INTRODUCTORY NOTE

In 1989, the United States Supreme Court, in the *City of Richmond v. J.A. Croson Co.*,[1] determined that local governments' affirmative action policies based on assumed past discrimination were no longer valid. Using a rigorous standard of scrutiny as established in *Croson*, state and local entities were required to justify race conscious programs by documenting systemic discrimination through statistical and anecdotal evidence. Just six years later in *Adarand Construction, Inc. v. Federico Pena,*[2] the Court held that federally funded race conscious programs would also need to satisfy the same standard of scrutiny as local and state programs.

The State of Indiana (the State) in 1997 contracted with Mason Tillman Associates, Ltd. to determine if the State's Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) programs were in compliance with the *Croson* standard. Using the State's contracting and procurement records for fiscal years 1995-1997, Mason Tillman Associates measured the effectiveness of State policies and programs in using MBEs and WBEs for the procurement of goods and services. The study provided recommendations and proposed time lines concerning continuation and enhancement of the State's MBE and WBE programs.

Mason Tillman Associates' analysis includes contract and purchasing dollars from the Indiana Department of Administration, the State Office Building Commission, the Indiana Department of Transportation, the Indiana Lottery Commission, and the Indiana Riverboat Casinos. Because the State has the ability to exempt some highly specialized industries from the minority participation goals, certain contracting and purchasing dollars awarded by the Riverboat Casinos, which are regulated by the Indiana Gaming Commission, and the Lottery Commission, were not included in the study. Although gaming equipment and maritime construction are both specialized procurements acquired by the Riverboat Casinos, they are not currently exempt.

Non-profit entities were not included in the study. The State has made considerable contributions to non-profit entities that serve or are owned by minorities and women. Nevertheless, these organizations are not within the scope or purpose of the evaluation.

The results of this study indicate that the State of Indiana's MBE and WBE programs should be continued. Our recommendation is to maintain the guidelines set forth in the State of Indiana Public Law 34-1983 and subsequent amendments.

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[1] 488 U.S. 469 (1989).

[2] 115 S. Ct. 2097 (1995).

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LEGAL FRAMEWORK OF MINORITY AND WOMEN BUSINESS ENTERPRISE PROGRAMS

I. BACKGROUND

This section discusses the state of the law applicable to affirmative action programs in the area of public contracting. Two Supreme Court decisions, *City of Richmond v. J.A. Croson Co.*[1] and *Adarand v. Pena*,[2] raised the standard by which federal courts will review such programs. In those decisions, the Court announced that the constitutionality of affirmative action programs that employ racial classifications would be subject to "strict scrutiny." An understanding of *Croson*, which applies to state and local governments, is necessary in developing sound Minority-owned Business Enterprise (MBE) and Woman-owned Business Enterprise (WBE) programs. Broad notions of equity or general allegations of historical and societal discrimination against minorities would now be insufficient to meet the requirements of the Equal Protection clause of the Constitution. Instead, governments can adopt race-conscious programs only as a remedy for identified discrimination, and this remedy must pose minimal burden on unprotected classes.

Adarand, decided in June 1995, applied the strict scrutiny standard to federal programs. Its implications will not be fully appreciated until it is interpreted by lower courts. It is likely that many of the requirements arising as a result of *Croson* will impact the constraints that now apply to federal programs and federally funded state and local programs. The federal government is currently in the process of amending certain contracting programs to take into account the effects of the *Adarand* decision.

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[1]City of Richmond v. J.A. Croson Co., 488 U.S. 469 (1989).

[2]Adarand v. Pena, 115 S.Ct. 2097 (1995).

A caveat is appropriate here. Because the review under strict scrutiny is fact-specific, it is difficult to predict with certainty whether evidence gathered about a particular entity, and its surrounding business community, will pass constitutional muster. Therefore, it is only after Indiana's program is analyzed that one can make a judgment as to whether its race-conscious elements can be continued and, if so, the form that can be justified. The fact-specific nature of such an examination must be kept in mind in reading this section of the report. This legal analysis guides the approach to finding what the facts are and therefore it only points to what the specific recommendations might be. Nevertheless, post-*Croson* opinions do provide guidelines on the evidence that should be adduced if race-conscious remedies are put in place. Of those, two are Federal Court of Appeals opinions — one in the Third Circuit, the other in the Eleventh Circuit — and the third is a District Court's opinion. Each opinion assessed the disparity studies in question on the merits instead of disposing of the cases on procedural issues.[3]

In the federal court system, there are primarily three levels of courts: the Supreme Court, Appellate Courts, and District Courts. The Supreme Court is the highest ranking federal court and its rulings are binding on all other federal courts. Appellate Courts' rulings are binding on all district courts in their geographical area, and are used for guidance in other circuits. District Court's rulings, while providing insight into an appropriate legal analysis, are not binding on other courts at the District, Appellate, or Supreme Court levels. The State of Indiana is in the Seventh Circuit.

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[3]Contractors Ass'n of Eastern Pennsylvania v. City of Philadelphia, 6 F.3d 990 (3d Cir. 1993), on remand, 893 F. Supp. 419 (E.D. Penn. 1995), aff'd, 91 F.3d 586 (3d Cir. 1996), Associated General Contractors of America, Inc. v. City of Columbus, 936 F. Supp. 1363 (S.D. Ohio August 26, 1996), vacated 1999 FED App. 0114P (6th Cir.); and Engineering Contractors of South Florida v. Metropolitan Dade County, 943 F. Supp. 1546 (S.D. Fla. 1996), aff'd, 122 F. 3d 895 (11th Cir. 1997). Indiana is in the Seventh Circuit.

> *Indiana Minority Contractors Ass'n v. Wiley* is a challenge to the state's Department of Transportation's (INDOT) administration of the Federal Highway Administration's Disadvantaged Business Enterprise program. It is another case that shows the limitations of using procedural challenges as a means to establish the parameters of race conscious programs — in this instance, a federal one. Plaintiffs are a minority contractors association and individual minority business owners. On May 13, 1998, in a 109-page opinion, District Court Judge Tinder granted summary judgment against the plaintiffs. Among other things, he held that the applicable federal legislation did not create specific individual rights. Therefore, his review was limited to whether INDOT's plan complied with the federal statutory scheme and the pursuant regulations. He found that it did. He also held, consistent with precedent, that Fourteenth Amendment and Title VI litigation require that discriminatory intent, not disparate impact, be shown.

II. STANDARDS OF REVIEW

The standard of review represents the basis and measure upon which a court evaluates a particular legal issue. This section discusses the standard of review that the Supreme Court set for state and local programs in *Croson* and, potentially, federal programs in *Adarand.* It also discusses lower courts' interpretations of these two Supreme Court cases. This section also looks at the implications for program design that arise from these decisions.

A. Race-Conscious Programs

In *Croson*, the U.S. Supreme Court affirmed that the proper standard of review for state and local programs relying on racial classifications is strict scrutiny under the 14th Amendment.[4] Specifically, the government must show that the classification is narrowly tailored to achieve a compelling state interest.[5] The Court recognized that a state or local entity may take action, in the form of a Minority Business Enterprise program, to rectify the effects of *identified, systemic racial discrimination* within its jurisdiction.[6] Justice O'Connor, speaking for the majority, postulated various methods of demonstrating discrimination and set forth guidelines for crafting MBE programs so that they are "narrowly tailored" to address systemic racial discrimination.

While legal scholars initially debated the implications of *Croson,*[7] the Ninth Circuit Court of Appeals has achieved some degree of harmony on *Croson*'s implications. In *Coral Construction Co. v. King County*[8] (*Coral Construction*), *Associated General Contractors*

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[4]Croson, 488 U.S. at 486.

[5]Id.

[6]Id. at 509.

[7]See "Constitutional Scholars' Statement on Affirmative Action after City of Richmond v. J.A. Croson Co.," 98 *Yale Law Journal* 1711 (1989); Fried, "Affirmative Action after City of Richmond v. J.A. Croson Co.: A Response to the Scholars' Statement," 99 *Yale Law Journal* 155 (1989); "Scholars' Reply to Professor Fried," 99 *Yale Law Journal* 163 (1989); Rosenfeld, "Decoding Richmond: Affirmative Action and the Elusive Meaning of Constitutional Equality," 87 Michigan Law Review 1729 (1989); "Economics of Discrimination: Three Fallacies of Croson," 100 *Yale Law Journal* (1991).

[8]Coral Construction Co. v. King County, 941 F.2d 910 (9th Cir. 1991), cert. denied, 112 S.Ct 875 (1992).

of California v. City and County of San Francisco[9] (*AGCC II*), and most recently in *Monterey Mechanical v. Pete Wilson* [10]*(Monterey Mechanical),* the Ninth Circuit elaborated on the requirements set out in *Croson*, and thus further delineated the careful specificity with which MBE and WBE programs are to be crafted. In *Monterey Mechanical* the Ninth Circuit ruled that a State of California M/WBE program was unconstitutional where the State had no evidence of past discrimination justifying the program.[11] The opinions of other Circuits are generally in accord.[12] Specifically, the Seventh Circuit Court of Appeals in *Milwaukee County Pavers Association v. Ronald R. Fielder* found the State of Wisconsin's DBE was unconstitutional because Wisconsin could not demonstrate that the program was necessary to rectify discrimination against minorities.[13] The specific evidentiary requirements are detailed in Section IV.

B. Woman-Owned Business Enterprise

Since *Croson*, the Supreme Court has remained silent with respect to the appropriate standard of review for Woman-owned Business Enterprise (WBE) and Local Business Enterprise (LBE) programs. *Croson* was limited to the review of a race-conscious plan. In other contexts, though, the Supreme Court has ruled that gender classifications are not subject to the rigorous strict scrutiny standard applied to racial classifications. Instead, gender classifications are subject only to an "intermediate" level of review, no matter which gender is favored.

Notwithstanding the Supreme Court's failure thus far to rule on a WBE program, the consensus among the Circuit Courts of Appeals is that they are subject only to this intermediate scrutiny, rather than to the more exacting strict scrutiny to which race-

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[9]Associated General Contractors of California, 950 F.2d 1401 (9th Cir. 1991), cert. denied, 112 S.Ct 1670 (1992). Note there are two AGCC cases, one pre-Croson [813 F.2d 922 (9th Cir. 1987), cited as AGCC I] and the post-Croson case cited here and through the remainder of the discussion as AGCC II.

[10]Monterey Mechanical v. Pete Wilson, 97 C.D.O.S. 7099 (9th Cir. 1997).

[11]The Program allowed the State to waive M/WBE goals if the prime contractor demonstrated a good faith effort to satisfy the goals.

[12]See e.g., Milwaukee County Pavers Association v. Ronald R. Fielder, 922 F.2d 419 (7th Cir. 1991).

[13] Milwaukee County Pavers Association, 922 F.2d at 421.

conscious programs are subject.[14] Intermediate review requires the governmental entity to demonstrate an "important governmental objective" and a method for achieving this objective which bears a "fair and substantial relation"[15] to the goal. The Court has also expressed the test as requiring an "exceedingly persuasive justification"[16] for classifications based on gender.

In *Mississippi University for Women v. Hogan*, the Supreme Court acknowledged that in limited circumstances a gender-based classification favoring one sex can be justified if it intentionally and directly assists the members of that sex which is disproportionately burdened.[17] The Ninth Circuit in *Associated General Contractors of California v. City and County of San Francisco (AGCC I)*[18] has held that classifications based on gender require an "exceedingly persuasive justification."[19] The justification is valid only if members of the gender benefitted by the classification actually suffer a disadvantage related to the classification and the classification does not reflect or reinforce archaic and stereotyped notions of the roles and abilities of women.[20]

The San Francisco ordinance at issue in *AGCC I* attempted to "compensate women for the disparate treatment they have suffered in the business community and for the bureaucratic inertia in the City's contracting procedures that has perpetuated the disadvantages flowing from that treatment."[21] While the Ninth Circuit recognized the objective as "plainly an important and legitimate one," it questioned "whether the means employed are substantially related to [the objective's] achievement."[22] Even though the Circuit upheld the WBE

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[14]See e.g., Coral Construction Co. v. King County, 941 F.2d 910 (9th Cir. 1991), Philadelphia, 91 F.3d 586 (3d Cir. 1996); Engineering Contractors Association of South Florida Inc., et al. v. Metropolitan Dade County et al., 122 F.3d 895 (11th Cir. 1997).

[15]Craig v. Boren, 429 U.S. 119 (1976).

[16]Mississippi University for Women v. Hogan, 458 U.S. 718 (1982). See also Michigan Road Builders Ass'n., Inc. v. Milliken, 834 F.2d 583 (6th Cir. 1987).

[17]Mississippi University for Women, 458 U.S. at 728.

[18]Associated General Contractors of California v. City and County of San Francisco, 813 F.2d 922 (9th Cir. 1987).

[19]Id.

[20]Id. at 940.

[21]Id. at 940-941.

[22]AGCC I, 813 F.2d at 941.

program, the court was concerned by the fact that the subsidy to women was unusually broad, and that such broad preferences could actually reinforce harmful stereotypes. The court cautioned that "[t]his risk is magnified where the preferences are not accompanied by particularized findings of harm, and where they extend to areas where women have not been found to be disadvantaged."[23] The court also observed that "while the City's program may well be over-inclusive, we believe it hews closely enough to the City's goal of compensating women for disadvantages that they have suffered so as to survive a facial challenge."[24] The level of specificity for gender-based plans was considered less than that required for race-based plans. "Unlike racial classifications, which must be narrowly tailored to the government's objective, there is no requirement that gender-based statutes be drawn as precisely as [they] might have been."[25]

The Ninth Circuit's decision that "the WBE program is therefore *substantially* related to the City's important goal of compensating women for the disparate treatment they have suffered in the market place" is not beyond reproach.[26] The court acknowledged that in every industry in which women were provided preference, "[i]t is unlikely that the City could demonstrate an exceedingly persuasive justification."[27] Not willing to tackle the issues, the court decided to "leave these matters to another day."[28]

The Ninth Circuit in *Coral Construction Co. v. King County (Coral Construction)* accords with these precedents in holding that intermediate scrutiny is the proper standard for reviewing WBE programs.[29] This less rigorous standard of review for a WBE program, however, does not mean that disparity study analyses involving WBEs can be less rigorous than those involving MBEs. A court reviewing a WBE disparity study will still require a factual predicate showing actual discrimination within the jurisdiction and narrowly-tailored remedies designed to counteract that discrimination. As the court in *Coral Construction* noted, some degree of discrimination must be demonstrated in a particular industry before

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[23]Id.

[24]Id.

[25]Id. But cf., Brunet v. City of Columbus, 1 F.3d 390, 404 (6th Cir. 1993); Colin v. Blanchard, 890 F.2d 811 (6th Cir. 1989) (in both cases the Sixth Circuit applied the same strict scrutiny standard to sex that it did to race).

[26]Id.

[27]Id.

[28]Id.

[29]Coral Construction Co., 941 F.2d at 931.

a gender-specific remedy may be instituted in that industry. "[T]he mere recitation of a benign, compensatory purpose will not automatically shield a gender-specific program from constitutional scrutiny."[30] However, the Circuit held that intermediate scrutiny does not require a showing of governmental involvement, active or passive, in the discrimination it seeks to remedy.[31] This, of course, is required under the strict scrutiny standard of review applied to race-conscious programs.

Coral Construction also addresses the nature and scope of the remedies formulated to eradicate disparities involving WBEs. The King County Plan gave preference to women in all industries contracting with the County, even those for which there was no evidence of discrimination. The court determined in *Coral Construction* that this factor alone was insufficient to warrant invalidating the entire program. The Circuit held, however, that the WBE plan was open to challenge within each individual industry. With respect to the construction industry, the court concluded that the record supported a finding of discrimination against WBE firms.[32]

The Seventh Circuit in *Milwaukee County Pavers Association,*[33] although not directly addressing the standard of review for WBE programs because the issue was not before it,[34] nevertheless noted that "*Croson* is about favoritism toward racial and ethnic groups, not about favoritism toward women"[35] and that "[the Supreme Court] does [not] consider discrimination against men to be as invidious as racial discrimination."[36] The Court of Appeals went on to speculate that "maybe the State's program insofar as it favors women, is not controlled by *Croson,*"[37] i.e., that a less stringent standard of review would apply.

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[30]Id. at 932.

[31]Id.

[32]Id. at 932-933.

[33]Milwaukee County Pavers Association, 922 F.2d 419 (7th Cir. 1991).

[34]The state waived the argument that *Croson*'s strict scrutiny standard does not apply to affirmative action programs for women by failing to make the argument in the lower court.

[35]Id. at 422.

[36]Id., citing Craig v. Boren, 429 U.S. 190, 97 S.Ct. 451 (1976).

[37]Id. at 422.

The Third Circuit, in *Philadelphia*, ruled in 1993 that the standard of review that governs WBE programs is different than the standard imposed upon MBE programs.[38] The Third Circuit stated that whereas MBE programs must be "narrowly tailored" to a "compelling state interest," WBE programs must be "substantially related" to "important governmental objectives."[39] An MBE program would only survive constitutional scrutiny by demonstrating a pattern and practice of systemic racial exclusion or discrimination in which a state or local government was an active or passive participant.[40]

The Eleventh Circuit also applies intermediate scrutiny.[41] The District Court in *Dade County*, which was affirmed by the Eleventh Circuit Court of Appeals, cited favorably the Third Circuit's 1993 formulation in *Philadelphia*: "[T]his standard requires the [county] to present probative evidence in support of its stated rationale for the gender preference, discrimination against women-owned contractors."[42] Although the Dade County District Court applied the intermediate scrutiny standard, it queried whether the Supreme Court decision in *United States v. Virginia*[43] finding the all-male program at Virginia Military Institute unconstitutional signaled a heightened level of scrutiny (parties who seek to defend gender-based government action must demonstrate an "exceedingly persuasive justification" for that action).[44] The Dade County appellate court echoed that speculation but likewise concluded that "[u]nless and until the Supreme Court tells us otherwise, intermediate scrutiny remains the applicable constitutional standard in gender discrimination cases, and a gender preference may be upheld so long as it is substantially related to an important governmental objective."[45]

The Dade County appellate court also noted that thus far, by articulating the "probative evidence" standard, the Third Circuit in *Philadelphia* was the only federal appellate court that explicitly attempted to clarify the evidentiary requirement applicable to gender-

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[38]Philadelphia, 6 F.3d at 1011.

[39]Id.

[40]Id.

[41]Ensley Branch N.A.A.C.P. v. Seibels, 31 F.3d 1548, 1579 (11th Cir. 1994).

[42]Dade County, 943 F.Supp at 909 (S.D. Fla. 1996) citing Philadelphia, 6 F.3d at 1010 (3d Cir. 1993).

[43]United States v. Virginia, 116 S.Ct. 2264 (1996).

[44]Dade County, 943 F.Supp. at 15.

[45]Dade County, 122 F.3d at 908.

conscious programs.[46] It went on to interpret that standard to mean that "evidence offered in support of a gender preference must not only be probative' [but] must also be sufficient.'"[47] It also reiterated two principal guidelines of intermediate scrutiny evidentiary analysis: (1) under this test, a local government must demonstrate some past discrimination against women, but not necessarily discrimination by the government itself;[48] and (2) the intermediate scrutiny evidentiary review is not to be directed toward mandating that gender-conscious affirmative action is used only as a "last resort"[49] but instead to ensuring that the affirmative action is "a product of analysis rather than a stereotyped reaction based on habit."[50] This analysis turns on whether there is evidence of past discrimination in the economic sphere at which the affirmative action program is directed.[51] These guidelines will assist in determining whether the evidence is sufficient to show that the gender-based preference rests on evidence-informed analysis rather than on stereotypical generalizations.[52]

C. Local Business Enterprise

As for Local Business Enterprise (LBE) programs, the Ninth Circuit ruled that a local entity may give a preference to local businesses to address the economic disadvantages these businesses face in doing business within the city or county.[53] In *AGCC I*, a pre-*Croson* case, the City and County of San Francisco conducted a detailed study of the economic disadvantages faced by San Francisco-based businesses versus businesses located outside the City and County boundaries. The study showed a competitive disadvantage in public contracting for businesses located within the City versus businesses from other areas.

San Francisco-based businesses had higher administrative costs of doing business within the City. Such costs included higher taxes, higher rents, higher wages, higher insurance

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[46]Id at 909.

[47]Id.

[48]Dade County 122 F.3d at 910, citing Ensley Branch, 31 F.3d at 1580.

[49]Dade County, 122 F.3d at 910, citing Hayes v. North State Law Enforcement Officers Ass'n, 10 F.3d at 217 (4th Cir. 1993) (racial discrimination case).

[50]Dade County, 122 F.3d at 910, citing Philadelphia, 6 F3d at 1010 (quoting Metro Broadcasting, Inc. v. FCC, 497 U.S. 547, 582-583 (1990)).

[51]Dade County, 122 F.3d at 910, citing Ensley Branch, 31 F.3d at 1581.

[52]Dade County, 122 F.3d at 910.

[53]AGCC I, 813 F.2d 922 (9th Cir. 1987).

rates, and higher benefits for labor. In upholding the LBE Ordinance, the Ninth Circuit held that "the city may rationally allocate its own funds to ameliorate disadvantages suffered by local business, particularly where the city itself creates some of the disadvantages."[54]

D. Disadvantaged Business Enterprise Programs

Over the past decade the U.S. Department of Transportation and U.S. Department of Defense have created Disadvantaged Business Enterprise (DBE) and Small Disadvantaged Business Enterprise (SDBE) programs with a goal of 5 percent to 10 percent of the dollar amount of federal projects to be allotted to businesses owned and controlled by persons who are "economically and socially disadvantaged." The administering agency is given the latitude and discretion to determine the level of participation as well as the means for implementing the participation. For the most part, DBE programs have functioned like the MBE programs, i.e., the goal is established in the form of percentage participation in the dollar amount of contracting opportunities by specifically designated groups, and waivers are granted if there is an absence of qualified DBEs in the relevant market.

While the concepts underlying the DBE programs do not radically differ from those of MBE or WBE programs, the courts have accorded DBE programs different treatment. If DBE programs do not include racial or ethnic factors and are limited to economic considerations, they would only have to provide a "rational basis" for the particular program design.[55] *Croson* and *Adarand* suggest, however, that to the extent that race and ethnicity play a part, the standard of review is likely to be a more rigorous one. Indeed, on June 2, 1997, the District Court on remand of *Adarand* held that the Small Business Administration's Section

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[54]Id. at 943.

[55]In the Appellate Court's first decision, the Third Circuit in Philadelphia took the same "rational basis" approach to disabled business owners that it has applied to legislation that does not involve race, ethnicity, the First Amendment, or gender. 6 F.3d 990 (3rd Cir. 1993). In Philadelphia, the Third Circuit found that the City of Philadelphia's 2 percent preference for businesses owned by individuals with a disability was rationally related to its goal of encouraging such businesses to seek City contracts. The City had offered only anecdotal evidence of discrimination and the Court ruled that this was sufficient to infer discrimination against individuals with a disability. Therefore, the City was entitled to conclude the Ordinance would encourage disabled persons to form businesses and win City contracts. As the court said, "[t]he Supreme Court recently reaffirmed the permissiveness of this test in Heller v. Doe, 113 S. Ct. 2637, 2642-43 (1993), indicating that 'a [statutory] classification' subject to rational basis review 'is accorded a strong presumption of validity,' and that 'a state ... has no obligation to produce evidence to sustain the rationality of [the] classification.' " Philadelphia, 6 F.3d 990, 1011.

8(a) program's presumption that members of designated racial groups were socially and economically disadvantaged was constitutionally invalid.

Effective March 1999, the U. S. Department of Transportation (USDOT) replaced 49 CFR part 23 of its Disadvantaged Business Enterprise Program (DBE) rules, with 49 CFR part 26. The new regulation revises provisions of the DBE rules in response to the decision of the U.S. Supreme Court in *Adarand*. The goal of promulgating the new rule is to modify the DBE program consistent with the "narrow tailoring" requirement of *Adarand*.

The new provisions apply only to the airport, transit, and highway financial assistance programs of the USDOT. The following discussion presents the main components of the new rules.

1. Meeting Overall Goals

Section 26.51 requires that the "maximum feasible portion" of the overall DBE goal be met through the use of race/gender-neutral mechanisms. To the extent that these means are insufficient to meet overall goals, recipients may use race/gender-conscious mechanisms, such as contract goals. However, contract goals are not required on every USDOT-assisted contract, regardless of whether they were needed to meet overall goals.

If during the year it becomes apparent that the goals will be exceeded, the recipient is to reduce or eliminate the use of goals. Similarly, if it is determined that a goal will not be met, an agency should modify the use of race/gender-neutral and race/gender-conscious measures in order to meet its overall goals.

Set-asides may not be used for DBEs on USDOT contracts subject to part 23 except, "in limited and extreme circumstances when no other method could be reasonably expected to address egregious instances of discrimination."

2. Good Faith Efforts

The new regulation emphasizes that when recipients use contract goals, they must award the contract to a bidder that makes good faith efforts to meet the goal. The contract award cannot be denied if the firm has not attained the goal, but has documented good faith efforts to do so. Recipients must provide administrative reconsideration to a bidder who is denied a contract on the basis of a failure to make good faith efforts.

3. DBE Diversification

Section 26.33 is an effort to diversify the types of work in which DBEs participate, as well as to reduce perceived unfair competitive pressure on non-DBE firms attempting to work in certain fields. This provision requires that if agencies determine there is an over-

concentration of DBEs in a certain type of work, they must take appropriate measures to address the issue. Remedies may include incentives, technical assistance, business development programs, and other appropriate measures.

4. Alternative Programs

Section 26.15 allows recipients to obtain a waiver of the provisions of the DBE program requirements if they demonstrate that there are, "special or exceptional circumstances, not likely to be generally applicable, and not contemplated in connection with the rulemaking that establish this part."

III. BURDEN OF PROOF

The procedural protocol established by *Croson* imposes an initial burden of proof upon the government to demonstrate that the challenged MBE program is supported by a strong factual predicate, i.e., documented evidence of past discrimination. Notwithstanding this requirement, the plaintiff bears the ultimate burden of proof — to persuade the court that the MBE program is unconstitutional. The plaintiff may challenge a government's factual predicate on any of the following grounds:

- the disparity exists due to race-neutral reasons;
- the methodology is flawed;
- the data is statistically insignificant; and
- controverting data exists.

Thus, a disparity study must be analytically rigorous — at least to the extent that the data permits — if it is to withstand legal challenge. That challenge would arise in the context of whether the or factual predicate established in the disparity study is valid or if the MBE program was narrowly tailored in relation to the strength of the factual predicate.

A. Strong Basis in Evidence

Croson requires defendant jurisdictions to produce a "strong basis in evidence" that the objective of the challenged MBE program is to rectify the effects of discrimination.[56] The issue of whether the government has produced a strong basis in evidence is a question of

[56]Concrete Works of Colorado v. City & County of Denver, 36 F.3d 1513, 1522 (10th Cir. 1994).

law.[57] Because the sufficiency of the factual predicate supporting the MBE program is at issue, factual determinations relating to the accuracy and validity of the proffered evidence underlie the initial legal conclusion to be drawn.[58]

The adequacy of the government's evidence is "evaluated in the context of the breadth of the remedial program advanced by the [jurisdiction]."[59] The onus is upon the jurisdiction to provide a factual predicate which is sufficient in scope and precision to demonstrate that contemporaneous discrimination necessitated the adoption of the MBE program. The various factors which must be considered in developing and demonstrating a strong factual predicate in support of MBE programs are discussed in Section IV.

B. Ultimate Burden of Proof

The party challenging an MBE program will bear the ultimate burden of proof throughout the course of the litigation — despite the government's obligation to produce a strong factual predicate to support its program.[60] The plaintiff must persuade the court that the program is constitutionally flawed by challenging the adequacy of the government's factual predicate for the program or demonstrating that the program is overly broad.

Justice O'Connor explained the nature of the burden of proof borne by the plaintiff in her concurring opinion in *Wygant v. Jackson Board of Education (Wygant)*.[61] She stated that following the production of the factual predicate supporting the program:

> [I]t is incumbent upon the non-minority [plaintiffs] to prove their case; they continue to bear the ultimate burden of persuading the court that the [government's] evidence did not support an inference of prior discrimination and thus a remedial purpose, or that the plan instituted on the basis of this evidence was not sufficiently "narrowly tailored." [62]

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[57] Id.

[58] Id.

[59] Id., citing Croson at 498.

[60] Id., citing Wygant v. Jackson Board of Education, 476 U.S. 267, 277-278 (1986).

[61] Wygant v. Jackson Board of Education, 476 U.S. 267, 293 (1986).

[62] Id.

In *Philadelphia*, the Third Circuit clarified this allocation of the burden of proof and the constitutional issue of whether facts constitute a "strong basis" in evidence.[63] That court wrote that the significance of the allocation of the burden of persuasion depends on the theory of constitutional invalidity that is being considered.[64] If the plaintiff's theory is that an agency has adopted race-based preferences with a purpose other than remedying past discrimination, the plaintiff has the burden of convincing the court that the identified remedial motivation is a pretext and that the real motivation was something else.[65]

The situation is different if the plaintiff's theory is that an agency's conclusions with respect to the existence of discrimination and the necessity of the remedy chosen have no strong basis in evidence. In such a situation, once the agency comes forward with evidence of facts alleged to justify its conclusions, the plaintiff has the burden of persuading the court that those facts are not accurate. However, the ultimate issue of whether a strong basis in evidence exists is an issue of law, and the burden of persuasion in the traditional sense plays no role in the court's resolution of that ultimate issue.[66]

IV. CROSON EVIDENTIARY FRAMEWORK

Government entities must construct a strong evidentiary framework to stave off legal challenges and ensure that the adopted M/WBE programs comport with the requirements of the Equal Protection clause of the U.S. Constitution. The framework must comply with the stringent requirements of the strict scrutiny standard — there must be a strong basis in evidence and the race-conscious remedy must be "narrowly tailored," as set forth in *Croson*. A summary of the critical elements follows.

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[63]Philadelphia, 91 F.3d 597.

[64]Id.

[65]Id.

[66]At first glance, the position of the Third Circuit does not square with what the Eleventh Circuit announced as its standard in reviewing whether a jurisdiction has established the "compelling interest" required by strict scrutiny. That court said the inquiry was factual and would be reversed only if it was "clearly erroneous." However, the difference in formulation may have had to do with the angle from which the question is approached: if one starts with the disparity study – whether a compelling interest has been shown – factual issues are critical. If the focus is the remedy, because the constitutional issue of equal protection in the context of race comes into play, the review is necessarily a legal one.

A. Active or Passive Participation

Croson requires that the local entity seeking to adopt an MBE program must have somehow perpetuated the discrimination to be remedied by the program. However, the local entity need not be an active perpetrator of such discrimination; passive participation will satisfy this part of the Court's strict scrutiny review.

An entity will be considered to be an "active" participant if the evidence shows that it has created barriers that actively exclude MBEs from contracting opportunities. In addition to examining the government's contracting process, MBEs who have contracted, or attempted to contract, with that entity can be interviewed to determine their experiences in pursuing contracting opportunities with that entity.

On the other hand, if discriminatory practices can be shown in the private sector, an entity can demonstrate that it is a "passive" participant in a private system of discriminatory exclusion where it infuses tax dollars into that discriminatory industry.[67] As the *Croson* Court said: "It is beyond dispute that any public entity, state or federal, has a compelling interest in assuring that public dollars, drawn from tax contributions of all citizens, do not serve to finance the evil of private prejudice."[68]

Increasingly, this inquiry has focused on the subcontracting practices of government prime contracts. Since no government funds were involved in *Concrete Works*, the Tenth Circuit questioned whether purely private sector discrimination is likely to be a fruitful line of inquiry.[69] In *Philadelphia*, the Court of Appeals' evaluation of the merits of that disparity study treated "passive participation" as being the same thing as discriminatory subcontracting practices on City contracts.[70]

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[67]Croson, 488 U.S. at 492; Coral Construction, 941 F.2d at 916.

[68]Croson, 488 U.S. at 492.

[69] Concrete Works, 36 F.3d at 1529. "What the Denver MSA data does not indicate, however, is whether there is any linkage between Denver's award of public contracts and the Denver MSA evidence of industry-wide discrimination. That is, we cannot tell whether Denver indirectly contributed to private discrimination by awarding public contracts to firms that in turn discriminated against MBE and/or WBE subcontractors in other private portions of their business or whether the private discrimination was practiced by firms who did not receive any public contracts. Neither Croson nor its progeny clearly state whether private discrimination that is in no way funded with public tax dollars can, by itself, provide the requisite strong basis in evidence necessary to justify a municipality's affirmative action program. A plurality in Croson simply suggested that remedial measures could be justified upon a municipality's showing that 'it had essentially become a "a passive participant" in a system of racial exclusion practiced by elements of the local construction industry.' [Citing Croson.] Although we do not read Croson as requiring the municipality to identify an exact linkage between its award of public contracts and private discrimination, such evidence would at least enhance the municipality's factual predicate for a race- and gender-conscious program. The record before us does not explain the Denver government's role in contributing to the underutilization of MBEs and WBEs in the private construction market in the Denver MSA, and this may well be a fruitful issue to explore at trial."

[70] Philadelphia, 91 F.3d 586, 599-601 (3rd Cir. 1996).

B. Systemic Discriminatory Exclusion

Croson clearly establishes that an entity enacting a business affirmative action program must demonstrate identified, systemic discriminatory exclusion on the basis of race.[71] Simple statistics and broad assertions of societal discrimination will not suffice to support a race-conscious program. Thus, it is essential to demonstrate a pattern and practice of such discriminatory exclusion in the relevant market area to establish the necessary factual predicate required by *Croson*.[72] That showing must cover each racial group to whom a remedy would apply.[73]

Croson enumerates several ways an entity can establish the requisite factual predicate. First, a significant statistical disparity between the number of qualified minority contractors willing and able to perform a particular service, and the number of such contractors actually engaged by an entity or by the entity's prime contractors may support an inference of discriminatory exclusion.[74] In other words, when the relevant statistical pool is used, a showing of gross statistical disparity alone may constitute prima facie proof of a pattern or practice of discrimination.[75]

Such a showing should include subcontracting data. The Court observed in *Croson* that "[w]ithout any information on minority participation in subcontracting, it is quite simply impossible to evaluate overall minority representation in the city's construction expenditures."[76] Subcontracting data is also important as a means to assess future suggested remedial actions. Since the decision makers are different for the awarding of prime and subcontracts, the remedies for discrimination identified at a prime versus subcontractor level might also be different.

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[71]Croson, 488 U.S. at 509. See also Monterey Mechanical v. Pete Wilson, 97 C.D.O.S. 7099 (9th Cir. 1997).

[72]Id.

[73]As the Court said in Croson, "[t]he random inclusion of racial groups that, as a practical matter, may never have suffered from discrimination in the construction industry in Richmond suggests that perhaps the city's purpose was not in fact to remedy past discrimination." Id. at 506.

[74]Id. at 509.

[75]Id. at 501 (citing Hazelwood School District v. United States, 433 U.S. 299, 307-308 (1977)).

[76]Id. at 502-503.

Second, "evidence of a pattern of individual discriminatory acts can, if supported by appropriate statistical proof, lend support to a local government's determination that broader remedial relief is justified."[77] Thus, if an entity has anecdotal evidence before it that non-minority contractors are systematically excluding minority businesses from subcontracting opportunities, it may act to end the discriminatory exclusion.[78] Once an inference of discriminatory exclusion arises, the entity may act to dismantle the closed business system.

The Ninth Circuit, in *Coral Construction*, further elaborated upon the type of evidence needed to establish the factual predicate that justifies a race-conscious remedy. The Court held that both statistical and anecdotal evidence should be relied upon in establishing systemic discriminatory exclusion in the relevant marketplace as the factual predicate for an MBE program.[79] The Court explained that statistical evidence, standing alone, often does not account for the complex factors and motivations guiding contracting decisions, many of which may be entirely race-neutral.[80]

Likewise, anecdotal evidence, standing alone, is unlikely to establish a systemic pattern of discrimination.[81] Nonetheless, anecdotal evidence is important because the individuals who testify about their personal experiences bring "the cold numbers convincingly to life."[82]

1. Market Participation

While *Croson* did not speak directly to the geographic boundaries or limitations of M/WBE programs, the Ninth Circuit in *Coral Construction* ruled that an MBE program must also be limited to the geographical boundaries of the enacting jurisdiction.[83] In defining eligibility, an entity crafting an M/WBE program must be careful not to sweep into its scope M/WBEs who have never had contact with the entity's business community.[84] In *Concrete*

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[77]Id. at 509.

[78]Id.

[79]Coral Construction, 941 F.2d at 919.

[80]Id.

[81] Id.

[82] Id., quoting International Brotherhood of Teamsters v. United States (Teamsters), 431 U.S. 324, 339 (1977).

[83]Id. at 925.

[84]Id.

Works, the Tenth Circuit specifically approved the Denver MSA as the appropriate market area since 80 percent of the construction contracts were let there.[85]

Eligibility is a question of business participation, not location.[86] If systemic discrimination is shown in the geographic area where the entity enacting the M/WBE program does business, then there is a presumption that an M/WBE who entered the business market in that area has been victimized by the discrimination.[87] However, before the presumption attaches to an M/WBE, it must be established that the M/WBE is, or has attempted to become, an active participant in the local business community.[88]

In *Coral Construction*, for example, the Ninth Circuit held that the definition of "minority business" used in King County's MBE program was over-inclusive.[89] The Court reasoned that the definition was over-broad because it included businesses other than those who were discriminated against in the King County business community.[90] The program would have allowed, for instance, participation by MBEs who had no prior contact with the County. Hence, location within the geographic area is not enough. An MBE must show that it previously sought business, or is currently doing business, in the market area.

2. Current versus Historical Evidence

In assessing the existence of identified discrimination, through demonstration of a disparity between M/WBE utilization and availability, it is important to examine disparity data both prior to and after the entity's current M/WBE program was enacted. This will be referred to as "pre-program" versus "post-program" data.

On the one hand, *Croson* requires that an MBE program be narrowly tailored to remedy current evidence of discrimination.[91] Thus, goals must be set according to the evidence of disparity found. For example, if there is a current disparity between the percentage of an

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[85]Concrete Works, 823 F.Supp. 821, 835-836 (D.Colo. 1993); rev'd on other grounds, 36 F.3d 1513 (10th Cir. 1994).

[86]Coral Construction, 941 F.2d at 925.

[87]Id.

[88]Id.

[89]Id.

[90]Id.

[91]Croson, 488 U.S. at 507.

entity's utilization of Hispanic construction contractors and the availability of Hispanic construction contractors in that entity's marketplace, then that entity can set a goal to bridge that disparity.

It is not mandatory to examine a long history of an entity's utilization to assess current evidence of discrimination. In fact, *Croson* indicates that it may be legally fatal to justify an M/WBE program based upon evidence that is outdated.[92] Therefore, the most recent two or three years of an entity's utilization data would suffice to determine whether a statistical disparity exists between current M/WBE utilization and availability.[93]

On the other hand, data regarding an entity's utilization of M/WBEs prior to enacting an M/WBE program may be relevant to assessing the need for the agency to keep such a program intact. An opinion by Judge Henderson of the U.S. District Court for the Northern District of California, in *RGW Construction v. San Francisco Bay Area Rapid Transit District (BART)*,[94] sets forth the significance of statistical data during an entity's "pre-program" years. The Court ruled that statistics that provide data on a period when no M/WBE goals were operative are often the most relevant data in evaluating the need for remedial action by an entity. Indeed, "to the extent that the most recent data reflect the impact of operative DBE goals, then such data are not necessarily a reliable basis for concluding that remedial action is no longer warranted."[95] The Court noted that this is particularly so given that M/WBEs report that they are seldom or never used by a majority prime contractor absent M/WBE goals.

Thus, an entity should look both at pre-program and post-program data in assessing whether discrimination exists currently and whether it would exist absent an M/WBE program.

3. Statistical Evidence

In determining whether the statistical evidence is adequate to give rise to an inference of discrimination, courts have looked to the "disparity index" which consists of the percentage of minority (or women) contractor participation in local contracts divided by the percentage of minority (or women) contractor availability or composition in the population of available

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[92]Id. at 499 (stating that "[i]t is sheer speculation how many minority firms there would be in Richmond absent past societal discrimination").

[93]See AGCC II, 950 F.2d at 1401 (consultant study looked at City's MBE utilization over a one-year period).

[94]See November 25, 1992 Order by Judge Thelton Henderson.

[95]Id.

firms in the local market area.[96] Disparity indexes have been found highly probative evidence of discrimination where they ensure that the "relevant statistical pool" of minority (or women) contractors is being considered.

The Third Circuit, in *Philadelphia*, ruled that the "relevant statistical pool" includes those businesses that not only exist in the marketplace, but that are qualified and interested in performing the public agency's work. In that case, the Third Circuit rejected a statistical disparity finding where the pool of minority businesses used in comparing utilization to availability were those that were merely licensed to operate in the City of Philadelphia. Because merely being licensed to do business with the City does not indicate either a willingness or capability to do work for the City, the Third Circuit concluded the statistical disparity did not satisfy *Croson*.[97]

Statistical evidence demonstrating a disparity between the utilization and availability of M/WBEs can be shown in more than one way. First, the *number* of M/WBEs utilized by an entity can be compared to the number of available M/WBEs. This is a strict *Croson* "disparity" formula. A significant statistical disparity between the number of MBEs that an entity utilizes in a given product/service category and the number of available MBEs in the relevant market area specializing in the specified product/service category would give rise to an inference of discriminatory exclusion.

Second, M/WBE dollar participation can be compared to M/WBE availability. This could show a disparity between the award of contracts by an entity in the relevant locality/market area to available majority contractors and the award of contracts to M/WBEs. Thus, in *AGCC* II, an independent consultant's study compared the number of available MBE prime contractors in the construction industry in San Francisco with the amount of contract dollars

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[96]Although the disparity index is a common category of statistical evidence considered, other types of statistical evidence can be taken into account. In addition to looking at Dade County's contracting and subcontracting statistics, the district also considered marketplace data statistics (which looked at the relationship between the race, ethnicity, and gender of surveyed firm owners and the reported sales and receipts of those firms), the County's Wainwright study (which compared construction business ownership rates of M/WBEs to those of non-M/WBEs and analyzed disparities in personal income between M/WBE and non-M/WBE business owners), and the County's Brimmer Study (which focused only on Black-owned construction firms and looked at whether disparities existed when the sales and receipts of Black-owned construction firms in Dade County were compared with the sales and receipts of all Dade County construction firms).

[97]The courts have not spoken to the non-M/WBE component of the disparity index. However, if only as a matter of logic, the "availability" of non-M/WBEs requires that their willingness to be government contractors be established. The same measures used to establish the interest of M/WBEs should be applied to non-M/WBEs.

awarded to San Francisco MBEs over a one-year period. The study found that available MBEs received far fewer construction contracts in proportion to their numbers than their available non-minority counterparts.[98]

Whether a disparity index supports an inference that there is discrimination in the market not only turns on what is being compared, but also on whether any disparity is statistically significant. In *Croson*, Justice O'Connor opined, "[w]here the gross statistical disparities can be shown, they alone, in a proper case, may constitute a *prima facie* proof of a pattern or practice of discrimination." However, the Court has not assessed nor attempted to cast bright lines for determining if a disparity index is sufficient to support an inference of discrimination. Rather, the analysis of the disparity index and the finding of its significance are judged on a case-by-case basis.[99]

Following the dictates of *Croson*, courts may carefully examine whether there is data that shows that M/WBEs are ready, willing, and able to perform.[100] *Concrete Works* made the same point: capacity — i.e., whether the firm is "able to perform" — is a ripe issue when a disparity study is examined on the merits:

> [Plaintiff] has identified a legitimate factual dispute about the accuracy of Denver's data and questioned whether Denver's reliance on the percentage of MBEs and WBEs available in the market place overstates "the ability of MBEs or WBEs to conduct business relative to the industry as a whole because M/WBEs tend to be smaller and less experienced than nonminority-owned firms." In other words, a disparity index calculated on the basis of the absolute number of MBEs in the local market may show greater underutilization than does data that takes into consideration the size of MBEs and WBEs.[101]

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[98]Specifically, the study found that MBE availability was 49.5 percent for prime construction, but MBE dollar participation was only 11.1 percent; that MBE availability was 36 percent prime equipment and supplies, but MBE dollar participation was 17 percent; and that MBE availability for prime general services was 49 percent, but dollar participation was 6.2 percent.

[99]Concrete Works, 36 F.3d at 1522.

[100]Both the Philadelphia study, which was reviewed on its merits in 1995, and the City of Columbus study, which was reviewed in 1996, were vulnerable on this issue.

[101]Concrete Works, 36 F.3d at 1528.

To date, only three cases have reviewed disparity studies on the merits, *AGCC v. City of Columbus (Columbus),*[102] a Federal District Court's opinion which the Sixth Circuit recently dismissed because the district court lacked jurisdiction over the ordinance in question;[103] *Engineering Contractors Association of South Florida, Inc. et al. v. Metropolitan Dade County (Dade County),*[104] a District Court opinion that was upheld upon appeal to the Eleventh Circuit Court of Appeal; and *Philadelphia*,[105] a district court opinion that was upheld upon appeal to the Third Circuit of Appeal. (*Philadelphia* is discussed in detail above). Although these cases do not arise in the Seventh Circuit, they provide insight into how a court might address the issue of availability.

In *Columbus,* the court had held that the City's failure to determine the relative availability of M/WBE firms that were qualified to bid as prime contractors was a "serious and ultimately fatal omission" that rendered the City's disparity study conclusions of

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[102]Associated General Contractors of America, Inc. v. City of Columbus, 936 F. Supp. 1363 (S.D. Ohio 1996), vacated 1999 FED App. 113P (6th Cir.).

[103]A 1983 ordinance, which did not meet the Croson standard, was the basis of the original filing in 1989. In 1991, the district court declared it unconstitutional and asserted continuing jurisdiction over any subsequent legislation dealing with the use of race in letting the City's contracts. In 1993, the Columbus City Council, on the basis os a disparity study conducted in the interim, passed a new ordinance which expressly would not go into effect until the court approved it. In 1994, the City made a motion to the court that had the effect of bringing on discovery and a trial over the new ordinance. On March 26, 1999, the Sixth Circuit, having itself raised the issue of whether the district court could retain continuing jurisdiction after the 1983 ordinance was enjoined as unconstitutional, ruled that the court did not have jurisdiction. There being no ordinance in effect, there was no "case or controversy," and there was no lingering condition that itself offended the Constitution. Therefore, the Sixth Circuit remanded the matter to the district court with instruction that it be dismissed.

[104]Engineering Contractors Association of South Florida, Inc. et al. v. Metropolitan Dade County, 943 F. Supp. 1546 (S.D. Florida 1996), aff'd, 122 F.3d 895 (11th Cir. 1997).

