

CALENDAR YEAR	AFRICAN AMERICAN		HISPANIC		ASIAN & NATIVE AMERICAN		WOMEN (WHITE ONLY)		WHITE MALE		TOTAL	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
1980	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$507,781.90	100.00%	\$507,781.90	100.00%
1981	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$336,812.00	100.00%	\$336,812.00	100.00%
1982	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
1983	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$362,408.43	100.00%	\$362,408.43	100.00%
1984	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$970,306.50	100.00%	\$970,306.50	100.00%
1985	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$1,748,075.70	100.00%	\$1,748,075.70	100.00%
1986	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$6,872,224.66	100.00%	\$6,872,224.66	100.00%
1987	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$1,183,353.90	100.00%	\$1,183,353.90	100.00%
1988	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$837,137.50	100.00%	\$837,137.50	100.00%
1989	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$4,360,143.69	100.00%	\$4,360,143.69	100.00%
1990	\$29,921.20	0.95%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$3,109,866.49	99.05%	\$3,139,787.69	100.00%
1991	\$376,658.00	11.26%	\$0.00	0.00%	\$0.00	0.00%	\$440,777.00	13.17%	\$2,528,254.69	75.57%	\$3,345,689.69	100.00%
1992	\$6,751.00	0.40%	\$0.00	0.00%	\$0.00	0.00%	\$84,254.13	4.93%	\$1,616,712.14	94.67%	\$1,707,717.27	100.00%
1993	\$1,092.60	0.08%	\$0.00	0.00%	\$0.00	0.00%	\$3,000.00	0.21%	\$1,428,511.32	99.71%	\$1,432,603.92	100.00%
TOTAL	\$414,422.80	1.55%	\$0.00	0.00%	\$0.00	0.00%	\$528,031.13	1.97%	\$25,861,588.92	96.48%	\$26,804,042.85	100.00%

3/8/95 BLDG_UTL.XLS

SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION DISPARITY STUDY

UTILIZATION OF SUBCONTRACTOR FIRMS BY M/WBE CLASSIFICATION
WITHIN THE RELEVANT MARKET AREA 1/

CALENDAR YEARS 1980-1993

BUILDING CONSTRUCTION AND RENOVATION

CALENDAR YEAR	AFRICAN AMERICAN		HISPANIC		ASIAN & NATIVE AMERICAN		WOMEN (WHITE ONLY)		WHITE MALE		TOTAL PRIME DOLLARS 2/	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
1980	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$164,895.00	32.47%	\$507,781.90	32.47%
1981	\$19,089.50	5.67%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$124,829.00	37.06%	\$336,812.00	42.73%
1982	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
1983	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$362,408.43	0.00%
1984	\$17,000.00	1.75%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$70,061.00	7.22%	\$970,306.50	8.97%
1985	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$1,748,075.70	0.00%
1986	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$6,872,224.66	0.00%
1987	\$78,547.06	6.64%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$22,844.00	1.93%	\$1,183,353.90	8.57%
1988	\$84,472.30	10.09%	\$0.00	0.00%	\$0.00	0.00%	\$13,130.00	1.57%	\$333,780.80	39.87%	\$837,137.50	51.53%
1989	\$260,263.00	5.97%	\$0.00	0.00%	\$0.00	0.00%	\$24,000.00	0.55%	\$64,056.00	1.47%	\$4,360,143.69	7.99%
1990	\$213,078.06	6.79%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$3,139,787.69	6.79%
1991	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$122,548.88	3.66%	\$3,345,689.69	3.66%
1992	\$8,391.00	0.49%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$1,707,717.27	0.49%
1993	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$1,432,603.92	0.00%
TOTAL	\$680,840.92	2.54%	\$0.00	0.00%	\$0.00	0.00%	\$37,130.00	0.14%	\$903,014.68	3.37%	\$26,804,042.85	6.05%

3/8/95 BL_SB_UT.XLS

1/ Only those subcontracts associated with prime contractors located within relevant market area are included in the analysis.