[105]'Dade County, 6 F.3d 990 (3rd Cir. 1993), on remand, 893 F.Supp. 419 (E.D. Penn. 1995), aff'd, 91 F.3d 586 (3rd Cir. 1996).

discrimination invalid.[106] In *Dade County*,[107] the District Court held that the County had not shown the compelling interest required to institute a race-conscious program because the statistically significant disparities on which the County relied disappeared when the size of the M/WBEs were taken into account. The District Court's opinions in *Columbus* and *Dade County* limited prime contractor availability to actual bidders as a source of qualified firms. However, it must be noted that relying solely on bidders to identify available firms may have limitations. The results will be biased if the solicitation of bidders is biased, or if the perception of potential bidders is that selection is biased.[108] In addition, the source is dependent on the diligence of the agencies' record keeping.[109]

Whether *Columbus* – rejected by the Sixth Circuit as an advisory opinion – and *Dade County* stand for the proposition that bidding is a mandatory measure of availability in all procurements must be judged in light of the programs that were in litigation. Each case involved construction contracts where competitive bidding was the method of selection for prime contractors. Consequently, it was not unreasonable to limit availability in those instances to firms that had bid. Indeed, given the comments of the Eleventh Circuit in upholding the District Court's decision in *Dade County,*[110] it would be hard to maintain that the lower court opinion established substantive bright line rules in reviewing affirmative action programs:

> Both the Supreme Court and this Court have held that a district court makes a *factual* determination when it determines whether there exists a sufficient evidentiary basis justifying affirmative action on the basis of race or

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[106]AGCC v. City of Columbus, 936 F. Supp. 1363, vacated 1999 FED App. 0114P (6th Cir.). All of the City's availability statistics were tainted because the City combined prime contracting data with subcontracting data.

[107]Engineering Contractors Association of South Florida, Inc. et al. v. Metropolitan Dade County, 943 F. Supp. 1546 (S.D. Florida 1996).

[108]Cf. League of United Latin American Citizens v. Santa Ana, 410 F.Supp. 873, 897 (C.D. Cal. 1976); Reynolds v. Sheet Metal Workers, Local 102, 498 F.Supp 952, 964 n. 12 (D. D.C. 1980), aff'd, 702 F.2d 221 (D.C. Cir. 1981) (involving the analysis of available applicants in the employment context.)

[109]Cf. EEOC v. American Nat'l Bank, 652 F.2d 1176, 1196-1197 (4th Cir.), cert. denied, 459 U.S. 923 (1981). (In the employment context, actual applicant flow data may be rejected where race coding is speculative or nonexistent).

[110]Dade County, 122 F.3d 895 (1997).

> ethnicity (emphasis added). . . .We review a district court's factual findings only for clear error.[111]
>
> The Supreme Court has explained with unmistakable clarity our duty in evaluating the district court's fact-finding in this case. That duty most emphatically is *not* to decide whether we agree with the district court's view of the evidence. Instead, we must determine only whether the district court's view of the evidence, as reflected in its fact findings, is a permissible one, i.e., a plausible one in light of the entire record.[112]

The appellate court in *Dade County* did not determine whether the County in fact presented sufficient evidence to justify the M/WBE programs. It merely ascertained that the lower court was not clearly erroneous in concluding that the County lacked a strong basis in evidence to justify race-conscious affirmative action. The appellate court did *not* prescribe the District Court's analysis or any other specific analysis for future cases.

Subcontractors, on the other hand, were selected by different means as the District Court had pointed out in *Columbus*:

> Subcontracts are privately negotiated between individual prime contractors and subcontractors. The anecdotal evidence collected by the city showed that prime contractors decide with whom they want to work. Bidding may be formal, informal, or non-existent. Subcontracts are often awarded on the basis of past experience and relationships.[113]

In *Dade County*, subcontractors were identified as M/WBEs that had filed a subcontractors' release of lien on at least one Dade County contract during the study period. The number of such firms was compared to the sales and receipts claimed by such firms. That District Court rejected the comparison as inappropriate because the income received was not limited to Dade County subcontracts.

The Third Circuit has recognized that the issue of qualifications can be approached at different levels of specificity, and some consideration of the practicality of various approaches is required. The Court of Appeals found that "[i]t would be highly impractical to review the hundreds of contracts awarded each year and compare them to each and every

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[111]Id. at 903.

[112]Id. at 904.

[113]The subcontracting data was rejected in Columbus because it combined prime and subcontracting data, which the court observed was "mixing apples and oranges." Columbus, 936 F. Supp. at 52.

MBE," and it was a "reasonable choice" under the circumstances to use a list of certified contractors as a source for available firms. An analysis is not devoid of probative value simply because it may theoretically be possible to adopt a more refined approach. For example, past discrimination in a marketplace may provide reason to believe that minorities, who would otherwise be willing, are discouraged from trying to secure the work.[114]

4. Anecdotal Evidence

In *Croson*, Justice O'Connor opined that "evidence of a pattern of individual discriminatory acts can, if supported by appropriate statistical proof, lend support to a local government's determination that broader remedial relief is justified."[115]Anecdotal evidence should be gathered demonstrating that minority contractors are systematically being excluded from contracting opportunities in the relevant market area. The following types of anecdotal evidence have been presented, and relied upon by the Ninth Circuit, in both *Coral Construction* and *AGCC II*, to justify the existence of an M/WBE program:

- MBE/WBEs denied contract despite being the low bidder - *Philadelphia*[116]
- Prime contractors showing MBE bids to non-minority subcontractors to find a non-minority to underbid the MBEs - *Cone Corporation v. Hillsborough County*[117]
- MBE/WBEs being subjected to double standards - *Columbus*[118]
- MBE/WBEs' inability to obtain contracts for private sector work - *Coral Construction*[119]

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[114]Philadelphia, 6F.3d at The City's certification process assessed the ability of applicants to work on large scale construction projects. The process by which M/WBEs were certified suggested that the firms were qualified and willing to participate in public works projects. In addition, since contracts ran the gamut from small to large, the list may have been underinclusive in terms of firms capable of performing some portion of City projects.

[115]Croson, 488 U.S. at 509. The Court specifically cited Teamsters, 431 U.S. at 338.

[116]Philadelphia, 6 F.3d at 1002.

[117]Cone Corporation v. Hillsborough County, 908 F.2d 908, 916 (11th Cir.1990).

[118]AGCC v. City of Columbus, 936 F. Supp. 1363, vacated 1999 FED App. 0114P (6th Cir.).

[119]For instance, where a small percentage of an MBE or WBE's business comes from private contracts and most of its business comes from race or gender-based set-asides, this

- MBE/WBEs told they were not qualified although they were later found to be qualified when evaluated by outside parties - *AGCC* [120]

- Attempts to circumvent MBE/WBE project goals - *Concrete Works*[121]

- MBE/WBEs being harassed by an entity's personnel to discourage them from bidding on entity's contracts - *AGCC* [122]

To be relevant, the District Court in Columbus stated, the anecdotal accounts should relate to the geographical area to be studied and should not be too remote in time.[123]

Remedial measures fall along a sliding scale determined by their intrusiveness on non-targeted groups. At one end of the spectrum are race-neutral measures and policies such as outreach to the M/WBE community. Set-asides are at the other end of the spectrum. Race-neutral measures, by definition, are accessible to all segments of the business community regardless of race. They are not intrusive, and in fact require no evidence of discrimination before implementation. On the other hand, race-conscious measures such as set-asides fall at the other end of the spectrum and require a larger amount of evidence.[124]

Courts must assess the extent to which relief disrupts settled "rights and expectations" when determining the appropriate corrective measures.[125] It is likely that courts would look with more favor upon anecdotal evidence which supports a less intrusive program than a more intrusive one. For example, if anecdotal accounts related experiences of discrimination in obtaining bonds this may be sufficient evidence to support a bonding program that assists

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would demonstrate exclusion in the private industry. Coral Construction at 933 (WBE's affidavit indicated that less than 7 percent of the firm's business came from private contracts and that most of its business resulted from gender-based set-asides).

[120]AGCC, 950 F.2d at 1415.

[121]Concrete Works, 36 F.3d at 1530.

[122]AGCC, 950 F.2d at 1415.

[123] AGCC v. Columbus, 936 F. Supp. 1363, vacated 1999 FED App. 0114P (6th Cir.).

[124] Cf. AGGCII, 950 F.2d at 1417-1418 (in finding that an ordinance providing for bid preferences was narrowly tailored, the Ninth Circuit stated that the program encompassed the required flexibility and stated that "the burdens of the bid preferences on those not entitled to them appear relatively light and well distributed . . . . In addition, in contrast to remedial measures struck down in other cases, those bidding have no settled expectation of receiving a contract." [Citations omitted.]).

[125] Wygant, 476 U.S. at 283.

M/WBEs. However, these accounts would not be evidence of a statistical availability that would justify a racially limited program such as a set-aside.

As noted above, in *Croson*, the Supreme Court found that Richmond's MBE program was unconstitutional because the City lacked proof that race-conscious remedies were justified. However, the Court opined that "evidence of a pattern of individual discriminatory acts can, if supported by appropriate statistical proof, lend support to a local government's determination that broader remedial relief is justified."[126]

In part, it was the absence of such evidence that proved lethal to the program. The Supreme Court stated that "[t]here was no direct evidence of race discrimination on the part of the city in letting contracts or any evidence that the city's prime contractors had discriminated against minority-owned subcontractors."[127]

This was not the situation confronting the Ninth Circuit in *Coral Construction.* There, the 700-plus page appellate record contained the affidavits of "at least 57 minority or women contractors, each of whom complains in varying degree of specificity about discrimination within the local construction industry. . . .These affidavits certainly suggest that ongoing discrimination may be occurring in much of the King County business community."[128] Nonetheless, this anecdotal evidence standing alone was insufficient to justify King County's MBE program because "[n]otably absent from the record, however, is *any* statistical data in support of the County's MBE program."[129] After noting the Supreme Court's reliance on statistical data in Title VII employment discrimination cases, and cautioning that statistical data must be carefully used, the Circuit elaborated on its mistrust of pure anecdotal evidence:

> Unlike the cases resting exclusively upon statistical deviations to prove an equal protection violation, the record here contains a plethora of anecdotal evidence. However, anecdotal evidence, standing alone, suffers the same flaws as statistical evidence. Indeed, anecdotal evidence may even be less probative than statistical evidence in the context of proving discriminatory patterns or practices.[130]

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[126] Croson, 488 U.S. at 509, citing Teamsters, 431 U.S. at 338.

[127] Id. at 480.

[128] Coral Construction, 941 F.2d at 917-918.

[129] Id. at 918 (emphasis supplied) (additional statistical evidence gathered after the program had been implemented was also considered by the court and the case was remanded to the lower court for an examination of the factual predicate).

[130] Id. at 919.

The Court concluded its discourse on the potency of anecdotal evidence in the absence of a statistical showing of disparity by observing that "rarely, if ever, can such evidence show a systemic pattern of discrimination necessary for the adoption of an affirmative action plan."[131]

Two other Circuits also suggested that anecdotal evidence might be dispositive, while rejecting it in the specific case before them. Thus, speaking in *Philadelphia*, the Third Circuit noted that the Philadelphia City Council had "received testimony from at least fourteen minority contractors who recounted personal experiences with racial discrimination," which the district court had "discounted" because it deemed this evidence to be "impermissible" for consideration under *Croson*.[132] The Circuit deplored the District Court's actions because in its view the court's rejection of this evidence betrayed the court's role in disposing of a motion for summary judgment.[133] "Yet," the Circuit mused,

> given *Croson's* emphasis on statistical evidence, even had the district court credited the City's anecdotal evidence, we do not believe this amount of anecdotal evidence is sufficient to satisfy strict scrutiny [quoting *Coral*, supra]. Although anecdotal evidence alone may, in an exceptional case, be so dominant or pervasive that it passes muster under *Croson*, it is insufficient here.[134]

Similarly, although echoing the Ninth Circuit's acknowledgment of the rare case in which anecdotal evidence is singularly potent, in *O'Donnell Construction v. District of Columbia (O'Donnell)* the D.C. Circuit has ruled flatly, in the face of conflicting statistical evidence of disparity, that anecdotal evidence alone is insufficient:

> It is true that in addition to statistical information, the Committee received testimony from several witnesses attesting to problems they faced as minority contractors. Much of the testimony related to bonding requirements and other structural impediments any firm would have to overcome, no matter what the race of its owners. The more specific testimony about discrimination by white firms could not in itself support an industry-wide remedy [quoting *Coral*]. Anecdotal evidence is most useful as a supplement

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[131] Id.

[132] Philadelphia, 6 F.3d 990, 1002.

[133] Id. at 1003.

[134] Id.

to strong statistical evidence – which the Council did not produce in this case.[135]

The Tenth Circuit in *Concrete Works* described the type of anecdotal evidence that is most compelling: evidence within a statistical context. In approving of the anecdotal evidence that the City of Denver had marshaled in the proceedings below, the Circuit observed that "[w]hile a fact finder should accord less weight to personal accounts of discrimination that reflect isolated incidents, anecdotal evidence of a municipality's institutional practices carry more weight due to the systemic impact that such institutional practices have on market conditions."[136] The Court noted that the city had provided such systemic evidence.

The Ninth Circuit has articulated what it deems to be permissible anecdotal evidence in *AGCC II*.[137] There, the Circuit approved a "vast number of individual accounts of discrimination" which included numerous reports of MBEs being denied contracts despite being the low bidder, MBEs being told they were not qualified although they were later found qualified when evaluated by outside parties, MBEs being refused work even after they were awarded the contracts as low bidder, and MBEs being harassed by city personnel to discourage them from bidding on city contracts. On appeal, the City points to numerous individual accounts of discrimination to substantiate its findings that discrimination exists in the city's procurement processes, that an 'old boy network' still exists, and that racial discrimination is still prevalent within the Pasadena construction industry."[138] Based on *AGCC II*, it would appear that the Ninth Circuit's standard for acceptable anecdotal evidence is more lenient than other Circuits which have considered the issue.

At the same time, the Eleventh Circuit's caveat in *Dade County* should be kept in mind: "Supreme Court decisions teach that a race-conscious remedy is not merely one of many equally acceptable medications that a government may use to treat race-based problems. Instead, it is the strongest of medicines, with many potentially harmful side-effects, and must be reserved to those severe cases that are highly resistant to conventional treatment."[139]

Taken together, these statements constitute a taxonomy of appropriate anecdotal evidence. The cases suggest that, to be optimally persuasive, anecdotal evidence must satisfy six particular requirements. These requirements are that the accounts:

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[135] O'Donnell Construction v. District of Columbia, 963 F.2d 420 (D.C. Cir.1992).

[136] Concrete Works, 36 F.3d at 1530.

[137] AGCCII, 950 F.2d at 1401.

[138] Id. at 1415.

[139] Dade County, 122 F.3d at 927.

- be gathered from minority contractors, preferably those that are "qualified";
- concern specific, verifiable instances of discrimination;
- involve the actions of governmental officials;
- involve events within the relevant jurisdiction's market area;
- discuss the harm that the improper conduct has inflicted on the businesses in question; and
- collectively reveal that discriminatory exclusion and impaired contracting opportunities are systemic rather than isolated or sporadic.[140]

Given that no *Croson* cases identify the circumstances under which anecdotal evidence alone will carry the day, it is not surprising that none of these cases explicate bright line rules specifying the quantity of anecdotal evidence needed to support a race-conscious remedy. However, the foregoing cases, and others, provide some guidance by implication.

Philadelphia makes clear that 14 accounts will not suffice,[141] while *Associated General Contractors of Connecticut v. New Haven*[142] suggests that 15 will not do. While the matter is not free of countervailing considerations, 57 accounts, many of which appeared to be of the type called for above, were insufficient to justify the program in *Coral Construction*. The number of anecdotal accounts relied on by the district court in approving Denver's M/WBE program in *Concrete Works* is unclear, but by one count the number might have exceeded 139.[143] It is, of course, a matter of speculation how many of these accounts were indispensable to the court's approval of the Denver M/WBE program.

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[140] Or, in the words of the Third Circuit, the anecdotal evidence must be "dominant or pervasive." Philadelphia, 6 F.3d at 1003.

[141] Id. at 1002-03.

[142] Associated General Contractors of Connecticut v. New Haven, 791 F.Supp. 941, 947 (D.Conn.1992).

[143] The Denver City Council enacted its M/WBE ordinance in 1990. The program was based on the results of public hearings held in 1983 and 1988 at which numerous people testified (approximately 21 people and at least 49 people, respectively), and on a disparity study performed in 1990. See 823 F.Supp. at 833-834. The disparity study consultant examined all of this preexisting data, presumably including the anecdotal accounts from the 1983 and 1988 public hearings, as well as the results of its own 69 interviews, in preparing its recommendations. Id. at 833-834. Thus, short of analyzing the record in the case, it is not possible to determine a minimum number of accounts because it is not possible to ascertain the number of consultant interviews and anecdotal accounts that are recycled statements or statements from the same people. Assuming no overlap in accounts, however, and also assuming that the disparity study relied on prior interviews in addition to its own, the number of M/WBEs interviewed in this case could be as high as 139, and, depending on the number of new people heard by the Denver Department of Public Works in March 1988 (see id. at 833), the number might have been even greater.

In addition, as noted above, the quantum of anecdotal evidence that a court would likely find acceptable may depend on the remedy in question. The remedies that are least burdensome to non-targeted groups would likely require a lesser degree of evidence. Those remedies that are more burdensome on the non-targeted groups would require a stronger factual basis likely extending to verification.

V. CONSIDERATION OF RACE-NEUTRAL OPTIONS

A remedial program must address the source of the disadvantage faced by minority- or woman-owned businesses. If it is found that race discrimination places MBEs at a competitive disadvantage, an MBE program may seek to counteract the situation by providing MBEs with a counterbalancing advantage.[144]

On the other hand, an M/WBE program cannot stand if the sole barrier to minority or woman business participation is a barrier which is faced by all new businesses, regardless of ownership.[145] If the evidence demonstrates that the sole barrier to M/WBE participation is that M/WBE's disproportionately lack capital, or cannot meet bonding requirements, then only a race-neutral program of financing for all small firms would be justified.[146] In other words, if the barriers to minority participation are race-neutral, then the program must be race-neutral or contain race-neutral aspects.[147] If the barriers appear race related, but are not systemic, then the remedy should be aimed at the specific arena in which exclusion or disparate impact has been found.

If the evidence shows that in addition to capital and bonding requirements, which are race-neutral, M/WBEs also face race discrimination in the awarding of contracts, then a race-conscious program will stand, so long as it also includes race-neutral measures to address the capital and bonding barriers.[148]

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[144]AGCC II, 950 F.2d at 1401.

[145]Croson, 488 U.S. at 508.

[146]Id. at 507.

[147]Coral Construction, 941 F.2d at 922-923.

[148]Id. (upholding MBE program where it operated in conjunction with race-neutral measures aimed at assisting all small businesses).

In *Columbus*, the district court required that programs be specifically intended to benefit M/WBEs and other small or disadvantaged business enterprises in order to be considered race-neutral efforts.[149]

However, the Ninth Circuit in *Coral Construction* ruled that there is no requirement that an entity exhaust every possible race-neutral alternative.[150] Instead, an entity must make a serious, good faith consideration of race-neutral measures in enacting an MBE program. Thus, in assessing low MBE utilization, it is incumbent to examine barriers to MBE participation that go beyond "small business problems." The impact on the distribution of contracts of programs that have been implemented to improve MBE utilization should also be measured.

VI. CONCLUSION

As explained above, the decision of the U.S. Supreme Court in the *Croson* case changed the landscape of business affirmative action programs, and altered the ability of state and local public entities to institute remedial programs in the area of public contracting.

The implications of the *Adarand* decision, which applied the strict scrutiny standard to federal programs, will not be fully appreciated until interpreted by lower courts.

It has been the purpose of this study, from a legal standpoint, to examine the conditions that exist in the market area within which the State of Indiana operates, and to determine from an analysis of those conditions whether, pursuant to the *Croson* standard, the conditions justify the continuation of a race-conscious affirmative action program on the part of the State of Indiana.

We turn then to the analysis of those conditions.

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[149]Columbus, 936 F. Supp. 1363, vacated 1999 FED App. 0114P (6th Cir).

[150]Id.

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STATE OF INDIANA MULTI-JURISDICTIONAL MBE/WBE PROGRAM ANALYSIS

I. INTRODUCTION: THE PURPOSE AND APPROACH OF THE MULTI-JURISDICTIONAL ANALYSIS

As part of the evaluation of the State of Indiana's minority and women-owned business enterprise program, this chapter compares the State of Indiana's Minority Business Development (MBD) Program with the minority and women-owned business enterprise (MBE/WBE) programs of several other states. The purpose of this analysis is to identify the performance standards and best management practices that have been established by MBE/WBE programs in other jurisdictions to serve as a guide for future State of Indiana program efforts.

Through a comparative examination of a number of other MBE/WBE programs' components, this chapter evaluates the comparative strengths and weaknesses of the State of Indiana MBD Program. Program components under examination include policy, organizational structure, bidding and contracting procedures. Race-neutral program elements such as small business enterprise programs and technical, bonding, and financial assistance; and race-conscious program elements such as goals, preferences, set-asides, and sheltered markets are also examined. It is the goal of this analysis to identify the most critical issues of MBE/WBE program design, implementation, monitoring, and legal defensibility and to outline some preliminary considerations for improved State of Indiana MBD Program effectiveness.

A. Comparative Methodology

Mason Tillman Associates' evaluative approach to this comparison is primarily qualitative. It involves a review of the State of Indiana's MBD Program and the MBE/WBE programs of the states of Maryland, Minnesota, Wisconsin, and Illinois. These jurisdictions were selected because, along with Indiana, all participate in the regional MBE/WBE certification program and they are located in the eastern and mid-western region of the United States.[1] In addition, as State governments they are administratively more similar to the State of Indiana than are other local government entities.

Program descriptions and other relevant data were collected from the State of Indiana and the other four states. Personnel from each state agency were interviewed regarding their perceptions of the successful elements of their programs. The various jurisdictions were then compared according to numerous MBE/WBE program variables, the selection of which is described below. Descriptive benchmarks or performance standards and best management practices, also described below, were identified for these variables, either by the states or from other jurisdictional and federal reports. Similarities and differences in the design and implementation of these variables by the individual states were analyzed. The MBE/WBE program elements or best management practices that appear to be working most effectively in other jurisdictions were then presented as preliminary considerations for the State of Indiana.

B. Sources and Applications of Benchmarks and Best Practices

One of the primary governing principles of effective public and private program administration is benchmarking, a systematic process of continuously comparing an institution's practices against those of the leaders or other prominent organizations in its field. Benchmarks are the standards, goals, criteria, or measures of success that are applied to the evaluation of programs. Best practices are program components that allow the organization to reach these benchmarks. By identifying the MBE/WBE program components that have been successfully applied by other institutions, the State of Indiana will gain information that will help it take action to improve its performance and at the same time avoid establishing arbitrary performance expectations and priorities. The specific, formal, structured practice of benchmarking gives the State a realistic baseline from which to further develop its program.

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[1]An attempt was made to include the State of Ohio in the overall comparative analysis because it is also in the regional certification program. However, documents and discussions with State officials did not provide sufficient details. The few facts gleaned from those sources are included.

A primary source for benchmarking public agency MBE/WBE programs is the U.S. Commission on Minority Business Development, which was created by Congress through Public Law 100-656 in 1988. It was charged with the responsibility to "review and conduct an assessment of the operations of all federal programs intended to promote and foster the development of minority-owned businesses to ascertain whether the purposes and objectives of such programs are being realized."[2] In its 1992 *Final Report* on such issues related to historically underutilized businesses as job creation, education and training, entrepreneurship, global competitiveness, neighborhood revitalization, and an increased gross national product, the Commission proposed several measures of success for MBE/WBE programs, against which it was anticipated that the federal government would guide its future actions.

Additional benchmarks and best management practices have been derived from the analyses of numerous other individual institutions. The five jurisdictions surveyed in this report provided many benchmarks and best management practices, as did Mason Tillman Associates' previous analyses of the MBE/WBE programs of the States of Missouri, Washington, Minnesota, Oregon, and North Carolina, and 43 other cities, counties and special districts nationwide.

In analyzing the strengths and weaknesses of the five state programs to which Indiana's is compared in this report, it became evident that some practices are so widely used that their absence indicates a program weakness, while other practices were unique and suggested a new standard for state MBE/WBE programs. For example, common sense suggests that a jurisdiction that requires all of its subordinate agencies to make a good faith effort to utilize MBE/WBEs has a stronger program than a jurisdiction that applies this requirement only to selected agencies – unless by concentrating its resources on selected agencies that do a large volume of contracting, the jurisdiction actually produces greater opportunities for MBE/WBEs. The benchmarks and best management practices included in this analysis are largely derived from this kind of case-by-case comparison of the jurisdictions surveyed.

C. Selection of Evaluative Components and Report Organization

The U.S. Commission on Minority Business Development's *Final Report*, published disparity and other evaluative studies, and the MBE/WBE program descriptions provided by the selected jurisdictions were all considered in selecting appropriate program variables for evaluation. A summary of each state's overall MBE/WBE program description, along with the state's overall procurement practices, is provided in the first section of this report.

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[2]United States Commission on Minority Business Development, *Final Report*, US Government Printing Office, 1992, p. 1, citing Public Law 100-656. The Commission's overall "measures of success" appear on pp. 18-19.

The subsequent sections each provide a comparative analysis of a specific program component. These component-specific presentations are generally introduced with benchmarks and best management practices relevant to the variable under evaluation. Descriptions of how that variable is approached by the various states is then provided and this chapter concludes with a comparative analysis and the resulting preliminary recommendations for the State of Indiana.

The evaluative components that were selected for this study include:

- MBE/WBE policy and the level of government at which the policy is enacted and implemented;
- the basis of that policy in disparity studies or other efforts to identify barriers to MBE/WBE participation;
- the resulting program structure and organization;
- program implementation procedures, including prime contractor good faith effort requirements, MBE/WBE and prime contractor outreach, and enforcement practices such as staff training/incentives, complaint resolution, and MBE/WBE program monitoring and reporting requirements;
- race/gender-neutral program elements such as technical assistance, bonding and insurance assistance, financial assistance, and other measures (which can also be targeted race/gender-specifically);
- MBE/WBE goals; and
- other race/gender-conscious measures, such as bid preferences, set-asides, and sheltered markets (which can likewise, if geared to small businesses, be race/gender-neutral).

The report concludes with highlights of overall comparative program effectiveness and recommends benchmarks and best practices that the State of Indiana can adopt to derive the greatest overall improvement of its MBD Program. Particular attention is given to how the State of Indiana can best measure up to the benchmarks identified by the U. S. Commission on Minority Business Development and implement the MBE/WBE management practices employed most successfully by the comparative states.

II. COMPARATIVE PROCUREMENT AND MBE/WBE PROGRAM OVERVIEWS

This section of the chapter provides a state-by-state overview of comparative general procurement and MBE/WBE programs examining the administrative level at which general and MBE/WBE procurement regulations are stipulated. Additional attention is paid to the overall state composition as it sheds light on the state's particular needs relative to MBE/WBEs, such as the proportion of various minority populations compared to the proportion of minority businesses. Table 2.02, p.18, compares jurisdictions according to several general characteristics, including population, minority proportions, and minority business variables, while Table 2.03, p.22, compares jurisdictions according to contracting categories.

A. General MBE/WBE Program Benchmarks

- MBE/WBE programs should have a legal foundation in an ordinance or statute. Legislation, enabling regulations, or executive orders should detail steps for increasing MBE/WBE utilization. In addition, race-conscious programs should be able to survive legal scrutiny, both complying with federal executive orders and other obligations requiring MBE/WBE programs, and meeting constitutional and other tests limiting MBE/WBE programs.

- The jurisdiction should designate a central authority for developing, implementing, and monitoring MBE/WBE goals and other programs in all agencies.

- The jurisdiction should clearly state its policy of promoting MBE/WBE utilization.

B. Best Management Practices

- Establish a mission statement or policy statement.

- Conduct a disparity study to validate race-conscious programs.

- Establish a statutory requirement of MBE/WBE programs for all state agencies.

- Enforce regulations or executive orders to specify the practices necessary to implement MBE/WBE programs.

C. State of Indiana General Procurement and MBE/WBE Program

1. Indiana General Procurement Procedures

The Procurement Division, Indiana Department of Administration (IDOA), does the purchasing for most state agencies in keeping with the State Procurement Code. According to the 1995 IDOA *Procurement Manual*, the General Assembly had determined years earlier that a centralized procurement system accountable to the state Legislature was necessary. Sealed competitive bidding is the most common method utilized for procurements over $25,000. Contracts are awarded to the lowest responsible and responsive bidder. From the time that a requisition is submitted by an agency to the IDOA, only the Procurement Division may have contact with potential bidders, and violations of this stipulation can result in the cancellation of an agency request.

For professional, technical, scientific, artistic, or other personal services over $25,000, the obligation of IDOA "to publicize the availability of contracting opportunities" and "to solicit directly those vendors from whom proposals are expected" is covered under "Broad Agency Announcements" (BAAs). This procedures involves mailing a BAA which is a request for proposal to potential vendors, posting copies on the bid board of the Indiana Government Center, and advertising. In accordance with IC 5-3-1-2, bid notices shall be published two times at least one week apart with the second publication made at least seven days before the bids will be received. All BAAs are advertised in the *Indianapolis Star* and the *Indianapolis Recorder* newspapers one time each. BAAs may also be advertised in other newspapers if deemed advisable by the Indiana Department of Administration. BAAs are provided in their entirety for downloading from the procurement page of the State of Indiana's web site. Each BAA includes an "Equal Opportunity Commitment" declaration.

Requests for Proposals are also used as a formal procurement process for complex and/or costly procurements. It is advertised for two weeks and mailed to any vendors suggested by the requesting agency as well as vendors registered with the Procurement Division and consequently, on the vendor list, and is posted on the reception bulletin board.

For procurements in the amounts of $25,000 or less, small purchase procedures are used, as set forth in *Streamlining the Procurement Process/A Training and Guidance Manual for Purchases less than $25,000.* This manual stipulates that the agency is to make "every effort in good faith to solicit at least one ethnic minority vendor" and to "exhaust all available resources to locate one" and requires that vendors be rotated to allow more competition. In the event that the agency is unable to locate a minority vendor, it is referred to the Procurement Division or MBD.

Procurements of $5,000 or less are made using a minimum of three (in cases in which fewer are justified less than three) competitive quotations, including at least one ethnic minority

vendor, solicited by the requesting agency. Telephone quotations are acceptable and must be documented in writing, although solicitations can also be sought by using the RFQ form at the discretion of the agency.

Solicitations between $5,000 and $25,000 are made by the Procurement Division on the basis of specifications provided by the agency and using the RFQ form. The Procurement Agent is required to select at least three potential vendors, including one ethnic minority. If a minority vendor cannot be found, the Agent must attach justification to the file documenting the sources that were explored. The RFQ is mailed or faxed and sent to Minority Business for posting and posted on the reception area bulletin board.

There are additional procedures for the purchasing of food, quantity purchasing agreements, intergovernmental cooperative purchasing, sole source purchasing, and special procurements which are made without formal competitive bidding (often involving high-tech systems, printing, and emergency procurements). In implementing these procedures, there is an expectation that minority participation will be sought.

The bulk of the purchasing activity less than $5,000 is delegated to the agencies. Areas of opportunity identified in IDOA's Minority Business Development literature include professional services, supplies, construction, design, automobile services, and numerous others. According to the *Procurement Manual* "Minority Business" section, purchasing representatives are required to solicit qualified MBE vendors for Special Disbursing Officer (SDO) purchases (which is essentially the petty cash fund for State agencies), purchases of $5,000 or less where the agency obtains quotations, and professional or personal service contracts.

2. Indiana MBE/WBE Program

In 1983, the Governor's Commission on Minority Business Development was created, IC 4-13-16.5. It recognized the importance of Minority Business Enterprise (MBE) participation in state purchases. The mandate of the Commission was to explore and implement ways in which MBEs could more fully participate in the procurement system. The Commission was charged with the following responsibilities:

- Identify the State's minority businesses
- Evaluate the needs of the State's minority businesses
- Create programs that help minority businesses gain contracts with the State
- Publicize State procurement opportunities
- Ensure that minority businesses are included in bid solicitation lists

- Assure the Department of Administration's compliance with State and federal legislation regarding contract awards to minority businesses

- Set a goal awarding 5 percent of state contracts to minority businesses

- Submit a semiannual report to the governor and the legislative council evaluating the Commission's progress

- Evaluate the purchasing needs of the State agencies to gain and understanding of what is procured.

The goals of the Commission and the duties of the Deputy Commissioner are spelled out in PL 34-1983. They include initiating "aggressive" programs to assist MBEs in obtaining State contracts and ensuring that all State agencies comply with both state and federal laws and policies (PL 34-1983, Sec. 2(f)(3,6)). In 1993, House Enrolled Act 1377 expanded the Commission's Deputy Commissioner's duties to include certification of MBEs. It also required that State agencies submit reports to the Commission on their planned and actual utilization of MBEs.

The Minority Business Development Division (MBD) of the Indiana Department of Administration (IDOA) describes itself as a multi-purpose service agency for all disadvantaged (DBE), minority (MBE), and women (WBE) business enterprise vendors and contractors. The MBD is headed by a Deputy Commissioner, whose responsibility is to implement the goals set forth in PL 34-1983. MBD works primarily with the Procurement Division of IDOA, which does the purchasing for most State agencies. MBE requirements apply to contracts over $100,000, or to smaller contracts if the MBD Deputy Commissioner decides that there is a reasonable expectation of minority business participation (25 IAC 2-20). MBD provides certification and contracting opportunities and helps identify or provide information on resources for management and technical assistance, training, networking, and other opportunities.

The MBD is a certification clearinghouse for all State agencies, including the Indiana Department of Transportation's Federal Highway Program, the Hoosier Lottery, the Indiana Gaming Commission, and the State Office Building Commission. In addition, the State of Indiana participates in a regional certification process, of which the other participating states are Illinois, Michigan, Minnesota, Ohio, and Wisconsin. Information required for certification concerns the basics of the financial infrastructure, including financial information, lease agreements, and information about the parties who manage and control the firm.

In addition to the MBD Program, the Disadvantaged Business Enterprise (DBE) Program of the Indiana Department of Transportation (InDOT) provides opportunities for Indiana's

DBEs/MBE/WBEs to develop their capacity in accordance with the U.S. Department of Transportation, Disadvantaged Business Enterprise (DBE) legislation. The InDOT program may include a DBE set-aside program, which is authorized by statute, and a Mentor/Protégé Program, which is described in the state's MBD/DBE literature.

The Indiana Department of Commerce also provides minority and women-owned business assistance. The Department of Commerce coordinates two programs, the Lynx Capital Corporation and the Women and Minorities in Business Group (WMBG). The Lynx Capital Corporation is a privately owned firm providing subordinated debt to minority businesses in Marion and surrounding counties. Minority firms with five or more employees are eligible. The WMBG counsels emerging and mature minority businesses at no cost. Services include: workshops and seminars, direct counseling, referrals and the administration of the Minority Outreach Executive (MORE) Program.

The State of Indiana has established a 5 percent minority participation goal for purchases of goods and services, and InDOT has set a 10 percent minority participation goal on federal contracts.

D. State of Maryland General Procurement and MBE/WBE Program

1. Maryland General Procurement Procedures

The ten largest agencies, accounting for 90 percent of the state's procurement, are required, in most cases, to open projects over $10,000 to competitive bid. Competitive sealed bidding is the method by which construction contracts are to be awarded; for a bid to be considered responsive, the bidder must meet the MBE requirement or document good faith efforts. All bid solicitations issued by MDOT for construction contracts over $100,000 and by the five other designated agencies for construction contracts over $50,000 must include a minority participation goal expressed as a percentage of the total dollar amount of the contract. State agencies publish their Invitations for Bids in the *Maryland Contractor* and the *Maryland Register*. For construction, maintenance, and service projects over $25,000, contracts are advertised in a local newspaper serving the project area. Smaller bids can be obtained informally. Notice may be oral, published, or on a bid board if $10,000 or less.

Maryland's procurement is relatively decentralized. For instance, although the Department of General Services (DGS) procures architectural and engineering services for most agencies, the Department of Transportation (DOT) and the Department of Public Safety may procure their own. DGS awards most commodities contracts, although contracting authority under $1,000 is delegated to individual agencies.

2. Maryland MBE/WBE Program

Maryland's MBE/WBE program was established by statute, Article 41 of the Annotated Code of Maryland, which was passed by the General Assembly as Maryland's first Minority Enterprise (MBE) law. The 1979 law mandated that 10 percent of the dollar value of purchases and contracts procured for five Maryland state agencies (the University of Maryland, the Department of General Services, the Maryland Department of Transportation [MDOT], the Food Center Authority, and the Interagency Committee for Public School Construction) be awarded to MBE prime contractors or subcontractors. In 1995, the MBE participation goal was increased to 14 percent. Other state agencies are not required to meet the goal. However, the law mandates that these agencies design their procurement procedures so a fair share of the contracts are awarded to MBEs.

The MDOT Office of Minority Business Enterprise and Equal Opportunity has the mission of supporting, promoting, and ensuring equitable and fair treatment for all persons including Minority Disadvantaged Business Owners. MDOT also has an MBE Advisory Committee.

At the same time, the Governor's Office of Minority Affairs (OMA) coordinates programs that promote MBE/WBEs and works with state agencies to plan and implement projects to overcome barriers to MBE/WBE utilization. Some outreach programs are managed by the OMA, and certification is handled by MDOT. These are the only activities that are managed in a centralized manner.

Each agency has a MBE Liaison Officer, who is responsible for, among other duties, ensuring that the agency is complying with MBE law, submitting MBE utilization reports to the Governor's OMA, organizing outreach activities, and resolving complaints that relate to the MBE program. The OMA meets regularly with designated procurement officers. MDOT administers the MBE/WBE program for all state agencies, while the DGS coordinates a small business preference program. DGS, the University of Maryland, and the Department of Public Safety each has a solicitation list of MBE/WBEs.

E. State of Minnesota General Procurement and MBE/WBE Program

1. Minnesota General Procurement Procedures

The Materials Management Division (MMD) of the Department of Administration provides procurement services for state agencies to meet their needs for construction, commodities, nonprofessional services, and professional services. The procurement practices of all state agencies, unless exempted by law, are governed by statute. The Commissioner of Administration promulgated the rules. Highway construction projects are exempt and subject to separate statutory provisions. Federally funded highway projects are subject to federal regulations.

Individual state agencies may make purchases within certain limitations. The limitation until 1996 was $1,500. There after it was increased to $5,000. Now some agency personnel can be certified with purchasing authority up to $15,000.

Expenditures below $15,000 may be made either upon competitive bids or in the open market, at the discretion of the Commissioner of Administration. The statute requires that, when practicable, at least three competitive bids be obtained. The practice of state agencies during the study period (1995-1997) was to solicit by telephone one quote, from a Targeted Group/ Economically Disadvantaged Company (TG/ED) (see below) if available, for all purchases under $500; for purchases from $500 to $1,500, two quotes, at least one of which is from a TG/ED if available; for purchases from $1,500 to $5,000, three written bids, with as many from TG/ED as possible; and for purchases from $5,000 to $15,000, MMD handled the purchase and required three solicitations and as many from TG/ED as possible.

Minnesota Stat.16B.07 requires that if an expenditure is to exceed $15,000, sealed bids or requests for proposals must be solicited by;

1) public notice at least once in a newspaper or trade journal and the State Register,

2) posting on a bulletin board in the commissioner's office and,

3) noticing, by mail, prospective bidders known by the Commissioner of Administration or delegate.

MMD maintains a list of bidders by commodity class and provides the appropriate registered bidders an invitation to bid. The contract is awarded to the lowest responsible bidder.

The Commissioner of Administration has delegated authority to the Department of Natural Resources to conduct construction procurements with individual agencies procuring contracts up to $15,000 following the guidelines above, although the actual projects are conducted under the authority of either MMD or the Division of State Building Construction. Statute requires that construction projects exceeding $15,000 be by formal solicitation for sealed bids or requests for proposals, which must be posted at the office of the MMD, advertised in the State Register and on MMD's voice/fax system, as well as posted on MMD's website. Requests for subcontractor proposals are posted separately when the total construction cost is above $100,000 and mechanical/electrical work is expected to be $15,000 or more. These opportunities are posted in the MMD, several construction publications, and on the MMD voice/fax system.

Professional/technical services agreements under $500 may be outlined in an annual plan drafted by a state agency and approved by the Department of Administration. Contracted services under $5,000 can be procured directly by the state agency, with external review by

the attorney general and the Department of Administration. For contracts over $5,000, agencies must include a detailed certification/contract negotiation form explaining how the public will be notified of the opportunity and a list of vendors who will receive the RFP.

Any contract exceeding $100,000 for which the contractor has more than 40 employees must be accompanied by an affirmative action plan. MnDOT construction contracts exceeding $75,000 must be advertised for competitive bid in a periodical of general circulation, and plans and specifications must be on file in the Commissioner's office.

2. Minnesota MBE/WBE Program

The State of Minnesota enacted in 1975 a minority business set-aside program which grew to include preferences and subcontracting goals for MBE/WBEs and disadvantaged business enterprises (DBEs). In 1989, in response to two challenges, that program was suspended. Thereafter a program for economically disadvantaged small businesses was enacted and a disparity study was commissioned. In 1990, the Legislature found sufficient justification for a Targeted Group and Economically Disadvantaged (TG/ED) Program, which has been in effect since July 1990. Targeted groups include women, substantially physically disabled, and specific minorities, and the purpose of targeting them is to "remedy the effects of past discrimination against members of targeted groups." Economically disadvantaged are small businesses in economically disadvantaged areas.

MMD is responsible for administering the TG/ED vendor program. The Commissioner of Administration is authorized to utilize TG set-asides if it determined that three TG firms are likely to bid. The Commissioner may also award up to a 6 percent TG bid preference or a 4 percent ED bid preference. The Commissioner may also set goals requiring prime contractors to subcontract a portion of any contract for construction, consulting, or professional/technical services to TG small businesses. A panel of individuals within MMD determines whether to establish specific set-asides, preferences, and subcontracting goals on particular projects.

MnDOT's small business program, set forth in statute, includes set-asides, subcontracting goals, and up to a 6 percent bid preference for TG firms. MnDOT's DBE Program additionally involves the setting of subcontracting goals on projects exceeding $300,000. The amount of the goal is to be determined by the Deputy Director of the Office of EEO Contract Management.

F. State of Wisconsin General Procurement and MBE/WBE Program

1. Wisconsin General Procurement Procedures

State laws place authority and responsibility for all state purchases in the Department of Administration, State Bureau of Procurement. The State's VendorNet System sets forth bidding and contracting procedures. The standard form of procurement is through competitive bidding, the lowest responsible bidder being awarded the contract.

Purchases of $1,500 or less are made directly by the purchasing agent; purchases between $1,500 and $25,000 are made through telephone, fax, verbal quotes; purchases over $25,000 involve a formal competitive bid and are advertised in the *Wisconsin State Journal* and posted on the Internet.

For contracts over $25,000, the contractor is required to submit a written affirmative action plan designed to achieve a balanced work force, although contractors with fewer than 25 employees are exempt from this requirement. The plan must contain at minimum a policy statement, work force analysis, program goals, an internal monitoring system, and dissemination of the plan. All solicitations for bids are advertised in the *Western Builder*.

2. Wisconsin DBE Program

The State of Wisconsin Disadvantaged Business Enterprise (DBE) Program was begun in 1980 to increase the participation of minority and women-owned businesses in all federally aided and state highway contracts. The federal Surface Transportation Assistance Act of 1982 49 CFR, Part 23 as amended established a national goal of at least 10 percent of federal highway and transit funds as disadvantaged business enterprises.

The DBE Program consists of DBE certification, outreach, recognition, demonstration DBE projects, direct loan programs, on the job training, DBE technical training and seminars, graduation from programs, and annual and per project DBE goals.

G. State of Illinois General Procurement and MBE/WBE Program

1. Illinois General Procurement Procedures

Title 44 Government Contracts, Procurement and Property Management sets forth the state's procurement rules and the regulations of the Department of Central Management Services. The State Purchasing Officer (SPO) appointed by the Chief Procurement Officer (CPO) conducts all procurements, but the state's central procurement authority resides in the CPO for all supplies exceeding $10,000.

Competitive sealed bidding is the required method of source selection for procurements of supplies or services exceeding $10,000, for professional services exceeding $20,000, and for construction projects exceeding $30,000. Every procurement for supplies and services in excess of $10,000 is publicized in the *Illinois Procurement Bulletin*, which is updated monthly and is accessed by subscription. Invitations to Bid are mailed to a "sufficient number of bidders for the purpose of securing competition," and the contract is awarded to the lowest responsive bidder unless it is in the state's best interest to award the contract to a higher bidder. Multi-step sealed bidding, with a technical phase and a priced phase, is used for contracts requiring specific and possibly diverse technical offers. Competitive sealed proposals can be used for certain categories of procurements, including consulting services.

For procurements under $10,000 generally, under $20,000 for professional and artistic services, and under $30,000 for construction, Small Purchases procedures are applied, using the method of selection determined by the Procurement Officer. Other procedures govern Sole Economically Feasible Source, Emergency, Split Award, Multiple Award, Master Contract, Auction, and other procurements.

The CPO is required to maintain a list of vendors doing business with the State. This list is used for direct solicitation and Invitation to Bid mailings. Vendors are given the opportunity to prequalify at least once per fiscal year, and except in the case of professional and artistic services, distribution of solicitations may be limited to prequalified vendors.

Under the provisions of the MFBE Act, each state agency or university is required to notify the Council of proposed contracts for professional and artistic services either through direct written communication or through advertisement in the official state newspaper, except in the case of agencies or universities that have awarded such contracts to MBE/WBEs totaling $5 million during the preceding fiscal year.

2. Illinois MBE/WBE Program

The Illinois Business Enterprise Program (BEP) for Minorities, Females, and Persons with Disabilities, established in 1982, promotes economic development of these businesses. The BEP established a 10-member Business Enterprise Council for Minorities, Females, and Persons with Disabilities to oversee the Program. The 1989 Act vests the Council with the authority and responsibility to devise a certification procedure, maintain a list of bona fide MBE/WBEs, review rules and regulations for the implementation of the program, review compliance, make annual reports to the Governor and General Assembly, serve as a clearinghouse for state contracting information, and establish a toll free information number.

Administered by the Illinois Department of Central Management Services (CMS), BEP set the goal of allocating at least 12 percent of the purchasing contracts of 62 state agencies and nine state universities to qualifying businesses. BEP also set a 10 percent MBE/WBE goal

in state construction contracts. BEP offers eligible businesses certification, information on state contracts, counseling on the state procurement process and on becoming a certified vendor, and workshops on how to gain access to state contracts.

BEP legislation places a cap of $14 million in annual gross sales on businesses eligible for the program. (30 ILCS 575/.01). The Minority and Female Business Enterprise Act, enacted the in 1989 and expiring in August 1999, reaffirms BEP minimum goals of 12 percent and sets forth additional BEP requirements.

The state is currently adapting to an internal audit.

H. Comparative Analysis of General Procurement and MBE/WBE Program

States are compared in Table 2.01, p.18. Indiana has both a statute and implementing regulations. The Deputy Commissioner is a statutory position in the Department of Administration (IC 4-13-16.5, Sec. 3(a). All other jurisdictions, such as Maryland and Minnesota, also use a combination of statutes, executive orders, and implementing regulations. By setting out overall policies by statute and detailing steps for implementation in regulations, Indiana has ensured a legal foundation while providing flexibility for implementation. Indiana's statute can be considered a best practice because all subordinate agencies are given clear directions on how to carry out the policy of the jurisdiction.

Another strength of Indiana's program is that both general procurement authority and the Minority Business Development Program are centralized, with the exception of a number of State Commissioners which conduct minimal contracting. Indiana's structure is even stronger because the Minority Business Development Division works closely with the Procurement Division and both the Procurement Division and the Minority Business Development division are part of the same agency, the IDOA, as is the case in the Minnesota TG/ED Program, which is administered by the Materials Management Division.

It is easier to have a centralized MBE/WBE program when procurement is centralized. In Indiana's case, the IDOA's Procurement Division handles procurement for most state agencies, compared to Maryland, where procurement authority is spread across various agencies. If procurement authority is centralized, MBE/WBE program officials can communicate MBE/WBE requirements through a single manager, who can then be held accountable for ensuring that his or her staff complies with MBE/WBE requirements. In addition, Indiana's MBE/WBE program is centralized under an agency, the Minority Business Development division, whose staff is dedicated to increasing MBE/WBE utilization. Because Indiana's MBD staff works mostly with Procurement Division staff, Indiana has an efficient arrangement whereby the centralized MBE/WBE program works directly with the centralized procurement authority.

Indiana also has articulated a mission statement, which is a good practice because it clarifies the jurisdiction's intention to increase MBE/WBE utilization. Indiana's regulations state a policy "to actively promote, monitor and enforce its MBE program to ensure" that minorities are not subject to discrimination, that contracts are not awarded based on discriminatory conduct, and that the state meets or exceeds its MBE goal in purchases and contracts (25 IAC 2-20). Indiana's MBD Commission has also articulated a policy statement: the mandate of the Commission is to explore and implement more ways MBEs may fully participate in the procurement system. It has also mandated by statute a 5 percent goal that the MBD prepare annual reports of MBE progress, that state agencies submit to the Commission annual MBE utilization reports, and that the Commission maintains MBE solicitation lists.

It is in this last category on the use of MBE solicitation lists, however, and in Indiana's implementing requirements for MBE solicitation generally, that greater attention should be focused. While MBD requirements apply primarily to contracts over $100,000 (or, essentially, to subcontracting opportunities) and although the *Procurement Manual* requires that MBEs be solicited for professional services (BAAs) and solicitations under $25,000 be sent to at least one ethnic minority vendor, how and where construction contracts over $25,000 are advertised and solicited is not specified in the *Procurement Manual*, nor are MBE solicitation requirements for BAAs and RFPs. Public works and construction contracts are handled by the Public Works Division.

The MBD Commission is required by statute to maintain a list of certified MBEs, and if minority vendors cannot be located for solicitations under $25,000, documentation must be provided. Neither the *Procurement Manual* nor the *Streamlining* manual for purchases under $25,000 makes reference to the use of minority vendor lists. Minority goals are specified in BAAs and RFPs. However, it is not clear if direct solicitation efforts are made to engage minority vendors in the areas for which their involvement has been targeted: professional services, design, supplies, construction, automobile services, and small purchases. Construction and Public Works contracts are handled by the Public Works Division, and therefore are subject to different provisions.

For large purchases, Maryland's solicitation procedures for projects over $100,000 or $50,000 for construction is a model practice requiring: a that minority participation goals be expressed as a percentage of the total dollar amount; and b) advertising the opportunity in specific publications. Minnesota's requirement that for professional service contracts over $25,000, the agency submit a detailed plan of how the public will be notified and that bids for contracts exceeding $100,000 be accompanied by an affirmative action plan may also be considered as best practices. While Indiana's good faith requirement (see section V) binds prime contractors to provide evidence in each bid over $100,000 of how the 5 percent goal will be attained, the state does not require that prime contractors pursue particular methods of soliciting MBEs.

Although Maryland's procurement procedures are generally decentralized, individual agencies do use lists of MBE/WBEs (according to the disparity study) relying on MDOT and the Office of Minority Affairs to notify MBE/WBEs: this practice is also used by the State of Minnesota for purchases over $15,000 and the State of Illinois for purchases over $10,000, for which vendors can apply annually to prequalify.

Table 2.01 Comparative State Characteristics

STATE CHARACTERISTICS	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Number of counties	92	102	24	87	72
Total population*	5.5 million	11.4 million	4.7 million	4.4 million	4.9 million
Total minority Percent minority	568,497 10.3%	2,905,866 25.4%	1,467,692 31.2%	276,623 6.2%	430,703 8.9%
Distribution of minority population	African American 7.8% Hispanic American 1.8% Native American / Asian American 0.9%	African American 14.8% Hispanic American 7.9% Native American/ Asian American 2.7%	African American 24.9% Hispanic American 2.6% Native American / Asian American 3.2%	African American (2.2%) Hispanic American (1.2%) Native American / Asian American (2.9%)	African American 244,539 (5.0%) Hispanic American 93,194 (1.9%) Native/Asian American 92,970 (1.9%)
Total firms	364,523	726,974	328,403	358,921	300,348
Total minority firms	13,865	67,603	55,587	7,449	7.619
Percent minority	3.81%	9.3%	16.93%	2.1%	2.54%
Number and distribution of minority businesses	African American 8,349 (2.9%) Hispanic American 3,193 (0.88%) Native American / Asian American 2,454 (0.7%)	African American 28,433 (3.9%) Hispanic American 21,743 (3.0%) Native American / Asian American 18,368 (2.5%)	African American 35,758 (10.9%) Hispanic American 13,697 (4.2%) Native American / Asian American 7,289 (2.2%)	African American 2,785 (0.8%) Hispanic American 3,168 (0.9%) Native American / Asian American 1,583 (0.4%)	African American 3,446 (1.1%) Hispanic American 2,486 (0.8%) Native American / Asian American 1,762 (0.6%)

* Based on the 1990 U.S. Population Census
** Based on the 1992 U.S. Census Bureau Business Commerce Census

The notification and advertisement requirements of smaller contracts in Minnesota are more carefully specified, requiring that purchases over $15,000 be solicited through specific advertisements, mailing to bidders lists, and posting on a website and voice/fax system, while Maryland and Illinois leave small purchases largely to the discretion of the purchaser.

It may be considered best practices for InDOT's DBE Set-Aside and Mentor/Protégé Program, which is applied in the construction industry, to be expanded to include professional services, design, and supplies.

In broader context, the type and intensity of MBE/WBE practices may be dependent upon the size of the MBE/WBE business population. As indicated in Table 2.01, Indiana's population is 5.5 million, slighter larger than that of Maryland, Minnesota, and Wisconsin, although Illinois is by far the largest, with a population of 11.4 million. Pre-program (1990-1992 Census) data suggests a total minority population in Indiana of 10.3 percent, while the percentage of minority-owned firms is 3.81 percent (availability figures for the study period currently being calculated), and the 1994-1996 Indiana MBE/WBE programs targeted 5 percent. At the same time, Maryland's minority population is 31.2 percent of the total, 16.93 percent of the firms are minority-owned, and the state established 14 percent goals.

As indicated in Table 2.01, on p.18, the total minority populations of these jurisdictions vary from 2.9 million in Illinois and 1.4 million in Maryland to 276,623 in Minnesota. Indiana and Wisconsin have relatively small minority populations, both in total numbers and in percentages of the total state populations.

Croson, however states that the count of businesses in the area, and not general population distributions is what is important. There were 364,523 firms in Indiana, of which 13,865 were minority-owned, according to the 1992 census. The total number of firms is similar in Maryland, Minnesota, and Wisconsin. However, in part because of larger minority populations in Illinois and Maryland, minority firms account for a larger percentage of those state's total businesses, at 9.3 and 16.93 percent, respectively, while Indiana's minority businesses constitute only 3.81 percent of the state's businesses.

While the proportion of available minority-owned firms to utilized minority-owned firms is essential in the statistical analysis of the disparity study, the proportion of minority-owned firms compared to the proportion of minorities in the general population can be used as one of several factors in determining the need for minority business development and outreach within the state, or the need for enhancing programs to meet, for instance, the U.S. Commission on Minority Business Development benchmarks both of promoting economic development, job reaction, and tax base and of increasing MBE/WBE participation in fields where their market share does not match their population share. The table reveals that while minorities constitute 10.3 percent of Indiana's total population, they represent only 3.81 percent of the state's firms. Compare this to the 31.2 percent minority population and 16.93 percent minority-owned firms in Maryland.

The distribution by ethnicity of minorities both as a proportion of the population and as business owners presents a roughly similar picture in each jurisdiction. As shown in Table 2.01, in all of the states surveyed, African Americans are the largest minority group generally and of minority business owners, followed by Hispanic Americans as the second largest group, with Asian Americans and Native Americans being the smallest proportion. That the percentages of specific minorities varies significantly also suggests that MBE/WBE programs require ethnicity-specific targets to be considered narrowly tailored in Indiana as well as the other states surveyed.

III. COMPARATIVE EFFORTS TO IDENTIFY AND REMOVE BARRIERS TO MBE/WBE PARTICIPATION

This section explores the specific documented efforts, particularly in the form of disparity studies, that have been undertaken by each state to identify barriers to MBE/WBE participation in state contracting opportunities and the state's resulting, articulated MBE/WBE mission statement, policy, and regulations. It also explores the existence of anti-discrimination provisions, clauses, or statutes. Table 2.02, p.22, compares the states' policies and procedures.

A. State of Indiana Efforts to Identify Barriers

Indiana Code 4-13-16.5, Sec. 2(f)(2) states that the duties of the Minority Business Development Commission include assessing the needs of minority businesses. In 1998, the State of Indiana commissioned Mason Tillman Associates to perform a disparity study to identify the barriers to minority participation in contracting opportunities in the state's market area and to establish a factual basis for narrowly tailored remedies. That study will: include an anecdotal analysis which surveys minority business owners regarding the obstacles they have encountered in doing business both with the state and in the state's market area; digest documentary evidence of barriers in that market area; identify the availability of minority-owned firms in that market area; statistically analyze the disparity between minority-owned business availability and minority-owned business utilization by the state; and will examine the state's current general and MBE/WBE procurement practices. That study is presently underway and will result in recommendations for removing existing, specific barriers by improving and refining the state's general procurement procedures and MBD program components.

According to the InDOT DBE Program description provided by the agency, the policy statement states, in part, that InDOT, "endorses to protect the civil rights of each citizen, InDOT will not allow any person or business to be excluded from participation in, denied

the benefits of, or otherwise be discriminated against in connection with the award and performance of any contract...A DBE Liaison Officer shall be appointed to implement and administer the DBE Program...All highway personnel share this responsibility and are held accountable for improving the status of minority and female-owned and operated businesses...It is also the policy of InDOT that all parties to contracts with the department shall abide by this policy."

All state contracts include nondiscrimination provisions, which prohibit employment discrimination on the part of vendors or their agents.

B. State of Maryland Efforts to Identify Barriers

Article 41 of the Annotated Code of Maryland emerged in 1979 from the Assembly's finding that minority-owned businesses in the state had experienced past discrimination in state contracting. This discrimination was believed to have had detrimental effects on the development and expansion of such businesses. Maryland's disparity study, completed in 1995, determined both the actual market availability of MBE/WBEs and their potential availability, taking into account population and other factors. Potential availability reflects what market availability might be in the absence of discrimination. While Maryland's goal is 14 percent MBE/WBE utilization, the actual availability of MBEs ranges from 13 percent in commodities to 28 percent in other services; the potential availability is higher. The disparity study report suggests that Maryland could set its goals somewhere between actual and potential availability.

C. State of Minnesota Efforts to Identify Barriers

In 1989, two weeks after the U.S. Supreme Court decision in *Michigan Road Builders Assn., Inc. v. Milliken*, two construction contractors sued the state on constitutional grounds, and the MBE/WBE program that had been initiated in 1975 was suspended in settlement of that suit. That year, the Minnesota Legislature enacted a race/gender-neutral program for economically disadvantaged small businesses in Minnesota and mandated a disparity study and a legislative commission to provide reports to the 1990 Legislature. The 1990 Legislature found sufficient justification and enacted a new program for targeted groups and economically disadvantaged small businesses to "remedy the effects of past discrimination against members of targeted groups" (Minn. State 16B.19 subd.2a (1996)). In 1998, the State of Minnesota commissioned Mason Tillman Associates to perform a disparity study.

Table 2.02 Policies and Procedures

Type Policies and Procedures	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Implementing legislation, title, when adopted/amended?	State's Public Law 34-1983; Indiana Code 4-13-16.5; Gaming Commission rules and regulations; InDOT 49 CFR 23	30 ILCS 575/.01 1986 ILDOT 49 CFR 23	Article 41, Government 14F, Annotated Code of Maryland MDOT 49 CFR 23	Minn. Stat. §16B et. seq.; Minnesota Rules Chapter 1230 MnDOT 49 CFR 23	Wisconsin Act 390, 1983; Wisc. Stat. §16 and ADM 50, Wisconsin Administrative Code (Contract Compliance) WisDOT 49 CFR 23
Written reference materials?	Yes	Yes	Yes	Yes	MBE Office: No
Step-by-step procedures?	Yes	Yes	Depends on agencies	Yes	No
Procedures tied to policies? (e.g., clear reference data on each procedure)?	Yes	Yes	Agency specific	Yes	No
Checklists?	Yes	Yes	Yes	Yes	No
Samples of forms/contracts?	Yes	Yes	Yes	Yes	No

D. State of Wisconsin Efforts to Identify Barriers

While grounded in the federal Surface Transportation Assistance Act of 1982, the Wisconsin DOT DBE program predates that federal legislation and was established under the authority of (WisDOT) the Wisconsin Transportation Secretary in accordance with 49 CFR Part 23. The DBE program is defined by WisDOT policy "to support the fullest possible participation of firms owned and controlled by disadvantaged individuals in federal aid and state highway contracts....This includes assisting DBEs throughout the life of contracts in which they participate. The policy will be disseminated in subsequent agreements between WisDOT and contractors." The DBE Program literature includes an anti-discrimination declaration and a statement of policy to ensure full compliance with the Civil Rights Act of 1964. The DBE Demonstration Program was enacted by Wisconsin Statute in 1988.

All State of Wisconsin contracts with suppliers or contractors include non-discriminatory provisions, which essentially prohibit discrimination in employment by its contractors.

E. State of Illinois Efforts to Identify Barriers

The BEP Act established the BEP Program and the Business Enterprise Council in 1982. The amendatory Minority and Female Business Enterprise Act of 1989, which expires in August 1999, "declares that it is the public policy of the State to promote and encourage the continuing economic development of minority and female owned and operated businesses and that minority and female owned and operated businesses participate in the State's procurement process as both prime and subcontractors. The State of Illinois has observed that the goals established in this Act "have served to increase the participation of minority and female businesses in contracts awarded by the State" and that "the adoption of this amendatory Act of 1989 shall serve the State's continuing interest in promoting open access in the awarding of State contracts to disadvantaged small business enterprises victimized by discriminatory practices."

The Minority and Female Business Enterprise Act defines as follows the factual predicate of the program: "[A]fter reviewing evidence of the high level of attainment of the 10% minimum goals established under this Act, and, after considering evidence that minority and females' businesses, as established in 1982, constituted and continue to constitute more than 10% of the businesses operating in this State, the State declares that the continuation of such 10% minimum goals under this amendatory Act of 1989 is a narrowly tailored means of promoting open access and thus the further growth and development of minority and females businesses."

Illinois Title 44 contracts and procurement regulations require that every party to a public contract shall comply with the state's EEO/Affirmative Action policy, which requires that

the bidder refrain from unlawful discrimination, comply with the requirements of the Department of Human Rights, and have written sexual harassment policies.

F. Comparative Analysis of Efforts to Identify Barriers

As mentioned above, Indiana has also articulated a mission statement, which is a good practice because it clarifies the jurisdiction's intention to increase MBE/WBE utilization. Indiana's regulations state a policy "to actively promote, monitor and enforce its MBE program to ensure" that minorities are not subject to discrimination, that contracts are not awarded based on discriminatory conduct, and that the state meets or exceeds its MBE goal in purchases and contracts. (25 IAC 2-20). Indiana's MBD Commission has also articulated a policy statement: the mandate of the Commission is to explore and implement more ways MBEs may fully participate in the procurement system.

As noted in Table 2.02, p.22, Indiana, like most of the other states surveyed, has also articulated its policies and procedures in written reference materials and the provision of checklists and sample forms and contracts. Its *Procurement Manual*, prepared by the IDOA Procurement Division, and *Streamlining the Procurement Process/A Training and Guidance Manual for Purchases less than $25,000* present thorough procurement procedures and sample forms for state staff and appear to be more comprehensive that those provided by other jurisdictions. On the other hand, as mentioned above, while the MBD Commission is required to maintain lists of MBE vendors, few references are made to these lists in the procurement literature.

IV. COMPARATIVE MBE/WBE PROGRAM STRUCTURE

This section compares the staffing level and organization of the various state MBE/WBE programs. Additional considerations include the overall MBE/WBE program budget, as well as the ratio of MBE/WBE program staffing and funding to each state's total contracting expenditures and overall staffing cost and structure. Table 2.03, p.26, outlines the various states' MBE/WBE program organization.

A. Benchmarks

- Funding and staffing to implement programs, monitor compliance, and achieve goals.
- Attention to the computer technology available to the staff to enable them to handle more with less.

B. Best Practices

- Factors in determining an adequate staffing level could include: state population; minority percentage of state population; degree of variance between utilization, availability, and population; annual dollars the state spends on contracting or procurement; backlogs of applications, requests for information, grievances, and other workload considerations and cost/benefit ratios.

- The most straightforward analysis would compare (1) staffing of the MBE/WBE program and the MBE/WBE officials of procuring agencies, (2) funding for MBE/WBE programs, and (3) total contracting volume. [Items (2) and (3) were not readily available from most states for purposes of comparison.]

C. State of Indiana MBD and InDOT DBE Program Structure

The MBD Program consists of seven staff: Deputy Commissioner, Program Director, Administrative Assistant, two Certification Coordinators, Recertification Coordinator, Compliance Coordinator. InDOT funds two of the IDOA staff positions and these staff are responsible for InDOT's DBE certification program. InDOT is responsible for its own DBE program.

In addition, House Enrolled Act 1377 established a 14-member Minority Business Development Commission, which includes a Governor's designee, the InDOT commissioner, the director of the Department of Commerce, the commissioner of IDOA, six representatives of minority business and industry, two members of the House, and two of the Senate. The Act charged the Commission with: responsibility for identifying the needs of the minority business community, initiating aggressive programs to assist MBEs obtaining state contracts, giving special publicity to procurement, bidding, and qualifying procedures, assuring compliance, setting at least a 5 percent MBE goal, and other responsibilities, along with establishing the certifying, monitoring, and reporting roles of the Deputy Commissioner.

Table 2.03 Program Organization

Organizational Elements	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Name of program	Minority Business Development Program	Business Enterprise Program for Minorities, Females, and Person with Disabilities	MBE Program	Targeted Group/ Economically Disadvantage Vendor Program	Minority Business Enterprise Program
Geographical scope	Statewide	Statewide	Statewide	Statewide	Statewide
Board/Council	Minority Business Development Commission; 14 members.	Business Enterprise Council; 10 members	?	Small Business Procurement Advisory Council - responsible for review of reports, complaint/grievances (number?)	Council on Small Veteran and Minority Owned Businesses - receives quarterly reports from Dept. of Administration (number?)
Program manager office	Department of Administration, Office of the Commissioner – responsible for the day-to-day operation of the program.	Illinois Department of Central Management Services.	Each Agency has MBE liaison Office; MDOT identifies MBEs, Governor's Office of Minority Affairs (OMA) notifies MBEs	Department of Administration, Materials Management Division - responsible for day to day operation of program, Customer Assistance section	(1) Department of Administration, MBE office is program administrator / manager; (2) Department of Commerce handles certification; (3) Dept. of Administration, Bureau of Procurement, Office of Contract Compliance handles compliance

Table 2.03 Program Organization

Organizational Elements	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Staff size	7	7	Agencies vary; total DOT staff overseeing is 55	10 in Customer Assistance Section; 6 devoted to TG/ED	2 in DOT Administration and 2 in support offices; DBE Program has 24 positions.
Staff years of experience in the program (total)	12	22	?	Approximately 30 yrs. of combined experience	Dept. of Administration: around 15 years
Contract administration centralized or decentralized	Centralized, Department of Administration, Contracts Administration	Centralized, authority residing in Central Management Services	Decentralized	Centralized; some authority delegated to responsible for contracting up to $15,000	Somewhat decentralized between Departments of Administration and Commerce

D. State of Maryland and MDOT MBE Program Structure

Maryland's DOT has staffing of 55 with responsibility for oversight and administration of the MBE program. Individual agencies have MBE/WBE liaisons. Even with the staff size noted in the State's disparity study fewer resources were allocated to compliance, including post-award compliance, than to goal-setting and certification.

E. State of Minnesota TG/ED Program Structure

Customer Assistance Section 6 is currently composed of ten staff persons, of which six are devoted to the Targeted Group/Economically Disadvantaged (TG/ED) Program.

F. State of Wisconsin and WisDOT DBE Program Structure

The Office of DBE Programs for the Wisconsin DOT in 1997 had two directors who reported to the Office of the Administrator of the DOT. It also had two Support Services Offices, in Milwaukee and Berlin. The DBE program is advised by the TRANS-AC Committee, a permanent standing committee that advises WisDOT on DBE matters, including overall annual goals and program revisions.

The 1997 DBE program organizational chart lists the DBE Director, a Chief of Policy & Program Development, a Program & Planning Analyst; a DBE Liaison Officer, a DBE Liaison Specialist, Research Analyst, and EO Specialist; Legal Consultant; Program Assistant; Senior Civil Engineers at both of the Support Services Offices, along with a Communications Specialist, two EO Specialists, and Program Assistant; and nine District DBE/EEO Officers, Specialists, and Coordinators — for a total of 24 positions.

Total WisDOT DBE contracting amounted to $24,489,797 in 1997, $29,838,797 in 1996, $25,984,176 in 1995, and $25,020,434 in 1994.The Demonstration Project let $3,434,008 to DBEs in 1994, $3,381,571 in 1995, $4,163,675 in 1996, and $4,713, 047 in 1997.

G. State of Illinois BEP Program Structure

The Business Enterprise Council, which oversees the BEP program, is comprised of ten representatives of: businesses that are owned by minorities, females, or persons with disabilities; the general business community; public universities; and the directors of the Capital Development Board, Department of Central Management Services, Department of Commerce and Community Affairs, Department of Human Rights, Department of Rehabilitation Services, and the Department of Transportation. The Director of the Department of Central Management Services serves as the Council chairperson and selects

a Secretary who also serves as the Division Manager of the Minority and Business Enterprise Division of the Department of CMS. In addition, the director of each state agency and executive officer of each state university appoints a liaison to the Council.

The total number of BEP staff is reportedly seven.

H. Comparative Analysis of MBE/WBE Program Structure

While the membership and duties of each state's, including Indiana's, MBE/WBE governing council or commission are carefully delineated in the state's literature, the number of actual staff committed to the various MBE/WBE programs is less precise. At this time Indiana's total MBD program staffing level is seven, as is Illinois's BEP program. Minnesota's TG/ED staff numbers six, with an overall total of ten in Customer Assistance. Wisconsin's DBE program consists of 24 staff and an additional two to four WisDOT MBE support. Maryland's total DOT personnel in charge of MBE oversight numbers as many as 55 staff, most of whom are not primarily responsible for the MBE program.

While the available data is not equivalent nor ideally suited to comparative analysis, it would appear provisionally that Indiana's staffing level in comparison to the population it serves is superior to that of Illinois and perhaps equivalent to Minnesota, while considerably inferior to Wisconsin and Maryland. Additional research is required to determine the level of staffing required to adequately address the demands of Indiana's MBD Program, its minority-owned business population of 13,865 firms, its 10.3 total state minority population, and its $297 million annual contracting volume.

V. COMPARATIVE PRIME CONTRACTOR GOOD FAITH EFFORT REQUIREMENTS

Because the majority of MBE/WBE participation in public contracting is in the form of subcontracting, the state's prime contractors play what may very well be the most significant role in admitting MBE/WBEs to the public sphere. One of the most crucial issues facing MBE/WBE programs is therefore the set of responsibilities that are assigned to the state's prime contractors. This section of the report examines prime contractor bidding requirements, particularly the requirement that prime contractors make good faith efforts to solicit and utilize MBE/WBE subcontractors in state projects. Table 2.04 compares the various states' good faith requirements.

A. Benchmarks

- Require prime contractors to make a good faith effort to meet MBE/WBE goals for subcontractors.

B. Best Practices

- Require all prime contractors to make and document a good faith effort (GFE) to meet goals.

- Disqualify a bid without GFE documentation as nonresponsive.

C. State of Indiana Good Faith Requirements

For contracts over $100,000, Indiana requires prime contractors to document that a good faith effort has been made to meet the 5 percent MBE goal (25 IAC 2-20). Contract documents require that an MBE participation plan be submitted with each bid. The prime contractor must submit an "MBE contractor plan" indicating how certified MBE participation will be achieved, or must submit a request for a complete or partial waiver of the 5 percent requirement. Failure to comply is considered nonresponsive and may be a basis to reject bid. (2-20-4(e)).

Indiana has mechanisms in place to verify good faith efforts. The application for complete or partial waiver of the 5 percent requirement must include documentation of (1) name/address/phone of MBEs contacted, details of contact, and reason no agreement resulted; (2) efforts to select portions of work likely to increase MBE participation and to research others; (3) advertising and notices to MBE agencies; (4) contractor's affirmative action programs as relevant to MBE utilization; and (5) other efforts to assist MBEs in overcoming barriers. In evaluating good faith, the InDOT also considers whether the prime contractor gave the MBEs that were contacted adequate time to respond. The InDOT may request additional information, verify the information, and contact the MBEs identified by the prime contractors (25 IAC 2-20(4),(6)). According to 49 CFR, if after the contract has been let, the contractor who would be awarded the contract has not met the goal, that contractor has seven days to show good faith efforts in seeking certified DBEs to meet the goal.

Table 2.04 Good Faith Efforts

Type Activity	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Mandatory if goal not met?	Yes	Yes	Yes	Yes	Yes
Includes: Attend pre-bid meeting	No, only for InDOT.	No		N/A - if contractor seeks a waiver, MMD works closely with the prime contractor to help them meet goal or make good effort; more of an ad hoc process	Yes
Develop economically feasible units of work	Yes	Yes		see above	Yes
Advertise to MBEs and WBEs 10 days before bid opening	Yes	Yes		see above	Yes
Correspond with MBE and WBE subcontractors	Yes	Yes, through a consultant		Yes	Yes
Follow-up contact with MBEs and WBEs		Yes		see above	Yes
Provide current/timely project data to firms	Yes	Yes		Yes	Yes
Contact MBE and WBE community organizations		Yes		see above	Yes
Negotiate in good faith with MBEs and WBEs	Yes	Yes	Yes	Yes	Yes
Assist MBE and WBEs in obtaining bonding, lines of credit, insurance	No	Yes		see above	Yes

Table 2.04 Good Faith Efforts

Type Activity	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Contact jurisdictions staff	Yes	Yes	Yes	Yes	Yes
Good Faith Effort based on?	25 IAC 2-20			Section 16(b).19(2c(c))	Told by DOA - no statutory authority?

Good faith requirements also apply to the InDOT DBE Program. Contractors who do not achieve established DBE contract goals at the time of the bid opening are required to submit documentation of their efforts. At the direction of the Commissioner, the ICRD is responsible for reviewing the good faith efforts of the contractors and submitting recommendations to the Commissioner. Documentation of the review is maintained.

The IDOA may issue a rejection, giving the prime contractor 5 days to correct the omissions of MBE/WBE documentation. If MBEs do not meet stated ownership/control requirements, the contractor is required to resubmit a participation plan or apply for a waiver. In addition, the prime contractor is responsible for verifying that subcontractors that in turn subcontract work comply with MBE requirements (25 IAC 2-20(2),(4), (5)). The department can take a remedial course of action, including withholding payment, suspension or termination, or denial of certification in the event that the contractor does not demonstrate good faith efforts, or provides false or misleading information, or fails to promptly pay the minority subcontractor.

State agencies are also required to document in writing good faith efforts to solicit MBEs for contracts valued at $5,000 to $25,000, although this requirement does not explicitly apply to procurements of $5,000 or less.

D. State of Maryland Good Faith Requirements

One of the main responsibilities of Maryland's MDOT's MBE liaisons is to review upcoming procurement opportunities and set specific MBE utilization goals for particular goods and services contracts to ensure that the agency's overall goal is attained. When bidding on a specific contract that has goals, a contractor must include an affidavit of commitment, acknowledging that they are aware of the goals and committing their firm to undertaking good faith efforts to achieve the goal. If the contractor fails to reach the goal, it must document the steps it took to identify and negotiate with MBEs in order to receive a waiver. A copy of this waiver must be sent to the Office of Minority Affairs. A bid that does not contain GFE documentation is considered nonresponsive. The office gives procurement officials the option of awarding a contract to an MBE or to a firm with a higher level of MBE subcontractors if the bids are equally advantageous.

E. State of Minnesota Good Faith Requirements

Once the Materials Management Division (MMD) determines that subcontracting goals should be established, the goal is set forth in the bid and proposal specifications. The prime contractor is then obliged to meet the goal or to obtain a waiver prior to bid opening. A waiver can only be obtained if the prime contractor can demonstrate a good faith effort to meet the goal. The prime contractor must submit a document to MMD containing such

evidence as an itemization of which targeted businesses were solicited, the time of submittal, and the quotes received. An MMD Vendor Management Specialist will call the companies to confirm this information, after which a determination is made. If the contractor submits the bid without either having met the subcontracting goal or having obtained a waiver, a penalty of up to 6 percent or $60,000 is invoked for purposes of bid evaluation.

On MnDOT construction projects exceeding $300,000, bidders are required to make every reasonable effort to subcontract work to DBEs through good faith negotiation and solicitation and to justify any rejection of bids, quotes, or proposals received from qualified DBE firms. If the lowest bidder's DBE commitment is less than the goal for the project, the bidder must submit a GFE certification with evidence of DBE solicitations. The GFE requires the prime contractor to make at least one telephone call to any DBE firm listed in MnDOT's DBE directory in the specialty categories that have not responded to its mailing and must list the DBE contractors contacted, the date, the description of the work, the quote received, and, if pertinent, the dollar amount of the non-DBE quote accepted. A vendor management specialist within the EEO Contract Management Office reviews the GFE certificate. If it is determined that a good faith effort has been made, a waiver is provided; if not, the bidder is given an additional five days to submit a signed agreement for the total goal amount, and if this requirement is not met, the bid is rejected.

F. State of Wisconsin Good Faith Requirements

According to WisDOT's DBE *Fact Book V,* "as a matter of WisDOT's policy, DBE goals are not rigid numerical requirements. A contractor who does not meet a given numerical goal is not necessarily precluded from being awarded a WisDOT contract, provided that the contractor is able to demonstrate the reasonable good faith efforts have been made toward meeting the goals." Good faith criteria are rather generally stated and include "reasonable price," but a standardized form is used in the review process, which may be appealed. In 1997, WisDOT granted 32 good faith waivers, amounting to $3,352,408 contracting dollars out of $24,489,274 DBE dollars, or 13.69 percent (up from 12.8 percent in 1996, 5.85 percent in 1995, and 6.15 percent in 1994).

G. State of Illinois Good Faith Requirements

Each state agency is required to include in its annual compliance plan report procedures to assure that contractors and vendors make good faith efforts to meet contract goals.

H. Comparative Analysis of Good Faith Requirements

Indiana's regulations set forth procedures for ensuring that prime contractors who do not meet the contract goals, make a good faith effort to utilize MBE subcontractors. The Procurement Manual stipulates that state agencies document in writing good faith efforts to solicit MBEs for procurements only of $5,000 to $25,000. The majority of state agency procurements are below $25,000, thus determining the value of the upper limit.

VI. COMPARATIVE MBE/WBE PROGRAM OUTREACH PROCEDURES

Adequately and deliberately disseminating information about any MBE/WBE program is also crucial to the effectiveness and success of the program. This section of the report compares the efforts of the states to certify MBE/WBEs, to provide information about the program to prime contractors, procuring agencies, and MBE/WBEs. Table 2.05 compares the states' certification procedures, Table 2.06 MBE/WBE listings, and 2.07 outreach efforts.

A. Benchmark

- The flow of information to MBE/WBEs and those who may use their services.

B. Best Practices State Procurement and Minority Business Development Staffs

- Maintain, update, and distribute to procuring officials and prime contractors a directory of MBE/WBEs by field.
- Identify the procurement needs of state agencies.
- Match MBE/WBE capabilities with direct contract and subcontract opportunities.
- Inform MBE/WBEs about appropriate opportunities for direct contracts with state agencies and for subcontracts with prime contractors.
- Conduct pre-bid conferences.

Table 2.05 Certification

Requirement	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
State certification?	Yes	Yes, Certification Declaration Affidavit requesting business information.	Yes	Yes	Yes
Accepts other certification?	No, except home State certifications for out of State companies.	Yes, accepts from ILDOT and two business development centers. Accepts home State certifications for out of State companies.	Yes, except commodities self certified	Yes - Federal only	(call Dept. of commerce)
Is certification required for firm to count toward goals?	No, but need proof that they are minority owned because in the past only needed to register, and not certify.	Yes	Yes	Yes	Yes

Table 2.06 MBE/WBE Listings

Groups	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Who maintains list?	MBD	Law requires Business Enterprise Council; procurement code requires Chief Procurement Officer	DOT; Department of General Services (DGS) for commodities	Customer Assistance Section of MMD; Vendor Management Specialists	Dept. of Commerce, Bureau of Minority Business Development
Are lists provided to departments for solicitations?	Yes	Required by law	Yes	Yes	Yes
Publishes list	Yes	Required	Yes	Yes	Yes
Provides listings to contractors for MBE and WBE subcontracting outreach	Yes	Required of agencies	Yes	Yes	Yes

Table 2.07 Outreach Programs

Type Activity	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Publishes newsletter	Yes		Depends on agency	Yes - Materials Manager Monthly Newsletter; internal only - to other government agencies	DOA-no
Publishes program brochure	Yes		Depends on agency	No - two page informational memo	MBE Office- not anymore
Provides bid listings	Yes		Depends on agency	Yes	Yes - Dept. of Commerce; DOA, Bureau of Procurement
Has 24-hour telephone line	?	Yes		No - business hours only	No - business hours only
Has Internet site	Yes	Yes	Yes	Yes	Yes
Works with local minority professional organizations	Yes	Yes	Yes	Yes	Yes
Conducts training sessions	Yes, 10 Road Shows per year	Yes	Yes	No - one on one help through helpline	Yes
Sponsors programs	Yes, Road Show 10 times per year	Yes	Yes	Assists with Vendor Day program	Yes - Annual Market Place
Other	No			Visible at trade shows	Yes

- Conduct outreach with general information about procurement process, MBE/WBE programs, and opportunities to network with prime contractors and procurement officials.

- Provide feedback to and from unsuccessful bidders.

C. Comparative Certification

Each state certifies MBEs; some include WBEs in the same category or in a separate category. Procedures for ensuring that bona fide MBE/WBEs are certified are discussed below.

Indiana: MBD serves as a certification clearinghouse for all state agencies, including those responsible for federal highway programs, gaming and lottery, and the State Office Building Commission. A centralized certification file is required by statute. The Deputy Commissioner is responsible for periodically updating the certification status of each MBE in the centralized database, IC-4-13-16.5, Sec. 3(b)(3). MBEs, WBEs, and DBEs may be certified. The responsibility for DBE certifications has been delegated to the Indiana Department of Administration. IDOA is responsible for an annual update of the certification status of each DBE, MBE and WBE. Graduation from the DBE Program occurs when the certified firm no longer qualifies as a small business in accordance with SBA or FHWA guidelines.

Maryland: The DOT is responsible for certifying businesses as MBEs. The Code of Maryland Regulations (COMAR) defines a minority-owned business as a legal entity that is at least 51 percent owned and managed by members of one of the following groups: African American, Hispanic, American Indian, Asian, women, and the physically and mentally disabled. Nonprofit organizations that promote the interests of the physically and mentally handicapped are also classified as MBEs. Firms wishing to be certified with MDOT must first fill out an application form, after which MDOT officials visit the headquarters of the business and some of its active job sites and prepare an investigative report. The MDOT MBE advisory committee then reviews the application and report and may ask additional questions. The committee recommends a decision to the chairperson, who makes the final decision. If certification is denied, the committee must explain why, based on federal or state regulations, the business does not qualify. A firm may appeal the decision to the federal DOT and then to the Maryland State Court system. Businesses may also apply for disadvantaged business enterprise (DBE) certification, which is required to qualify toward minority goals on federally funded MDOT projects. MDOT MBE certification must be renewed annually.

Minnesota: MMD certifies M/WBE businesses as members of targeted groups of economic disadvantage, which qualifies businesses to participate in the TG/ED Program and DOT Program. In order for a business to be certified under the Economically Disadvantaged Program, it must be located in an economically disadvantaged area, which is defined as an area in which the median income for married couples is less than 70 percent of the state median or there is a U.S. Department of Labor-designated labor surplus. Otherwise, the

business must be a rehabilitation facility or work activity program. The business must also be a small business based on particular industry standards.

Wisconsin: A permanent DBE Informal Hearing Committee meets with firms requesting positive consideration for certification as DBEs. The applicant must request a Region Five Certification Application packet from one of the eight statewide transportation district offices. Following an on-site investigation and initial certification review by the district compliance staff, the DBE Office receives documentation and conducts in-depth reviews, offering recommendations to the DBE Program director, who makes the final determination.

Illinois: All vendors who wish to sell goods or services to the state and take advantage of the BEP program must first receive a contractor registration number from the Illinois Department of Human Rights and then complete a Bidder's Application form (BAF) and a Universal Certification Application. The state then reviews the applicant firm's history, organizational structure, and financial, legal, and administrative operations.

D. Comparative Procedures for Informing Prime Contractors and Procuring Agencies of Available MBE/WBEs

As well as preparing lists of MBE/WBEs, agencies use other mechanisms to ensure that prime contractors and procuring agencies are informed about available MBE/WBEs.

Indiana: The Indiana Department of Administration (IDOA) is responsible for preparing the DBE Directory. The IDOA matches MBE/WBEs with specific contracting opportunities, and informs MBE/WBEs of these opportunities. IDOA makes MBE guidebooks available to the public and has recently placed it on the IDOA web site. One function of these guidebooks is to inform prime contractors of available MBE/WBE subcontractors.

Maryland: The Governor's Office of Minority Affairs organizes bi-monthly meetings between MBE/WBEs and agencies/procurement staffs. Agencies may hold pre-bid conferences to disseminate information about the project requirements, but they are not required to do so.

Minnesota: In the Department of Administration, contractors requesting information regarding a particular project are assisted individually; MnDOT holds pre-bid conferences. The Materials Management Division maintains a vendor directory of approximately 1,000 targeted and economically disadvantaged vendors, which is available to contractors for pick up, by mail, on the MMD website and by a voice-fax subscription. Searches can be conducted on the website by company, commodity, or SIC code. MnDOT maintains a Vendor Directory, which is broken down by the type of work a business performs and details the localities it serves. Impact Business Consulting, a company under contract to

MnDOT, provides a focused list of businesses upon request. For particularly complicated bids, MnDOT may hold a pre-bid conference for contractors.

Wisconsin: WisDOT publishes a directory of certified DBE firms biannually, with an addendum each month. This directory is made available to bidders and contractors.

Illinois: The MFBE Act of 1989 charges the Business Enterprise Council with responsibility for maintaining a list of all bona fide MBE/WBE businesses and to provide this list to all state agencies and universities. The Secretary of the Council is vested with responsibility for encouraging the inclusion of qualified MBE/WBEs on solicitation lists. In addition, the state procurement code requires that the CPO maintain and make available to all procuring agencies a list of all certified businesses. The compliance plans that are required annually by all state agencies are required to include procedures to distribute to potential contractors and vendors lists of certified firms. Pre-bid conferences are sometimes held.

E. Comparative Procedures for Informing MBE/WBEs of Procurement Opportunities and Requirements

Indiana: Indiana's MBD helps put MBEs in contact with contracting agencies and buyers. Indiana Code 4-13-16.5, Sec.3(b)(6) directs the Indiana Deputy Commissioner to determine opportunities for MBE participation. The MBD identifies opportunities to conduct business with state agencies and matches them with MBEs/WBEs in appropriate trades listed in the MBD database. MBD then notifies these vendors/contractors. However, MBD does not always have adequate resources to contact all MBEs/WBEs. Indiana Code 4-13-16.5, Sec.2(f)(4) requires "special publicity to procurement, bidding and qualifying procedures" and "including minority businesses on solicitation mailing lists" (IC 4-13-16.5, Sec. 2(f)(5)). The division also provides Internet listings of opportunities.

Maryland: The Governor's Office of Minority Affairs coordinates pre-bid mailings to MBE/WBEs. Minority contractor organizations are also notified of bid opportunities, and some agencies send them bid specification packages free of charge. The Governor's Office of Minority Affairs also co-sponsors conferences and seminars informing MBE/WBEs of contract opportunities. An annual Contract Bid List lists opportunities.

Procurement officers may notify MBE/WBEs of opportunities by means of mailings or educational gatherings and may directly solicit MBE/WBEs as primes. Upon the request of a certified MBE/WBE, Maryland agencies must provide the names of prime contractors that have asked for bid information. For architectural and engineering work, MDOT's Office of MBE and Equal Opportunity has a contact list of 40 associations and agencies serving MBE/WBEs. This is done via MDOT's supportive service contractor and the Internet. In some cases, pre-bid conferences are held. MDOT also advertises bids in both general and minority-oriented media and sends notices to minority contractors' associations.

Minnesota: Information about the TG/ED Program is available by telephone hotline and on line. The on-line service sets forth criteria for eligibility and benefits, as well as registration forms. Vendors may also subscribe to MMD's voice/fax system or an online service, with a $50 annual fee, from which they can download lists of upcoming construction projects, plans, specifications, subcontractor proposal tabulations, and bid tabulations. The MMD staff regularly attend seminars and conferences conducted for TG/ED firms, as well as meetings of boards and councils established to promote small business activity, trade shows and networking with various trade organizations. The Department of Administration and MnDOT also participate in trade shows and conduct outreach meetings. MnDOT also provides training sessions on bidding and low-cost business counseling.

Wisconsin: Upon certification, DBEs are sent the Standard Specifications Book and are added to the mailing list of upcoming projects. The DBE Supportive Services Program contacts each DBE for its interest in bidding certain projects related to their specialties.

Illinois: The Council maintains a toll-free hotline to provide information about the certification process and pending contracts. BEP also provides counseling on the state procurement process and how to become a certified vendor.

F. Comparative General Outreach

Indiana: IDOA/Governor's Commission on MBD published a newsletter, *The Minority Business Report*, with opportunities for vendors and MBE resources. The latest newsletter provided for this study was dated 1994-1995. That newsletter notes that the Indianapolis Construction Alliance has a Plan and Resource Room which displays current contracting opportunities, offers access to construction publications, and provides copies of construction managers' plans to the staff, which assists in reviewing the plans. IDOA also has an ongoing "road show," training sessions conducted throughout the State design to reach MBE/WBE businesses. Technical assistance to MBE/WBE is also available via the IDOA web site.

Maryland: The Governor's Office of Minority Affairs offers seminars and conferences to provide information and develop resources. Generally, MBE outreach is the responsibility of agency MBE liaisons.

Minnesota: MMD has established a helpline that vendors can call for bid invitations and bid results. Advertisements for bids over $5,000 are also available through the State Register and by fax.

Wisconsin: The DBE Program holds annual awards presentations during which firms and individuals are recognized for outstanding work on WisDOT projects, support for the DBE Program and annual seminars to increase management and technical skills. In addition, the

DBE Office publishes the quarterly newsletter *The Monitor* and occasionally publishes *The Monitor Extra.*

G. Comparative Debriefing Unsuccessful Bidders

Indiana, Illinois, Wisconsin: There are no official procedures in place to brief unsuccessful bidders, however unsuccessful bidders may request a debriefing.

Maryland: Maryland has no procedure for debriefing unsuccessful bidders; however, unsuccessful bidders for architectural and engineering projects at MDOT and DGS may have follow-up discussions.

Minnesota: Vendors whose bids have been rejected are given notice of the rejection and the reasons why it was rejected. Informalities and minor deficiencies, such as omission of the title of the signatory or failure to furnish descriptive literature may be waived if such a waiver would be in the best interest of the state and would not prejudice the rights of the other bidders.

H. Comparative Analysis of MBE/WBE Program Outreach Procedures

Indiana's practice of reviewing bid opportunities, matching them with appropriate MBE/WBEs, and contacting these MBE/WBEs focuses the MBD staff's outreach resources on promising match-ups between MBE/WBEs and state contracting opportunities. However, the MBD could take more steps to put MBE/WBE subcontractors and majority prime contractors in contact with one another. Public Works conducts pre-bid conferences which help to increase MBE/WBE utilization. InDOT has pre-bid conferences which are designed to address MBE/WBE issues. In Maryland and other states, pre-bid conferences may be held but are not required in all cases.

Although the maintenance of MBE lists is required by statute and DBE lists are to be maintained by IDOA, as stated above, the use of these lists is not articulated in procurement or MBD procedures. Furthermore, Indiana has stated that it does not have the resources to inform all MBE/WBES of all opportunities. While informing all MBE/WBEs of all opportunities may be an unrealistic goal, increasing the access of MBE/WBEs to contracting opportunities is a crucial step in increasing MBE/WBE utilization.

Feedback between unsuccessful MBE/WBE bidders and the procuring agency or MBE/WBE program can provide them with information for a successful bid in the future. In addition, MBE/WBEs can identify barriers they encountered so that the jurisdiction can improve its MBE/WBE program.

I. Preliminary Considerations for the State of Indiana

The State of Indiana could consider allocating more resources to inform the maximum number of MBE/WBEs of bid opportunities. If it does not already do so, Indiana's MBD should work with the Procurement Division to set up a practice of pre-bid conferences. Following a practice used in Maryland, Indiana's MBD could arrange to provide the names of prime contractors who are considering bidding on jobs to MBE/WBEs and non-MBE/WBEs who request this information. Following a practice used in Minnesota, Indiana could also create a debriefing process for two-way feedback between unsuccessful bidders and the procuring agency or MBD.

VII. COMPARATIVE MBE/WBE PROGRAM ENFORCEMENT PROCEDURES

This section compares the efforts of the state to enforce MBE/WBE program requirements, including issuing prompt payment, providing staff training, incentives, and recognition, and establishing and implementing sanctions, appeals, and grievance procedures. Table 2.08 compares the states' staff training program, Table 2.09 their staff recognition efforts, and Table 2.10 the complaint resolution process.

A. Benchmarks

- The central MBE/WBE authority should monitor the participation of all state agencies or procurement officers and prime contractors.
- The program should ensure a fair process for both MBE/WBEs and majority businesses.

B. Best Practices

- MBE/WBE certification should ensure bona fide status.
- MBE/WBE authority should monitor the implementation of MBE/WBE programs by agencies and procuring officials and report on progress toward goals.
- Once contract is awarded, MBE/WBE authority should monitor project to ensure that the prime contractors actually use MBE/WBE subcontractors.
- Sanctions should be used against contractors who do not comply.
- An appeal or grievance process should be available.

C. Comparative Certification Process to Ensure Bona Fide Status

Indiana: Indiana has detailed requirements for ensuring that only bona fide MBEs are certified. State regulations spell out the requirements and enforcement procedures. The Deputy Commissioner is required to certify MBEs (IC 4-13-16.5, Sec. 3(b)(1)). Under the regulation, an MBE may self-declare (25 IAC 2-20(3)). However, IDOA is authorized to request documentation, including proof of citizenship, MBE certification from other jurisdictions, tribal registration, and other data. Information is gathered on a regional application form. Ownership means direct ownership, management, control, and a substantial share in the risks and profits. For a joint venture, 50 percent ownership requirements must be met. Subcontractors must perform services that add value to the contract. IDOA considers the date of establishment, adequacy of resources, experience, and consistency of relationships with majority firms. IDOA reserves the right to interview persons, inspect relevant documents, conduct audits, and make unannounced visits (25 IAC 2-20(3),(5)). IDOA is required to follow the federal rules and regulations for certification. DBE certification application files are maintained at the IDOA.