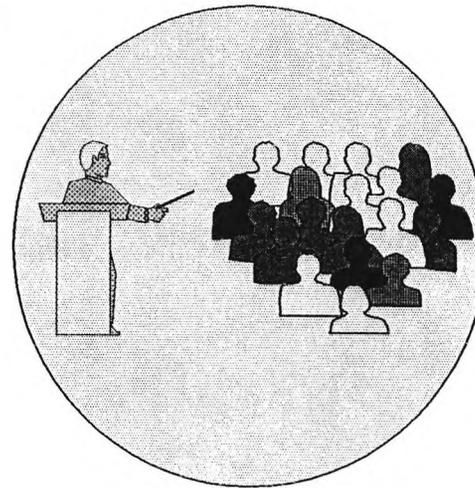
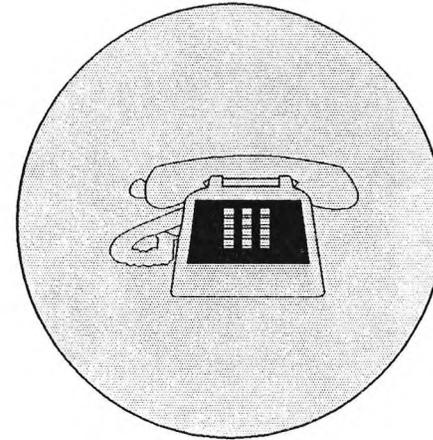
2/ Percentages represent percent of total prime contractor dollars paid to subcontractors.

ANECDOTAL RESEARCH

Interviews



Surveys



Public Hearings

ANECDOTAL EVIDENCE

- Interviews

- 50 Interviews with Majority and Minority-Owned Firms

- Survey

- 1,756 Surveys Mailed

- Public Hearings

- 7 Public Hearings

- * Columbia
- * Greenwood
- * Greenville
- * Chester

- * Florence
- * Charleston
- * Orangeburg

ESTIMATED TIME SCHEDULE BY MAJOR WORK TASK

WORK TASKS	SEP		OCT		NOV		DEC		JAN		FEB		MAR		APR	
	1	15	1	15	1	15	1	15	1	15	1	15	1	15	1	15
Task 1.0: Finalize Work Plan			■	■												
Task 2.0: Prepare a Detailed Document Which Explains the Evidentiary Basis Required for a Race and Gender-Based Remedial Program			■	■	■	■										
Task 3.0: Establish Categorical Structure			■	■	■	■										
Task 4.0: Review Purchasing, Contracting and DBE Policies, Procedures and Practices				■	■	■	■	■								
Task 5.0: Determine the Number of Contract/Subcontract and Expenditures by Category and Relevant Market Area				■	■	■	■	■	■	■	■	■				
Task 6.0: Determine Availability of Qualified Firms				■	■	■	■	■	■	■	■	■				
Task 7.0: Analyze Utilization and Availability Data for Disparity									■	■	■	■	■			
Task 8.0: Analyze the Statistical Explanations of Disparity												■	■	■		
Task 9.0: Analyze Historical Evidence Concerning Efforts of M/WBE Contractors to Obtain SCDOT Contracts and Subcontracts During the Years of 1980-1993				■	■	■	■	■								
Task 10.0: Conduct Telephone Surveys of Stratified Samples of Available Firms to Gather Needed Firm Data and Anecdotal Information					■	■	■	■	■							
Task 11.0: Conduct Private Interviews with Sample of Contractors and Subcontractors					■	■	■	■	■	■						
Task 12.0: Conduct Public Hearings									■	■	■					
Task 13.0: Evaluate the Effectiveness of Race and Gender-Neutral Techniques													■	■	■	
Task 14.0: Identify Narrowly Tailored Race and Gender-Based Remedies, if Necessary													■	■	■	
Task 15.0: Develop Implementation Plan															■	■
Task 16.0: Prepare Final Report															■	■
Progress Reports	*		*		*		*		*		*		*		*	

22/sdot/sinesch

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