InDOT conducts certification of DBEs in accordance with Federal regulations 49 CFR Parts 23 & 26. State and local agencies that receive some project funding from the U.S. Department of Transportation, like InDOT, utilize the uniform certification guidelines outlined in 49 CFR.

Maryland: The DGS database of commodities' vendors includes self-certification of MBE/WBEs. The MBE/WBE program for DOT construction contractors includes verification of the legitimacy of MBE/WBEs. For MDOT construction contracts, only certified MBE/WBEs count toward the prime contractor's goal. During the certification process, MDOT staff, assisted by construction personnel, visit the business headquarters and/or job site, conduct interviews, and prepare an investigative report. The DOT Advisory Committee reviews the report, asks for additional information such as evidence of ownership and control and knowledge to run the business, and makes a recommendation. Applicants appear before the MBE Advisory Committee to answer questions before being certified. MBE/WBEs must recertify annually. An MBE hotline accepts reports of fraud.

Minnesota: Vendor management specialists in the EEO Contract Management Office review the good faith effort certificates of prime contractors.

Wisconsin: No routine procedure subsequent to comprehensive initial certification procedures are detailed in the State DBE Program literature.
Illinois: Deliberate misrepresentation to obtain certification as a BEP vendor is a Class H felony punishable by three to seven years in prison and a fine based on the amount of any contract improperly obtained.

D. Comparative Prompt Payment Procedures

Indiana : IDOA may impose sanctions on a contractor for failure to make undisputed payments to a subcontractor. Per Title 25 Indiana Department of Administration, if a prime contractor fails to make prompt payment to a minority business for services, materials, or labor, whether with respect to the present contract or a previous contract, unless the offeror, in good faith, contests the payment or any part of it, the IDOA may exercise sanctions.

Maryland: Maryland DOT requires prompt payment from prime contractors to subcontractors.

Minnesota: The state has enacted legislation to provide prompt payment to both prime contractors and subcontractors on state projects. Statute 16A.124 subd. 3 requires state agencies, including MMD and MnDOT, to pay vendors within the "early discount period" or within 30 days following receipt of invoice. The statute also requires that each state agency "require the prime contractor to pay any subcontractor within 10 days of the prime contractor's receipt of payment from the state for undisputed services."

Illinois: The MFBE Act provides that any contract awarded to an MFBE may contain a provision for advance or progress payments, except that a state construction contract may provide only progress but not advance payments.

E. Comparative Staff Training

Indiana: MBE office staff and all State purchasing personnel receive certification training, which includes minority business issues and new hires receive general training in program procedures. No other staff training is provided.

Minnesota: Two formal training sessions are provided for purchasing staff at all levels: the first is a day-long training on procedures and computer tracking, ending with a test; the second is a one-and- a-half day session on procedures, with six-month review period.

Wisconsin: Training is limited to outside workshops/seminars on MBE issues.

(See Table 2.08.)

F. Comparative Post Award Sanctions

Indiana: As mentioned, regulations provide for loss of the contract due to the failure to show GFE. Indiana's Commissioner may impose sanctions for material breach of contract if the contractor does not make GFE, fails to provide information or provides false information, fails to make uncontested payments to MBE subcontractors, or subjects MBEs to unlawful discriminatory conduct.

Maryland: If a DOT contractor fails to comply with MBE standards after a contract is awarded, sanctions may be applied. These range from suspension of the contract to criminal investigation.

Minnesota: The state's prompt payment statute includes a provision for interest and penalty payments for disputed services.

Wisconsin: The State Bureau of Procurement or the procuring agency may remove a bidder from a bidder list or suspend a bidder from bidding as a result of various violations, including delivery of commodities that do not comply with specifications, failure to make delivery or complete a project on time, failure to provide surety, collusion with other bidders or prospective bidders to restrain competitive bidding, giving false or misleading information on the bidders list, and failure to meet such contract terms and conditions as affirmative action requirements. The Secretary of the Business Enterprise Council is empowered by the MFBE Act to establish an enforcement procedure whereby the Council can recommend such legal remedies as the termination of the contract, prohibition of participation, or the imposition of a penalty for violations.

Table 2.08 Staff Training

Type Activity	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
What kind of training do staff members receive?	Received certification training. Staff trains new hires. No other training.			Two levels of training for purchasing authority levels: (1) $5,000 - day long training on procedures / computer with test at end of training; (2) $15,000 - day and a half long training on procedures with six month review period; recertification every two years All delegated authority is retractable.	Limited to outside workshops/ seminars on MBE issues
What is the frequency of training?	Infrequent.			Two initial sessions and every two years thereafter	Varies
Is training for all personnel or limited to contracting managers?	The limited training includes staff and managers.			All personnel	MBE Program Dept. head at DOA gets most of training; support staff member accompanies sometimes
Conducted by?	U.S. Department of Transportation conducted certification training. Supervisors conducts new hire training.			Training officer sets up training; two acquisition management specialists do training	Outside sources, different organizations

Table 2.09 Staff Recognition

Type Activity	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Are program goals included in individual manager's performance goals?	No			No	MBE Office- No
Are staff members recognized in any way for encouraging MBE/WBE participation?	No formal process.			No	MBE Office- No

Table 2.09 Staff Recognition

Type Activity	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
What is the impact on staff member if MBE/WBE participation goals are not met?	None, except agencies must explain why goals not met and develop a improvement strategy.			None	MBE Office-None

Table 2.10 Complaint Resolution

Type Activity	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Who handles?	MBE compliance review committee	Chief Procurement Officer	MBE Liaisons	MMD	Dept. of Administration handles most; Dept of Commerce (Bureau of Minority Business Development) - certification only
Are there formal written procedures?	Yes	Yes	?	No - depends on situation	MBE office - no; Bureau of Procurement - Yes
Are there time limits?	Yes			No	MBE office- no
What are the appeals procedures?	Commissioner hears and determines outcome; can be appealed to EO Administration and then Contract Compliance.	Filed with the Chief Procurement Officer, who determines or refers to Attorney General.	?	No	MBE office -none; Bureau of Procurement requires written submission of appeal

G. Comparative Appeals/Grievance Procedures

Indiana: An "MBE compliance review committee" is directed to hear appeals of denial of certification, denial of application of waiver, or of sanctions, within 5 working days. The commissioner is directed to hear MBE's request for reconsideration within 10 working days (2 IAC 2-20(2)(8-10)). A firm denied MBE/WBE certification may appeal to the Division of Equal Opportunity Administrator, followed by the Contract Compliance Committee of the Equal Opportunity Advisory Board.

The Contract Compliance Section of the Procurement Division is responsible for investigating all complaints for all agencies and vendors. This section works with the Division's inspectors to expedite complaint resolution. A formal Complaint Report form is used. The Contract Compliance Section maintains vendor performance files.

Maryland: Appeals are the responsibility of agency MBE Liaisons. The MDOT Advisory Committee's minority certification decision may be appealed to the U.S. DOT and then to Maryland state courts. Reports of fraud can be made to a hotline or to MBE/EO personnel in each DOT unit.

Minnesota: The Materials Management Division will not pursue complaints if they are not substantiated in writing.

Wisconsin: Vendors may challenge purchasing procedures affecting specifications and awards before or after bid openings for bids over $25,000. Such challenges must be made in writing to the agency head, detailing the complaint or objection.

Illinois: The state procurement code provides procedures for complaints, protests, and remedies. If a vendor fails to meet contract requirements, the procuring agency may take appropriate action to initiate a complaint either by phone for minor infractions or in writing for more serious infractions. A copy of all written complaints and the resolutions thereof must be filed with the CPO, who may initiate suspensions, debarments, contract cancellations, withholding of payment, or imposition of penalties, or otherwise resolve controversies. Actual or prospective bidders may also file a protest on any phase of solicitation or award, in writing, to the Procurement Officer, who shall make a decision and determine remedies or refer the protest to the Attorney General.

H. Comparative Analysis of MBE/WBE Program Enforcement

The State of Indiana has in place adequate measures to sanction program violations, and respond to grievance and appeals. In addition, it has enacted prompt payment legislation

requiring payment within 35 days, IC 5-17-5. However, it lacks the type of staff training and staff incentive measures that have been adopted by Minnesota.

VIII. COMPARATIVE MBE/WBE PROGRAM MONITORING AND REPORTING PROCEDURES

This section of the report compares state efforts to monitor the progress of its MBE/WBE efforts and to report on actual MBE/WBE utilization. Table 2.11 compares the relative efforts undertaken by the states to monitor and report on their programs.

A. State of Indiana MBE/WBE Program Monitoring and Reporting

The Deputy Commissioner is responsible for monitoring progress in achieving the 5 percent MBE goal (IC 4-13-16.5, Sec. 3(b)(4)). This statute requires the Commission to report twice a year on progress toward the goals, including the minimum 5 percent goal for MBEs (IC 4-13-16.5, Sec. 2(f)(8)). It also requires state agencies to report to the Deputy Commissioner on the planned and actual participation of certified MBEs in contracts awarded by state agencies (Sec. 3(b)(5)). IDOA may request periodic reports of ongoing MBE participation following submission of MBE subcontractor plan (25 IAC 2-20(4)). [What is done with these reports?]

The ICRD, which is responsible for InDOT DBE and contractor compliance, maintains numerous records and reports. Statistics of prime contractor awards and DBE commitments are maintained monthly and annually and include, for each contract, contract and project number, prime contractor, total dollar amount of award, federal participation percentage and dollar amount, DBE subcontractor commitments, dollar amount of DBE commitments and DBE prime contractors. The ICRD generates FHWA monthly reports, including monthly and annual figures on DBE goal progress; an InDOT DBE Commitment Quarterly Report, which summarizes DBE utilization; monthly statistical reports, which summarize all recorded DBE statistics; and annual reports on goal achievement, which are sent to the commissioner and FHWA. Quarterly reports are submitted to FHWA on contracts and subcontracts awarded to DBEs on federally assisted projects. Finally, the DBE field coordinator or district EEO officer completes job-site reports for each DBE review.

The MBD Office also requires all reporting state agencies to file an annual MBE plan, which is designed to ensure that they are making a good faith effort in soliciting MBEs on state contracts (*Procurement Manual*, 27-1.). [Are records of solicitations monitored?]

B. State of Illinois MBE/WBE Program Monitoring and Reporting

BEP monitors the procurement plans and activities of the state agencies and universities who participate in the Program. This requires an annual compliance plan at the beginning of each year. Agencies and universities are monitored by periodic reports on progress toward goal achievement.

C. State of Maryland MBE/WBE Program Monitoring and Reporting

The MBE Liaison officer in each state agency submits utilization reports to the Governor's Office of Minority Affairs. The OMA director reports to the Governor and General Assembly on the MBE/WBE utilization in comparison to total dollars paid for prime and subcontractors in state agencies.

Maryland's DOT monitors projects to ensure that prime contractors meet the MBE/WBE goals established in contracts. Monitoring includes a site visit and review of the subcontract and financial transactions.

D. State of Minnesota MBE/WBE Program Monitoring and Reporting

MMD does not provide contract monitoring unless a complaint is made in writing, in which case MMD investigates. The Department of Administration closely follows the reported use of targeted businesses and issues frequent utilization reports.

MnDOT monitors contract compliance when the work is between one-third and one-half complete, at which time a field monitoring report indicating DBE compliance is completed. At completion, the final payment affidavit verifying DBE payment must be returned before payment is made.

Table 2.11 Monitoring and Reporting

Type Activity	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Who evaluates/monitors good faith effort?	MBD	BEP	Each agency	MMD	Dept. of Administration
Who evaluates MBE/WBE utilization?	MBD	BEP	Governor's Office of Minority Affairs	Manager of Customer Assistance	DOA, MBE office
Required MBE/WBE utilization reports	Yes	BEP	Yes	Yes	Yes
Is contract compliance monitored by program manager?	Yes	Yes	Agency-specific	Yes	No - by Bureau of Procurement, Office of Contract Compliance
Is substitution of subcontractors allowed?	No	No	No	Yes - only upon MMD approval	Yes - need to get approval
When are reports published?	Twice yearly by Commission; by ICRD monthly to FHWA	Beginning of fiscal year	Annually	Annually	N/A
Consequences for contractors of non-compliance: • Audit of company records	No	No	No	Bid rejection or penalty of up to 6% of contract, no more than $60,000	Yes

Table 2.11 Monitoring and Reporting

Type Activity	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Suspend job	Yes	Yes	Yes	penalty, see above	Yes
• Termination of contract	Yes	Yes	Yes	penalty, see above	Yes
• Withholding of payment	Yes	Yes	Yes	penalty, see above	Yes
• Removal from contracting list	Yes	Yes	Yes	Yes	Yes

E. State of Wisconsin MBE/WBE Program Monitoring and Reporting

A consulting contract provides monitoring services on a project level. It ensures that each project the DBE prime contractors and subcontractors are performing contracted work and that primes meet the requirement of at least a 25 percent minority and women in the workforce. The consultant company the State used for this purpose provides a written summary of the annual DBE Demonstration and Training Program and monitors and reports findings toward increasing DBE capacity.

F. State of Illinois MBE/WBE Program Monitoring and Reporting

Agencies and universities are monitored by periodic reports to the State Council on their progress toward goal achievement. Each university covered by the MFBE Act is required to file with the Council an annual report of MBE/WBE utilization, including the university's self-evaluation of its efforts to meet its goal.

For construction projects to which federal regulations apply, each agency or university is required to implement a DBE plan with goals not to exceed federal statutes. For Illinois DOT sheltered market programs, a compliance plan is also required.

The Council is required to make annual reports to the Governor and General Assembly on the status of the program, to review the compliance plans submitted by each agency, and to review rules and regulations for the implementation of the BEP Program. If the Council determines that an agency's goals or policies are not being met, it may establish enforcement procedures or remedies and may recommend that the agency revise its plan to provide additional opportunities to MBE/WBEs, including stronger solicitation procedures, division of contracts into smaller units more suitable to MBE/WBEs, and elimination of extended capitalization requirements.

G. Comparative Analysis of MBE/WBE Program Monitoring and Reporting Procedures

Indiana has an explicit approach to ensuring that bona fide MBE/WBEs are the beneficiaries of MBE/WBE programs. Unlike Indianapolis and Maryland, which only verify MBE/WBE status for construction contractors while allowing vendors of goods and services to self-certify, Indiana verifies MBE/WBE status of all MBE/WBEs. Indiana's regulations also thoroughly detail procedures for both MBE/WBEs and majority businesses to obtain a hearing for grievances.

Indiana follows standard practices by requiring periodic reports on MBE/WBE utilization after a contract is reported and by issuing twice-yearly reports on statewide progress toward MBE/WBE utilization goals. As discussed above, the centralized nature of Indiana's MBE/WBE and procurement programs makes it easier for state officials to track compliance with MBE/WBE requirements. On the other hand, what is done with MBE/WBE reports and whether actual agency MBE and DBE solicitations are monitored is not clear.

IX. COMPARATIVE GENERAL SMALL BUSINESS PROGRAM ELEMENTS

The remedial strategies pursued by public agencies to ensure inclusion of all businesses can be the enactment of a small business program. Program elements can focus on reducing barriers emerging and small businesses encounter.

A. Best Practices

Race-neutral measures can include small business programs, simplified bidding procedures, relaxed bonding requirements, reduction in contract size, and technical, bonding, insurance, and financial assistance. The best race-neutral practices noted by San Francisco Bay Area agencies in Alameda County's "Summit Responses" include accepting certification from other agencies, following up with unsuccessful bidders, timely payment, local hiring, and targeting small direct contracts to small firms.

This section compares the states' general small business assistance programs and is followed by sections exploring comparative technical assistance, bonding and insurance assistance, and financial assistance.

B. Comparative Small/Emerging Business Assistance

Indiana: Indiana's MBD brochure includes a referral to the state's Small Business Development Centers.

Maryland: Maryland's race-neutral Small Business Program is designed to improve the abilities of small businesses to compete for state contracts. The COMAR sets forth criteria that a company must meet to qualify as a small business utilization. The Department of General Services keeps a list of Small Business Vendors, which is used by other state agencies. Certain state contracts have a 5 percent preference for SBEs. The Office of Minority Affairs is involved in the bid notification process through coordinated outreach such as pre-bid mailings and educational gatherings with designated procurement officers.

Minnesota: The Economically Disadvantaged portion of the MMD Targeted Group and Economically Disadvantaged Business (TG/ED) Program is an extensive race-neutral small business program which includes goals and price preferences for small businesses. Under the TG/ED Program, the Commissioner of Administration may award up to a 4 percent bid preference for disadvantaged businesses. The MMD has made attempts to divide larger contracts into smaller project, which has proven to be a difficult process because the individual agency still makes the choice of vendors, smaller businesses tend to have higher prices, and the agencies have continued to purchase from large manufacturers. MnDOT's purchasing pilot program, which is designed to achieve more efficient and cost-effective methods of purchasing, prevent conflicts of interest, develop an evaluation system, and make recommendations to the legislature, and include lower economically disadvantaged vendor preferences. The amount of preference ranges from 1 to 4 percent, depending on the nature and dollar amount of the purchase.

Illinois: The Illinois Procurement Code authorizes the Chief Procurement Officer "to designate as small business set-asides a fair proportion of construction, supply, and service contracts for award to small businesses in Illinois." "Fair proportion" is defined as 25 to 40 percent of the annual total contracts for construction. The CPO is required to report annually to the General Assembly concerning the awarding of contracts to SBEs.

C. Comparative Analysis of General Race-Neutral Program Elements

By participating in a regional arrangement for reciprocal certification, Indiana has reduced the administrative burden on MBE/WBEs by freeing them from having to repeatedly gather the same information for certification by different jurisdictions. The State of Indiana has detailed provisions for the pooling of certification information. In addition, a small business set-aside program has been created in the Public Works statute, IC 4-13.6-2-11, and the Procurement Code, IC 5-22-14. Both agencies must also contact at least one minority vendor for all small business set-asides.

D. Preliminary Considerations for the State of Indiana

The State of Indiana may want to consider following the best practices of Maryland, Minnesota, and Illinois in instituting race-neutral small business direct contracting, set-aside, or preference program components. Indiana's MBE/WBE goals apply only to contracts over $100,000, and competitive bidding requirements apply to contracts over $25,000. The MBD should work with the Procurement Division to ensure that small firms, including MBE/WBEs, are targeted for small contracts. The State of Indiana should also examine Indianapolis's public-private initiatives to develop resources for MBE/WBE construction contractors.

Based on the barriers identified in various disparity studies, Indiana should examine its practices to see if it is creating barriers by requiring name brands. If small and MBE/WBE firms are unable to purchase supplies at the lowest possible price because of their small size or limited geographic scope, then the IDOA Procurement Division should consider a price preference for small firms. Another approach is to base contract awards on service as well as price.

X. COMPARATIVE TECHNICAL ASSISTANCE AND TRAINING

A. State of Indiana Technical Assistance and Training

MBD offers assistance in bid research and preparation, procurement procedures, and bid submission. A 1995 *Minority Business Report* newsletter advertised seminars and a local Plan and Resource Room which includes access to advisers (see "Outreach" section.) The Indiana Department of Commerce provides technical assistance in the form of workshops and direct counseling.

B. State of Maryland Technical Assistance and Training

The Small Business Development Center offers technical assistance in completing the application for MBE certification. Assistance is offered to businesses at a disadvantage (small, new, or MBE/WBE) to lessen the burden of complex procurement rules. The Department of Economic and Employment Development, Division of Business Resources, offers technical assistance which is not targeted to MBE/WBEs.

C. State of Minnesota Technical Assistance and Training

MnDOT has a contract with a local organization, currently Impact Business Consulting, for consulting with businesses interested in contracting with MnDOT. Impact provides a variety of cost-free support services to businesses, such as aid in preparing bids, estimating, marketing, and obtaining loans. MnDOT also sponsors an annual DBE/TGB conference, at which it conducts training.

D. State of Wisconsin Technical Assistance and Training

Technical assistance in reading plans, interpreting specifications, access to an electronic bulletin board for bid information, wage rates and payroll, bidding, scheduling, cash flow, and other issues is provided to DBEs by WisDOT through the DBE Supportive Services Program. The state also holds annual training seminars in management, technical skills, and awareness. In addition, WisDOT works in partnership with Lac Courte Oreilles Ojibwa Community College to provide training to Native American-owned firms.

E. State of Illinois Technical Assistance and Training

BEP offers workshops on gaining access to state contracts.

F. Comparative Analysis of Technical Assistance and Training

The State of Indiana's technical assistance program is comparatively under-articulated and underdeveloped, while Maryland provides more specific assistance and Minnesota contracts with a consultant to provide assistance. (See Table 2.12.)

G. Preliminary Considerations for the State of Indiana

The State of Indiana may want to consider the best practices of the State of Ohio (program details not reported here) in providing more hands-on, direct technical assistance to MBEs in such areas as business plans, bookkeeping, records, money management, marketing, loan and bond packaging, and other technical issues, to follow the practice of Minnesota in arranging to provide these services through a consultant, or to partner, like Wisconsin, with a local college.

XI. COMPARATIVE BONDING AND INSURANCE ASSISTANCE

A. State of Maryland Bonding and Insurance Assistance

By state regulations, 5 percent bid bonds and 100 percent payment and performance bonds are required on projects over $50,000. The director of the procuring agency may reduce the requirement to 50 percent, but procuring officers believe the bonding cannot be waived and consider the requirement a barrier to MBE/WBEs. In addition, Maryland requires

professional liability insurance for architectural and engineering projects. Meanwhile, Maryland offers bonding assistance through the Department of Economic and Employment Development and the DOT. The programs are race-neutral, but DEED figures show that most bonding assistance goes to African American and women-owned firms.

Table 2.12 Technical Assistance Programs

Type Activity	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Does the staff provide technical assistance directly to potential or current contractors?	Yes, through the Dept of Commerce's WMBG Program	Yes, an outside consultant is used for this purpose	Yes	No, not formally.	Yes
Does the State participate in or sponsor external technical assistance programs?	No	No		No	Yes
Are financial assistance programs available?	Yes, through the Dept of Commerce's Lynx Captial Credit Corporation	Yes, a loan program is tied to specific contracts and is administered by Illinois Development Credit Corporation	Yes	No	Yes - through Dept. of Commerce, Bureau of Minority Business Development
Is there a mentoring program for MBE/WBE contractors?	Not for MBEs but through InDOT for DBEs although may not be in effect.	No		No	No
What other programs does the State provide?	DBE set-aside authorized but focus is on policy, not programs.	Set-asides, preferences, and sheltered market authorized but may not be in effect	Small business set-asides	TG/ED set-asides and bid preferences	DBE Demonstration and Training Program

B. State of Minnesota Bonding and Insurance Assistance

MMD has made attempts to reduce bonding requirements. It is the practice of MMD to hold the requirements for bid securities and bonding to a minimum. The use of bid security/bond, annual bid, performance, and supply bonds on individual contracts and purchases of supplies, equipment, and services are considered the exception to the rule, although the use of performance and payment bonds on construction projects are consistently utilized to protect the state from damages and small business acting as subcontractors from the default of the general contractor. The bid bonds that had been required on all commodity contracts have been eliminated.

C. State of Wisconsin Bonding and Insurance Assistance

The DBE Supportive Services Program and other financial agencies help DBEs with bonding.

D. State of Illinois Bonding and Insurance Assistance

The MFBE Act of 1989 states that "no premium bond rate of a surety company for a bond required of a minority or female owned business bidding for a State contract shall be higher than the lowest rate charged by the surety for a similar bond in the same classification of work that would be written for a non-minority or non-female owned business." The Secretary of the Council is vested with authority to investigate "the potential of blanket bonding programs for small construction jobs."

E. Comparative Analysis of Bonding and Insurance Assistance

No information was provided on whether Indiana assists MBE/WBEs with bonding or financing, two areas which are often identified as barriers. Race-neutral programs to assist small and new firms in overcoming barriers are often helpful to MBE/WBEs. For instance, because bonding costs are based on available working capital, the costs are generally disproportionately higher for small firms. Minnesota's bond reduction program provides a useful model for removing the barriers posed by bonding requirements.

F. Preliminary Considerations for the State of Indiana

The MBD and procurement division should develop a program to help small firms, start-up firms, and MBE/WBEs with bonding. If the Procurement Division requires bonding, a policy of waiving or reducing bonding requirements for small contracts could be adopted, as is done in Minnesota (as well as North Carolina, Washington, and Missouri), which may agree to damages in lieu of bond. Maryland offers bonding assistance through the Department of Economic and Employment Development and the DOT, while Illinois and Minnesota both have worked toward reducing requirements. In addition, Indianapolis encourages prime contractors to provide bonding for MBE/WBE subcontractors.

XII. COMPARATIVE FINANCIAL ASSISTANCE

A. State of Indiana Financial Assistance

No information about small business financial assistance was provided.

B. State of Maryland Financial Assistance

The Small Business Program includes financial assistance to help small firms and MBE/WBEs overcome the difficulty of obtaining financing. The Maryland Small Business Development Financing Authority (MSBDFA) was designated to assist small businesses with financing government contracts and obtaining bonding. It provides loans to businesses with fewer than 500 employees for these purposes. The MSBDFA gives loans to both minority and majority-owned firms; however, because it has targeted its assistance to minority business through advertising, approximately 80 percent of the $57 million in loans disbursed by the program were to MBE/WBEs. The Department of Economic and Employment Development also offers loans and loan insurance to small and disadvantaged business, most of which have also been to MBE/WBEs.

C. State of Minnesota Financial Assistance

The MMD does not provide direct financial assistance, but businesses may use the Department of Trade and Economic Development Urban Initiative Fund, a referral source for small businesses. Businesses contracting with any state agency are also eligible to apply for the Working Capital Fund, which provides loan and bonding assistance. In addition, Impact gives referrals to businesses seeking financial assistance.

D. State of Wisconsin Financial Assistance

The DBE Demonstration and Training Mobilization Loan Program assists certified DBEs in providing initial mobilization dollars for working capital. Under the DBE Loan Guarantee Program, established in 1989, DBE firms receive multiple loans. The program boasts a 99.9 percent success ratio and has lent over $3.4 million.

E. Comparative Analysis of Financial Assistance

The State of Indiana's lack of financial assistance contrasts sharply with the programs of each of the five other states surveyed. Maryland provides direct loans to small businesses, the Wisconsin DBE Demonstration and Training Program and DBE Loan Guarantee Program likewise arrange for loans, and Minnesota focuses on financial counseling.

F. Preliminary Considerations for the State of Indiana

The State of Indiana should consider implementing race-neutral financial assistance programs following the direct small business loan practice of Maryland.

XIII. COMPARATIVE GOALS

The most common race- and gender-conscious measure undertaken by public entities in ensuring MBE/WBE participation is the establishment of MBE/WBE utilization goals. This section compares state goals and goal-setting methodologies. Table 2.13 compares overall state goals, Table 2.14 what counts toward meeting those goals, and Table 2.15 the goals per minority group.

A. Benchmarks

- Each year, the percentage of contracts awarded to businesses in each ethnic group/gender should be based on the percentage of that ethnic group/gender in the market.

- Goals should be justified with reference to MBE/WBE availability in the relevant market, including analysis of availability of both women and minorities in specific occupations.

- All agencies and procurement officers should be required to participate in efforts to increase MBE/WBE utilization.

Table 2.13 Goals

How Set	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Did jurisdiction face any legal challenges to MBE/WBE participation?	Yes, one just completed with State not held libel.	No, however Chicago is being challenged because of set-asides.	No	Yes, in 1989	No
Have goals been suspended?	No	No, but program sunsets in January 1999.	No	No - goals reinstated in 1990	No
Set annual goals	No, based on public law and Gaming Commission Ordinance, and Indiana Code.	No	Yes	Yes	No - 5% since inception of Wisconsin Act 390
Set goals by program category	?	No	Yes	Yes	No
Goals set by program manager	?	No	Some by statute; some by agencies	Based on statute	Based on statute
What is included in setting goals	?	?	No formal process	No formal process	No formal process
What body approves goals?	Legislature	Legislature	Legislature	Legislature	Legislature
Can departments set own goals?	Yes, but not lower than legislative goals.	No	Yes; some agencies set "Fair Share" goals	Yes	No
Do you have set asides?	Yes, for small business in procurement and Public Works	No, except on very large contracts.		Can use, however rarely used.	

Table 2.13 Goals

How Set	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Are goals being met?	Yes, at State level, however, some agencies not meeting goals	Yes, at State level, however varies by Departments	Yes	Yes	Most; some goals in procurement not being met
What are major challenges to reaching goals?	Preparing minorities for State required paper work. Finding qualified minorities in professional services areas. Finding minorities who have the capacity and understand volume buying.	Difficult to find qualified M/BE/WBEs. Difficult in geographical areas where few MBE/WBE businesses.		Since MMD does large volume business, smaller businesses sometimes don't have the capacity to participate	In the technical areas of Procurement, there aren't enough MBEs with the capacity to participate
How can challenges be addressed?	Need to find a way to legally build partnerships, mentor/protegee relationships Recruit minorities in professional services areas. Find new ways of including minorities in the contracting process.	Procurement conferences and seminars Business Enterprise Program office liaison with State buyers.		Varied, depends on situation	By breaking down contracts into manageable subcontracts

Table 2.13 Goals

How Set	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Three (3) program best practices?	(1) Bids over a certain amount not awarded until MBE/WBE Office determines if MBE participation. (2) MBE/WBE Office has a good relationship with procurement and have their support. (3) Installing new government management system, complete package, which includes the MBE/WBE Office within process and scope.	(1) Stringent certification process, deny a lot of companies as fronts, certifying the right companies. (2) Networking with community groups. (3) Placing bids on World.net, certified firms can access free of charge.		(1) certification (2) communicate well with Targeted Group Vendors (3) participate in organizations that assist in networking	(1) Outreach (2) Educating buyers as well as vendors (3) Certification process is solid

Table 2.14 What Counts toward Meeting Goals

Goal Attainment	INDIANA	ILLINOIS	MARYLAND	MINNESOTA	WISCONSIN
Total $ value of contract if prime contractor is MBE or WBE	Yes, this is encouraged.	Highway construction and universities designate set aside for minorities.	Yes	No - focus of program is on subcontractors	Yes
Proportion of $ value reflecting the MBE or WBE participation in a joint venture	Yes	Yes	Yes	Yes	Yes
$ value of all MBE and WBE subcontracts	Yes	Yes	Yes	Yes	Yes
$ value of material and supplies purchased from MBE or WBE dealers or manufacturers	Yes, 100 % for manufacturers and 25% for brokers.	Yes	Yes	Yes	Yes
Fees or commissions charged by MBE and WBE for providing a bona fide service	Yes, but only value of the commission.	?		No	No

Table 2.15 Groups and Goal Percentages

Groups	INDIANA	ILLINOIS	MARYLAND	MINNESOTA*	WISCONSIN
African American	State – 5% Gaming Commission – 10% Public Works – 10%	Certified – 5%	14%	up to 6%	5%
Asian American	State – 5% Gaming Commission –10% Public Works – 10%	Certified – 5%	14%	up to 6%	5%
Hispanic American	State – 5% Gaming Commission – 10% Public Works – 10%	Certified – 5%	14%	up to 6%	5%
Native American	State – 5% Gaming Commission – 10% Public Works – 10%	Certified – 5%	14%	up to 6%	5%
Others	None	Certified Disabled – 2%	None	Persons with Disabilities, up to 6%; from disadvantaged area, up to 4%	None

* Note: total goal for all small businesses is 25%

B. Best Practices

- Determine market availability by a disparity study.
- Set goals set by gender and ethnicity.
- Establish project-specific goals.
- Establish agency goals.

C. State of Indiana Goals

The State of Indiana has a 5 percent MBE goal set by statute. However, there is no goal for WBEs, and the definitions section of PL 34 defines MBE only in terms of ethnic minorities. Although there is no goal for women, the MBD states that its mission is to certify and provide assistance to WBEs and DBEs as well as MBEs. Procurement Rules require contractors to include a minority participation plan or application for waiver on purchases over $100,000. For contracts for goods or services over $100,000, contractors are required to make a good faith effort to subcontract 5 percent of the value of the contract to MBEs (25 IAC 2-20). Indiana achieved its MBE goal in recent years. In FY 1996-97, Indiana exceeded its 5 percent MBE goal, with 5.34 percent participation.

The goals of the InDOT DBE Program, which explicitly includes WBEs, are established on an annual basis in light of the number of potential contracts and subcontracts, the potential availability of DBEs to perform such work, the relative location of the contracts to the available DBEs, and the results of past efforts to achieve the goal. Goals are also set by the ICRD on individual, federally funded contracts. Specific preconditions to contracts with DBE goals are included in each proposal, which requires that goals be met at the time of bid or good faith efforts be demonstrated.

D. State of Maryland Goals

MBE/WBE requirements apply to designated agencies. The 1979 original MBE/WBE statute (Article 41, Governor, 14 F, Ann. Code of Maryland) mandated that 10 percent of the dollar value of purchases and contracts procured for five Maryland state agencies (DOT, DGS, University of Maryland, and two other agencies) be awarded to MBE prime contractors or subcontractors. The regulatory definition of "MBE" includes ethnic minority-, women-, and disabled-owned businesses. In 1995, the MBE participation goal was increased to 14 percent. Other state agencies are not required to meet the goal; however, the law mandates that these agencies design their procurement procedures in such a way that a fair share of the contracts are awarded to MBEs. In certain locations and at historically African American colleges, DGS sets a 20 percent goal for the commodities and services within its purview.

Project goals *may* be set by any state agency for a project of any amount. Project goals *must* be set for DOT construction projects over $100,000 and for other designated agencies' construction projects over $50,000. All DOT bid solicitations over $100,000 must include a certified MBE/WBE goal as a percentage of the dollar amount of the contract.

In setting project goals, agencies consider the dollar value of the project, the availability of MBE/WBEs to perform subcontracted work, and availability in the location where the work is to be done. Overall MBE participation of each agency must equal the DOT's overall goal.

E. State of Minnesota Goals

As part of the TG/ED Program, the Commissioner may set goals requiring prime contractors to subcontract a portion of any contract for construction, consulting or professional/technical services to TG small businesses. A panel of individuals within MMD determines whether to establish specific subcontracting goals. MnDOT's DBE Program likewise involves the setting of subcontracting goals on projects exceeding $300,000, the amount of the goal determined by the Deputy Director of the Office of EEO Contract Management.

F. State of Wisconsin Goals

The DBE Program is governed by federal goals of not less than 10 percent DBE participation. In 1990, WisDOT also established the process of setting discretionary goals on some of its construction projects. Rather than placing a specific percentage goal on a particular project, WisDOT allows the prime contractor to set the goal on the project using the prime's own discretion. Once the goal is set and submitted to WisDOT, it is treated the same as a project goal established by WisDOT.

The number of discretionary assignments rose from 90 in 1991 to 125 in 1992 and dropped to 17 in 1997, as the discretionary goals likewise declined from 6.11 percent in 1991 to 2.67 percent in 1997. Goal achievements were only 2.25 percent in 1994, 3.01 in 1996, 5.59 in 1996, and 2.67 in 1997.

G. State of Illinois Goals

The Minority and Female Business Enterprise Act (1989) states that "not less than 12% of the total dollar amount of State contracts, as defined by the Secretary of the Council, shall be established as a goal to be awarded to minority and female owned businesses." It provides that at least 5/12 of the total amount of all State contracts awarded to MBE/WBEs be awarded to FBEs and at least 1/6 be awarded to PBEs (disabled-owned businesses). This goal requirement is reinforced by Section I.4570 of Title 44 Government Contracts and Procurement.

For construction projects to which federal regulations apply, each agency or university is required to implement a DBE plan with goals not to exceed federal statutes. In the case of state construction contracts, the MBE/WBE goal is 10 percent, of which 50 percent is to be awarded to FBEs.

The Act also requires that the annual compliance plans submitted by each state agency include both overall MBE/WBE goals, separate MBE and WBE contract goals, and procedures to set separate contract goals on specific prime contracts and purchase orders with subcontracting possibilities based upon the type of work or services and subcontractor availability. It also stipulates procedures for goal exemption, modification, and waiver.

The MFBE Act authorizes the Secretary of the Council to "devise procedures for the waiver of the participation goals in appropriate circumstances."

H. Comparative Analysis of Goals

All jurisdictions reviewed have goals for MBE participation, although in some states, such as Maryland, the goals apply only to certain agencies. Some jurisdictions have separate DBE and WBE goals. Wisconsin's discretionary per-project goals have not met minimum DOT goal levels although Maryland's combination of annual, agency, and per-contract goals, which is similar to Illinois' goal program, have met or exceeded required MBE utilization levels. Comparisons are presented in Tables 2.13 and 2.14.

In Indiana, a 5 percent goal is applied to all contracts for goods and services over $100,000 (25 IAC 2-20). The MBD commissioner may apply the 5 percent goals to smaller projects as well. This practice holds all parties to the contracting process, from procurement officials to prime contractors, accountable for helping the jurisdiction meet its overall goals.

Maryland and Illinois (as well as Denver and Indianapolis) also set goals for each contract, but the jurisdictions set specific goals on a contract-by-contract basis, taking into account the availability of MBE/WBEs in the relevant market for the specific type of project.

The advantages of Indiana's practice of a flat 5 percent goal for each contract are that prime contractors are held accountable to work toward the state's goal and that the state reduces administrative costs by avoiding the need to set a specific goal for each contract. The disadvantage of Indiana's practice is that the 5 percent goal may be too low, depending on the availability of MBEs for the specific type of contract. For instance, it is possible that MBEs in the relevant market could represent far more than 5 percent of the available building trades subcontractors but a smaller percentage of available data processing contractors.

The advantage of Maryland's approach of tailoring project goals for each project is that the goals can be set at a higher level for contracts in specialties with a large proportion of

available MBEs. Those jurisdictions that have completed disparity studies base their goals on the availability of MBE/WBEs in various types of business in the relevant market. One jurisdiction, for instance, sets separate goals for WBEs and MBEs in four categories: construction, design, goods, and services.

Unless Indiana ties its goal to market availability, MBE/WBEs may be underrepresented in state contracts, despite the fact that Indiana has achieved its goal.

Although the disparity study for Maryland analyzed the market availability of individual ethnic groups, no jurisdiction breaks its MBE goals down into separate ethnic groups. While it is difficult to recommend as a best practice a practice which is not used by any of the surveyed jurisdictions, specific ethnic goals should be considered as a means of targeting MBE/WBE programs to all disadvantaged ethnic groups in fair proportion. If, for instance, African Americans are the largest minority group in a relevant labor market (as they are in the general population of all states surveyed), it would be unfair if African Americans were not proportionately included among the MBE/WBEs receiving public contracts. Further, such an outcome might result in legal challenge for failure to narrowly tailor remedies.

I. Preliminary Considerations for the State of Indiana

As recommended in the Maryland disparity study, Indiana should consider setting goals somewhere in between the actual and potential availability of MBE/WBEs in the market. Higher goals reflect the hoped-for increase in availability as Indiana takes steps to reduce barriers to MBE/WBE participation.

Indiana should set goals for WBEs as well as MBEs. Following the practice of Denver, Indiana should set separate goals for MBEs and WBEs based upon the availability of each group for different types of contracts (construction, design/architecture/engineering, goods and services). The more closely goals are tied to availability in the market, the stronger the foundation for showing that goals are carefully tailored to remedy discrimination against specific groups in specific types of businesses.

XIV. COMPARATIVE OTHER RACE-CONSCIOUS PROGRAM ELEMENTS

This section explores race-conscious measures, other than goals, which should be adopted to increase MBE/WBE participation. These measures, which include preferences and set-asides, as well as other direct contracting and sheltered market programs, can also be targeted race-neutrally to small businesses.

A. Benchmarks

- Combine race-conscious programs, where validated by disparity study, with race-neutral programs.

B. Best Practices

- Establish price preferences for MBE/WBEs, if permitted by constitutional case law.

- Establish race-neutral programs for small businesses, including price preferences and set-asides or targeting of small contracts.

C. Other State of Indiana Race-Conscious Elements

As authorized by 49CFR Part 23, InDOT will designate a DBE set-aside contract to be let approximately once a quarter. ICRD identifies contracts according to the criteria that it is $750,000 or less, three potential DBE are identified, it is located in an area that encourages largest DBE bid participation, and can be but is not limited to bridge replacement or rehab, pipe replacement, signing, intersection improvements, or demolition. The chief of the ICRD approves set-aside contracts.

InDOT has also developed a Mentor/Protégé training program, involving the use on InDOT construction projects of prime/mentor and certified DBE protégé subcontractors, which can be used to satisfy DBE goals.

Preferential purchasing programs are limited to race-neutral programs that enhance employment and training for people with severe disabilities, the State Use Program, and the Department of Corrections/Division of Industries and Farms program. Local business preferences were eliminated in 1995.

D. Other State of Maryland Race-Conscious Elements

Maryland has a preference program for small businesses. The Department of General Services (DGS) designates small businesses, which must fill out an application addressing several criteria, and makes a list of small businesses available to other agencies. Using this list, the DOT, DGS and other agencies inform both small and "regular" businesses of bid opportunities. Small businesses then get a 5 percent price preference over regular businesses for certain contracts.

E. Other State of Minnesota Race-Conscious Elements

As part of the state's TG/ED Program, the Commissioner of Administration is authorized to utilize Targeted Group set-asides if it determined that three TG firms are likely to bid. The Commissioner may also award up to a 6 percent TG (race/gender-conscious) bid preference, or a 4 percent ED (race/gender-neutral) bid preference. MnDOT's small business program also includes set-asides and up to a 6 percent bid preference for TG firms. In the first year of the purchasing pilot project, for which MnDOT is the pilot agency, the pilot project was shown to have lower TG/ED preferences than the general purchasing practices of the state. Preferences are given in this MnDOT pilot program as follows:

MnDOT Commodities			MnDOT Building Construction		
AMOUNT	TG	ED	AMOUNT	TG	ED
Less than $5,000	6%	4%	Less than $100,000	6%	4%
$5,000-$15,000	4%	2%	$100,000-250,000	5%	3%
Over $15,000	2%	1%	More than $250,000	4%	2%

F. Other State of Wisconsin Race-Conscious Elements

Through the efforts of the governor, a state senator, the transportation secretary, and the DBE program director, a Demonstration and Training Program was created in 1988 through Wisconsin Act 399, the provisions of which are part of Wisconsin Statute 84.076, to increase the skills and knowledge of DBEs. Since then, the "Demo Program" has let to DBE contractors six projects per construction season, ranging from $30,000 to $1.8 million.

G. Other State of Illinois Race-Conscious Elements

Title 44 authorizes the CPO, under direction from the Council, to establish set-asides and other preferences for certified MBE/WBE vendors.

The MFBE Act authorizes the Secretary of the Council to investigate and make recommendations concerning the use of the sheltered market process and authorizes the Illinois DOT to establish sheltered markets for the state-funded portion of its program.

Title 44 Contracts and Procurement regulations authorize the use of a sheltered workshop for the disabled and procurement preferences for resident bidders and correctional industries, as well as small business set-asides to be determined by the CPO.

H. Comparative Analysis of Other Race-Conscious Program Elements

The States of Indiana, Minnesota, Wisconsin and Illinois programs either use or are authorized to establish set-asides for MBE/WBEs, although some other jurisdictions have specifically disclaimed them (including Indianapolis's MBE/WBE Utilization Plan and Denver's Ordinances 304 and 305). Minnesota, Illinois, and other jurisdictions (including Missouri's lottery and Washington's Office of State Procurement) use price preferences for MBE/WBEs.

Some jurisdictions use race-neutral practices, giving price preferences to small businesses or reserving small contracts to them. Some jurisdictions target race-neutral programs to MBE/WBEs by advertising in minority- or women-oriented media or organizations.

Race-neutral programs may have the best chance of withstanding legal challenge, but they also may be less effective for targeting MBE/WBE firms to increase their utilization. Programs that assist small or new business, regardless of race or gender, address some of the U.S. Commission's benchmarks, including minimizing negative impact on majority businesses and promoting economic development across all businesses. To achieve MBE/WBE goals and overcome the effects of discrimination, race-neutral programs should focus on identified barriers to MBE/WBE utilization, and should be publicized in MBE/WBE organizations and media.

I. Preliminary Considerations for the State of Indiana

Indiana should consider a 5 percent price preference for bids by MBE/WBEs, or bids which meet or exceed the MBE goal, after first obtaining a legal opinion as to whether such a program would meet constitutional scrutiny (taking into account the fact that this disparity study may document discrimination sufficient to justify a race-conscious remedy). Otherwise, Indiana should consider a race-neutral 5 percent price preference for small or new businesses.

XV. CONCLUSION: ESSENTIAL CONSIDERATIONS/BEST PRACTICES

These best practices considerations will be reassessed once the State's study determines whether MBE/WBEs have been underutilized.

A. General Procurement Procedures and MBD Program

While the statutory mandate, implementing regulations, mission statement, and centralization of the Indiana MBD Program meet many of the benchmarks of MBE/WBE programs, the State might want to consider incorporating additional best practices relating to the use of MBE lists and general bid notification, solicitation, advertisement, and targeting practices, to increase MBE/WBE participation in areas in which they have been underutilized and to strengthen its efforts to solicit MBE/WBEs in areas that the State has already targeted for its MBD Program. These best practices, in addition to best practices designed to reach such benchmarks as increasing MBE/WBE access to capital and producing self-sustaining MBE/WBEs, are identified in the following sections.

B. Efforts to Identify Barriers

The present Indiana utilization study, which follows best practices, will result in recommendations for legally defensible MBD program components in keeping with the best practices identified for removing barriers to minority participation.

C. Program Structure

Additional research is required to determine the level of staffing required to adequately address the demands of Indiana's MBD Program, its minority-owned business population of 13,865 firms, its 10.3 total state minority population, and its $297 million annual contracting volume.

D. Prime Contractor Good Faith Requirements

The State of Indiana should also strengthen the requirements that state agencies document good faith efforts to solicit MBEs on all contracts valued at $25,000 or less. The monitoring of such documentation could be improved as well.

E. MBD Program Outreach

The State of Indiana could consider allocating more resources to inform the maximum number of MBE/WBEs of bid opportunities. If it does not already do so, Indiana's MBD should work with the Procurement Division to set up a practice of pre-bid conferences. Following a practice used in Maryland, Indiana's MBD could arrange to provide the names of prime contractors who are considering bidding on jobs to MBE/WBEs who request this information. Following a practice used in Minnesota, Indiana could also create a debriefing process for two-way feedback between unsuccessful bidders and the procuring agency or MBD.

F. MBD Program Enforcement

To more proactively enforce its MBD Program, the State of Indiana might want to consider implementing MBD staff training and incentive program elements.

G. MBD Program Monitoring and Reporting

Indiana might consider Wisconsin's policy of graduating not only DBE but MBE/WBE firms from the program once they reach a certain size, measured in annual receipts. Washington also limits its program to firms under a designated size. This approach has some merit in focusing resources on smaller, newer MBE/WBEs. It also address the U.S. Commission's benchmark of aiming for self-sufficiency for MBE/WBEs after sufficient steps have been taken to remove the effects of discrimination and create a level playing field. However, there is a danger that even a large MBE/WBE could be subject to renewed discrimination once procuring officials and prime contractors are no longer subject to MBE/WBE utilization requirements. Indiana might also want to consider the more detailed monitoring regulations of the State of Illinois, which requires more detailed annual agency compliance plans.

H. General Race-Neutral Program Elements

The State of Indiana's Department of Commerce does have a small business set asides in accordance with Indiana Code 5-22-14. Indiana's MBE/WBE goals apply only to contracts over $100,000, and competitive bidding requirements apply to contracts over $25,000. The MBD should work with the Procurement Division to ensure that small firms, including MBE/WBEs, are targeted for small contracts. The State of Indiana should also examine Indianapolis's public-private initiatives to develop resources for MBE/WBE construction contractors.

Based on the barriers identified in various disparity studies, Indiana should examine its practices to see if it is creating barriers by requiring name brands. If small and MBE/WBE firms are unable to purchase supplies at the lowest possible price because of their small size

or limited geographic scope, then the IDOA Procurement Division should consider a price preference for small firms. Another approach is to base contract awards on service as well as price.

I. Technical Assistance

The State of Indiana may want to consider the best practices of the State of Ohio (details for this State's program not reported in this chapter) in expanding the direct technical assistance to MBEs, offered in the Department of Commerce's (WMBG) Program, in such areas as business plans, bookkeeping, records, money management, marketing, loan and bond packaging, and other technical issues, to follow the practice of Minnesota in arranging to provide these services through a consultant, or to partner, like Wisconsin, with a local college.

J. Bonding and Insurance Assistance

The MBD and procurement division should develop a program to help small firms, start-up firms, and MBE/WBEs with bonding. MBD programs could mirror or be integrated into existing bonding programs administered by the Department of Commerce. If the Procurement Division requires bonding, a policy of waiving or reducing bonding requirements for small contracts could be adopted, as is done in Minnesota (as well as North Carolina, Washington, and Missouri), which may agree to damages in lieu of bond. Maryland offers bonding assistance through the Department of Economic and Employment Development and the DOT. Ohio's Office of Minority Financial Incentives Minority Business Bonding Program provides bonding prequalification, and Illinois and Minnesota both have worked toward reducing requirements. In addition, Indianapolis encourages prime contractors to provide bonding for MBE/WBE subcontractors.

K. Financial Assistance

The State of Indiana Department of Commerce does offer financial assistance in the form of loans, grants, bonding, as well as job training, technical and marketing assistance, energy and environmental programs to small businesses.

L. Goals

As recommended in the Maryland disparity study, Indiana should consider setting goals somewhere between the actual and potential availability of MBE/WBEs in the market. Higher goals reflect the hoped-for increase in availability as Indiana takes steps to reduce barriers to MBE/WBE participation.

Indiana should set goals for WBEs as well as MBEs. Following the practice of Denver (details of this State's program not reported in this chapter), Indiana should set separate

goals for MBEs and WBEs based upon the availability of each group for different types of contracts (construction, design/architecture/engineering, goods and services). The more closely goals are tied to availability in the market, the stronger the foundation for showing that goals are carefully tailored to remedy discrimination against specific groups in specific types of businesses.

M. Other Race-Conscious Program Elements

Indiana should consider a 5 percent price preference for bids by MBE/WBEs, or bids that meet or exceed the MBE goal, after first obtaining a legal opinion as to whether such a program would meet constitutional scrutiny (taking into account the fact that this disparity study may document discrimination sufficient to justify a race-conscious remedy). Otherwise, Indiana should consider a race-neutral 5 percent price preference for small or new businesses.

3

STATE PROCUREMENT PRACTICES

In 1983, the State of Indiana Governor's Commission on Minority Business Development was created by Public Law 34. The mandate of the Commission is to explore and implement ways minority business enterprises (MBEs) may fully participate in the state contracting process and to ensure that a "good faith" effort is made to reach the legislated 5 percent MBE contracting goal. The Minority Business Development (MBD) office implements this mandate by administering a State MBE Program. The MBD office is responsible for assisting the State in reaching the MBE contracting goal by identifying MBEs, assessing their needs, promoting their purchasing opportunities, certifying, conducting procurement workshops, matching majority businesses with minority businesses, and monitoring program compliance. The MBD office also serves as a clearinghouse for all state agencies.

As part of this evaluation study, an assessment was performed of how well the MBE Program procurement and contracting functions are being carried out, from the perspective of those who conduct the State's business. Fifty purchasing agents and contracting officers responded to the survey, which was voluntary. Job title categories of those responding are business administrator, purchasing administrator, director, manager, superintendent, supervisor, purchasing agent, and contract coordinator. Respondents represented 19 State agencies, including four departments, one division, three commissions, and various other agencies.

Open-ended questions were designed to elicit several types of information: The respondents' attitudes toward the MBE Program, resources and assistance they think are needed to support goal attainment, efforts they are making to further the MBE Program's intent, barriers to MBE Program participation, and suggestions for improving MBE Program effectiveness.

I. RESPONDENTS' PROGRAM PERSPECTIVE

Respondents mainly gained an understanding of the Program's intent through Indiana Department of Administration (IDOA) procurement training seminars, on-the-job training, procurement newsletters, and discussions with MBD office staff. They are knowledgeable of the 5 percent contracting goal for MBEs, and their goal attainment responsibility.

When asked their opinion of the MBE Program, many respondents replied that it is beneficial, fair, reasonable, worthy, and effective; needed to level the playing field and guide respondents through the rigors of the state contracting process; and essential for remedying what would otherwise be a patently unfair business environment. The following response from a State commission official reflects general comments made by others:

> I have seen too many instances where vendors have had an "inside track" because they knew someone or had their business for so many years. There is no way for minorities to break into this environment without the assistance of programs like this. I think they are still necessary, especially in the state environment where the massive amount of regulations and paperwork can intimidate the most experienced vendor. It is also an area that should take the lead in integrating these businesses into the mainstream private sector.

In terms of issues of fairness, a State director of a major agency offered:

> Those [non-minority] businesses have historically had greater access to information. We are still asking vendors to compete on an even field. We are just proactive in offering the minority business community greater access to information. The requirement of those vendors to make a good faith effort to include minority businesses in their bids does verge on being cumbersome at times, but it is a part of doing business with the State.

Others were less accepting of the MBE Program, believing that its requirements are too time consuming for minority firms, traps for unsophisticated prime contractors, difficult to administer, and unworkable because of unqualified or unavailable minority vendors. One respondent believed that the effort and energy spent to try and generate minority participation was in vain, as only a few are responsive and responsible. While another respondent agreed with the MBE Program requirements, in principal, but she also believed that:

> In these changing times, [when] we are all faced with working smaller and smarter and everyone pulling their own weight, the whole MBE community should also be expected to perform their own leg work to get State business and pull their own weight, rather than have special treatment laid before them.

Finally, a few respondents condemned the MBE Program as giving unfair advantage to minority firms. While only five of the respondents made such statements, it is instructive that individuals responsible for implementing MBE Program guidelines have such views. One individual with major purchasing responsibility stated that the issue is one of fairness to all:

> I do not offer any more information to minority companies [then I offer] to any other company and I treat all companies equally. I also consider all companies as being able to be responsive and responsible to solicitations and awards until they prove otherwise. It is almost offensive to think that we sometimes hold the hands of many MBE companies and escort them through each step of doing business with the State just to get our numbers up and yet we do not escort other vendors so closely through this process. It is offensive because it is not fair, consistent or equal treatment to all vendors. Furthermore, I believe that it is unfair to require other non-MBE companies to alter their business practices and possibly change who they do business with just to document MBE participation . . . .

Respondents were questioned about their MBE Program expectations. Some personnel believed that contracting opportunities would be opened up to MBEs, especially those willing to complete the certification process. Some said they expect the MBE Program to fulfill the requirements set out by the Governor's office and that they would make every effort to follow that mandate, as instructed. In other words, prospects for the program is derived from their responsibility to remain in compliance with existing state regulations and to be as fair as possible within those constraints.

More than three-fourths of the respondents said they work on goal attainment activities. The balance reported not doing much. Actively participating respondents described their MBE Program involvement as making every effort to comply with its requirements. On occasion, a few respondents volunteered that they have invested extra effort in their program function. The following comment reflects efforts undertaken:

> My policy is to solicit as many MBE vendors as possible and always notify at least three or more. If there are not at least three available, then a call is made to the MBE office to find other sources that may be available. Further, at any time I may need to explain the bidding/award process to prospective MBE vendors. I always make sure to explain everything in great detail so they will completely understand what is expected when participating with bidding and/or what they should do to become familiar with all state agencies.

Another respondent with the State teacher's program explained:

> We have encouraged MBE participation. Our 1996 money manager search secured a Hispanic women owned company, for instance. In 1998, we have undertaken three major investment manager searches, due to a change in the law, and have selected and are seeking contracts with eleven new managers. Every one of these managers has been passed by the MBD.

Finally, one highly placed State director reported that his office made every effort to inform minority businesses of bidding opportunities. They participate at targeted demonstrations and training sessions to help businesses learn how to do business with the State. They teach the agency purchasing personnel to include the minority businesses in their small purchasing practices where maximum competition is not necessarily required. They also have advertised solicitation opportunities at events around the state. These events are targeted to minority audiences. Finally, they work to raise MBD Program awareness with State employees.

II. RESPONDENTS' MBD OFFICE PERSPECTIVE

The respondents made several observations concerning what they perceived as MBD office problems. Identified problems ranged from the poor communication of MBD staff with other agencies, to insufficient training and monitoring, to inadequate staffing. Respondents also reported a need for an updated vendor list identifying certification and decertification status, which would be disseminated to the proper State personnel.

Some respondents complained that they have access only to outdated listings of MBEs:

> Listings are not current and several times the business that was contacted was no longer in business. The book listing vendors that we currently have is dated March, 1997 and is outdated. At least a yearly update of vendor information would be very helpful.

One-half of the respondents reported not receiving MBD training. These respondents expressed a need to improve their ability to assist minority businesses. The respondents who did receive MBD training, in turn trained co-workers in how to get bids from minority businesses and how to review bid packages for proper documentation. A number of respondents in both groups reported needing additional training. For example, a clear procedure needs to be established to communicate vendor certification information. "An instructional meeting should be conducted by MBD to educate state buyers on procedures for maximizing [certification] effectiveness." One respondent said that staff training should be mandatory. Several respondents believed that the availability of minority business training opportunities are not clearly communicated – it tends to be word-of-mouth.

III. MBE PARTICIPATION BARRIERS

Asked what, if any, barriers exist which limit MBE participation in State and private contracting, the respondents had varying replies. A few believed there are barriers internal to State offices. For example:

> All of us [in State agencies] need to know a lot more about the State s goals. All I have learned has come from reading the statutes on my own, and from calling and talking with Elena Looper (MBD office) and Lona Stanfield (MBD Commission member). While both are excellent sources of information, this hardly provides a true overview or [clear] understanding of the program.
>
> We need easier access to a broader number of certified vendors. It's difficult to get the names of firms from the [State's] procurement system, which is not very user friendly.

Others believed that MBEs create their own barriers and that their main disadvantage is poor business management skills, inadequate financing, and [their inability to conform to] government regulations. As one respondent stated:

> They need adequate financing and the skills to run a business going in. They need to keep up with government regulations, and have enough resources to carry them during times of uneven cash flow.

Another respondent believed that MBEs are given a false sense of security when the State qualifies them as a registered MBE in that they seem to believe the State will be more tolerant of errors in the bid packages, when compared to other vendors. "They believe they will be given business, rather than [that they have to] be competitive [to get contract awards]."

Finally, a number of respondents believed the problem is that there are so few MBEs in the State. There is the general claim that the numbers simply are not there.

IV. CONCLUSIONS

Most survey participants expressed a commitment to the MBE Program and demonstrated a fair understanding of the goal-setting process. The positive climate suggested by this endorsement does not, however, obviate the negative beliefs about MBEs and the MBE Program held by some of those responsible for identifying and using MBEs. Furthermore, while many of the respondents are critical of current program implementation and of the MBD office, most are circumspect about their own role in the program, and less than

exuberant in their expectations of the outcome of the program. This suggests that additional attention must be given to managerial ownership of program elements and to honoring the overall institutional priority of increasing MBE participation.

A. Communication of Program Information

Another respondent said that the State needs a better means of identifying the MBEs products or services. Looking up the commodity code does not necessarily identify vendors with the needed product or service. Another respondent suggested distributing up-to-date vendor information to State agencies through memo and e-mail in an accessible format, "It would be helpful if the information would be sent out in a format that is user-friendly."

Many of the responses addressed the need for greater communication concerning MBE Program objectives, resources, and MBE availability. One respondent suggested identifying key agency players who would be responsible for obtaining and maintaining MBE vendor availability. Once businesses have been added to listings, quarterly or semi-annual updates should be provided, which would include the vendor name, individual to be contacted, products offered, address, phone, fax, and e-mail address.

B. Increased Training for State Personnel and MBEs

The theme of more training for State personnel and for MBEs was noted throughout the survey. Greater awareness of how to find vendors, and how vendors find agencies interested in buying their products or services would help with goal attainment. It was observed that special training attention should be paid to increasing State personnel's knowledge about (1) the many avenues for locating MBE vendors, (2) their MBE Program responsibilities, and (3) how to advise non-MBEs (prime contractors) of their obligations.

C. Outreach

Another theme in the survey was focused on increased outreach to MBEs. Respondents suggested that agencies identify particular product areas for MBE solicitation and generally increase the level and thoroughness of vendor outreach. Many recognized the need for the State to more explicitly express to MBEs the requirements for their participation. Some pointed to the need for better MBD office coordination of these solicitations and more aggressive certification. Some suggested avenues for certification were the Better Business-Capital system and, to break down resistance on the part of buyers to using unknown MBEs, a newsletter highlighting successful new
MBEs.

D. Other Program Enhancements

One respondent suggested conveying a stronger institutional message regarding the value of the MBE Program, including incorporating program compliance as a performance criteria:

> More visual and vocal support from all agency heads and managers would compel staff to care more about the program. Possibly include some type of measurement of support to be included in performance evaluations.

The ambivalent recommendation of the following respondent, who was particularly disheartened by the lack of competitiveness of MBEs bids, concerns the constructive use of additional bid preferences:

> The only recommendation I can offer would be to provide some percentage preference to allow their [MBE] offers to become more competitive. This would require additional state laws to create a preference. I offer this suggestion only to answer the question as open-minded as possible, but I disagree with any preference the State utilizes because it is not cost-effective to taxpayers. Anytime you spend more money (when preferences are used) to receive a product that you could get from another source (and it serves the same function) down the street, I do not believe that it is very smart.

This respondent appeared to favor bid preferences over goals:

> It is a great program . . . but with the statute stating participation as a "goal," it is difficult to persuade vendors of how seriously the State attempts to [achieve] the goals of the program, because it doesn't seem as high a priority as it would be if it were a "preference."

The following respondent questioned the State's policy of omitting women from the definition of minorities:

> The State of Indiana does not consider women business enterprises to be minorities. That would certainly help if we could use them. Other Government entities in the State of Indiana do, I don't see why we can't.

E. Suggestions for MBEs

Doing business with the State can be confusing and difficult to navigate. State staff suggested that MBEs should acquire a better understanding of the paperwork required and that both the MBEs and the agencies should do their part to keep the lines of communication open. These respondents believed that greater coordination, knowledge, and training would benefit MBEs working with the State.

Some respondents recognized the need for MBEs to be aware of the importance of providing accurate certification information and ensuring that their business information is updated regularly. Other respondents stressed the cardinal importance of communication. It is not enough for MBEs to feel secure that the agencies with which they are involved are aware of their situations. The respondents urged MBEs to engage in a dialogue with the agencies to make them aware of how, when, and if the needs of the MBEs are being met:

> [MBEs should] be more proactive in making agencies and central purchasing agents aware that they are interested in bidding and in providing information regarding what their company has to offer the State.

While stressing that minority vendors must regard themselves as partners in the process, the managers who participated in this study also acknowledged that bidders, especially minority bidders, are greatly assisted by getting feedback on a regular basis, both when they are meeting the needs of the client and when their bids fail.

The nature of small MBE businesses is also an issue that some respondents believe needs to be addressed. These respondents stated that MBEs would gain an edge in bidding if their businesses were made to be more competitive. This could be done by ensuring that the MBEs were in line with all regulations and were able to provide quality products and services, better pricing, and more competitive delivery, possibly by participating in financial and technical programs.

V. RECOMMENDATIONS

It is proposed that by building on the State's MBE Program successes with sufficient training, MBD resource development, and the additional changes and enhancements described below, many of the real and perceived barriers to program success can be eliminated.

While many of the study participants recommended more aggressive outreach as a way to increase MBE identification and utilization, ethnic-specific goals have historically been the most effective way to ensure minority participation. If the evaluation study supports race-specific goals, aggressive staff training needs to be instituted to engender program acceptance and encourage performance.

According to some survey participants, a lack of understanding of certification procedures, may be effectively restricting the pool of certified MBEs. Most participants stress increased training and accessible outreach programs for both employees and entrepreneurs. For these programs to be effective, they would have to be uniform in nature and made mandatory for State employees. MBE training sessions would have to be publicly announced in easily accessible paper and electronic formats.

The opinion of the agency representatives who responded to the study questionnaire is that the MBD office needs to become much more involved in outreach and business development. Toward that end, it is recommended that the following measures be considered:

1) The MBD office should become more familiar with the purchasing and contracting needs of State agencies.

   The MBD office needs to learn in some detail the kinds of commodities and services that the State typically purchases and/or contracts for, so that it can encourage the development of minority businesses to fulfill these needs.

2) The MBD office should become more active in the recruitment and certification of minority owned firms.

3) The Directory of Certified Minority-Owned Businesses should be refined.

   The participants in this study have found the existing MBE directory to contain inaccurate and out-of-date information. It is recommended that this situation be corrected by convening an internal focus group composed of State staff (perhaps the respondents to the management survey).

   In addition, it is recommended that the MBD office consider developing or adopting other classifications that might provide the kind of specific information that contracting officers and purchasing agents require. It was the opinion of one agent surveyed that the State's commodity codes do not fulfill this need.

   Thirdly, it is recommended that e-mail links, references, and appropriate search/sort engines be incorporated into the database.

4

PRIME CONTRACTOR UTILIZATION

As set forth in *Croson* and its progeny, a utilization study must document minority business enterprises (MBE), women business enterprises (WBE), and disadvantaged business enterprises (DBE) contracting in the jurisdiction under review. The first step in the statistical analysis is to review the State of Indiana's (the State) contracting records. The objective of the utilization data analysis is to determine the State's contracting rate with MBE/WBE/DBEs, compared to non-MBE/WBE/DBEs. The specific contract categories under consideration are construction, professional services, other services and supplies.

Included in this study are contracts issued by the Indiana Department of Administration (IDOA), IDOA Public Works, the State Building Commission (SOBC), the Indiana Lottery Commission (the Lottery), and the Indiana Department of Transportation (InDOT). InDOT construction and supplies contracts were analyzed separately from the other State agencies because the InDOT administers its program independently pursuant to federal DBE requirements.

The Lottery and Riverboat Casinos were also analyzed separately from the State agencies. Indiana's Riverboat Casinos are owned and operated by private entities that are responsible for all contracting necessary to support those operations. They are, however, regulated by the Indiana Gaming Commission. Also note: this utilization analysis does not take into account funds provided by State agencies to minority non-profit corporations and various minority community activities. Those dollars, totaling in the millions, were not considered in this utilization analysis, which only analyzes contracting with for-profit businesses.

The study period is July 1, 1995 through June 30, 1997.

I. UTILIZATION DATA SOURCES

A. State Agencies

IDOA provided computerized records for professional services, quantity purchase agreements, and supply contracts and IDOA Public Works provided computerized construction contract records. SOBC, which is responsible for state building construction, provided computerized records for construction, professional services, and supply contracts. InDOT provided computerized construction and supply contract records.

MBE/WBE/DBEs were identified by those general terms in most state agency records. As specific ethnicity and gender are needed for this evaluation study, ethnicity and gender were collected by cross-referencing the vendor names with the State's MBE/WBE certification list, by contacting the businesses and asking for the owner's ethnicity and gender, and by culling through the State's hard copy contract files containing that information.

B. Lottery and Riverboat Casinos

The Lottery provided computerized records for supply contracts only. The Riverboat Casinos provided computerized records for construction, professional services, other services, and supply contracts. The State's MBE/WBE certification lists, hard copy files, and telephone surveys were also used to identify the ethnicity and gender of business owners utilized by the Lottery and the Riverboat Casinos.

II. UTILIZATION RECORDS

A. State Agencies

Depicted below in Table 4.01 are the total number of prime contracts and dollars collected from the four agencies. A total of 49,250 prime contracts totaling $1,298,989,773 were collected from the State of Indiana (IDOA Public Works, IDOA, SOBC) and InDOT).

The State of Indiana (the State), other than InDOT, reported 44,501 prime contracts totaling $880,648,404. Of those, construction accounted for 4.13 percent of the prime contracts totaling $257,546,847, professional services accounted for 1.07 percent of the prime contracts, totaling $229,428,417, and supplies accounted for 94.8 percent of the prime contracts, totaling $393,673,140.

InDOT reported 4,749 prime contracts totaling $418,341,368. InDOT construction accounted for 12.07 percent of those prime contracts totaling $320,896,799 and InDOT supplies 87.93, totaling $97,444,570.

Table 4.01 Prime Contractor Utilization
State and InDOT Contracts and Dollars

Type	Number of Contracts	Percentage of Contracts	Contract Dollars	Percentage of Dollars
State of Indiana (IDOA Public Works, IDOA, and SOBC)				
Construction	1,838	4.13	257,546,847	29.25
Professional Services	475	1.07	229,428,417	26.05
Supplies	42,188	94.8	393,673,140	44.70
Total	**44,501**	**100**	**$880,648,404**	**100**
Indiana Department of Transportation (InDOT)				
Construction	573	12.07	320,896,799	76.71
Supplies	4176	87.93	97,444,570	23.29
Total	**4,749**		**$418,341,368**	**100**
Grand Total	**49,250**	**100**	**$1,298,989,773**	**100**

B. Lottery and Riverboat Casinos

Depicted below in Table 4.02 are the total number of prime contracts and dollars collected from the Lottery and the Riverboat Casinos. A total of 46,312 prime contracts totaling $672,375,214 were collected from the two entities. Of those, construction accounted for 3.64 totaling $319,864,544, professional services accounted for 4.85 percent of the prime contracts, totaling $56,021,861, other services accounted for 29.26 percent of the prime contracts, totaling $147,884,231, and supplies accounted for 62.25 percent, totaling $148,599,578.

Table 4.02 Prime Contractor Utilization –
Lottery and Riverboat Casinos Contracts and Dollars

Type	Number of Contracts	Percentage of Contracts	Contract Dollars	Percentage of Dollars
Lottery and Riverboat Casinos				
Construction	1,688	3.64	319,864,544	47.57
Professional Services	2,244	4.85	56,021,861	8.33
Other Services	13,553	29.26	147,884,231	22.00
Supplies	28,827	62.25	148,599,578	22.10
Total	**46,312**	**100**	**$672,375,214**	**100**

III. UTILIZATION FINDINGS

A. State Agencies

Prime contract utilization is determined by the number of contracts and the amount of the contract dollars awarded to MBE/WBE/DBEs and non-MBE/WBE/DBEs. The following tables include an analysis of prime contracts for fiscal years July 1, 1995 - June 30, 1997. Utilization findings are reported separately for IDOA Public Works, IDOA, SOBC, and InDOT. The analysis is performed for all dollars and for dollars under $300,000. The contract dollars are capped at $300,000 to determine if MBE/WBEs are receiving those relatively small contracts where their capacity to perform should not be an issue.

1. Indiana Department of Administration Public Works Construction Prime Contractor Utilization, *All Dollars – Fiscal Years July 1, 1995 - June 30, 1997*

This first section reports IDOA Public Works construction prime contract utilization for all dollars. As indicated in Table 4.03, MBE/WBEs received 99 construction prime contracts during the study period and Caucasian males received 1,316 of the total contracts.

- ***MBEs*:** received 60 or 4.24 percent of the construction prime contracts during the study period, representing $3,588,835 or 3.69 percent of the construction prime contract dollars.

- ***WBEs*:** received 39 or 2.76 percent of the construction prime contracts during the study period, representing $1,678,130 or 1.72 percent of the construction prime contract dollars.

- ***MBE/WBEs*:** received 99 or 7.00 percent of the construction prime contracts during the study period, representing $5,266,965 or 5.41 percent of the construction prime contract dollars.

- ***African Americans*:** received 43 or 3.04 percent of the construction prime contracts during the study period, representing $1,693,994 or 1.74 percent of the construction prime contract dollars.

- ***Asian Pacific Americans*:** received 5 or 0.35 percent of the construction prime contracts during the study period, representing $38,493 or 0.04 percent of the construction prime contract dollars.

- ***Hispanic Americans:*** received 4 or 0.28 percent of the construction prime contracts during the study period, representing $809,499 or 0.83 percent of the construction prime contract dollars.

- ***Native Americans:*** received 8 or 0.57 percent of the construction prime contracts during the study period, representing $1,046,849 or 1.08 percent of the construction prime contract dollars.

- ***Caucasian Males:*** received 1,316 or 93.00 percent of the construction prime contracts during the study period, representing $92,094,666 or 94.59 percent of the construction prime contract dollars.

Table 4.03 Indiana Department of Administration Public Works - Construction Prime Contractor Utilization, All Dollars - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	43	3.04%	$1,693,994	1.74%
Asian Pacific Americans	5	0.35%	$38,493	0.04%
Hispanic Americans	4	0.28%	$809,499	0.83%
Native Americans	8	0.57%	$1,046,849	1.08%
Caucasian Females	39	2.76%	$1,678,130	1.72%
Caucasian Males	1,316	93.00%	$92,094,666	94.59%
TOTAL	1,415	100.00%	$97,361,631	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	9	0.64%	$460,209	0.47%
African American Males	34	2.40%	$1,233,785	1.27%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	5	0.35%	$38,493	0.04%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	4	0.28%	$809,499	0.83%
Native American Females	0	0.00%	$0	0.00%
Native American Males	8	0.57%	$1,046,849	1.08%
Caucasian Females	39	2.76%	$1,678,130	1.72%
Caucasian Males	1,316	93.00%	$92,094,666	94.59%
TOTAL	1,415	100.00%	$97,361,631	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	9	0.64%	$460,209	0.47%
Minority Males	51	3.60%	$3,128,627	3.21%
Caucasian Females	39	2.76%	$1,678,130	1.72%
Caucasian Males	1,316	93.00%	$92,094,666	94.59%
TOTAL	1,415	100.00%	$97,361,631	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	60	4.24%	$3,588,835	3.69%
WBEs	39	2.76%	$1,678,130	1.72%
MBE/WBEs	99	7.00%	$5,266,965	5.41%

2. Indiana Department of Administration Public Works Construction Prime Contractor Utilization, *Contracts Under $300,000 – Fiscal Years July 1, 1995 - June 30, 1997*

This first section reports IDOA Public Works utilization for construction prime contracts under $300,000. As indicated in Table 4.04, MBE/WBEs received 97 IDOA Public Works construction prime contracts during the study period and Caucasian males received 1,257 of those contracts.

- ***MBEs*:** received 58 or 4.28 percent of the construction prime contracts during the study period, representing $2,329,483 or 7.30 percent of the construction prime contract dollars.

- ***WBEs*:** received 39 or 2.88 percent of the construction prime contracts during the study period, representing $1,678,130 or 5.26 percent of the construction prime contract dollars.

- ***MBE/WBEs*:** received 97 or 7.16 percent of the construction prime contracts during the study period, representing $4,007,613 or 12.57 percent of the construction prime contract dollars.

- ***African Americans*:** received 43 or 3.18 percent of the construction prime contracts during the study period, representing $1,693,994 or 5.31 percent of the construction prime contract dollars.

- ***Asian Pacific Americans*:** received 5 or 0.37 percent of the construction prime contracts during the study period, representing $38,493 or 0.12 percent of the construction prime contract dollars.

- ***Hispanic Americans:*** received 3 or 0.22 percent of the construction prime contracts during the study period, representing $12,647 or 0.04 percent of the construction prime contract dollars.

- ***Native Americans:*** received 7 or 0.52 percent of the construction prime contracts during the study period, representing $584,349 or 1.83 percent of the construction prime contract dollars.

- ***Caucasian Males:*** received 1,257 or 92.84 percent of the construction prime contracts during the study period, representing $27,883,318 or 87.43 percent of the construction prime contract dollars.

Table 4.04 Indiana Department of Administration Public Works Construction Prime Contractor Utilization, Contracts Under $300,000 - Fiscal Years July 1, 1995 - June 3, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	43	3.18%	$1,693,994	5.31%
Asian Pacific Americans	5	0.37%	$38,493	0.12%
Hispanic Americans	3	0.22%	$12,647	0.04%
Native Americans	7	0.52%	$584,349	1.83%
Caucasian Females	39	2.88%	$1,678,130	5.26%
Caucasian Males	1,257	92.84%	$27,883,318	87.43%
TOTAL	1,354	100.00%	$31,890,931	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	9	0.66%	$460,209	1.44%
African American Males	34	2.51%	$1,233,785	3.87%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	5	0.37%	$38,493	0.12%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	3	0.22%	$12,647	0.04%
Native American Females	0	0.00%	$0	0.00%
Native American Males	7	0.52%	$584,349	1.83%
Caucasian Females	39	2.88%	$1,678,130	5.26%
Caucasian Males	1,257	92.84%	$27,883,318	87.43%
TOTAL	1,354	100.00%	$31,890,931	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	9	0.66%	$460,209	1.44%
Minority Males	49	3.62%	$1,869,275	5.86%
Caucasian Females	39	2.88%	$1,678,130	5.26%
Caucasian Males	1,257	92.84%	$27,883,318	87.43%
TOTAL	1,354	100.00%	$31,890,931	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	58	4.28%	$2,329,483	7.30%
WBEs	39	2.88%	$1,678,130	5.26%
MBE/WBEs	97	7.16%	$4,007,613	12.57%

3. Indiana Department of Administration Professional Services Prime Contractor Utilization, *All Contract Dollars – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.05, according to IDOA contract records for all contract dollars, MBE/WBEs received 29 professional services prime contracts during the study period and Caucasian males received 307 of those contracts.

- ***MBEs*:** received 22 or 6.55 percent of the professional services prime contracts during the study period, representing $1,847,420 or 1.59 percent of the professional services prime contract dollars.

- ***WBEs*:** received 7 or 2.08 percent of the professional services prime contracts during the study period, representing $510,520 or 0.44 percent of the professional services prime contract dollars.

- ***MBE/WBEs*:** received 29 or 8.63 percent of the professional services prime contracts during the study period, representing $2,357,940 or 2.04 percent of the professional service prime contract dollars.

- ***African Americans*:** received 7 or 2.08 percent of the professional services prime contracts during the study period, representing $639,290 or 0.55 percent of the professional services prime contract dollars.

- ***Asian Pacific Americans*:** received 15 or 4.46 percent of the professional services prime contracts during the study period, representing $1,208,130 or 1.04 percent of the professional services prime contract dollars.

- ***Hispanic Americans:*** received none of the professional services prime contracts during the study period.

- ***Native Americans:*** received none of the professional services prime contracts during the study period.

- ***Caucasian Males:*** received 307 or 91.37 percent of the professional services prime contracts during the study period, representing $113,482,559 or 97.96 percent of the professional services prime contract dollars.

Table 4.05 Indiana Department of Administration
Professional Services Prime Contractor Utilization, All Dollars
- Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	7	2.08%	$639,290	0.55%
Asian Pacific Americans	15	4.46%	$1,208,130	1.04%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	7	2.08%	$510,520	0.44%
Caucasian Males	307	91.37%	$113,482,559	97.96%
TOTAL	336	100.00%	$115,840,499	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	7	2.08%	$639,290	0.55%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	15	4.46%	$1,208,130	1.04%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	7	2.08%	$510,520	0.44%
Caucasian Males	307	91.37%	$113,482,559	97.96%
TOTAL	336	100.00%	$115,840,499	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	22	6.55%	$1,847,420	1.59%
Caucasian Females	7	2.08%	$510,520	0.44%
Caucasian Males	307	91.37%	$113,482,559	97.96%
TOTAL	336	100.00%	$115,840,499	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	22	6.55%	$1,847,420	1.59%
WBEs	7	2.08%	$510,520	0.44%
MBE/WBEs	29	8.63%	$2,357,940	2.04%

4. Indiana Department of Administration Professional Services Prime Contractor Utilization, *Contracts Under $300,000 – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.06, according to IDOA contract records, MBE/WBEs received 28 professional services prime contracts under $300,000 during the study period and Caucasian males received 250 of those contracts.

- ***MBEs*:** received 21 or 7.55 percent of the professional services prime contracts during the study period, representing $1,435,867 or 6.54 percent of the professional services prime contract dollars.

- ***WBEs*:** received 7 or 2.52 percent of the professional services prime contracts during the study period, representing $510,520 or 2.32 percent of the professional services prime contract dollars.

- ***MBE/WBEs*:** received 28 or 10.07 percent of the professional services prime contracts during the study period, representing $1,946,387 or 8.86 percent of the professional services prime contract dollars.

- ***African Americans*:** received 7 or 2.52 percent of the professional services prime contracts during the study period, representing $639,290 or 2.91 percent of the professional services prime contract dollars.

- ***Asian Pacific Americans*:** received 14 or 5.04 percent of the professional services prime contracts during the study period, representing $796,577 or 3.63 percent of the professional services prime contract dollars.

- ***Hispanic Americans:*** received none of the professional services prime contracts during the study period.

- ***Native Americans:*** received none of the professional services prime contracts during the study period.

- ***Caucasian Males:*** received 250 or 89.93 percent of the professional services prime contracts during the study period, representing $20,013,822 or 91.14 percent of the professional services prime contract dollars.

Table 4.06 Indiana Department of Administration Professional Services Prime Contractor Utilization, Under $300,000 – Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	7	2.52%	$639,290	2.91%
Asian Pacific Americans	14	5.04%	$796,577	3.63%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	7	2.52%	$510,520	2.32%
Caucasian Males	250	89.93%	$20,013,822	91.14%
TOTAL	278	100.00%	$21,960,209	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	7	2.52%	$639,290	2.91%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	14	5.04%	$796,577	3.63%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	7	2.52%	$510,520	2.32%
Caucasian Males	250	89.93%	$20,013,822	91.14%
TOTAL	278	100.00%	$21,960,209	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	21	7.55%	$1,435,867	6.54%
Caucasian Females	7	2.52%	$510,520	2.32%
Caucasian Males	250	89.93%	$20,013,822	91.14%
TOTAL	278	100.00%	$21,960,209	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	21	7.55%	$1,435,867	6.54%
WBEs	7	2.52%	$510,520	2.32%
MBE/WBEs	28	10.07%	$1,946,387	8.86%

5. Indiana Department of Administration Supplies Prime Contractor Utilization, *All Contracts – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.07, according to IDOA contract records for all contract dollars, MBE/WBEs received 1,243 supplies prime contracts during the study period and Caucasian males received 40,921of those contracts.

- ***MBEs*:** received 713 or 1.69 percent of the supplies prime contracts during the study period, representing $5,174,157 or 1.36 percent of the supplies prime contract dollars.

- ***WBEs*:** received 530 or 1.26 percent of the supplies prime contracts during the study period, representing $1,645,513 or 0.43 percent of the supplies prime contract dollars.

- ***MBE/WBEs*:** received 1,243 or 2.95 percent of the supplies prime contracts during the study period, representing $6,819,670 or 1.80 percent of the supplies prime contract dollars.

- ***African Americans*:** received 382 or 0.91 percent of the supplies prime contracts during the study period, representing $3,707,233 or 0.98 percent of the supplies prime contract dollars.

- ***Asian Pacific Americans*:** received 118 or 0.28 percent of the supplies prime contracts during the study period, representing $922,428 or 0.24 percent of the supplies prime contract dollars.

- ***Hispanic Americans:*** received 100 or 0.24 percent of the supplies prime contracts during the study period, representing $251,897 or 0.07 percent of the supplies prime contract dollars.

- ***Native Americans:*** received 113 or 0.27 percent of the supplies prime contracts during the study period, representing $292,600 or 0.08 percent of the supplies prime contract dollars.

- ***Caucasian Males:*** received 40,921 or 97.05 percent of the supplies prime contracts during the study period, representing $372,311,591 or 98.20 percent of the supplies prime contract dollars.

Table 4.07 Indiana Department of Administration Supplies Prime Contractor Utilization, All Dollars - Fiscal Years June 30, 1995 - July 1, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	382	0.91%	$3,707,233	0.98%
Asian Pacific Americans	118	0.28%	$922,428	0.24%
Hispanic Americans	100	0.24%	$251,897	0.07%
Native Americans	113	0.27%	$292,600	0.08%
Caucasian Females	530	1.26%	$1,645,513	0.43%
Caucasian Males	40,921	97.05%	$372,311,591	98.20%
TOTAL	42,164	100.00%	$379,131,261	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	101	0.24%	$1,480,678	0.39%
African American Males	281	0.67%	$2,226,555	0.59%
Asian Pacific American Females	11	0.03%	$47,279	0.01%
Asian Pacific American Males	107	0.25%	$875,149	0.23%
Hispanic American Females	12	0.03%	$23,927	0.01%
Hispanic American Males	88	0.21%	$227,970	0.06%
Native American Females	59	0.14%	$66,786	0.02%
Native American Males	54	0.13%	$225,814	0.06%
Caucasian Females	530	1.26%	$1,645,513	0.43%
Caucasian Males	40,921	97.05%	$372,311,591	98.20%
TOTAL	42,164	100.00%	$379,131,261	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	183	0.43%	$1,618,669	0.43%
Minority Males	530	1.26%	$3,555,488	0.94%
Caucasian Females	530	1.26%	$1,645,513	0.43%
Caucasian Males	40,921	97.05%	$372,311,591	98.20%
TOTAL	42,164	100.00%	$379,131,261	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	713	1.69%	$5,174,157	1.36%
WBEs	530	1.26%	$1,645,513	0.43%
MBE/WBEs	1,243	2.95%	$6,819,670	1.80%

6. Indiana Department of Administration Supplies Prime Contractor Utilization, *Contracts Under $300,000 – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.08, according to IDOA contract records, MBE/WBEs received 1,241 supplies prime contracts under $300,000 during the study period and Caucasian males received 40,797 of those contracts.

- ***MBEs*:** received 711 or 1.69 percent of the supplies prime contracts during the study period, representing $4,559,647 or 1.76 percent of the supplies prime contract dollars.

- ***WBEs*:** received 530 or 1.26 percent of the supplies prime contracts during the study period, representing $1,645,513 or 0.64 percent of the supplies prime contract dollars.

- ***MBE/WBEs*:** received 1,241 or 2.95 percent of the supplies prime contracts during the study period, representing $6,205,160 or 2.40 percent of the supplies prime contract dollars.

- ***African Americans*:** received 380 or 0.90 percent of the supplies prime contracts during the study period, representing $3,092,723 or 1.19 percent of the supplies prime contract dollars.

- ***Asian Pacific Americans*:** received 118 or 0.28 percent of the supplies prime contracts during the study period, representing $922,428 or 0.36 percent of the supplies prime contract dollars.

- ***Hispanic Americans:*** received 100 or 0.24 percent of the supplies prime contracts during the study period, representing $251,897 or 0.10 percent of the supplies prime contract dollars.

- ***Native Americans:*** received 113 or 0.27 percent of the supplies prime contracts during the study period, representing $292,600 or 0.11 percent of the supplies prime contract dollars.

- ***Caucasian Males:*** received 40,797 or 97.05 percent of the supplies prime contracts during the study period, representing $252,845,862 or 97.60 percent of the supplies prime contract dollars.

Table 4.08 Indiana Department of Administration Supplies
Prime Contractor Utilization, Under $300,000 - Fiscal Years
July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	380	0.90%	$3,092,723	1.19%
Asian Pacific Americans	118	0.28%	$922,428	0.36%
Hispanic Americans	100	0.24%	$251,897	0.10%
Native Americans	113	0.27%	$292,600	0.11%
Caucasian Females	530	1.26%	$1,645,513	0.64%
Caucasian Males	40,797	97.05%	$252,845,862	97.60%
TOTAL	42,038	100.00%	$259,051,022	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	100	0.24%	$1,166,278	0.45%
African American Males	280	0.67%	$1,926,446	0.74%
Asian Pacific American Females	11	0.03%	$47,279	0.02%
Asian Pacific American Males	107	0.25%	$875,149	0.34%
Hispanic American Females	12	0.03%	$23,927	0.01%
Hispanic American Males	88	0.21%	$227,970	0.09%
Native American Females	59	0.14%	$66,786	0.03%
Native American Males	54	0.13%	$225,814	0.09%
Caucasian Females	530	1.26%	$1,645,513	0.64%
Caucasian Males	40,797	97.05%	$252,845,862	97.60%
TOTAL	42,038	100.00%	$259,051,022	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	182	0.43%	$1,304,269	0.50%
Minority Males	529	1.26%	$3,255,378	1.26%
Caucasian Females	530	1.26%	$1,645,513	0.64%
Caucasian Males	40,797	97.05%	$252,845,862	97.60%
TOTAL	42,038	100.00%	$259,051,022	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	711	1.69%	$4,559,647	1.76%
WBEs	530	1.26%	$1,645,513	0.64%
MBE/WBEs	1,241	2.95%	$6,205,160	2.40%

7. *Indiana Department of Administration Pubic Works Informal Construction Prime Constructor Utilization – Fiscal Years July 1, 1995 - June 30, 1997*

Informal construction contracts are defined by IDOA Public Works as contracts under $25,000. As indicated in Table 4.09, for IDOA Public Works informal contracts, MBE/WBEs received 59 of those contracts during the study period and Caucasian males received 1,073 of those contracts.

- ***MBEs*:** received 38 or 3.36 percent of the informal construction prime contracts during the study period, representing $467,538 or 5.97 percent of the informal construction prime contract dollars.

- ***WBEs*:** received 21 or 1.86 percent of the informal construction prime contracts during the study period, representing $196,154 or 2.50 percent of the informal construction prime contract dollars.

- ***MBE/WBEs*:** received 59 or 5.21 percent of the informal construction prime contracts during the study period, representing $663,692 or 8.47 percent of the informal construction prime contract dollars.

- ***African Americans:*** received 27 or 2.39 percent of the informal construction prime contracts during the study period, representing $391,198 or 4.99 percent of the informal construction prime contract dollars.

- ***Asian Pacific Americans*:** received 5 or 0.44 percent of the informal construction prime contracts during the study period, representing $38,493 or 0.49 percent of the informal construction prime contract dollars.

- ***Hispanic Americans:*** received 3 or 0.27 percent of the informal construction prime contracts during the study period, representing $12,647 or 0.16 percent of the informal construction prime contract dollars.

- ***Native Americans:*** received 3 or 0.27 percent of the informal construction prime contracts during the study period, representing $25,200 or 0.32 percent of the informal construction prime contract dollars.

- ***Caucasian Males:*** received 1,073 or 94.79 percent of the informal construction prime contracts during the study period, representing $7,172,194 or 91.53 percent of the informal construction prime contract dollars.

Table 4.09 Indiana Department of Administration Public Works Informal Construction Contractor Utilization Under $25,000 - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	27	2.39%	$391,198	4.99%
Asian Pacific Americans	5	0.44%	$38,493	0.49%
Hispanic Americans	3	0.27%	$12,647	0.16%
Native Americans	3	0.27%	$25,200	0.32%
Caucasian Females	21	1.86%	$196,154	2.50%
Caucasian Males	1,073	94.79%	$7,172,194	91.53%
TOTAL	1,132	100.00%	$7,835,886	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	6	0.53%	$105,516	1.35%
African American Males	21	1.86%	$285,682	3.65%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	5	0.44%	$38,493	0.49%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	3	0.27%	$12,647	0.16%
Native American Females	0	0.00%	$0	0.00%
Native American Males	3	0.27%	$25,200	0.32%
Caucasian Females	21	1.86%	$196,154	2.50%
Caucasian Males	1,073	94.79%	$7,172,194	91.53%
TOTAL	1,132	100.00%	$7,835,886	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	6	0.53%	$105,516	1.35%
Minority Males	32	2.83%	$362,022	4.62%
Caucasian Females	21	1.86%	$196,154	2.50%
Caucasian Males	1,073	94.79%	$7,172,194	91.53%
TOTAL	1,132	100.00%	$7,835,886	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	38	3.36%	$467,538	5.97%
WBEs	21	1.86%	$196,154	2.50%
MBE/WBEs	59	5.21%	$663,692	8.47%

8. *Indiana Department of Administration Informal Professional Services Prime Contractor Utilization, Contracts Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.10, according to IDOA informal professional services contract records, MBE/WBEs received nine informal professional services prime contracts under $25,000 during the study period and Caucasian males received 66 of those contracts.

- ***MBEs*:** received 7 or 9.33 percent of the informal professional services prime contracts during the study period, representing $101,929 or 10.16 percent of the informal professional services prime contract dollars.

- ***WBEs*:** received 2 or 2.67 percent of the informal professional services prime contracts during the study period, representing $41,515 or 4.14 percent of the informal professional services prime contract dollars.

- ***MBE/WBEs*:** received 9 or 12 percent of the informal professional services prime contracts during the study period, representing $143,444 or 14.30 percent of the informal professional services prime contract dollars.

- ***African Americans*:** received 2 or 2.67 percent of the informal professional services prime contracts during the study period, representing $16,500 or 1.64 percent of the informal professional services prime contract dollars.

- ***Asian Pacific Americans*:** received 5 or 6.67 percent of the informal professional services prime contracts during the study period, representing $85,429 or 8.51 percent of the informal professional services prime contract dollars.

- ***Hispanic Americans:*** received none of the informal professional services prime contracts during the study period.

- ***Native Americans:*** received none of the informal professional services prime contracts during the study period.

- ***Caucasian Males:*** received 66 or 88 percent of the informal professional services prime contracts during the study period, representing $859,850 or 85.70 percent of the informal professional services prime contract dollars.

Table 4.10 Indiana Department of Administration Informal Professional Services Prime Contractor Utilization Under $25,000 - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	2	2.67%	$16,500	1.64%
Asian Pacific Americans	5	6.67%	$85,429	8.51%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	2	2.67%	$41,515	4.14%
Caucasian Males	66	88.00%	$859,850	85.70%
TOTAL	75	100.00%	$1,003,294	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	2	2.67%	$16,500	1.64%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	5	6.67%	$85,429	8.51%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	2	2.67%	$41,515	4.14%
Caucasian Males	66	88.00%	$859,850	85.70%
TOTAL	75	100.00%	$1,003,294	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	7	9.33%	$101,929	10.16%
Caucasian Females	2	2.67%	$41,515	4.14%
Caucasian Males	66	88.00%	$859,850	85.70%
TOTAL	75	100.00%	$1,003,294	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	7	9.33%	$101,929	10.16%
WBEs	2	2.67%	$41,515	4.14%
MBE/WBEs	9	12.00%	$143,444	14.30%

9. *Indiana Department of Administration Informal Supplies Prime Contractor Utilization, Contracts Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.11, according to IDOA contract records, for contracts under $25,000, MBE/WBEs received 1,193 informal supplies prime contracts during the study period and Caucasian males received 38,779 of those contracts.

- ***MBEs*:** received 671 or 1.68 percent of the informal supplies prime contracts during the study period, representing $2,346,936 or 1.95 percent of the informal supplies prime contract dollars.

- ***WBEs*:** received 522 or 1.31 percent of the informal supplies prime contracts during the study period, representing $1,192,936 or 0.99 percent of the informal supplies prime contract dollars.

- ***MBE/WBEs*:** received 1,193 or 2.98 percent of the informal supplies prime contracts during the study period, representing $3,539,872 or 2.95 percent of the informal supplies prime contract dollars.

- ***African Americans*:** received 352 or 0.88 percent of the informal supplies prime contracts during the study period, representing $1,401,812 or 1.17 percent of the informal supplies prime contract dollars.

- ***Asian Pacific Americans*:** received 109 or 0.27 percent of the informal supplies prime contracts during the study period, representing $502,469 or 0.42 percent of the informal supplies prime contract dollars.

- ***Hispanic Americans:*** received 97 or 0.24 percent of the informal supplies prime contracts during the study period, representing $150,055 or 0.12 percent of the informal supplies prime contract dollars.

- ***Native Americans:*** received 113 or 0.28 percent of the informal supplies prime contracts during the study period, representing $292,600 or 0.24 percent of the informal supplies prime contract dollars.

- ***Caucasian Males:*** received 38,779 or 97.02 percent of the informal supplies prime contracts during the study period, representing $116,519,900 or 97.05 percent of the informal supplies prime contract dollars.

Table 4.11 Indiana Department of Administration Informal Supplies Prime Contractor Utilization Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	352	0.88%	$1,401,812	1.17%
Asian Pacific Americans	109	0.27%	$502,469	0.42%
Hispanic Americans	97	0.24%	$150,055	0.12%
Native Americans	113	0.28%	$292,600	0.24%
Caucasian Females	522	1.31%	$1,192,936	0.99%
Caucasian Males	38,779	97.02%	$116,519,900	97.05%
TOTAL	39,972	100.00%	$120,059,773	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	90	0.23%	$390,611	0.33%
African American Males	262	0.66%	$1,011,201	0.84%
Asian Pacific American Females	11	0.03%	$47,279	0.04%
Asian Pacific American Males	98	0.25%	$455,190	0.38%
Hispanic American Females	12	0.03%	$23,927	0.02%
Hispanic American Males	85	0.21%	$126,128	0.11%
Native American Females	59	0.15%	$66,786	0.06%
Native American Males	54	0.14%	$225,814	0.19%
Caucasian Females	522	1.31%	$1,192,936	0.99%
Caucasian Males	38,779	97.02%	$116,519,900	97.05%
TOTAL	39,972	100.00%	$120,059,773	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	172	0.43%	$528,602	0.44%
Minority Males	499	1.25%	$1,818,334	1.51%
Caucasian Females	522	1.31%	$1,192,936	0.99%
Caucasian Males	38,779	97.02%	$116,519,900	97.05%
TOTAL	39,972	100.00%	$120,059,773	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	671	1.68%	$2,346,936	1.95%
WBEs	522	1.31%	$1,192,936	0.99%
MBE/WBEs	1,193	2.98%	$3,539,872	2.95%

10. State Office Building Commission Construction Prime Contractor Utilization, *All Contract Dollars – Fiscal Years July 1, 1995 - June 30, 1997*

This section reports State Office Building Commission (SOBC) construction prime contract utilization. As indicated in Table 4.12, MBE/WBEs received 10 construction prime contracts during the study period and Caucasian males received 160 of those contracts. This analysis includes all dollars.

- ***MBEs*:** received 5 or 2.94 percent of the construction prime contracts during the study period, representing $714,724 or 0.45 percent of the construction prime contract dollars.

- ***WBEs*:** received 5 or 2.94 percent of the construction prime contracts during the study period, representing $20,218 or 0.01 percent of the construction prime contract dollars.

- ***MBE/WBEs*:** received 10 or 5.88 percent of the construction prime contracts during the study period, representing $734,942 or 0.46 percent of the construction prime contract dollars.

- ***African Americans*:** received none of the construction prime contracts during the study period.

- ***Asian Pacific Americans*:** received 2 or 1.18 percent of the construction prime contracts during the study period, representing $11,150 or 0.01 percent of the construction prime contract dollars.

- ***Hispanic Americans:*** received none of the construction prime contracts during the study period.

- ***Native Americans:*** received 3 or 1.76 percent of the construction prime contracts during the study period, representing $703,574 or 0.44 percent of the construction prime contract dollars.

- ***Caucasian Males:*** received 160 or 94.12 percent of the construction prime contracts during the study period, representing $159,290,783 or 99.54 percent of the construction prime contract dollars.

Table 4.12 Indiana State Office Building Commission Construction Prime Contractor Utilization, All Dollars - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	0	0.00%	$0	0.00%
Asian Pacific Americans	2	1.18%	$11,150	0.01%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	3	1.76%	$703,574	0.44%
Caucasian Females	5	2.94%	$20,218	0.01%
Caucasian Males	160	94.12%	$159,290,783	99.54%
TOTAL	170	100.00%	$160,025,725	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	0	0.00%	$0	0.00%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	2	1.18%	$11,150	0.01%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	3	1.76%	$703,574	0.44%
Caucasian Females	5	2.94%	$20,218	0.01%
Caucasian Males	160	94.12%	$159,290,783	99.54%
TOTAL	170	100.00%	$160,025,725	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	5	2.94%	$714,724	0.45%
Caucasian Females	5	2.94%	$20,218	0.01%
Caucasian Males	160	94.12%	$159,290,783	99.54%
TOTAL	170	100.00%	$160,025,725	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	5	2.94%	$714,724	0.45%
WBEs	5	2.94%	$20,218	0.01%
MBE/WBEs	10	5.88%	$734,942	0.46%

11. State Office Building Commission Construction Prime Contractor Utilization, *Contracts Under $300,000 – Fiscal Years July 1, 1995 - June 30, 1997*

This section reports SOBC construction prime contract utilization. It includes contract dollars under $300,000. As indicated in Table 4.13, MBE/WBEs received 9 construction prime contracts during the study period and Caucasian males received 123 of those contracts.

- ***MBEs*:** received 4 or 3.03 percent of the construction prime contracts during the study period, representing $267,085 or 4.61 percent of the construction prime contract dollars.

- ***WBEs*:** received 5 or 3.79 percent of the construction prime contracts during the study period, representing $20,218 or 0.35 percent of the construction prime contract dollars.

- ***MBE/WBEs*:** received 9 or 6.82 percent of the construction prime contracts during the study period, representing $287,303 or 4.96 percent of the construction prime contract dollars.

- ***African Americans*:** received none of the construction prime contracts during the study period.

- ***Asian Pacific Americans*:** received 2 or 1.52 percent of the construction prime contracts during the study period, representing $11,150 or 0.19 percent of the construction prime contract dollars.

- ***Hispanic Americans:*** received none of the construction prime contracts during the study period.

- ***Native Americans:*** received 2 or 1.52 percent of the construction prime contracts during the study period, representing $255,935 or 4.42 percent of the construction prime contract dollars.

- ***Caucasian Males:*** received 123 or 93.18 percent of the construction prime contracts during the study period, representing $5,500,772 or 95.04 percent of the construction prime contract dollars.

Table 4.13 Indiana State Office Building Commission Construction Prime Contractor Utilization, Under $300,000 - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	0	0.00%	$0	0.00%
Asian Pacific Americans	2	1.52%	$11,150	0.19%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	2	1.52%	$255,935	4.42%
Caucasian Females	5	3.79%	$20,218	0.35%
Caucasian Males	123	93.18%	$5,500,772	95.04%
TOTAL	132	100.00%	$5,788,075	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	0	0.00%	$0	0.00%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	2	1.52%	$11,150	0.19%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	2	1.52%	$255,935	4.42%
Caucasian Females	5	3.79%	$20,218	0.35%
Caucasian Males	123	93.18%	$5,500,772	95.04%
TOTAL	132	100.00%	$5,788,075	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	4	3.03%	$267,085	4.61%
Caucasian Females	5	3.79%	$20,218	0.35%
Caucasian Males	123	93.18%	$5,500,772	95.04%
TOTAL	132	100.00%	$5,788,075	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	4	3.03%	$267,085	4.61%
WBEs	5	3.79%	$20,218	0.35%
MBE/WBEs	9	6.82%	$287,303	4.96%

12. State Office Building Commission Professional Services Prime Contractor Utilization, *All Contract Dollars – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.14, according to SOBC contract records for all dollars, MBE/WBEs received six professional services prime contracts during the study period and Caucasian males received 94 contracts. This analysis includes all contract dollars.

- ***MBEs*:** received 5 or 5 percent of the professional services prime contracts during the study period, representing $6,510,008 or 5.73 percent of the professional services prime contract dollars.

- ***WBEs*:** received 1 or 1.00 percent of the professional services prime contracts during the study period, representing $5,000 or less than 0.01 percent of the professional services prime contract dollars.

- ***MBE/WBEs*:** received 6 or 6 percent of the professional services prime contracts during the study period, representing $6,515,008 or 5.74 percent of the professional services prime contract dollars.

- ***African Americans*:** received none of the professional services prime contracts during the study period.

- ***Asian Pacific Americans*:** received 4 or 4 percent of the professional services prime contracts during the study period, representing $6,508,792 or 5.73 percent of the professional services prime contract dollars.

- ***Hispanic Americans:*** received none of the professional services prime contracts during the study period.

- ***Native Americans:*** received 1 or 1 percent of the professional services prime contracts during the study period, representing $1,216 or less than 0.01 percent of the professional services prime contract dollars.

- ***Caucasian Males:*** received 94 or 94 percent of the professional services prime contracts during the study period, representing $107,071,616 or 94.26 percent of the professional services prime contract dollars.

Table 4.14 Indiana State Office Building Commission
Professional Services Prime Contractor Utilization, All Dollars
- Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	0	0.00%	$0	0.00%
Asian Pacific Americans	4	4.00%	$6,508,792	5.73%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	1	1.00%	$1,216	0.00%
Caucasian Females	1	1.00%	$5,000	0.00%
Caucasian Males	94	94.00%	$107,071,616	94.26%
TOTAL	100	100.00%	$113,586,623	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	0	0.00%	$0	0.00%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	4	4.00%	$6,508,792	5.73%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	1	1.00%	$1,216	0.00%
Caucasian Females	1	1.00%	$5,000	0.00%
Caucasian Males	94	94.00%	$107,071,616	94.26%
TOTAL	100	100.00%	$113,586,623	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	5	5.00%	$6,510,008	5.73%
Caucasian Females	1	1.00%	$5,000	0.00%
Caucasian Males	94	94.00%	$107,071,616	94.26%
TOTAL	100	100.00%	$113,586,623	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	5	5.00%	$6,510,008	5.73%
WBEs	1	1.00%	$5,000	0.00%
MBE/WBEs	6	6.00%	$6,515,008	5.74%

13. State Office Building Commission Professional Services Prime Contractor Utilization, *Contracts Under $300,000 – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.15, according to SOBC contract records, MBE/WBEs received four professional services prime contracts under $300,000 during the study period and Caucasian males received 73 of those contracts.

- ***MBEs*:** received 3 or 3.9 percent of the professional services prime contracts during the study period, representing $25,326 or 0.67 percent of the professional services prime contract dollars.

- ***WBEs*:** received 1 or 1.30 percent of the professional services prime contracts during the study period, representing $5,000 or 0.13 percent of the professional services prime contract dollars.

- ***MBE/WBEs*:** received 4 or 5.19 percent of the professional services prime contracts during the study period, representing $30,326 or 0.80 percent of the professional services prime contract dollars.

- ***African Americans*:** received none of the professional services prime contracts during the study period.

- ***Asian Pacific Americans*:** received 2 or 2.60 percent of the professional services prime contracts during the study period, representing $24,110 or 0.63 percent of the professional services prime contract dollars.

- ***Hispanic Americans:*** received none of the professional services prime contracts during the study period.

- ***Native Americans:*** received one or 1.30 percent of the professional services prime contracts during the study period, representing $1,216 or 0.03 percent of the professional services prime contract dollars.

- ***Caucasian Males:*** received 73 or 94.81 percent of the professional services prime contracts during the study period, representing $3,774,604 or 99.20 percent of the professional services prime contract dollars.

Table 4.15 State Office Building Commission Professional Services Prime Contractor Utilization, Under $300,000 – Fiscal Years July 30, 1995 - June 1, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	0	0.00%	$0	0.00%
Asian Pacific Americans	2	2.60%	$24,110	0.63%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	1	1.30%	$1,216	0.03%
Caucasian Females	1	1.30%	$5,000	0.13%
Caucasian Males	73	94.81%	$3,774,604	99.20%
TOTAL	77	100.00%	$3,804,930	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	0	0.00%	$0	0.00%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	2	2.60%	$24,110	0.63%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	1	1.30%	$1,216	0.03%
Caucasian Females	1	1.30%	$5,000	0.13%
Caucasian Males	73	94.81%	$3,774,604	99.20%
TOTAL	77	100.00%	$3,804,930	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	3	3.90%	$25,326	0.67%
Caucasian Females	1	1.30%	$5,000	0.13%
Caucasian Males	73	94.81%	$3,774,604	99.20%
TOTAL	77	100.00%	$3,804,930	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	3	3.90%	$25,326	0.67%
WBEs	1	1.30%	$5,000	0.13%
MBE/WBEs	4	5.19%	$30,326	0.80%

14. State Office Building Commission Supplies Prime Contractor Utilization, *All Contract Dollars – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.16, according to SOBC contract records for all contracts, MBE/WBEs received none of the supplies prime contracts during the study period and Caucasian males received 24 of those contracts.

- ***MBEs*:** received none of the supplies prime contracts during the study period.

- ***WBEs*:** received none of the supplies prime contracts during the study period.

- ***MBE/WBEs*:** received none of the supplies prime contracts during the study period.

- ***African Americans*:** received none of the supplies prime contracts during the study period.

- ***Asian Pacific Americans*:** received none of the supplies prime contracts during the study period.

- ***Hispanic Americans:*** received none of the supplies prime contracts during the study period.
- ***Native Americans:*** received none of the supplies prime contracts during the study period.
- ***Caucasian Males:*** received 24 or 100 percent of the supplies prime contracts during the study period, representing $14,541,879 or 100 percent of the supplies prime contract dollars.

Table 4.16 Indiana State Office Building Commission Supplies Prime Contractor Utilization, All Dollars - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	0	0.00%	$0	0.00%
Asian Pacific Americans	0	0.00%	$0	0.00%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	0	0.00%	$0	0.00%
Caucasian Males	24	100.00%	$14,541,879	100.00%
TOTAL	24	100.00%	$14,541,879	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	0	0.00%	$0	0.00%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	0	0.00%	$0	0.00%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	0	0.00%	$0	0.00%
Caucasian Males	24	100.00%	$14,541,879	100.00%
TOTAL	24	100.00%	$14,541,879	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	0	0.00%	$0	0.00%
Caucasian Females	0	0.00%	$0	0.00%
Caucasian Males	24	100.00%	$14,541,879	100.00%
TOTAL	24	100.00%	$14,541,879	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	0	0.00%	$0	0.00%
WBEs	0	0.00%	$0	0.00%
MBE/WBEs	0	0.00%	$0	0.00%

15. State Office Building Commission Supplies Prime Contractor Utilization,
Contracts Under $300,000 – Fiscal Years July 1, 1995 - June 30, 1997

As indicated in Table 4.17, according to SOBC contract records, MBE/WBEs received none of the supplies prime contracts under $300,000 during the study period and Caucasian males received 18 of those contracts.

- ***MBEs*:** received none of the supplies prime contracts during the study period.

- ***WBEs*:** received none of the supplies prime contracts during the study period.

- ***MBE/WBEs*:** received none of the supplies prime contracts during the study period.

- ***African Americans*:** received none of the supplies prime contracts during the study period.

- ***Asian Pacific Americans*:** received none of the supplies prime contracts during the study period.

- ***Hispanic Americans:*** received none of the supplies prime contracts during the study period.
- ***Native Americans:*** received none of the supplies prime contracts during the study period.
- ***Caucasian Males:*** received 18 or 100 percent of the supplies prime contracts during the study period, representing $741,337 or 100 percent of the supplies prime contract dollars.

Table 4.17 State Office Building Commission Supplies Prime Contractor Utilization, Under $300,000 – Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	0	0.00%	$0	0.00%
Asian Pacific Americans	0	0.00%	$0	0.00%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	0	0.00%	$0	0.00%
Caucasian Males	18	100.00%	$741,337	100.00%
TOTAL	18	100.00%	$741,337	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	0	0.00%	$0	0.00%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	0	0.00%	$0	0.00%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	0	0.00%	$0	0.00%
Caucasian Males	18	100.00%	$741,337	100.00%
TOTAL	18	100.00%	$741,337	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	0	0.00%	$0	0.00%
Caucasian Females	0	0.00%	$0	0.00%
Caucasian Males	18	100.00%	$741,337	100.00%
TOTAL	18	100.00%	$741,337	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	0	0.00%	$0	0.00%
WBEs	0	0.00%	$0	0.00%
MBE/WBEs	0	0.00%	$0	0.00%

16. *State Office Building Commission Informal Construction Prime Contractor Utilization – Fiscal Years July 1, 1995 - June 30, 1997*

This section reports SOBC informal construction prime contract utilization. Informal contracts are those under $25,000. As indicated in Table 4.18, MBE/WBEs received 7 informal construction prime contracts during the study period and Caucasian males received 75 of those contracts.

- ***MBEs*:** received 2 or 2.44 percent of the informal construction prime contracts during the study period representing $11,150 or 1.56 percent of the informal prime contract dollars.

- ***WBEs*:** received 5 or 6.10 percent of the informal construction prime contracts during the study period, representing $20,218 or 2.83 percent of the informal construction prime contract dollars.

- ***MBE/WBEs*:** received 7 or 8.54 percent of the informal construction prime contracts during the study period, representing $31,368 or 4.39 percent of the informal construction prime contract dollars.

- ***African Americans*:** received none of the informal construction prime contracts during the study period.

- ***Asian Pacific Americans:*** received 2 or 2.44 percent of the informal construction prime contracts during the study period, representing $11,150 or 1.56 percent of the informal construction prime contract dollars.

- ***Hispanic Americans:*** received none of the informal construction prime contracts during the study period.

- ***Native Americans:*** received none of the informal construction prime contracts during the study period.

- ***Caucasian Males:*** received 75 or 91.46 percent of the informal construction prime contracts during the study period, representing $682,471 or 95.61 percent of the informal construction prime contract dollars.

Table 4.18 State Office Building Commission Informal Construction Prime Contractor Utilization, Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	0	0.00%	$0	0.00%
Asian Pacific Americans	2	2.44%	$11,150	1.56%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	5	6.10%	$20,218	2.83%
Caucasian Males	75	91.46%	$682,471	95.61%
TOTAL	82	100.00%	$713,839	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	0	0.00%	$0	0.00%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	2	2.44%	$11,150	1.56%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	5	6.10%	$20,218	2.83%
Caucasian Males	75	91.46%	$682,471	95.61%
TOTAL	82	100.00%	$713,839	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	2	2.44%	$11,150	1.56%
Caucasian Females	5	6.10%	$20,218	2.83%
Caucasian Males	75	91.46%	$682,471	95.61%
TOTAL	82	100.00%	$713,839	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	2	2.44%	$11,150	1.56%
WBEs	5	6.10%	$20,218	2.83%
MBE/WBEs	7	8.54%	$31,368	4.39%

17. ***State Office Building Commission Informal Professional Services Prime Contractor Utilization, Contracts Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997***

As indicated in Table 4.19, according to SOBC contract records, MBE/WBEs received four informal professional services prime contracts under $25,000 during the study period and Caucasian males received 36 of those contracts.

- ***MBEs*****:** received 3 or 7.50 percent of the informal professional services prime contracts during the study period, representing $25,326 or 4.97 percent of the informal professional services prime contract dollars.

- ***WBEs*****:** received 1 or 2.50 percent of the informal professional services prime contracts during the study period, representing $5,000 or 0.98 percent of the informal professional services prime contract dollars.

- ***MBE/WBEs*****:** received 4 or 10 percent of the informal professional services prime contracts during the study period, representing $30,326 or 5.95 percent of the informal professional services prime contract dollars.

- ***African Americans*****:** received none of the informal professional services prime contracts during the study period.

- ***Asian Pacific Americans*****:** received 2 or 5 percent of the informal professional services prime contracts during the study period, representing $24,110 or 4.73 percent of the informal professional services prime contract dollars.

- ***Hispanic Americans:*** received none of the informal professional services prime contracts during the study period.

- ***Native Americans:*** received 1 or 2.50 percent of the informal professional services prime contracts during the study period, representing $1,216 or .24 percent of the informal professional services prime contract dollars.

- ***Caucasian Males:*** received 36 or 90 percent of the informal professional services prime contracts during the study period, representing $479,383 or 94.05 percent of the informal professional services prime contract dollars.

Table 4.19 State Office Building Commission Informal Professional Services Prime Contractor Utilization, Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	0	0.00%	$0	0.00%
Asian Pacific Americans	2	5.00%	$24,110	4.73%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	1	2.50%	$1,216	0.24%
Caucasian Females	1	2.50%	$5,000	0.98%
Caucasian Males	36	90.00%	$479,383	94.05%
TOTAL	40	100.00%	$509,709	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	0	0.00%	$0	0.00%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	2	5.00%	$24,110	4.73%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	1	2.50%	$1,216	0.24%
Caucasian Females	1	2.50%	$5,000	0.98%
Caucasian Males	36	90.00%	$479,383	94.05%
TOTAL	40	100.00%	$509,709	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	3	7.50%	$25,326	4.97%
Caucasian Females	1	2.50%	$5,000	0.98%
Caucasian Males	36	90.00%	$479,383	94.05%
TOTAL	40	100.00%	$509,709	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	3	7.50%	$25,326	4.97%
WBEs	1	2.50%	$5,000	0.98%
MBE/WBEs	4	10.00%	$30,326	5.95%

18. ***State Office Building Commission Informal Supplies Prime Contractor Utilization, Contracts Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997***

As indicated in Table 4.20, according to SOBC contract records, MBE/WBEs received none of the informal supplies prime contracts under $25,000 during the study period and Caucasian males received 10 of those contracts.

- ***MBEs*****:** received none of the informal supplies prime contracts during the study period.
- ***WBEs*****:** received none of the informal supplies prime contracts during the study period.
- ***MBE/WBEs*****:** received none of the informal supplies prime contracts during the study period.
- ***African Americans*****:** received none of the informal supplies prime contracts during the study period.
- ***Asian Pacific Americans*****:** received none of the informal supplies prime contracts during the study period.
- ***Hispanic Americans:*** received none of the informal supplies prime contracts during the study period.
- ***Native Americans:*** received none of the informal supplies prime contracts during the study period.
- ***Caucasian Males:*** received 10 or 100 percent of the informal supplies prime contracts during the study period, representing $61,894 or 100 percent of the informal supplies prime contract dollars.

Table 4.20 State Office Building Commission Informal Supplies Prime Contractor Utilization, Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	0	0.00%	$0	0.00%
Asian Pacific Americans	0	0.00%	$0	0.00%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	0	0.00%	$0	0.00%
Caucasian Males	10	100.00%	$61,894	100.00%
TOTAL	10	100.00%	$61,894	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	0	0.00%	$0	0.00%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	0	0.00%	$0	0.00%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	0	0.00%	$0	0.00%
Caucasian Males	10	100.00%	$61,894	100.00%
TOTAL	10	100.00%	$61,894	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	0	0.00%	$0	0.00%
Caucasian Females	0	0.00%	$0	0.00%
Caucasian Males	10	100.00%	$61,894	100.00%
TOTAL	10	100.00%	$61,894	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	0	0.00%	$0	0.00%
WBEs	0	0.00%	$0	0.00%
MBE/WBEs	0	0.00%	$0	0.00%

19. Indiana Department of Transportation Construction Prime Contractor Utilization, *All Contract Dollars – Fiscal Years July 1, 1995 - June 30, 1997*

This section reports Indiana Department of Transportation (InDOT) construction prime contract utilization for all dollars. As indicated in Table 4.21, Disadvantaged Business Enterprises (DBEs) received 53 construction prime contracts during the study period and Caucasian males received 520 of those contracts.

- ***DBEs*:**[1] received 53 or 9.25 percent of the construction prime contracts during the study period, representing $19,263,072 or 6 percent of the construction prime contract dollars.

- ***African Americans*:** received 13 or 2.27 percent of the construction prime contracts during the study period, representing $2,169,446 or 0.68 percent of the construction prime contract dollars.

- ***Asian Pacific Americans:*** received none of the construction prime contracts during the study period.

- ***Hispanic Americans:*** received none of the construction prime contracts during the study period.

- ***Native Americans:*** received 8 or 1.40 percent of the construction prime contracts during the study period, representing $7,880,533 or 2.46 percent of the construction prime contract dollars.

- ***Caucasian Males:*** received 520 or 90.75 percent of the construction prime contracts during the study period, representing $301,633,727 or 94 percent of the construction prime contract dollars.

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[1]Minority and Caucasian females are included in the Disadvantaged Business Enterprise (DBE) category.

Table 4.21 Indiana Department of Transportation Construction Prime Contractors Utilization, All Dollars - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	13	2.27%	$2,169,446	0.68%
Asian Pacific Americans	0	0.00%	$0	0.00%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	8	1.40%	$7,880,533	2.46%
Caucasian Females	32	5.58%	$9,213,093	2.87%
Caucasian Males	520	90.75%	$301,633,727	94.00%
TOTAL	573	100.00%	$320,896,799	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	13	2.27%	$2,169,446	0.68%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	0	0.00%	$0	0.00%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	4	0.70%	$295,122	0.09%
Native American Males	4	0.70%	$7,585,411	2.36%
Caucasian Females	32	5.58%	$9,213,093	2.87%
Caucasian Males	520	90.75%	$301,633,727	94.00%
TOTAL	573	100.00%	$320,896,799	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	4	0.70%	$295,122	0.09%
Minority Males	17	2.97%	$9,754,857	3.04%
Caucasian Females	32	5.58%	$9,213,093	2.87%
Caucasian Males	520	90.75%	$301,633,727	94.00%
TOTAL	573	100.00%	$320,896,799	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
DBEs	53	9.25%	$19,263,072	6.00%

20. Indiana Department of Transportation Construction Prime Contractor Utilization, *Contracts Under $300,000 – Fiscal Years July 1, 1995 - June 30, 1997*

This section reports Indiana Department of Transportation (InDOT) construction prime contract utilization for contracts under $300,000. As indicated in Table 4.22, DBEs received 41 construction prime contracts during the study period and Caucasian males received 300 of those contracts.

- ***DBEs*:** received 41 or 12.02 percent of the construction prime contracts during the study period, representing $4,665,497 or 11.74 percent of the construction prime contract dollars.

- ***African Americans*:** received 12 or 3.52 percent of the construction prime contracts during the study period, representing $702,243 or 1.77 percent of the construction prime contract dollars.

- ***Asian Pacific Americans:*** received none of the construction prime contracts during the study period.

- ***Hispanic Americans:*** received none of the construction prime contracts during the study period.

- ***Native Americans:*** received 5 or 1.47 percent of the construction prime contracts during the study period, representing $413,488 or 1.04 percent of the construction prime contract dollars.

- ***Caucasian Males:*** received 300 or 87.98 percent of the construction prime contracts during the study period, representing $35,082,225 or 88.26 percent of the construction prime contract dollars.

Table 4.22 Indiana Department of Transportation Construction Prime Contractor Utilization, Contracts Under $300,000 – Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	12	3.52%	$702,243	1.77%
Asian Pacific Americans	0	0.00%	$0	0.00%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	5	1.47%	$413,488	1.04%
Caucasian Females	24	7.04%	$3,549,766	8.93%
Caucasian Males	300	87.98%	$35,082,225	88.26%
TOTAL	341	100.00%	$39,747,721	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	12	3.52%	$702,243	1.77%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	0	0.00%	$0	0.00%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	4	1.17%	$295,122	0.74%
Native American Males	1	0.29%	$118,366	0.30%
Caucasian Females	24	7.04%	$3,549,766	8.93%
Caucasian Males	300	87.98%	$35,082,225	88.26%
TOTAL	341	100.00%	$39,747,721	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	4	1.17%	$295,122	0.74%
Minority Males	13	3.81%	$820,609	2.06%
Caucasian Females	24	7.04%	$3,549,766	8.93%
Caucasian Males	300	87.98%	$35,082,225	88.26%
TOTAL	341	100.00%	$39,747,721	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
DBEs	41	12.02%	$4,665,497	11.74%

21. Indiana Department of Transportation Supplies Prime Contractor Utilization, *All Contract Dollars – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.23, according to InDOT contract records, DBEs received 235 of all the supplies prime contracts during the study period and Caucasian males received 4,985 contracts.

- ***DBEs:*** received 235 or 4.50 percent of the supplies prime contracts during the study period, representing $34,113,050 or 5.33 percent of the supplies prime contract dollars.

- ***African Americans*:** received 44 or 0.84 percent of the supplies prime contracts during the study period, representing $788,993 or 0.12 percent of the supplies prime contract dollars.

- ***Asian Pacific Americans*:** received 15 or 0.29 percent of the supplies prime contracts during the study period, representing $4,188,539 or 0.65 percent of the supplies prime contract dollars.

- ***Hispanic Americans:*** received 11 or 0.21 percent of the supplies prime contracts during the study period, representing $1,731,879 or 0.27 percent of the supplies prime contract dollars.

- ***Native Americans:*** received 10 or 0.19 percent of the supplies prime contracts during the study period, representing $3,188,337 or 0.50 percent of the supplies prime contract dollars.

- ***Caucasian Males:*** received 4,985 or 95.50 percent of the supplies prime contracts during the study period, representing $605,894,549 or 94.67 percent of the supplies prime contract dollars.

Table 4.23 Indiana Department of Transportation Supplies Prime Contractor Utilization, All Dollars - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	44	0.84%	$788,993	0.12%
Asian Pacific Americans	15	0.29%	$4,188,539	0.65%
Hispanic Americans	11	0.21%	$1,731,879	0.27%
Native Americans	10	0.19%	$3,188,337	0.50%
Caucasian Females	155	2.97%	$24,215,303	3.78%
Caucasian Males	4,985	95.50%	$605,894,549	94.67%
TOTAL	5,220	100.00%	$640,007,599	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	1	0.02%	$1,800	0.00%
African American Males	43	0.82%	$787,193	0.12%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	15	0.29%	$4,188,539	0.65%
Hispanic American Females	1	0.02%	$1,018	0.00%
Hispanic American Males	10	0.19%	$1,730,861	0.27%
Native American Females	7	0.13%	$2,387,174	0.37%
Native American Males	3	0.06%	$801,162	0.13%
Caucasian Females	155	2.97%	$24,215,303	3.78%
Caucasian Males	4,985	95.50%	$605,894,549	94.67%
TOTAL	5,220	100.00%	$640,007,599	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	9	0.17%	$2,389,992	0.37%
Minority Males	71	1.36%	$7,507,755	1.17%
Caucasian Females	155	2.97%	$24,215,303	3.78%
Caucasian Males	4,985	95.50%	$605,894,549	94.67%
TOTAL	5,220	100.00%	$640,007,599	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
DBEs	235	4.50%	$34,113,050	5.33%

22. Indiana Department of Transportation Supplies Prime Contractor Utilization, *Contracts Under $300,000 – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.24, according to InDOT contract records, DBEs received 200 of the supplies prime contracts under $300,000 during the study period and Caucasian males received 4,594 of those contracts.

- ***DBEs:*** received 200 or 4.17 percent of the supplies prime contracts during the study period, representing $5,948,031 or 7.12 percent of the supplies prime contract dollars.

- ***African Americans*:** received 44 or 0.92 percent of the supplies prime contracts during the study period, representing $788,993 or 0.94 percent of the supplies prime contract dollars.

- ***Asian Pacific Americans*:** received 10 or 0.21 percent of the supplies prime contracts during the study period, representing $373,211 or 0.45 percent of the supplies prime contract dollars.

- ***Hispanic Americans:*** received 7 or 0.15 percent of the supplies prime contracts during the study period, representing $302,887 or 0.36 percent of the supplies prime contract dollars.

- ***Native Americans:*** received 4 or 0.08 percent of the supplies prime contracts during the study period, representing $320,832 or 0.38 percent of the supplies prime contract dollars.

- ***Caucasian Males:*** received 4,594 or 95.83 percent of the supplies prime contracts during the study period, representing $77,586,524 or 92.88 percent of the supplies prime contract dollars.

Table 4.24 Indiana Department of Transportation Supplies Prime Contractor Utilization Contracts, Under $300,000 – Fiscal Years July 30, 1995 - June 1, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	44	0.92%	$788,993	0.94%
Asian Pacific Americans	10	0.21%	$373,211	0.45%
Hispanic Americans	7	0.15%	$302,887	0.36%
Native Americans	4	0.08%	$320,832	0.38%
Caucasian Females	135	2.82%	$4,162,109	4.98%
Caucasian Males	4,594	95.83%	$77,586,524	92.88%
TOTAL	4,794	100.00%	$83,534,555	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	1	0.02%	$1,800	0.00%
African American Males	43	0.90%	$787,193	0.94%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	10	0.21%	$373,211	0.45%
Hispanic American Females	1	0.02%	$1,018	0.00%
Hispanic American Males	6	0.13%	$301,869	0.36%
Native American Females	3	0.06%	$318,564	0.38%
Native American Males	1	0.02%	$2,268	0.00%
Caucasian Females	135	2.82%	$4,162,109	4.98%
Caucasian Males	4,594	95.83%	$77,586,524	92.88%
TOTAL	4,794	100.00%	$83,534,555	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	5	0.10%	$321,382	0.38%
Minority Males	60	1.25%	$1,464,540	1.75%
Caucasian Females	135	2.82%	$4,162,109	4.98%
Caucasian Males	4,594	95.83%	$77,586,524	92.88%
TOTAL	4,794	100.00%	$83,534,555	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
DBEs	200	4.17%	$5,948,031	7.12%

23. ***Indiana Department of Transportation Informal Construction Prime Contractor Utilization, Contracts Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997***

This section reports InDOTs informal construction prime contract utilization. Informal contracts are those under $25,000. As indicated in Table 4.25, DBEs received four informal construction prime contracts during the study period and Caucasian males received 10 of those contracts.

- ***DBEs*****:** received 4 or 28.57 percent of the informal construction prime contracts during the study period, representing $64,050 or 27.23 percent of the informal construction prime contract dollars.

- ***African Americans*****:** received 3 or 21.43 percent of the informal construction prime contracts during the study period, representing $47,275 or 20.10 percent of the informal construction prime contract dollars.

- ***Asian Pacific Americans*****:** received none of the informal construction prime contracts during the study period.

- ***Hispanic Americans:*** received none of the informal construction prime contracts during the study period.

- ***Native Americans:*** received none of the informal construction prime contracts during the study period.

- ***Caucasian Males:*** received 10 or 71.43 percent of the informal construction prime contracts during the study period, representing $171,133 or 72.77 percent of the informal construction prime contract dollars.

Table 4.25 Indiana Department of Transportation Informal Construction Prime Contractor Utilization, Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	3	21.43%	$47,275	20.10%
Asian Pacific Americans	0	0.00%	$0	0.00%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	1	7.14%	$16,775	7.13%
Caucasian Males	10	71.43%	$171,133	72.77%
TOTAL	14	100.00%	$235,182	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	3	21.43%	$47,275	20.10%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	0	0.00%	$0	0.00%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	1	7.14%	$16,775	7.13%
Caucasian Males	10	71.43%	$171,133	72.77%
TOTAL	14	100.00%	$235,182	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	3	21.43%	$47,275	20.10%
Caucasian Females	1	7.14%	$16,775	7.13%
Caucasian Males	10	71.43%	$171,133	72.77%
TOTAL	14	100.00%	$235,182	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
DBEs	4	28.57%	$64,050	27.23%

24. ***Indiana Department of Transportation Informal Supplies Prime Contractor Utilization, Contracts Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997***

As indicated in Table 4.26, according to InDOT contract records, DBEs received 136 of the informal supplies prime contracts under $25,000 during the study period and Caucasian males received 3,974 of those contracts.

- ***DBEs*****:** received 136 or 3.31 percent of the informal supplies prime contracts during the study period, representing $753,039 or 5.09 percent of the informal supplies prime contract dollars.

- ***African Americans*****:** received 32 or 0.78 percent of the informal supplies prime contracts during the study period, representing $181,294 or 1.22 percent of the informal supplies prime contract dollars.

- ***Asian Pacific Americans*****:** received 3 or 0.07 percent of the informal supplies prime contracts during the study period, representing $27,281 or 0.18 percent of the informal supplies prime contract dollars.

- ***Hispanic Americans:*** received 4 or 0.10 percent of the informal supplies prime contracts during the study period, representing $11,116 or 0.08 percent of the informal supplies prime contract dollars.

- ***Native Americans:*** received 1 or 0.02 percent of the informal supplies prime contracts during the study period, representing $2,268 or 0.02 percent of the informal supplies prime contract dollars.

- ***Caucasian Males:*** received 3,974 or 96.69 percent of the informal supplies prime contracts during the study period, representing $14,046,579 or 94.91 percent of the informal supplies prime contract dollars.

Table 4.26 Indiana Department of Transportation Supplies Prime Contractor Utilization, Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	32	0.78%	$181,294	1.22%
Asian Pacific Americans	3	0.07%	$27,281	0.18%
Hispanic Americans	4	0.10%	$11,116	0.08%
Native Americans	1	0.02%	$2,268	0.02%
Caucasian Females	96	2.34%	$531,080	3.59%
Caucasian Males	3,974	96.69%	$14,046,579	94.91%
TOTAL	4,110	100.00%	$14,799,618	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	1	0.02%	$1,800	0.01%
African American Males	31	0.75%	$179,494	1.21%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	3	0.07%	$27,281	0.18%
Hispanic American Females	1	0.02%	$1,018	0.01%
Hispanic American Males	3	0.07%	$10,098	0.07%
Native American Females	0	0.00%	$0	0.00%
Native American Males	1	0.02%	$2,268	0.02%
Caucasian Females	96	2.34%	$531,080	3.59%
Caucasian Males	3,974	96.69%	$14,046,579	94.91%
TOTAL	4,110	100.00%	$14,799,618	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	2	0.05%	$2,818	0.02%
Minority Males	38	0.92%	$219,141	1.48%
Caucasian Females	96	2.34%	$531,080	3.59%
Caucasian Males	3,974	96.69%	$14,046,579	94.91%
TOTAL	4,110	100.00%	$14,799,618	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
DBEs	136	3.31%	$753,039	5.09%

B. Lottery Commission and Riverboats

1. Indiana Lottery Commission Supplies Prime Contractor Utilization, *All Dollars – Fiscal Years July 1, 1995 - June 30, 1997*

This first section reports Indiana Lottery Commission's supplies prime contractor utilization. This analysis includes all contract dollars. As indicated in Table 4.27, MBE/WBEs received 355 supplies prime contracts during the study period and Caucasian males received 7,313 of those contracts.

- ***MBEs*:** received 203 or 2.65 percent of the supplies prime contracts during the study period, representing $1,151,990 or 2.13 percent of the supplies prime contract dollars.

- ***WBEs*:** received 152 or 1.98 percent of the supplies prime contracts during the study period, representing $219,731 or 0.41 percent of the supplies prime contract dollars.

- ***MBE/WBEs*:** received 355 or 4.63 percent of the supplies prime contracts during the study period, representing $1,371,721 or 2.53 percent of the supplies prime contract dollars.

- ***African Americans*:** received 189 or 2.46 percent of the supplies prime contracts during the study period, representing $1,129,705 or 2.09 percent of the supplies prime contract dollars.

- ***Asian Pacific Americans*:** received 1 or 0.01 percent of the supplies prime contracts during the study period, representing $175 or less than less than 0.001 percent of the supplies prime contract dollars.

- ***Hispanic Americans*:** received 10 or 0.13 percent of the supplies prime contracts during the study period, representing $13,892 or 0.03 percent of the supplies prime contract dollars.

- ***Native Americans*:** received 3 or 0 .04 percent of the supplies prime contracts during the study period, representing $8,218 or 0.02 percent of the supplies prime contract dollars.

- ***Caucasian Males*:** received 7,313 or 95.37 percent of the supplies prime contracts during the study period, representing $52,783,996 or 97.47 percent of the supplies prime contract dollars.

Table 4.27 Indiana Lottery Commission Supplies Prime Contractor Utilization, All Dollars - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	189	2.46%	$1,129,705	2.09%
Asian Pacific Americans	1	0.01%	$175	0.00%
Hispanic Americans	10	0.13%	$13,892	0.03%
Native Americans	3	0.04%	$8,218	0.02%
Caucasian Females	152	1.98%	$219,731	0.41%
Caucasian Males	7,313	95.37%	$52,783,996	97.47%
TOTAL	7,668	100.00%	$54,155,717	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	39	0.51%	$42,984	0.08%
African American Males	150	1.96%	$1,086,721	2.01%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	1	0.01%	$175	0.00%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	10	0.13%	$13,892	0.03%
Native American Females	3	0.04%	$8,218	0.02%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	152	1.98%	$219,731	0.41%
Caucasian Males	7,313	95.37%	$52,783,996	97.47%
TOTAL	7,668	100.00%	$54,155,717	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	42	0.55%	$51,202	0.09%
Minority Males	161	2.10%	$1,100,788	2.03%
Caucasian Females	152	1.98%	$219,731	0.41%
Caucasian Males	7,313	95.37%	$52,783,996	97.47%
TOTAL	7,668	100.00%	$54,155,717	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	203	2.65%	$1,151,990	2.13%
WBEs	152	1.98%	$219,731	0.41%
MBE/WBEs	355	4.63%	$1,371,721	2.53%

2. Indiana Lottery Commission Supplies Prime Contractor Utilization, *Contracts Under $300,000 – Fiscal Years July 1, 1995 - June 30, 1997*

This section reports Indiana Lottery Commission's supplies prime contractor utilization for contracts under $300,000. As indicated in Table 4.28, MBE/WBEs received 355 supplies prime contracts during the study period and Caucasian males received 7,646 of those contracts.

- ***MBEs*:** received 203 or 2.65 percent of the supplies prime contracts during the study period, representing $1,151,990 or 2.72 percent of the supplies prime contract dollars.

- ***WBEs*:** received 152 or 1.99 percent of the supplies prime contracts during the study period, representing $219,731 or 0.52 percent of the supplies prime contract dollars.

- ***MBE/WBEs*:** received 355 or 4.64 percent of the supplies prime contracts during the study period, representing $1,371,721 or 3.23 percent of the supplies prime contract dollars.

- ***African Americans*:** received 189 or 2.47 percent of the supplies prime contracts during the study period, representing $1,129,705 or 2.66 percent of the supplies prime contract dollars.

- ***Asian Pacific Americans*:** received 1 or 0.01 percent of the supplies prime contracts during the study period, representing $175 or less than 0.001 percent of the supplies prime contract dollars.

- ***Hispanic Americans*:** received 10 or 0.13 percent of the supplies prime contracts during the study period, representing $13,892 or 0.03 percent of the supplies prime contract dollars.

- ***Native Americans*:** received 3 or 0.04 percent of the supplies prime contracts during the study period, representing $8,218 or 0.02 percent of the supplies prime contract dollars.

- ***Caucasian Males*:** received 7,291 or 95.36 percent of the supplies prime contracts during the study period, representing $41,048,322 or 96.77 percent of the supplies prime contract dollars.

Table 4.28 Indiana Lottery Commission Supplies Prime Contractor Utilization, Under $300,000 - Fiscal Years July 1, 1985 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	189	2.47%	$1,129,705	2.66%
Asian Pacific Americans	1	0.01%	$175	0.00%
Hispanic Americans	10	0.13%	$13,892	0.03%
Native Americans	3	0.04%	$8,218	0.02%
Caucasian Females	152	1.99%	$219,731	0.52%
Caucasian Males	7,291	95.36%	$41,048,322	96.77%
TOTAL	7,646	100.00%	$42,420,043	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	39	0.51%	$42,984	0.10%
African American Males	150	1.96%	$1,086,721	2.56%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	1	0.01%	$175	0.00%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	10	0.13%	$13,892	0.03%
Native American Females	3	0.04%	$8,218	0.02%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	152	1.99%	$219,731	0.52%
Caucasian Males	7,291	95.36%	$41,048,322	96.77%
TOTAL	7,646	100.00%	$42,420,043	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	42	0.55%	$51,202	0.12%
Minority Males	161	2.11%	$1,100,788	2.59%
Caucasian Females	152	1.99%	$219,731	0.52%
Caucasian Males	7,291	95.36%	$41,048,322	96.77%
TOTAL	7,646	100.00%	$42,420,043	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	203	2.65%	$1,151,990	2.72%
WBEs	152	1.99%	$219,731	0.52%
MBE/WBEs	355	4.64%	$1,371,721	3.23%

3. Indiana Lottery Commission Informal Supplies Prime Contractor Utilization, Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997

As indicated in Table 4.29, according to Indiana Lottery Commission contract records, MBE/WBEs received 342 supplies prime contracts during the study period and Caucasian males received 6,943 of those contracts.

- ***MBEs*:** received 191 or 2.62 percent of the supplies prime contracts during the study period, representing $680,351 or 6.22 percent of the supplies prime contract dollars.

- ***WBEs*:** received 151 or 2.07 percent of the supplies prime contracts during the study period, representing $170,931 or 1.56 percent of the supplies prime contract dollars.

- ***MBE/WBEs*:** received 342 or 4.69 percent of the supplies prime contracts during the study period, representing $851,282 or 7.79 percent of the supplies prime contract dollars.

- ***African Americans*:** received 177 or 2.43 percent of the supplies prime contracts during the study period, representing $658,066 or 6.02 percent of the supplies prime contract dollars.

- ***Asian Pacific Americans*:** received 1 or 0.01 percent of the supplies prime contracts during the study period, representing $175 or less than 0.001 percent of the supplies prime contract dollars.

- ***Hispanic Americans*:** received 10 or 0.14 percent of the supplies prime contracts during the study period, representing $13,892 or 0.13 percent of the supplies prime contracts during the study period.

- ***Native Americans*:** received 3 or 0.04 percent of the supplies prime contracts during the study period, representing $8,218 or 0.08 percent of the supplies prime contracts during the study period.

- ***Caucasian Males*:** received 6,943 or 95.31 percent of the supplies prime contracts during the study period, representing $10,079,730 or 92.21 percent of the supplies prime contract dollars.

Table 4.29 Indiana Lottery Commission, Informal Supplies Prime Contractor Utilization, Under $25,000 - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	177	2.43%	$658,066	6.02%
Asian Pacific Americans	1	0.01%	$175	0.00%
Hispanic Americans	10	0.14%	$13,892	0.13%
Native Americans	3	0.04%	$8,218	0.08%
Caucasian Females	151	2.07%	$170,931	1.56%
Caucasian Males	6,943	95.31%	$10,079,730	92.21%
TOTAL	7,285	100.00%	$10,931,012	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	39	0.54%	$42,984	0.39%
African American Males	138	1.89%	$615,082	5.63%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	1	0.01%	$175	0.00%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	10	0.14%	$13,892	0.13%
Native American Females	3	0.04%	$8,218	0.08%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	151	2.07%	$170,931	1.56%
Caucasian Males	6,943	95.31%	$10,079,730	92.21%
TOTAL	7,285	100.00%	$10,931,012	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	42	0.58%	$51,202	0.47%
Minority Males	149	2.05%	$629,150	5.76%
Caucasian Females	151	2.07%	$170,931	1.56%
Caucasian Males	6,943	95.31%	$10,079,730	92.21%
TOTAL	7,285	100.00%	$10,931,012	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	191	2.62%	$680,351	6.22%
WBEs	151	2.07%	$170,931	1.56%
MBE/WBEs	342	4.69%	$851,282	7.79%

4. Indiana's Riverboat Casinos Construction Prime Contractor Utilization, *All Dollars – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.30, according to Indiana's Riverboat Casinos contract records, MBE/WBEs received 340 construction prime contracts during the study period and Caucasian males received 910 of those contracts.

- ***MBEs*:** received 102 or 8.16 percent of the construction prime contracts during the study period, representing $10,607,201or 3.32 percent of the construction prime contract dollars.

- ***WBEs*:** received 238 or 19.04 percent of the construction prime contracts during the study period, representing $9,686,047 or 3.03 percent of the construction prime contract dollars.

- ***MBE/WBEs*:** received 340 or 27.20 percent of the construction prime contracts during the study period, representing $20,293,248 or 6.35 percent of the construction prime contract dollars.

- ***African Americans*:** received 87 or 6.96 percent of the construction prime contracts during the study period, representing $7,059,313 or 2.21 percent of the construction prime contract dollars.

- ***Asian Pacific Americans*:** received 7 or 0.56 percent of the construction prime contracts during the study period, representing $51,342 or 0.02 percent of the construction prime contract dollars.

- ***Hispanic Americans*:** received 7 or 0.56 percent of the construction prime contracts during the study period, representing $1,984,223 or 0.62 percent of the construction prime contract dollars.

- ***Native Americans*:** received 1 or 0.08 percent of the construction prime contracts during the study period, representing $1,512,324 or 0.47 percent of the construction prime contract dollars.

- ***Caucasian Males*:** received 910 or 72.80 percent of the construction prime contracts during the study period, representing $299,394,893 or 93.65 percent of the construction prime contract dollars.

Table 4.30 Indiana's Riverboat Casinos Construction Prime Contractor Utilization, All Dollars – Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	87	6.96%	$7,059,313	2.21%
Asian Pacific Americans	7	0.56%	$51,342	0.02%
Hispanic Americans	7	0.56%	$1,984,223	0.62%
Native Americans	1	0.08%	$1,512,324	0.47%
Caucasian Females	238	19.04%	$9,686,047	3.03%
Caucasian Males	910	72.80%	$299,394,893	93.65%
TOTAL	1,250	100.00%	$319,688,141	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	3	0.24%	$937,480	0.29%
African American Males	84	6.72%	$6,121,833	1.91%
Asian Pacific American Females	1	0.08%	$11,634	0.00%
Asian Pacific American Males	6	0.48%	$39,708	0.01%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	7	0.56%	$1,984,223	0.62%
Native American Females	0	0.00%	$0	0.00%
Native American Males	1	0.08%	$1,512,324	0.47%
Caucasian Females	238	19.04%	$9,686,047	3.03%
Caucasian Males	910	72.80%	$299,394,893	93.65%
TOTAL	1,250	100.00%	$319,688,141	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	4	0.32%	$949,114	0.30%
Minority Males	98	7.84%	$9,658,087	3.02%
Caucasian Females	238	19.04%	$9,686,047	3.03%
Caucasian Males	910	72.80%	$299,394,893	93.65%
TOTAL	1,250	100.00%	$319,688,141	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	102	8.16%	$10,607,201	3.32%
WBEs	238	19.04%	$9,686,047	3.03%
MBE/WBEs	340	27.20%	$20,293,248	6.35%

5. Indiana's Riverboat Casinos Professional Services Prime Contractor Utilization, *All Dollars – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.31, according to Indiana's Riverboat Casinos contract records, MBE/WBEs received 456 professional services prime contracts during the study period and Caucasian males received 1,003 of those contracts.

- ***MBEs*:** received 90 or 6.17 percent of the professional services prime contracts during the study period, representing $2,991,548 or 5.37 percent of the professional services prime contract dollars.

- ***WBEs*:** received 366 or 25.09 percent of the professional services prime contracts during the study period, representing $4,238,728 or 7.60 percent of the professional services prime contract dollars.

- ***MBE/WBEs*:** received 456 or 31.25 percent of the professional services prime contracts during the study period, representing $7,230,276 or 12.97 percent of the professional services prime contract dollars.

- ***African Americans*:** received 71 or 4.87 percent of the professional services prime contracts during the study period, representing $502,431 or 0.90 percent of the professional services prime contract dollars.

- ***Asian Pacific Americans*:** received 17 or 1.17 percent of the professional services prime contracts during the study period, representing $163,529 or 0.29 percent of the professional services prime contract dollars.

- ***Hispanic Americans*:** received 2 or 0.14 percent of the professional services prime contracts during the study period, representing $2,325,588 or 4.17 percent of the professional services prime contract dollars.

- ***Native Americans*:** received none of the professional services prime contracts during the study period.

- ***Caucasian Males*:** received 1,003 or 68.75 percent of the professional services prime contracts during the study period, representing $48,520,779 or 87.03 percent of the professional services prime contract dollars.

Table 4.31 Indiana's Riverboat Casinos Professional Services Prime Contractor Utilization, *All Dollars* - Fiscal Years June 30, 1995 - July 1, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	71	4.87%	$502,431	0.90%
Asian Pacific Americans	17	1.17%	$163,529	0.29%
Hispanic Americans	2	0.14%	$2,325,588	4.17%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	366	25.09%	$4,238,728	7.60%
Caucasian Males	1,003	68.75%	$48,520,779	87.03%
TOTAL	1,459	100.00%	$55,751,055	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	18	1.23%	$27,535	0.05%
African American Males	53	3.63%	$474,896	0.85%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	17	1.17%	$163,529	0.29%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	2	0.14%	$2,325,588	4.17%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	366	25.09%	$4,238,728	7.60%
Caucasian Males	1,003	68.75%	$48,520,779	87.03%
TOTAL	1,459	100.00%	$55,751,055	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	18	1.23%	$27,535	0.05%
Minority Males	72	4.93%	$2,964,013	5.32%
Caucasian Females	366	25.09%	$4,238,728	7.60%
Caucasian Males	1,003	68.75%	$48,520,779	87.03%
TOTAL	1,459	100.00%	$55,751,055	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	90	6.17%	$2,991,548	5.37%
WBEs	366	25.09%	$4,238,728	7.60%
MBE/WBEs	456	31.25%	$7,230,276	12.97%

6. Indiana's Riverboat Casinos Other Services Prime Contractor Utilization, *All Dollars – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.32, according to Indiana's Riverboat Casinos contract records, MBE/WBEs received 950 other services prime contracts during the study period and Caucasian males received 12,136 of those contracts.

- ***MBEs*:** received 950 or 7.01 percent of the other services prime contracts during the study period, representing $6,557,727 or 4.43 percent of the other services prime contract dollars.

- ***WBEs*:** received 467 or 3.45 percent of the other services prime contracts during the study period, representing $1,220,658 or 0.83 percent of the other services prime contract dollars.

- ***MBE/WBEs*:** received 1,417 or 10.46 percent of the other services prime contracts during the study period, representing $7,778,386 or 5.26 percent of the other services prime contract dollars.

- ***African Americans*:** received 673 or 4.97 percent of the other services prime contracts during the study period, representing $5,547,901 or 3.75 percent of the other services prime contract dollars.

- ***Asian Pacific Americans*:** received 245 or 1.81 percent of the other services prime contracts during the study period, representing $621,970 or 0.42 percent of the other services prime contract dollars.

- ***Hispanic Americans*:** received 32 or 0.24 percent of the other services prime contracts during the study period, representing $387,855 or 0.26 percent of the other services prime contract dollars.

- ***Native Americans*:** received none of the other services prime contracts during the study period.

- ***Caucasian Males*:** received 12,136 or 89.54 percent of the other services prime contracts during the study period, representing $140,110,845 or 94.74 percent of the other services prime contract dollars.

Table 4.32 Indiana's Riverboat Casinos Other Services Prime Contractor Utilization, *All Dollars* - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	673	4.97%	$5,547,901	3.75%
Asian Pacific Americans	245	1.81%	$621,970	0.42%
Hispanic Americans	32	0.24%	$387,855	0.26%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	467	3.45%	$1,220,658	0.83%
Caucasian Males	12,136	89.54%	$140,110,845	94.74%
TOTAL	13,553	100.00%	$147,889,231	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	78	0.58%	$159,314	0.11%
African American Males	595	4.39%	$5,388,587	3.64%
Asian Pacific American Females	78	0.58%	$227,024	0.15%
Asian Pacific American Males	167	1.23%	$394,946	0.27%
Hispanic American Females	1	0.01%	$965	0.00%
Hispanic American Males	31	0.23%	$386,890	0.26%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	467	3.45%	$1,220,658	0.83%
Caucasian Males	12,136	89.54%	$140,110,845	94.74%
TOTAL	13,553	100.00%	$147,889,231	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	157	1.16%	$387,303	0.26%
Minority Males	793	5.85%	$6,170,424	4.17%
Caucasian Females	467	3.45%	$1,220,658	0.83%
Caucasian Males	12,136	89.54%	$140,110,845	94.74%
TOTAL	13,553	100.00%	$147,889,231	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	950	7.01%	$6,557,727	4.43%
WBEs	467	3.45%	$1,220,658	0.83%
MBE/WBEs	1,417	10.46%	$7,778,386	5.26%

7. Indiana's Riverboat Casinos Supplies Prime Constructor Utilization, *All Dollars – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.33, for Indiana's Riverboat Casinos supplies contracts, MBE/WBEs received 2,738 supplies prime contracts during the study period and Caucasian males received 18,434 of those contracts.

- ***MBEs*:** received 778 or 3.68 percent of the supplies prime contracts during the study period, representing $2,359,737 or 2.5 percent of the supplies prime contract dollars.

- ***WBEs*:** received 1,948 or 9.21 percent of the supplies prime contracts during the study period, representing $3,542,142 or 3.75 percent of the supplies prime contract dollars.

- ***MBE/WBEs*:** received 2,738 or 12.88 percent of the supplies prime contracts during the study period, representing $5,901,879 or 6.25 percent of the supplies prime contract dollars.

- ***African Americans*:** received 715 or 3.38 percent of the supplies prime contracts during the study period, representing $2,018,244 or 2.14 percent of the supplies prime contract dollars.

- ***Asian Pacific Americans*:** received 7 or 0.03 percent of the supplies prime contracts during the study period, representing $102,456 or 0.11 percent of the supplies prime contract dollars.

- ***Hispanic Americans*:** received 46 or 0.22 percent of the supplies prime contracts during the study period, representing $160,686 or 0.17 percent of the supplies prime contract dollars.

- ***Native Americans*:** received 10 or 0.05 percent of the supplies prime contracts during the study period, representing $78,351 or 0.08 percent of the supplies prime contract dollars.

- ***Caucasian Males*:** received 18,433 or 87.12 percent of the supplies prime contracts during the study period, representing $88,541,983 or 93.75 percent of the supplies prime contract dollars.

Table 4.33 Indiana's Riverboat Casinos, Supplies Prime Contractor Utilization, *All Dollars* - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	715	3.38%	$2,018,244	2.14%
Asian Pacific Americans	7	0.03%	$102,456	0.11%
Hispanic Americans	46	0.22%	$160,686	0.17%
Native Americans	10	0.05%	$78,351	0.08%
Caucasian Females	1,948	9.21%	$3,542,142	3.75%
Caucasian Males	18,433	87.12%	$88,541,983	93.75%
TOTAL	21,159	100.00%	$94,443,862	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	277	1.31%	$291,744	0.31%
African American Males	438	2.07%	$1,726,500	1.83%
Asian Pacific American Females	2	0.01%	$71,244	0.08%
Asian Pacific American Males	5	0.02%	$31,212	0.03%
Hispanic American Females	14	0.07%	$40,205	0.04%
Hispanic American Males	32	0.15%	$120,481	0.13%
Native American Females	2	0.01%	$47,975	0.05%
Native American Males	8	0.04%	$30,375	0.03%
Caucasian Females	1,948	9.21%	$3,542,142	3.75%
Caucasian Males	18,433	87.12%	$88,541,983	93.75%
TOTAL	21,159	100.00%	$94,443,862	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	295	1.39%	$451,169	0.48%
Minority Males	483	2.28%	$1,908,568	2.02%
Caucasian Females	1,948	9.21%	$3,542,142	3.75%
Caucasian Males	18,433	87.12%	$88,541,983	93.75%
TOTAL	21,159	100.00%	$94,443,862	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	778	3.68%	$2,359,737	2.50%
WBEs	1,948	9.21%	$3,542,142	3.75%
MBE/WBEs	2,726	12.88%	$5,901,879	6.25%

8. Indiana's Riverboat Casinos Construction Prime Contractor Utilization *Under $300,000* – Fiscal Years July 1, 1995 - June 30, 1997

As indicated in Table 4.34, according to Indiana's Riverboat Casinos construction contract records, MBE/WBEs received 329 construction prime contracts under $300,000 during the study period and Caucasian males received 814 of those contracts.

- ***MBEs*:** received 96 or 8.31 percent of the construction prime contracts during the study period, representing $3,228,538 or 7.98 percent of the construction prime contract dollars.

- ***WBEs*:** received 234 or 20.47 percent of the construction prime contracts during the study period, representing $4,997,158 or 12.34 percent of the construction prime contract dollars.

- ***MBE/WBEs*:** received 329 or 28.78 percent of the construction prime contracts during the study period, representing $8,225,697 or 20.32 percent of the construction prime contract dollars.

- ***African Americans*:** received 82 or 7.17 percent of the construction prime contracts during the study period, representing $2,321,523 or 5.73 percent of the construction prime contract dollars.

- ***Asian Pacific Americans*:** received 7 or 0.61 percent of the construction prime contracts during the study period, representing $51,342 or 0.13 percent of the construction prime contract dollars.

- ***Hispanic Americans*:** received 6 or 0.52 percent of the construction prime contracts during the study period, representing $855,674 or 2.11 percent of the construction prime contract dollars.

- ***Native Americans*:** received none of the construction prime contracts during the study period.

- ***Caucasian Males*:** received 814 or 71.22 percent of the construction prime contracts during the study period, representing $32,257,156 or 79.68 percent of the construction prime contract dollars.

Table 4.34 Indiana's Riverboat Casinos Construction Prime Contractor Utilization *Under $300,000* - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	82	7.17%	$2,321,523	5.73%
Asian Pacific Americans	7	0.61%	$51,342	0.13%
Hispanic Americans	6	0.52%	$855,674	2.11%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	234	20.47%	$4,997,158	12.34%
Caucasian Males	814	71.22%	$32,257,156	79.68%
TOTAL	1,143	100.00%	$40,482,852	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	2	0.17%	$5,945	0.01%
African American Males	80	7.00%	$2,315,578	5.72%
Asian Pacific American Females	1	0.09%	$11,634	0.03%
Asian Pacific American Males	6	0.52%	$39,708	0.10%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	6	0.52%	$855,674	2.11%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	234	20.47%	$4,997,158	12.34%
Caucasian Males	814	71.22%	$32,257,156	79.68%
TOTAL	1,143	100.00%	$40,482,852	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	3	0.26%	$17,579	0.04%
Minority Males	92	8.05%	$3,210,959	7.93%
Caucasian Females	234	20.47%	$4,997,158	12.34%
Caucasian Males	814	71.22%	$32,257,156	79.68%
TOTAL	1,143	100.00%	$40,482,852	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	95	8.31%	$3,228,538	7.98%
WBEs	234	20.47%	$4,997,158	12.34%
MBE/WBEs	329	28.78%	$8,225,697	20.32%

9. Indiana's Riverboat Casinos Professional Services Prime Contractor Utilization *Contracts Under $300,000* – Fiscal Years July 1, 1995 - June 30, 1997

As indicated in Table 4.35, according to Indiana's Riverboat Casinos contract records, MBE/WBEs received 453 professional services prime contracts under $300,000 during the study period and Caucasian males received 970 of those contracts.

- ***MBEs*:** received 88 or 6.18 percent of the professional services prime contracts during the study period, representing $665,960 or 2.96 percent of the professional services prime contract dollars.

- ***WBEs*:** received 365 or 25.65 percent of the professional services prime contracts during the study period, representing $3,339,492 or 14.82 percent of the professional services prime contract dollars.

- ***MBE/WBEs*:** received 453 or 31.83 percent of the professional services prime contracts during the study period, representing $4,005,451 or 17.77 percent of the professional services prime contract dollars.

- ***African Americans*:** received 71 or 4.99 percent of the professional services prime contracts during the study period, representing $502,431 or 2.23 percent of the professional services prime contract dollars.

- ***Asian Pacific Americans*:** received 17 or 1.19 percent of the professional services prime contracts during the study period, representing $163,529 or 0.73 percent of the professional services prime contract dollars.

- ***Hispanic Americans*:** received none of the professional services prime contracts during the study period.

- ***Native Americans*:** received none of the professional services prime contracts during the study period.

- ***Caucasian Males*:** received 970 or 68.17 percent of the professional services prime contracts during the study period, representing $18,530,011 or 82.23 percent of the professional services prime contract dollars.

Table 4.35 Indiana's Riverboat Casinos Professional Services Prime Contractor Utilization *Under $300,000* – Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	71	4.99%	$502,431	2.23%
Asian Pacific Americans	17	1.19%	$163,529	0.73%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	365	25.65%	$3,339,492	14.82%
Caucasian Males	970	68.17%	$18,530,011	82.23%
TOTAL	1,423	100.00%	$22,535,462	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	18	1.26%	$27,535	0.12%
African American Males	53	3.72%	$474,896	2.11%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	17	1.19%	$163,529	0.73%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	365	25.65%	$3,339,492	14.82%
Caucasian Males	970	68.17%	$18,530,011	82.23%
TOTAL	1,423	100.00%	$22,535,462	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	18	1.26%	$27,535	0.12%
Minority Males	70	4.92%	$638,425	2.83%
Caucasian Females	365	25.65%	$3,339,492	14.82%
Caucasian Males	970	68.17%	$18,530,011	82.23%
TOTAL	1,423	100.00%	$22,535,462	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	88	6.18%	$665,960	2.96%
WBEs	365	25.65%	$3,339,492	14.82%
MBE/WBEs	453	31.83%	$4,005,451	17.77%

10. Indiana's Riverboat Casinos Other Services Prime Contractor Utilization, *Contracts Under $300,000* – Fiscal Years July 1, 1995 - June 30, 1997

As indicated in Table 4.36, MBE/WBEs received 1,415 other services prime contracts under $300,000 during the study period and Caucasian males received 12,104 of those contracts.

- ***MBEs*:** received 948 or 7.01 percent of the other services prime contracts during the study period, representing $4,552,909 or 8.71 percent of the other services prime contract dollars.

- ***WBEs*:** received 467 or 3.45 percent of the other services prime contracts during the study period, representing $1,220,658 or 2.33 percent of the other services prime contract dollars.

- ***MBE/WBEs*:** received 1,415 or 10.47 percent of the other services prime contracts during the study period, representing $5,773,568 or 11.04 percent of the other services prime contract dollars.

- ***African Americans*:** received 671 or 4.96 percent of the other services prime contracts during the study period, representing $3,543,083 or 6.78 percent of the other services prime contract dollars.

- ***Asian Pacific Americans*:** received 245 or 1.81 percent of the other services prime contracts during the study period, representing $621,970 or 1.19 percent of the other services prime contract dollars.

- ***Hispanic Americans*:** received 32 or 0.24 percent of the other services prime contracts during the study period, representing $387,855 or 0.74 percent of the other services prime contract dollars.

- ***Native Americans*:** received none of the other services prime contracts during the study period.

- ***Caucasian Males*:** received 12,104 or 89.53 percent of the other services prime contracts during the study period, representing $46,506,224 or 88.96 percent of the other services prime contract dollars.

Table 4.36 Indiana's Riverboat Casinos Other Services Prime Contractor Utilization, *Under $300,000* - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	671	4.96%	$3,543,083	6.78%
Asian Pacific Americans	245	1.81%	$621,970	1.19%
Hispanic Americans	32	0.24%	$387,855	0.74%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	467	3.45%	$1,220,658	2.33%
Caucasian Males	12,104	89.53%	$46,506,224	88.96%
TOTAL	13,519	100.00%	$52,279,792	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	78	0.58%	$159,314	0.30%
African American Males	593	4.39%	$3,383,769	6.47%
Asian Pacific American Females	78	0.58%	$227,024	0.43%
Asian Pacific American Males	167	1.24%	$394,946	0.76%
Hispanic American Females	1	0.01%	$965	0.00%
Hispanic American Males	31	0.23%	$386,890	0.74%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	467	3.45%	$1,220,658	2.33%
Caucasian Males	12,104	89.53%	$46,506,224	88.96%
TOTAL	13,519	100.00%	$52,279,792	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	157	1.16%	$387,303	0.74%
Minority Males	791	5.85%	$4,165,606	7.97%
Caucasian Females	467	3.45%	$1,220,658	2.33%
Caucasian Males	12,104	89.53%	$46,506,224	88.96%
TOTAL	13,519	100.00%	$52,279,792	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	948	7.01%	$4,552,909	8.71%
WBEs	467	3.45%	$1,220,658	2.33%
MBE/WBEs	1,415	10.47%	$5,773,568	11.04%

11. Indiana's Riverboat Casinos Supplies Prime Contractor Utilization, *Contracts Under $300,000 – Fiscal Years July 1, 1995 - June 30, 1997*

This section reports Indiana's Riverboat Casinos supplies prime contract utilization. It also includes contract dollars *under $300,000.* As indicated in Table 4.37, MBE/WBEs received 2,723 supplies prime contracts during the study period and Caucasian males received 18,382 of those contracts.

- ***MBEs*:** received 777 or 3.68 percent of the supplies prime contracts during the study period, representing $2,049,112 or 3.69 percent of the supplies prime contract dollars.

- ***WBEs*:** received 1,946 or 9.22 percent of the supplies prime contracts during the study period, representing $2,518,755 or 4.53 percent of the supplies prime contract dollars.

- ***MBE/WBEs*:** received 2,723 or 12.90 percent of the supplies prime contracts during the study period, representing $4,567,867 or 8.22 percent of the supplies prime contract dollars.

- ***African Americans*:** received 714 or 3.38 percent of the supplies prime contracts during the study period, representing $1,707,619 or 3.07 percent of the supplies prime contract dollars.

- ***Asian Pacific Americans*:** received 7 or 0.03 percent of the supplies prime contracts during the study period, representing $102,456 or 0.18 percent of the supplies prime contract dollars.
- ***Hispanic Americans*:** received 46 or 0.22 percent of the supplies prime contracts during the study period, representing $160,686 or 0.29 percent of the supplies prime contract dollars.

- ***Native Americans*:** received 10 or 0.05 percent of the supplies prime contracts during the study period, representing $78,351 or 0.14 percent of the supplies prime contract dollars.

- ***Caucasian Males*:** received 18,382 or 87.10 percent of the supplies prime contracts during the study period, representing $50,977,805 or 91.78 percent of the supplies prime contract dollars.

Table 4.37 Indiana's Riverboat Casinos Supplies Prime Contractor Utilization, Under $300,000 - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	714	3.38%	$1,707,619	3.07%
Asian Pacific Americans	7	0.03%	$102,456	0.18%
Hispanic Americans	46	0.22%	$160,686	0.29%
Native Americans	10	0.05%	$78,351	0.14%
Caucasian Females	1,946	9.22%	$2,518,755	4.53%
Caucasian Males	18,382	87.10%	$50,977,805	91.78%
TOTAL	21,105	100.00%	$55,545,672	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	277	1.31%	$291,744	0.53%
African American Males	437	2.07%	$1,415,875	2.55%
Asian Pacific American Females	2	0.01%	$71,244	0.13%
Asian Pacific American Males	5	0.02%	$31,212	0.06%
Hispanic American Females	14	0.07%	$40,205	0.07%
Hispanic American Males	32	0.15%	$120,481	0.22%
Native American Females	2	0.01%	$47,975	0.09%
Native American Males	8	0.04%	$30,375	0.05%
Caucasian Females	1,946	9.22%	$2,518,755	4.53%
Caucasian Males	18,382	87.10%	$50,977,805	91.78%
TOTAL	21,105	100.00%	$55,545,672	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	295	1.40%	$451,169	0.81%
Minority Males	482	2.28%	$1,597,943	2.88%
Caucasian Females	1,946	9.22%	$2,518,755	4.53%
Caucasian Males	18,382	87.10%	$50,977,805	91.78%
TOTAL	21,105	100.00%	$55,545,672	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	777	3.68%	$2,049,112	3.69%
WBEs	1,946	9.22%	$2,518,755	4.53%
MBE/WBEs	2,723	12.90%	$4,567,867	8.22%

12. Indiana's Riverboat Casinos Construction Prime Contractor Utilization, *Informal Contracts Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.38, according to Indiana's Riverboat Casinos contract records, MBE/WBEs received 247 informal construction prime contracts under $25,000 during the study period and Caucasian males received 515 contracts.

- ***MBEs*:** received 66 or 8.66 percent of the informal construction prime contracts during the study period, representing $431,742 or 8.25 percent of the informal construction prime contract dollars.

- ***WBEs*:** received 181 or 23.75 percent of the informal construction prime contracts during the study period, representing $1,254,585 or 23.96 percent of the informal construction prime contract dollars.

- ***MBE/WBEs*:** received 247 or 32.41 percent of the informal construction prime contracts during the study period, representing $1,686,327 or 32.21 percent of the informal construction prime contract dollars.

- ***African Americans*:** received 59 or 7.74 percent of the informal construction prime contracts during the study period, representing $380,400 or 7.27 percent of the informal construction prime contract dollars.

- ***Asian Pacific Americans*:** received 7 or 0.92 percent of the informal construction prime contracts during the study period, representing $51,342 or 0.98 percent of the informal construction prime contract dollars.

- ***Hispanic Americans*:** received none of the informal construction prime contracts during the study period.

- ***Native Americans*:** received none of the informal construction prime contracts during the study period.

- ***Caucasian Males*:** received 515 or 67.59 percent of the informal construction prime contracts during the study period, representing $3,548,880 or 67.79 percent of the informal construction prime contract dollars.

Table 4.38 Indiana's Riverboat Casinos Construction Prime Contractor Utilization, Informal Under $25,000 - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	59	7.74%	$380,400	7.27%
Asian Pacific Americans	7	0.92%	$51,342	0.98%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	181	23.75%	$1,254,585	23.96%
Caucasian Males	515	67.59%	$3,548,880	67.79%
TOTAL	762	100.00%	$5,235,207	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	2	0.26%	$5,945	0.11%
African American Males	57	7.48%	$374,455	7.15%
Asian Pacific American Females	1	0.13%	$11,634	0.22%
Asian Pacific American Males	6	0.79%	$39,708	0.76%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	181	23.75%	$1,254,585	23.96%
Caucasian Males	515	67.59%	$3,548,880	67.79%
TOTAL	762	100.00%	$5,235,207	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	3	0.39%	$17,579	0.34%
Minority Males	63	8.27%	$414,163	7.91%
Caucasian Females	181	23.75%	$1,254,585	23.96%
Caucasian Males	515	67.59%	$3,548,880	67.79%
TOTAL	762	100.00%	$5,235,207	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	66	8.66%	$431,742	8.25%
WBEs	181	23.75%	$1,254,585	23.96%
MBE/WBEs	247	32.41%	$1,686,327	32.21%

13. Indiana's Riverboat Casinos Professional Services Prime Contractor Utilization, *Informal Contracts Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.39, according to Indiana's Riverboat Casinos contract records, MBE/WBEs received 418 informal contracts under $25,000 professional services prime contracts during the study period and Caucasian males received 815 of those contracts.

- ***MBEs*:** received 84 or 6.81 percent of the informal contracts under $25,000 professional services prime contracts during the study period, representing $502,439 or 6.58 percent of those contract dollars.

- ***WBEs*:** received 334 or 27.09 percent of the informal contracts under $25,000 professional services prime contracts during the study period, representing $2,087,012 or 27.33 percent of those contract dollars.

- ***MBE/WBEs*:** received 418 or 33.90 percent of the informal contracts under $25,000 professional services prime contracts during the study period, representing $2,589,451 or 33.91 percent of those contract dollars.

- ***African Americans*:** received 68 or 5.52 percent of the informal contracts under $25,000 professional services prime contracts during the study period, representing $414,160 or 5.42 percent of those contract dollars.

- ***Asian Pacific Americans*:** received 16 or 1.30 percent of the informal contracts under $25,000 professional services prime contracts during the study period, representing $88,279 or 1.16 percent of those contract dollars.

- ***Hispanic Americans*:** received none of the informal contracts under $25,000 professional services prime contracts during the study period.

- ***Native Americans*:** received none of the informal contracts under $25,000 professional services prime contracts during the study period.

- ***Caucasian Males*:** received 815 or 66.10 percent of the informal contracts under $25,000 professional services prime contracts during the study period, representing $5,046,821 or 66.09 percent of those contract dollars.

Table 4.39 Indiana's Riverboat Casinos Professional Services Prime Contractor Utilization, Informal Under $25,000 – Fiscal Years July 30, 1995 - June 1, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	68	5.52%	$414,160	5.42%
Asian Pacific Americans	16	1.30%	$88,279	1.16%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	334	27.09%	$2,087,012	27.33%
Caucasian Males	815	66.10%	$5,046,821	66.09%
TOTAL	1,233	100.00%	$7,636,272	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	18	1.46%	$27,535	0.36%
African American Males	50	4.06%	$386,625	5.06%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	16	1.30%	$88,279	1.16%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	334	27.09%	$2,087,012	27.33%
Caucasian Males	815	66.10%	$5,046,821	66.09%
TOTAL	1,233	100.00%	$7,636,272	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	18	1.46%	$27,535	0.36%
Minority Males	66	5.35%	$474,904	6.22%
Caucasian Females	334	27.09%	$2,087,012	27.33%
Caucasian Males	815	66.10%	$5,046,821	66.09%
TOTAL	1,233	100.00%	$7,636,272	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	84	6.81%	$502,439	6.58%
WBEs	334	27.09%	$2,087,012	27.33%
MBE/WBEs	418	33.90%	$2,589,451	33.91%

14. Indiana's Riverboat Casinos Other Services Prime Contractor Utilization, *Informal Contracts Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.40, according to Indiana's Riverboat Casinos contract records, MBE/WBEs received 1,348 of the informal under $25,000 other services prime contracts during the study period and Caucasian males received 11,738 of those contracts.

- ***MBEs*:** received 889 or 6.79 percent of the informal contracts under $25,000 other services prime contracts during the study period, representing $1,962,146 or 8.72 percent of those contract dollars.

- ***WBEs*:** received 459 or 3.51 percent of the informal contracts under $25,000 other services prime contracts during the study period, representing $904,945 or 4.02 percent of those contract dollars.

- ***MBE/WBEs*:** received 1,348 or 10.30 percent of the informal contracts under $25,000 other services prime contracts during the study period, representing $2,867,091 or 12.74 percent of those contract dollars.

- ***African Americans*:** received 619 or 4.73 percent of the informal contracts under $25,000 other services prime contracts during the study period, representing $1,255,375 or 5.58 percent of those contract dollars.

- ***Asian Pacific Americans*:** received 244 or 1.86 percent of the informal contracts under $25,000 other services prime contracts during the study period, representing $588,770 or 2.62 percent of those contract dollars.

- ***Hispanic Americans*:** received 26 or 0.20 percent of the informal contracts under $25,000 other services prime contracts during the study period, representing $118,001 or 0.52 percent of those contract dollars.

- ***Native Americans*:** received none of the informal contracts under $25,000 other services prime contracts during the study period.

- ***Caucasian Males*:** received 11,738 or 89.70 percent of the informal contracts under $25,000 other services prime contracts during the study period, representing $19,643,391 or 87.26 percent of those contract dollars.

Table 4.40 Indiana's Riverboat Casinos Other Services Prime Contractor Utilization, Informal Under $25,000 - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	619	4.73%	$1,255,375	5.58%
Asian Pacific Americans	244	1.86%	$588,770	2.62%
Hispanic Americans	26	0.20%	$118,001	0.52%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	459	3.51%	$904,945	4.02%
Caucasian Males	11,738	89.70%	$19,643,391	87.26%
TOTAL	13,086	100.00%	$22,510,482	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	77	0.59%	$131,532	0.58%
African American Males	542	4.14%	$1,123,843	4.99%
Asian Pacific American Females	78	0.60%	$227,024	1.01%
Asian Pacific American Males	166	1.27%	$361,746	1.61%
Hispanic American Females	1	0.01%	$965	0.00%
Hispanic American Males	25	0.19%	$117,036	0.52%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	459	3.51%	$904,945	4.02%
Caucasian Males	11,738	89.70%	$19,643,391	87.26%
TOTAL	13,086	100.00%	$22,510,482	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	156	1.19%	$359,521	1.60%
Minority Males	733	5.60%	$1,602,625	7.12%
Caucasian Females	459	3.51%	$904,945	4.02%
Caucasian Males	11,738	89.70%	$19,643,391	87.26%
TOTAL	13,086	100.00%	$22,510,482	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	889	6.79%	$1,962,146	8.72%
WBEs	459	3.51%	$904,945	4.02%
MBE/WBEs	1,348	10.30%	$2,867,091	12.74%

15. Indiana's Riverboat Casinos Supplies Prime Contractor Utilization, *Contracts Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997*

As indicated in Table 4.41, according to Indiana's Riverboat Casinos contract records, MBE/WBEs received 2,690 of the supplies prime contracts under $25,000 during the study period and Caucasian males received 17,997 of those contracts.

- ***MBEs*:** received 758 or 3.66 percent of the supplies prime contracts under $25,000 during the study period, representing $831,382 or 3.30 percent of those contract dollars.

- ***WBEs*:** received 1,932 or 9.34 percent of the supplies prime contracts under $25,000 during the study period, representing $1,332,706 or 5.29 percent of those contract dollars.

- ***MBE/WBEs*:** received 2,690 or 13.00 percent of the supplies prime contracts under $25,000 during the study period, representing $2,164,088 or 8.58 percent of those contract dollars.

- ***African Americans*:** received 699 or 3.38 percent of the supplies prime contracts under $25,000 during the study period, representing $643,598 or 2.55 percent of those contract dollars.

- ***Asian Pacific Americans*:** received 5 or 0.02 percent of the supplies prime contracts under $25,000 during the study period, representing $31,212 or 0.12 percent of those contract dollars.

- ***Hispanic Americans*:** received 45 or 0.22 percent of the supplies prime contracts under $25,000 during the study period, representing $116,140 or 0.46 percent of those contract dollars.

- ***Native Americans*:** received 9 or 0.04 percent of the supplies prime contracts under $25,000 during the study period, representing $40,432 or 0.16 percent of those contract dollars.

- ***Caucasian Males:*** received 17,997 or 87.00 percent of the supplies prime contracts during the study period, representing $23,046,366 or 91.42 percent of the supplies prime contract dollars.

Table 4.41 Indiana's Riverboat Casinos Supplies Prime Contractor Utilization, Under $25,000 - Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	699	3.38%	$643,598	2.55%
Asian Pacific Americans	5	0.02%	$31,212	0.12%
Hispanic Americans	45	0.22%	$116,140	0.46%
Native Americans	9	0.04%	$40,432	0.16%
Caucasian Females	1,932	9.34%	$1,332,706	5.29%
Caucasian Males	17,997	87.00%	$23,046,336	91.42%
TOTAL	20,687	100.00%	$25,210,424	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	277	1.34%	$291,744	1.16%
African American Males	422	2.04%	$351,854	1.40%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	5	0.02%	$31,212	0.12%
Hispanic American Females	14	0.07%	$40,205	0.16%
Hispanic American Males	31	0.15%	$75,935	0.30%
Native American Females	1	0.00%	$10,056	0.04%
Native American Males	8	0.04%	$30,375	0.12%
Caucasian Females	1,932	9.34%	$1,332,706	5.29%
Caucasian Males	17,997	87.00%	$23,046,336	91.42%
TOTAL	20,687	100.00%	$25,210,424	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	292	1.41%	$342,006	1.36%
Minority Males	466	2.25%	$489,376	1.94%
Caucasian Females	1,932	9.34%	$1,332,706	5.29%
Caucasian Males	17,997	87.00%	$23,046,336	91.42%
TOTAL	20,687	100.00%	$25,210,424	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	758	3.66%	$831,382	3.30%
WBEs	1,932	9.34%	$1,332,706	5.29%
MBE/WBEs	2,690	13.00%	$2,164,088	8.58%

5

SUBCONTRACTOR UTILIZATION

Subcontractor data is important for understanding prime contractor choices in the selection of subcontractors, and it also helps evaluate the effectiveness of program activities aimed at the subcontractor level. To make valid utilization comparisons, information concerning minority business enterprise (WBE), women business enterprises (MBE), and disadvantaged business enterprises (DBE) as well as non-MBE/WBE/DBE subcontractors are needed. While most public agencies collect MBE/WBE/DBE subcontractor information because of program requirements, few are required to collect non-MBE/WBE/DBEs information from prime contractors.

I. UTILIZATION DATA SOURCES

A. State Agencies

InDOT provided 2,367 construction subcontractor records for 505 construction prime contracts issued between July 1, 1995 and June 30, 1997. InDOT reportedly collects both DBE and non-DBE subcontracting records. To test the accuracy of InDOT's records, a survey was mailed to their construction prime contractors. They were requested to verify the use of the subcontractors listed by InDOT. Prime contractors were also asked to identify additional subcontractors used on their InDOT construction contracts, including the subcontractor's name, address, ethnicity, gender and payment amount.

Only 141 or 27.9 percent of the 505 prime contractors contacted responded to the survey.[1] Of those, 22 or 15 percent of the respondents reported not using subcontractors on their

[1]Surveyers encountered a significant amount of prime contractor resistence to the survey. Most reported that surveyers were requesting information already collected by InDOT or that the information was proprietary.

InDOT construction contract. The other 119 prime contractors verified the use of all 316 of the subcontractors identified by InDOT. However, some of the prime contractors reported using an additional 55 subcontractors on the InDOT contracts awarded subcontracts valued at $897,796. Forty-three or 78.2 percent of those 55 subcontractors were Caucasian males. The balance were 10 or 18.2 percent Caucasian female and 2 or 3.6 percent Hispanic male construction business owners. Given the number of additional Caucasian male subcontractors, even given the low response rate to the survey, an assumption is made that the subcontracting records provided by InDOT represent a significant undercount of subcontracts awarded to Caucasian male business owners. Given this result, the utilization and statistical analysis of utilization must be viewed with caution.

Because of the fewer number of subcontracts reported by IDOA (discussed below) and the low response rate to the InDOT survey, an IDOA construction prime contractor survey was not conducted.

Additional data collection was performed to identify missing ethnicity and gender information. That information was abstracted from the IDOA Minority Business Development Division hard copy files, from the Indiana Public Works office, and by contacting the businesses and requesting the missing information.

B. Lottery and Riverboat Casinos

Indiana's Lottery did not provide subcontracting records. The Riverboat Casinos reported information concerning subcontracts utilized by their prime contractors.

II. UTILIZATION RECORDS

A. State Agencies

The only agencies with sufficient construction subcontracting records for a utilization analysis were IDOA and InDOT. In addition, because of the undercount of Caucasian male subcontractors (discussed above) subcontracts were only included in this analysis if the prime had used at least one Caucasian male subcontractor on the contract. Depicted in Table 5.01 below are the total number of subcontractor contracts and dollars collected from the agencies. Overall, 2,465 subcontractor records were collected, accounting for $63,707,684.

Table 5.01 Construction Subcontractor Utilization – IDOA and InDOT Subcontracts and Dollars

Type	Numbers	Dollars
State of Indiana Department of Administration	98	$7,004,548
Indiana Department of Transportation	2,367	$56,703,136
Total	**2,465**	**$63,707,684**

B. Indiana's Riverboat Casinos

Because of the undercount of Caucasian male subcontractors, subcontracts were only included in this analysis if the prime contractor used at least one Caucasian male subcontractor on the contract. Depicted in Table 5.01a below are the total number of subcontractor contracts and dollars collected from Riverboat Casinos. Overall, 18 subcontractor records were collected, accounting for $5,252,513.

Table 5.01a Construction Subcontractor Utilization – Subcontracts and Dollars

Type	Numbers	Dollars
Indiana's Riverboat Casinos	18	$5,252,513
Total	**18**	**$5,252,513**

III. UTILIZATION FINDINGS

Subcontractor utilization is analyzed by the number of contracts and the amount of the contract dollars awarded to MBE/WBE/DBEs and non-MBE/WBE/DBEs. The following tables include an analysis of prime contracts for fiscal years 1995 through 1997.

A. Indiana Department of Administration Construction Subcontractor Utilization – Fiscal Years July 1, 1995 – June 30, 1997

This first section reports IDOA construction subcontract utilization (Department of Public Works records). As indicated in Table 5.03, MBE/WBEs received 19 construction subcontracts during the study period and Caucasian males received 79 of those contracts.

- ***MBEs*:** received 18 or 18.37 percent of the construction subcontracts during the study period, representing $949,612 or 13.56 percent of the construction subcontract dollars.

- ***WBEs*:** received 1 or 1.02 percent of the construction subcontracts during the study period, representing $34,554 or 0.49 percent of the construction subcontract dollars..

- ***MBE/WBEs*:** received 19 or 19.39 percent of the construction subcontracts during the study period, representing $984,166 or 14.05 percent of the construction subcontract dollars.

- ***African Americans*:** received 14 or 14.29 percent of the construction subcontracts during the study period, representing $799,412 or 11.41 percent of the construction subcontract dollars.

- ***Asian Pacific Americans:*** received 1 or 1.02 percent of the construction subcontracts during the study period, representing $21,000 or 0.30 percent of the construction subcontract dollars.

- ***Hispanic Americans:*** received 2 or 2.04 percent of the construction subcontracts during the study period, representing $14,200 or 0.20 percent of the construction subcontract dollars.

- ***Native Americans:*** received 1 or 1.02 percent of the construction subcontracts during the study period, representing $115,000 or 1.64 percent of the construction subcontract dollars.

- ***Caucasian Males:*** received 79 or 80.61 percent of the construction subcontracts during the study period, representing $6,020,382 or 85.95 percent of the construction subcontract dollars.

Table 5.03 Indiana Department of Administration Construction Subcontractor Utilization – Fiscal Years July 1, 1995 – June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	14	14.29%	$799,412	11.41%
Asian Pacific Americans	1	1.02%	$21,000	0.30%
Hispanic Americans	2	2.04%	$14,200	0.20%
Native Americans	1	1.02%	$115,000	1.64%
Caucasian Females	1	1.02%	$34,554	0.49%
Caucasian Males	79	80.61%	$6,020,382	85.95%
TOTAL	98	100.00%	$7,004,548	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	1	1.02%	$12,000	0.17%
African American Males	13	13.27%	$787,412	11.24%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	1	1.02%	$21,000	0.30%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	2	2.04%	$14,200	0.20%
Native American Females	0	0.00%	$0	0.00%
Native American Males	1	1.02%	$115,000	1.64%
Caucasian Females	1	1.02%	$34,554	0.49%
Caucasian Males	79	80.61%	$6,020,382	85.95%
TOTAL	98	100.00%	$7,004,548	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	1	1.02%	$12,000	0.17%
Minority Males	17	17.35%	$937,612	13.39%
Caucasian Females	1	1.02%	$34,554	0.49%
Caucasian Males	79	80.61%	$6,020,382	85.95%
Total	98	100.00%	$7,004,548	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	18	18.37%	$949,612	13.56%
WBEs	1	1.02%	$34,554	0.49%
MBE/WBEs	19	19.39%	$984,166	14.05%

B. Indiana Department of Transportation Construction Subcontractor Utilization-Fiscal Years July 1, 1995 - June 30, 1997

This first section reports InDOT construction subcontract utilization. As indicated in Table 5.04, DBEs received 788 construction subcontracts during the study period and Caucasian males received 1,579 of those contracts.

- ***DBEs*:** received 788 or 33.29 percent of the construction subcontracts during the study period, representing $15,731,633 or 27.74 percent of the construction subcontract dollars.

- ***African Americans*:** received 11 or 0.46 percent of the construction subcontracts during the study period, representing $916,475 or 1.62 percent of the construction subcontract dollars.

- ***Asian Pacific Americans***: received 11 or 0.46 percent of the construction subcontracts during the study period, representing $149,765 or 0.26 percent of the construction subcontract dollars.

- ***Hispanic Americans:*** received 214 or 9.04 percent of the construction subcontracts during the study period, representing $1,722,298 or 3.04 percent of the construction subcontract dollars.

- ***Native Americans:*** received 72 or 3.04 percent of the construction subcontracts during the study period, representing $5,963,582 or 10.52 percent of the construction subcontract dollars.

- ***Caucasian Males:*** received 1,579 or 66.71 percent of the construction subcontracts during the study period, representing $40,971,503 or 72.26 percent of the construction subcontract dollars.

Table 5.04 Indiana Department of Transportation Construction Subcontractor Utilization – Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	11	0.46%	$916,475	1.62%
Asian Pacific Americans	11	0.46%	$149,765	0.26%
Hispanic Americans	214	9.04%	$1,722,298	3.04%
Native Americans	72	3.04%	$5,963,582	10.52%
Caucasian Females	480	20.28%	$6,979,513	12.31%
Caucasian Males	1,579	66.71%	$40,971,503	72.26%
TOTAL	2,367	100.00%	$56,703,136	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	0	0.00%	$0	0.00%
African American Males	11	0.46%	$916,475	1.62%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	11	0.46%	$149,765	0.26%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	214	9.04%	$1,722,298	3.04%
Native American Females	0	0.00%	$0	0.00%
Native American Males	72	3.04%	$5,963,582	10.52%
Caucasian Females	480	20.28%	$6,979,513	12.31%
Caucasian Males	1,579	66.71%	$40,971,503	72.26%
TOTAL	2,367	100.00%	$56,703,136	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	0	0.00%	$0	0.00%
Minority Males	308	13.01%	$8,752,119	15.43%
Caucasian Females	480	20.28%	$6,979,513	12.31%
Caucasian Males	1,579	66.71%	$40,971,503	72.26%
Total	2,367	100.00%	$56,703,136	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
DBEs	788	33.29%	$15,731,633	27.74%

C. Indiana's Riverboat Casinos Construction Subcontractor Utilization - Fiscal Years July 1, 1995 - June 30, 1997

As indicated in Table 5.05, MBE/WBEs received 11 construction subcontracts during the study period and Caucasian males received 7 of those contracts.

- ***MBEs*:** received 8 or 44.44 percent of the construction subcontracts during the study period, representing $3,347,388 or 63.73 percent of the construction subcontract dollars.

- ***WBEs*:** received 3 or 16.67 percent of the construction subcontracts during the study period, representing $879,404 or 16.74 percent of the construction subcontract dollars.

- ***MBE/WBEs*:** received 11 or 61.11 percent of the construction subcontracts during the study period, representing $4,226,792 or 80.47 percent of the construction subcontract dollars.

- ***African Americans*:** received 7 or 38.89 percent of the construction subcontracts during the study period, representing $3,259,638 or 62.06 percent of the construction subcontract dollars.

- ***Asian Pacific Americans*:** received 1 or 5.56 percent of the construction subcontracts during the study period, representing $87,750 or 1.67 percent of the construction subcontract dollars.

- ***Hispanic Americans:*** received none of the construction subcontracts during the study period.

- ***Native Americans*:** received none of the construction subcontracts during the study period.

- ***Caucasian Males*:** received 7 or 38.89 percent of the construction subcontracts during the study period, representing $1,025,722 or 19.53 percent of the construction subcontract dollars.

Table 5.05 Indiana's Riverboat Casinos Construction Subcontractor Utilization – Fiscal Years July 1, 1995 – June 30, 1997

Ethnicity	Number of Contracts	Percent of Contracts	Amount of Dollars	Percent of Dollars
African Americans	7	38.89%	$3,259,638	62.06%
Asian Pacific Americans	1	5.56%	$87,750	1.67%
Hispanic Americans	0	0.00%	$0	0.00%
Native Americans	0	0.00%	$0	0.00%
Caucasian Females	3	16.67%	$879,404	16.74%
Caucasian Males	7	38.89%	$1,025,722	19.53%
TOTAL	18	100.00%	$5,252,513	100.00%
Ethnicity and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
African American Females	2	11.11%	$1,374,502	26.17%
African American Males	5	27.78%	$1,885,136	35.89%
Asian Pacific American Females	0	0.00%	$0	0.00%
Asian Pacific American Males	1	5.56%	$87,750	1.67%
Hispanic American Females	0	0.00%	$0	0.00%
Hispanic American Males	0	0.00%	$0	0.00%
Native American Females	0	0.00%	$0	0.00%
Native American Males	0	0.00%	$0	0.00%
Caucasian Females	3	16.67%	$879,404	16.74%
Caucasian Males	7	38.89%	$1,025,722	19.53%
TOTAL	18	100.00%	$5,252,513	100.00%
Minority and Gender	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
Minority Females	2	11.11%	$1,374,502	26.17%
Minority Males	6	33.33%	$1,972,886	37.56%
Caucasian Females	3	16.67%	$879,404	16.74%
Caucasian Males	7	38.89%	$1,025,722	19.53%
Total	18	100.00%	$5,252,513	100.00%
Minority and Women	**Number of Contracts**	**Percent of Contracts**	**Amount of Dollars**	**Percent of Dollars**
MBEs	8	44.44%	$3,347,388	63.73%
WBEs	3	16.67%	$879,404	16.74%
MBE/WBEs	11	61.11%	$4,226,792	80.47%

6

MARKET AREA

I. DEFINITION OF LOCAL MARKET AREA

A. Legal Criteria for Market Area

The Supreme Court's decision in *Croson*[1] firmly established that programs which set aside a certain percentage of state and local contracts for minority and woman owned firms must be supported by ***firm evidence of past discrimination***.

Prior to the *Croson* decision, many agencies and jurisdictions implementing race-conscious set-aside programs had done so without developing a detailed public record to document discrimination in their locality. Instead, they relied upon common knowledge and widely-recognized patterns of discrimination, both local and national.[2]

Croson clearly established that a state or local government should not rely on society-wide discrimination as the basis for a race-based program, but should instead identify discrimination within its own jurisdiction.[3] In *Croson*, the Court found the City of Richmond's MBE construction program to be constitutionally infirm due to its lack of any identified evidence of discrimination in ***the local construction market***.

Croson was explicit that the "local construction market" was the appropriate geographical framework within which to perform the statistical comparison of business availability and business utilization. Therefore, the identification of the local market area is particularly important as it establishes the parameters within which to conduct a statistical analysis of utilization.

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[1]City of Richmond v. J.A. Croson, 488 U.S. 469 (1989).

[2]United Steelworkers v. Weber, 433 U.S. 193, 198, n. 1 (1979).

[3]Croson, 488 U.S. at 497.

B. Application of the Croson Standard

While *Croson* did much to emphasize the importance of "local market area," it provided little assistance in defining the term. It is therefore helpful to review the text of the case itself. In discussing the scope of the constitutional violation that must be investigated, the Court interchangeably used the terms "relevant market,"[4] "Richmond construction industry,"[5] and "city's construction industry"[6] to define the proper area in which to investigate discrimination. This interchangeable use of the terms lends support to a definition of market area that coincides with the boundaries of a jurisdiction.

An analysis of cases following *Croson* has identified a pattern that provides us with additional guidance. The body of cases examining market area supports a definition of market area that is reasonable.[7] In *Cone Corporation v. Hillsborough County,*[8] the Court of Appeals for the Eleventh Circuit found Hillsborough County, Florida's MBE program constitutional under the compelling governmental interest prong of strict scrutiny.

The court distinguished the Hillsborough program from that struck down in Richmond by noting that Hillsborough County documented a glaring 10.78 percent disparity between the percentage of minority contractors in the County and the percentage of the County contracts awarded to minorities.[9]

Hillsborough's program was based on statistics indicating that there was discrimination specifically in the construction contracts awarded by the County, not the construction industry in general. Hillsborough County had extracted data from within its own jurisdictional boundaries, and had assessed the percentage of minority businesses available in Hillsborough County. The court stated that the study was properly conducted within the "local construction industry."[10]

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[4]Id. at 471.

[5]Id. at 500.

[6]Id.. at 470.

[7]See, e.g., Concrete Works of Colorado v. City of Denver, Colorado, 36 F.3d 1513, 1528 (10th Cir. 1994).

[8]Cone Corp. v. Hillsborough County, 908 F.2d 908 (11th Cir. 1990).

[9]Id. at 915.

[10]Id. at 915.

Similarly, in *Associated General Contractors v. Coalition for Economic Equality*,[11] the Ninth Circuit Court of Appeals found the City and County of San Francisco's MBE program to have the factual predicate necessary to survive strict scrutiny. The MBE program was supported by a study conducted within the City and County of San Francisco. This was considered the "relevant market" within which the number of available MBE contractors was compared with the amount of contract dollars awarded.[12] The court identified the local market within which to conduct a disparity study as the jurisdiction of the enacting governmental entity.

In *Coral Construction v. King County*, the Ninth Circuit Court of Appeals held that "a set-aside program is valid only if actual, identifiable discrimination has occurred within the local industry affected by the program."[13] In support of its MBE program, King County offered studies compiled by other jurisdictions, including entities completely within the County or coterminous with the boundaries of the County, as well as a separate jurisdiction completely outside of the County. The plaintiffs contended that *Croson* required King County to compile its own data and cited *Croson* to prohibit data sharing.

The court found that data sharing could potentially lead to the improper usage of societal discrimination data as the factual basis for a local MBE program, and that innocent third parties could be unnecessarily burdened if an MBE program were based on outside data. However, the court found that the data from entities within the County and from coterminous jurisdictions was relevant to discrimination in the County and posed no risk of unfairly burdening innocent third parties. As for data gathered by a neighboring county, the court concluded that this data could not be used to support King County's MBE program. The court noted: "It is vital that a race-conscious program align itself as closely to the scope of the problem legitimately sought to be rectified by the governmental entity. To prevent overbreadth, the enacting jurisdiction should limit its factual inquiry to the presence of discrimination within its own boundaries."[14] However, the court recognized real world constraints and warned that the "world of contracting does not conform itself to jurisdictional boundaries."[15]

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[11]Associated General Contractors v. Coalition for Economic Equity, 950 F.2d 1401 (9th Cir. 1991).

[12]Id. at 1414.

[13]Coral Construction v. King County, 941 F.2d 910 (9th Cir. 1991).

[14]Id. at 917.

[15]Id. at 917.

In other situations, courts have approved a definition of market area that extends beyond a jurisdiction's boundaries. In *Concrete Works v. City and County of Denver*[16] the court directly addressed the issue of whether extra-jurisdictional evidence of discrimination can be used to determine "local market area" for a disparity study. In *Concrete Works*, the defendant relied on evidence of discrimination in the six-county Denver Metropolitan Statistical Area (MSA) to support its MBE program. Relying on *Croson*, plaintiffs argued that the extra jurisdictional evidence would not properly be considered. The court disagreed, finding that *Croson's* concern was that cities not use vaguely defined societal discrimination as the factual predicate for a disparity study. The court explained that evidence of discrimination should be specific so that race-conscious programs are designed to minimize burdens upon nonculpable third parties.

Critical to the court's acceptance of Denver MSA as the relevant local market was the finding that over 80 percent of construction and design contracts awarded by Denver were awarded to contractors within the MSA. Another consideration was that Denver's analysis was based on U.S. Census data, which was available for the Denver MSA, but not for the city itself. There was no undue burden placed on nonculpable parties as Denver had conducted a majority of its construction contracts within the area defined as the local market. Citing *Associated General Contractors of California*,[17] the court noted "that any plan that extends race- conscious remedies beyond territorial boundaries must be based on very specific findings that actions that the city has taken in the past have visited racial discrimination on such individuals."[18]

Once again, the court was concerned that the definition of local market area be based on past actions by the city which would have affected individuals within the market. It is clear that if Denver awarded 80 percent of its contracts to the MSA, the geographic study of these areas is relevant to the determination if Denver's practice has been discriminatory.

Similarly, New York State conducted a disparity study in which the geographic market consisted of New York State and eight counties in northern New Jersey. The geographic market was defined as the area encompassing the location of businesses which receive more than 90 percent of the dollar value of all contracts awarded by the agency.[19]

Taken collectively, the cases support a definition of market area that is reasonable rather than dictating a specific formula. Since *Croson* and its progeny did not provide a bright line

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[16]Concrete Works of Colorado v. City of Denver, Colorado, 36 F.3d 1513 , 1528 (10th Cir. 1994).

[17]Associated General Contractors, 950 F.2d at 1401.

[18]Concrete Works, 36 F.3d 1513 at 1528.

[19]*Opportunity Denied! New York State's Study*, 26 Urban Lawyer No. 3, Summer 1994.

rule for local market area, that determination will be fact-based. It is clear that an entity may limit consideration of evidence of discrimination within its own jurisdiction. It is also clear that under certain circumstances extra-jurisdictional evidence may be permitted. However, any consideration of extra-jurisdictional discrimination must consider those concerns enunciated in *Croson*: that innocent third parties not be burdened by an MBE program.

C. Geographic Market Area

It is clear from *Croson* that state and local governments must pay special attention to the geographical scope of their disparity studies. *Croson* determined that the statistical analysis should focus on the number of qualified minority individuals or qualified minority business owners in the government's marketplace.[20]

Table 6.01 depicts the combined number of contracts and dollar value of contracts awarded by State agencies, the State Lottery Commission, and Indiana's Riverboat Casinos during fiscal years 1995 through 1997. Most of the State's contracting dollars were spent with firms in the State. During the study period, the State awarded 95,562 contracts worth more than $1.9 billion. Of those contracts, 52,050, or 54.47 percent, were awarded to companies located in the State. Those contracts awarded to State-based companies represented $1,302,427,107, or 66.07 percent of the total dollars awarded during the study period.

Construction firms in the state received $668,141,485 or 74.38 percent of the construction dollars. Professional services firms in the state received $208,201,757 or 72.94 percent of the professional services dollars. Supply firms in the state received $366,733,820 or 57.33 percent of the supply contract dollars. Finally, other services firms in the state received $59,350,045 or 40.13 percent of the supply contract dollars.

Therefore for each industry, most of the States' contracting dollars were spent with firms in the State. Thus, the State is the primary pool from which the State is drawing its contractors, and discriminatory activities that occur in the State directly impact the States' pool of firms.

[20]Croson, 488 U.S. at 501.

COMBINED TYPES OF WORK				
MARKET AREA	CONTRACTS		DOLLAR VALUE	
	NUMBER	%	NUMBER	%
State Market Area	52,050	54.47%	$1,302,427,107	66.07%
Outside State Market Area	43,512	45.53%	$668,937,880	33.93%
Total	95,562	100.00%	$1,971,364,986	100.00%

CONSTRUCTION				
MARKET AREA	CONTRACTS		DOLLAR VALUE	
	NUMBER	%	NUMBER	%
State Market Area	3,096	75.53%	$668,141,485	74.38%
Outside State Market Area	1,003	24.47%	$230,166,705	25.62%
Total	4,099	100.00%	$898,308,189	100.00%

PROFESSIONAL SERVICES				
MARKET AREA	CONTRACTS		DOLLAR VALUE	
	NUMBER	%	NUMBER	%
State Market Area	1,191	43.80%	$208,201,757	72.94%
Outside State Market Area	1,528	56.20%	$77,248,521	27.06%
Total	2,719	100.00%	$285,450,278	100.00%

SUPPLIES				
MARKET AREA	CONTRACTS		DOLLAR VALUE	
	NUMBER	%	NUMBER	%
State Market Area	42,494	56.51%	$366,733,820	57.33%
Outside State Market Area	32,697	43.49%	$272,983,468	42.67%
Total	75,191	100.00%	$639,717,288	100.00%

OTHER SERVICES				
MARKET AREA	CONTRACTS		DOLLAR VALUE	
	NUMBER	%	NUMBER	%
Inside State Market Area	5,269	38.88%	$59,350,045	40.13%
Outside State Market Area	8,284	61.12%	$88,539,186	59.87%
Total	13,553	100.00%	$147,889,231	100.00%

Table 6.01 State of Indiana Market Area Fiscal Years July 1, 1995 - June 30, 1997

7

AVAILABILITY

I. INTRODUCTION

According to *Croson*, to determine availability, minority business enterprises (MBEs), women business enterprises (WBEs), disadvantaged business enterprises (DBEs), and non-MBE/WBE/DBEs who are willing and able to provide goods or services to the State must be enumerated. When considering sources for determining the number of willing and able MBE/WBEs and non-MBE/WBEs, the selection must be based on whether two significant aspects about the population in question can be gauged from the sources. The first aspect is a firm's interest in doing business with an entity, as implied by the term "willing." The second aspect is a firm's ability or capacity to provide a service or good, as implied by the term "able."

With respect to gauging interest and capacity, the challenge lies in finding a source that will include all construction, professional services, and supply firms, MBE/WBEs and non-MBE/WBEs, willing and able to do business with the State of Indiana.

II. SOURCES OF WILLING FIRMS

The following sources of firms were used in compiling availability:

- companies utilized by the Indiana Department of Administration (IDOA), IDOA Public Works (Public Works), Indiana Department of Transportation (InDOT), the State Office Building Commission (SOBC), the Indiana Lottery Commission (the Lottery), and Indiana's Riverboat Casinos.

- unsuccessful bidders to the IDOA, InDOT, and SOBC.

- State of Indiana MBE/WBE/DBE certification lists from the State and the City of Indianapolis and a list of firms awaiting certification from IDOA.

- Vendors lists from the IDOA, Public Works, InDOT, the Lottery, and the Riverboat Casinos.

Table 7.01 lists the availability sources used to create a unique list of businesses in the State's market area.

Table 7.01 Availability Information Sources

Source	Type of Information
• The State contract records provided in computerized format include from the Indiana Department of Administration, Indiana Department of Administration Public Works, the State Office Building Commission, and the Indiana Department of Transportation.	• MBE/WBE/DBEs and non-MBE/WBE/DBEs
• Companies identified as utilized as subcontractors during a survey of Indiana Department of Transportation prime contractors, not in records provided by the Department.	• MBE/WBE/DBEs and non-MBE/WBE/DBEs
• Unsuccessful bidders provided by the State, the Department of Transportation, and the State Office Building Commission in computerized and hard copy format.	• MBE/WBE/DBEs and non-MBE/WBE/DBEs
• The Indiana Department of Administration's vendor table.	• MBE/WBE/DBEs and non-MBE/WBE/DBEs
• The Indiana Department of Transportation's vendor list.	• MBE/WBE/DBEs and non-MBE/WBE/DBEs
• Indiana Lottery's vendor lists.	• MBE/WBE/DBEs and non-MBE/WBE/DBEs
• Indiana's Riverboat Casinos' vendor lists	• MBE/WBE/DBEs and non-MBE/WBE/DBEs

Table 7.01 Availability Information Sources

Source	Type of Information
• The Indiana Department of Administration's minority and women business enterprises certification list.	• MBE/WBE/DBEs
• The Indiana Department of Administration's minority and women business enterprises pending certification list.	• MBE/WBE/DBEs
• The City of Indianapolis' minority and women business enterprise certification list.	• MBE/WBE/DBEs

Companies included in all sources have demonstrated their willingness to perform State contracts by bidding for projects, actively applying for certification, and seeking inclusion on vendor and bidders lists.

III. CAPACITY

A. State Agencies

The second aspect of the availability requirement set out in *Croson* involves the consideration of a firm's capacity.[1] Capacity requirements were not delineated in *Croson* and the issue of capacity has only been addressed in subsequent cases that involved large, competitively bid contracts.[2] A reasonable inference may be drawn from the courts' silence otherwise on the issue of capacity is that when a study does not involve large contracts, capacity can be presumed. The presumption is that all willing firms in a particular industry will be able to perform smaller contracts.

As indicated in Tables 7.02, 7.03 and 7.04, 61.43 percent of the State construction contracts are under $25,000, and 75.40 percent are under $100,000 and 86.27 percent are under $300,000; therefore, there is clear evidence that limited capacity is necessary to perform *small* State construction contracts.

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[1] Croson, 488 U.S. 469 (1989).

[2] See Dade County, 943 F. Supp. 1546; AGCC v. City of Columbus, 936 F. Supp. 1363 (S.D. Ohio 1996), *vacated* 1999 FED App. 0114P (6th Cir.).

Also in the table are the percentages of professional services and supply contracts under $25,000, $100,000 and $300,000. A sufficient professional services and supply contract base exist within the bid capacity of small firms. As a result, it is not necessary to document the capacity of professional services and supply firms interested in being included in the pool of available firms.

Table 7.02 Percentage of Contracts Under $25,000

Construction Prime Contracts–61.43%
Professional Services Prime Contracts–32.42%
Supplies Prime Contracts–93.01%

Table 7.03 Percentage of Contracts Under $100,000

Construction Prime Contracts–75.40%
Professional Services Prime Contracts–62.74%
Supplies Prime Contracts–97.53%

Table 7.04 Percentage of Contracts Under $300,000

Construction Prime Contracts–86.27%
Professional Services Prime Contracts–82.95%
Supplies Prime Contracts–98.82%

1. Size Distribution

Distribution of contracts by size is presented in the following tables and charts. In order to assess whether the differences between the size of contracts awarded to each ethnicity/gender group is attributable to chance, a probability value (or P-value) is calculated. The P-value takes into account the actual and expected observation for each group. If the P-value is more than 0.05, a significant difference is not proven; i.e., the difference can be attributed to chance. If it is less than 0.05, the difference is probably not

attributable to chance. If it is less than 0.01 the difference is most certainly significant and not attributable to chance.[3]

As depicted below, there is a significant difference between groups in the construction contracts–ethnic groups were not equally likely to be awarded small and large construction contracts. However, there was no significant difference between groups in the professional services and supply contracts–ethnic groups were equally likely to be awarded small and large professional services and supply contracts suggesting equal capacities across ethnic groups.

a. Construction Prime Contracts by Size – July 1, 1995 to June 30, 1997

Table 7.05 and Chart 7.01 depict combined Public Works, SOBC, and InDOT construction prime contract awards within dollar ranges. The percent of contracts below $25,000 was 56.9 percent; below $100,000 was 72.52 percent; and below $300,000 was 84.66 percent.

The P-value of <0.001 denotes a significant difference in size of construction prime contracts awards across ethnic/gender groups.

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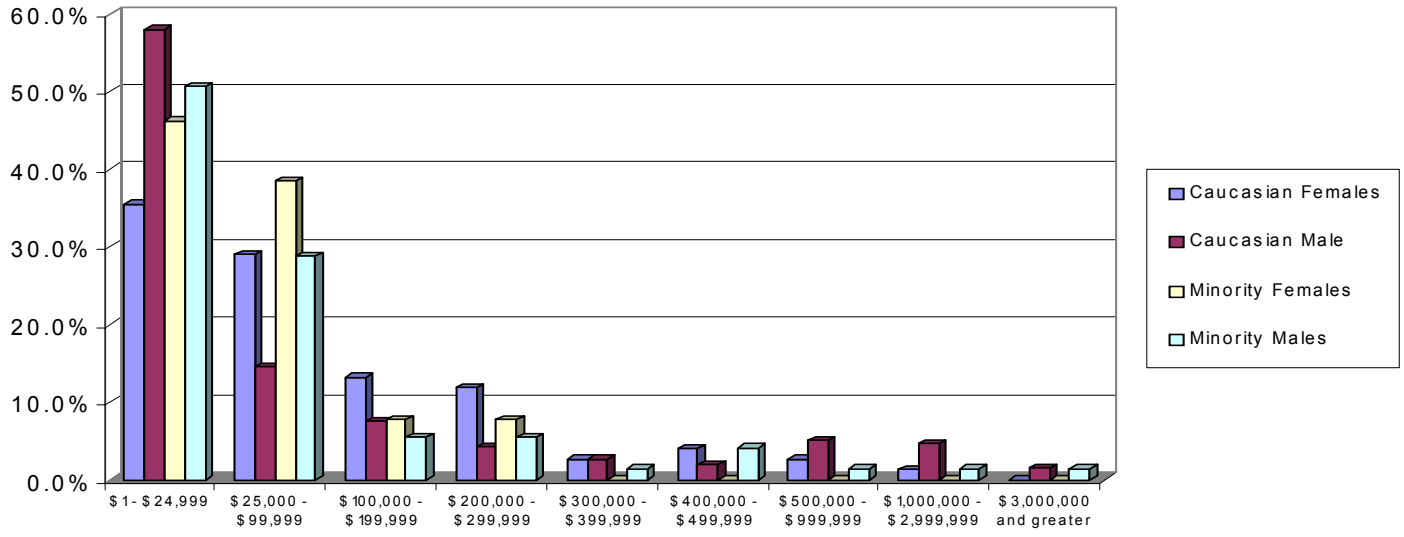
[3]In the disparity section we used the Z-test which is designed for the situation where there is only one value for each group (for example, utilization percentage). The Z-test is applied to each group and the P-value is calculated in each case. In the capacity section we used Chi-squared test which is designed for the situation where there are multiple values for each ethnic/gender group (for example, the number of businesses falling into the eight categories of prime contract dollar sizes. The Chi-squared test is applied to the table as a whole and therefore the P-value is calculated only once.

Table 7.05 All Agencies (Public Works, SOBC, and InDOT)
Construction Prime Contracts by Size July 1, 1995 - June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	27	35.53%	1,158	58.02%	6	46.15%	37	50.68%	1,228	56.90%
$25,000 - $99,999	22	28.95%	289	14.48%	5	38.46%	21	28.77%	337	15.62%
$100,000 - $199,999	10	13.16%	149	7.46%	1	7.69%	4	5.48%	164	7.60%
$200,000 - $299,999	9	11.84%	84	4.21%	1	7.69%	4	5.48%	98	4.54%
$300,000 - $399,999	2	2.63%	53	2.66%	0	0.00%	1	1.37%	56	2.59%
$400,000 - $499,999	3	3.95%	39	1.95%	0	0.00%	3	4.11%	45	2.09%
$500,000 - $999,999	2	2.63%	101	5.06%	0	0.00%	1	1.37%	104	4.82%
$1,000,000 - $2,999,999	1	1.32%	92	4.61%	0	0.00%	1	1.37%	94	4.36%
$3,000,000 and greater	0	0.00%	31	1.55%	0	0.00%	1	1.37%	32	1.48%
Total	76	100.00%	1,996	100.00%	13	100.00%	73	100.00%	2,158	100.00%

P-Value < 0.001

Chart 7.01 All Agencies (Public Works, SOBC, and InDOT)
Construction Prime Contracts by Size July 1, 1995 - June 30, 1997



b. Professional Services Prime Contracts by Size - July 1, 1995 to June 30, 1997

Table 7.06 and Chart 7.02 depict all professional services prime contract awards within dollar ranges. The percent of contracts below $25,000 was 26.38 percent; below $100,000 was 59.41 percent; and under $300,000 was 81.43 percent. Minority female owned firms did not receive a professional services contract during the study period.

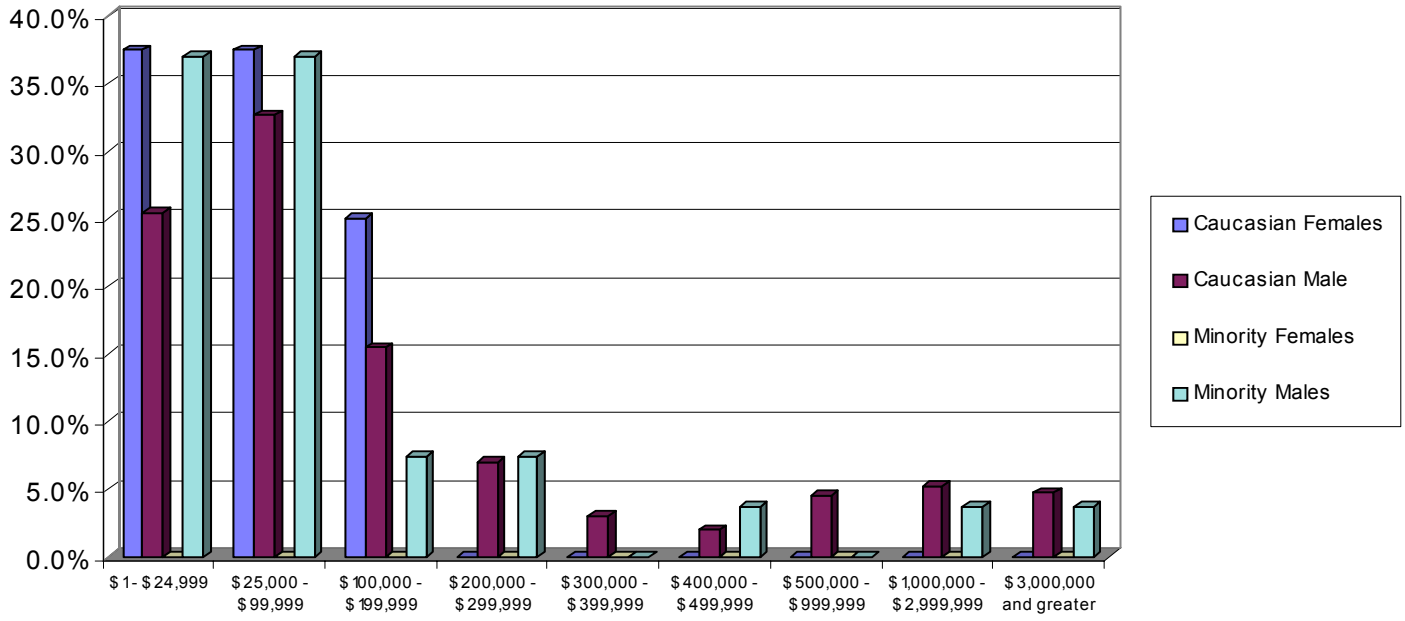
The P-value of >0.05 denotes no significant difference in size of professional services contract awards across ethnic/gender groups.

Table 7.06 All Agencies (IDOA, SOBC, and InDOT) Professional Services Prime Contracts by Size July 1, 1995 - June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	3	37.50%	102	25.44%	0		10	37.04%	115	26.38%
$25,000 - $99,999	3	37.50%	131	32.67%	0		10	37.04%	144	33.03%
$100,000 - $199,999	2	25.00%	62	15.46%	0		2	7.41%	66	15.14%
$200,000 - $299,999	0	0.00%	28	6.98%	0		2	7.41%	30	6.88%
$300,000 - $399,999	0	0.00%	12	2.99%	0		0	0.00%	12	2.75%
$400,000 - $499,999	0	0.00%	8	2.00%	0		1	3.70%	9	2.06%
$500,000 - $999,999	0	0.00%	18	4.49%	0		0	0.00%	18	4.13%
$1,000,000 - $2,999,999	0	0.00%	21	5.24%	0		1	3.70%	22	5.05%
$3,000,000 and greater	0	0.00%	19	4.74%	0		1	3.70%	20	4.59%
Total	8	100.00%	401	100.00%	0	0.00%	27	100.00%	436	100.00%

P-Value > 0.05

Chart 7.02 Professional Services Prime Contracts by Size July 1, 1995 - June 30, 1995



c. Supply Contracts by Size - July 1, 1995 to June 30, 1997

Table 7.07 and Chart 7.03 depict all supply prime contract awards combined within dollar ranges. The percent of contracts below $25,000 was 93.01 percent; below $100,000 was 97.53; and below $300,000 was 98.83 percent of the contracts.

The P-value of <0.001 denotes a significant difference in the size of contract awards in the supply contracts across ethnic/gender groups.

Size Analysis tables for each department are provided below in Tables 7.08 – 7.16.

Table 7.07 All Agencies (IDOA, SOBC, and InDOT) Supplies Contract by Size July 1, 1995 - June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	618	90.22%	42,763	93.10%	174	90.63%	537	89.35%	44,092	93.01%
$25,000 - $99,999	38	5.55%	2,047	4.46%	10	5.21%	48	7.99%	2,143	4.52%
$100,000 - $199,999	1	0.15%	425	0.93%	1	0.52%	4	0.67%	431	0.91%
$200,000 - $299,999	8	1.17%	174	0.38%	2	1.04%	0	0.00%	184	0.39%
$300,000 - $399,999	6	0.88%	103	0.22%	2	1.04%	7	1.16%	118	0.25%
$400,000 - $499,999	2	0.29%	69	0.15%	1	0.52%	2	0.33%	74	0.16%
$500,000 - $999,999	5	0.73%	168	0.37%	2	1.04%	2	0.33%	177	0.37%
$1,000,000 - $2,999,999	6	0.88%	147	0.32%	0	0.00%	1	0.17%	154	0.32%
$3,000,000 and greater	1	0.15%	34	0.07%	0	0.00%	0	0.00%	35	0.07%
Total	685	100.00%	45,930	100.00%	192	100.00%	601	100.00%	47,408	100.00%

P-Value < 0.001

Chart 7.03 Supplies Prime Contracts by Size July 1, 1995 - June 30, 1997

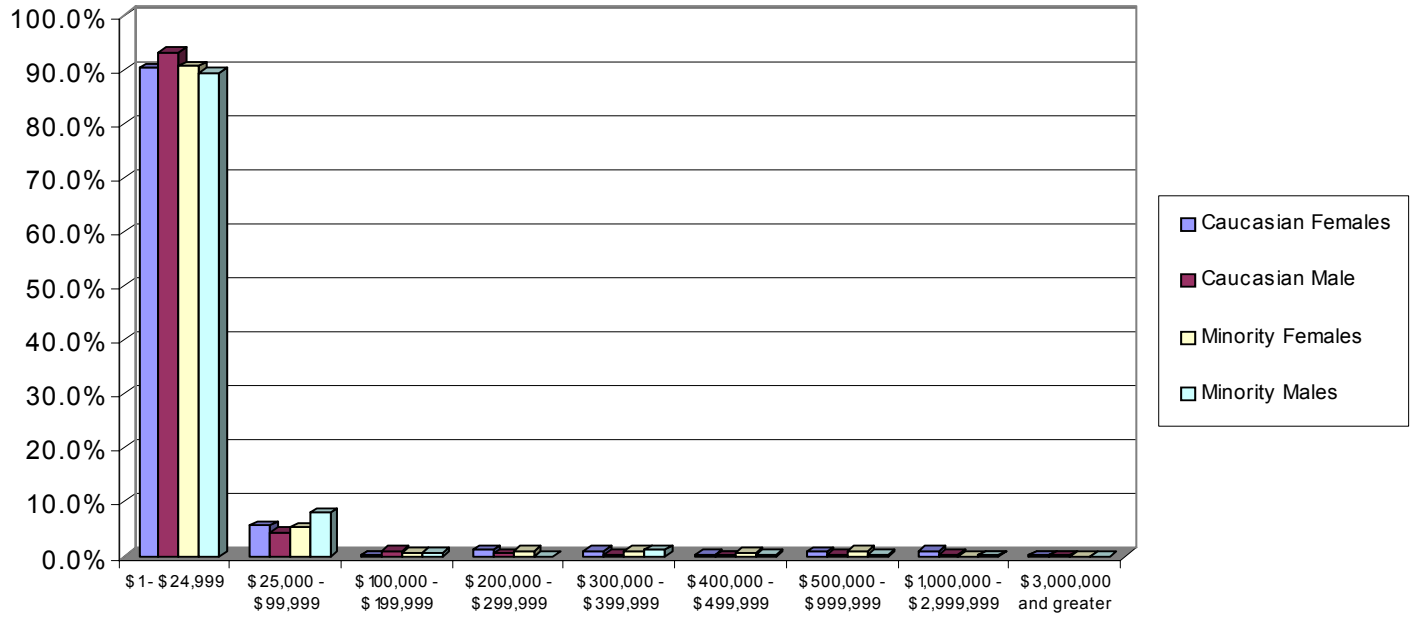


Table 7.08 Indiana Department of Administration Public Works Construction Prime Contracts by Size Fiscal Years July 1, 1995 - June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	7	70.00%	968	79.67%	6	66.67%	16	53.33%	997	78.88%
$25,000 - $49,999	2	20.00%	55	4.53%	2	22.22%	1	3.33%	60	4.75%
$50,000 - $99,999	1	10.00%	61	5.02%	0	0.00%	9	30.00%	71	5.62%
$100,000 - $249,999	0	0.00%	62	5.10%	1	11.11%	2	6.67%	65	5.14%
$250,000-$499,999	0	0.00%	34	2.80%	0	0.00%	1	3.33%	35	2.77%
$500,000-$999,999	0	0.00%	18	1.48%	0	0.00%	1	3.33%	19	1.50%
$1,000,000-$2,999,999	0	0.00%	13	1.07%	0	0.00%	0	0.00%	13	1.03%
$3,000,000 and greater	0	0.00%	4	0.33%	0	0.00%	0	0.00%	4	0.32%
Total	10	100.00%	1215	100.00%	9	100.00%	30	100.00%	1264	100.00%

Chart: 7.04 Indiana Department of Administration Public Works Construction Prime Contracts by Size Fiscal Years July 1, 1995 - June 30, 1997

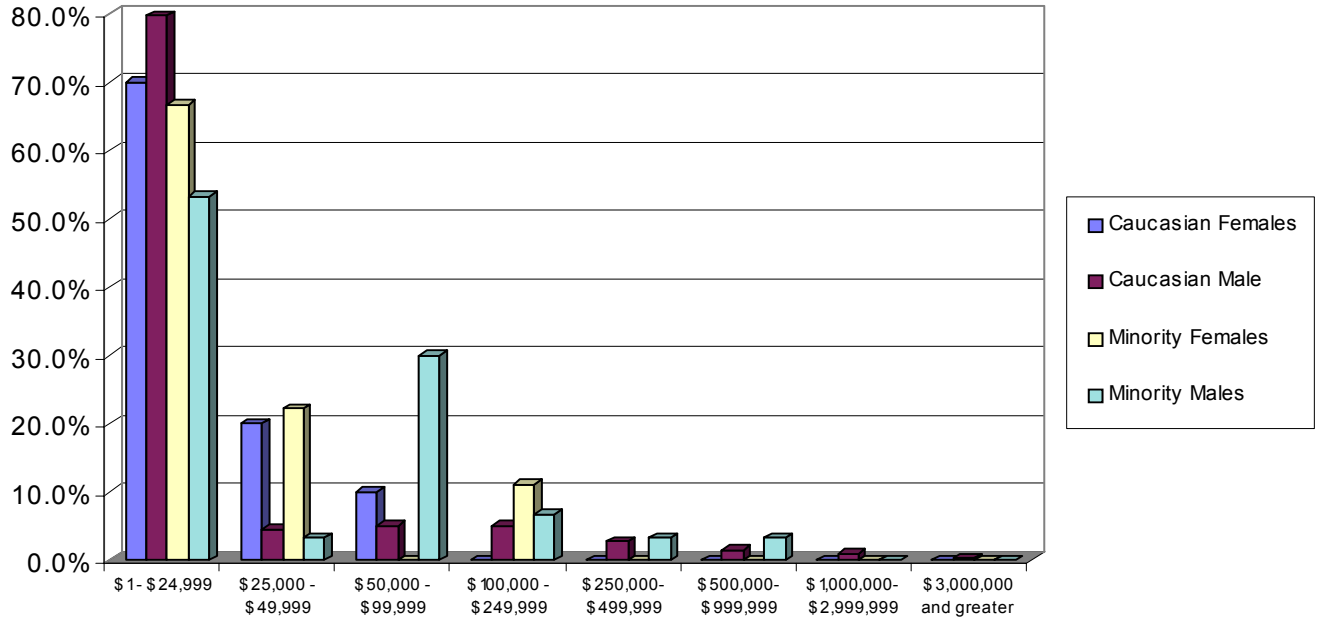


Table 7.09 Indiana Department of Administration
Professional Services Prime Contracts by Size Fiscal Years
July1, 1995-June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	1	20.00%	64	25.70%	0		7	38.89%	72	26.47%
$25,000 - $49,999	2	40.00%	42	16.87%	0		1	5.56%	45	16.54%
$50,000 - $99,999	1	20.00%	35	14.06%	0		5	27.78%	41	15.07%
$100,000 - $249,999	1	20.00%	52	20.88%	0		4	22.22%	57	20.96%
$250,000-$499,999	0	0.00%	26	10.44%	0		1	5.56%	27	9.93%
$500,000-$999,999	0	0.00%	13	5.22%	0		0	0.00%	13	4.78%
$1,000,000-$2,999,999	0	0.00%	9	3.61%	0		0	0.00%	9	3.31%
$3,000,000 and greater	0	0.00%	8	3.21%	0		0	0.00%	8	2.94%
Total	5	100.00%	249	100.00%	0	0.00%	18	100.00%	272	100.00%

P-Value > 0.05

Chart: 7.05 Professional Services Prime Contracts by Size
Fiscal Years July 1, 1995-June 30, 1997

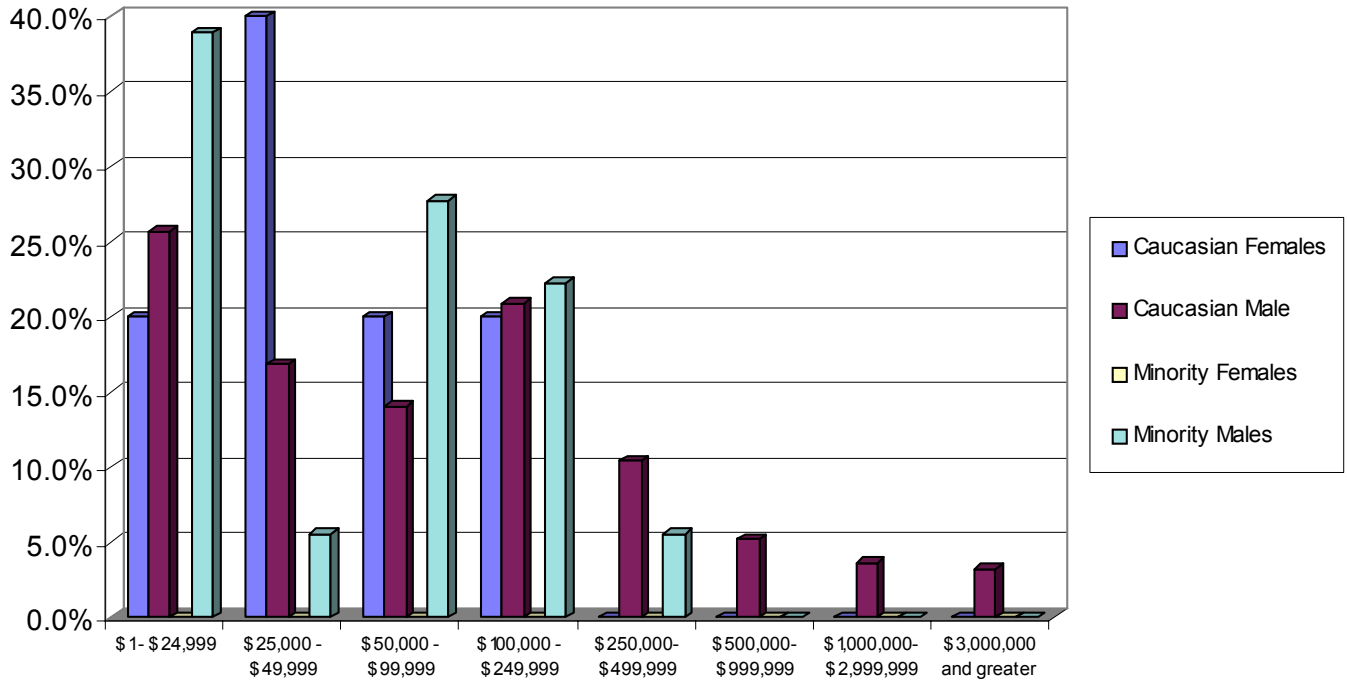


Table 7.10 Indiana Department of Administration Supplies Prime Contracts by Size Fiscal years July 1, 1995-June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	203	97.60%	39,136	94.48%	162	97.59%	429	95.97%	39,930	94.52%
$25,000 - $49,999	2	0.96%	1,139	2.75%	3	1.81%	13	2.91%	1,157	2.74%
$50,000 - $99,999	2	0.96%	635	1.53%	1	0.60%	4	0.89%	642	1.52%
$100,000 - $249,999	1	0.48%	345	0.83%	0	0.00%	0	0.00%	346	0.82%
$250,000-$499,999	0	0.00%	85	0.21%	0	0.00%	1	0.22%	86	0.20%
$500,000-$999,999	0	0.00%	54	0.13%	0	0.00%	0	0.00%	54	0.13%
$1,000,000-$2,999,999	0	0.00%	22	0.05%	0	0.00%	0	0.00%	22	0.05%
$3,000,000 and greater	0	0.00%	8	0.02%	0	0.00%	0	0.00%	8	0.02%
Total	208	100.00%	41424	100.00%	166	100.00%	447	100.00%	42245	100.00%

P-Value > 0.05

Chart: 7.06 Supplies Prime Contracts by Size Fiscal Years July 1, 1995-June 30, 1997

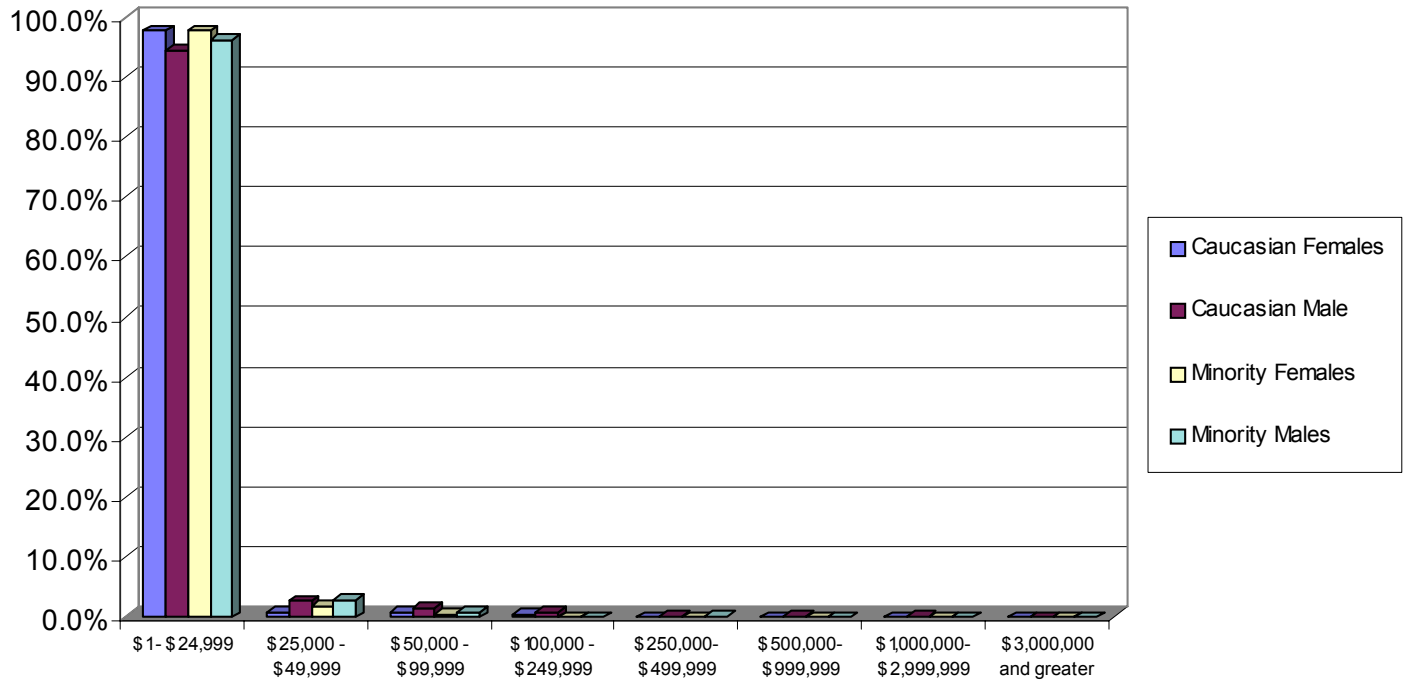


Table 7.11 State Office Building Commission Construction Prime Contracts by Size Fiscal years July 1, 1995 - June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	4	100.00%	76	47.20%	0		2	40.00%	82	48.24%
$25,000 - $49,999	0	0.00%	11	6.83%	0		1	20.00%	12	7.06%
$50,000 - $99,999	0	0.00%	19	11.80%	0		0	0.00%	19	11.18%
$100,000 - $249,999	0	0.00%	17	10.56%	0		1	20.00%	18	10.59%
$250,000-$499,999	0	0.00%	5	3.11%	0		1	20.00%	6	3.53%
$500,000-$999,999	0	0.00%	8	4.97%	0		0	0.00%	8	4.71%
$1,000,000-$2,999,999	0	0.00%	11	6.83%	0		0	0.00%	11	6.47%
$3,000,000 and greater	0	0.00%	14	8.70%	0		0	0.00%	14	8.24%
Total	4	100.00%	161	100.00%	0	0.00%	5	100.00%	170	100.00%

P-Value > 0.05

Chart: 7.07 Construction Prime Contracts by Size Fiscal Years July 1, 1995 - June 30, 1997

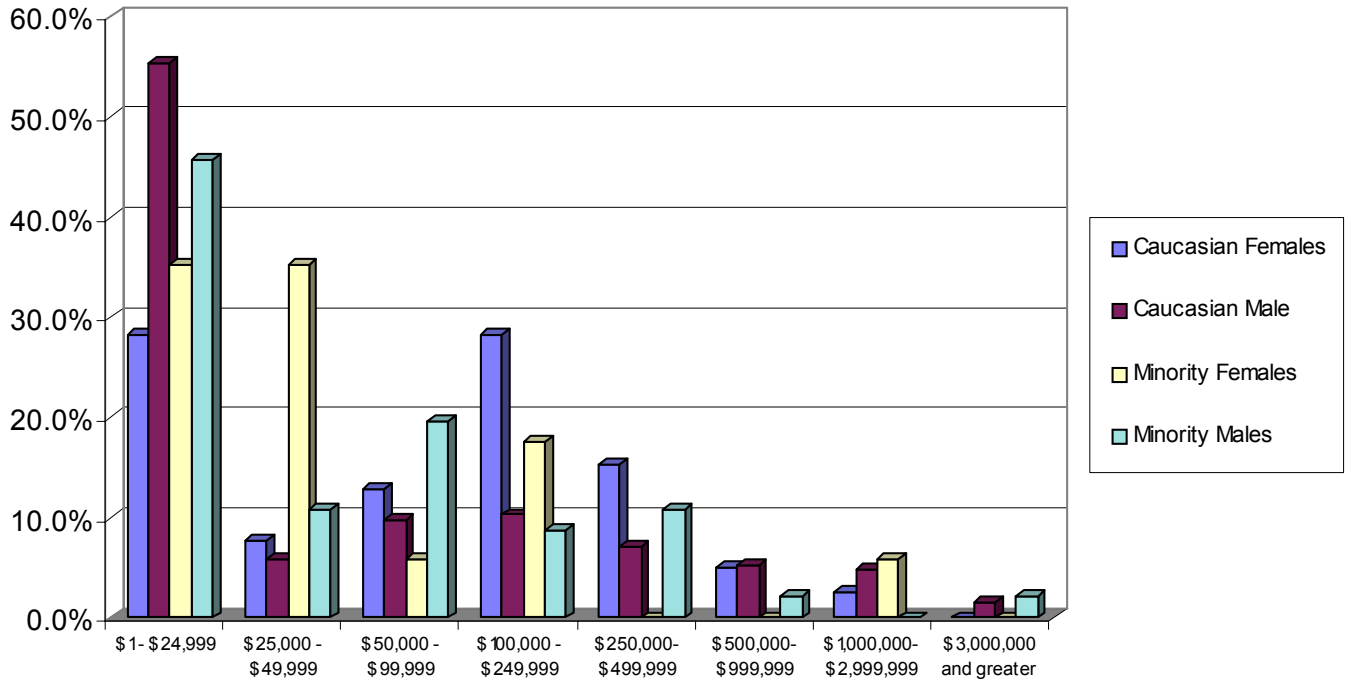
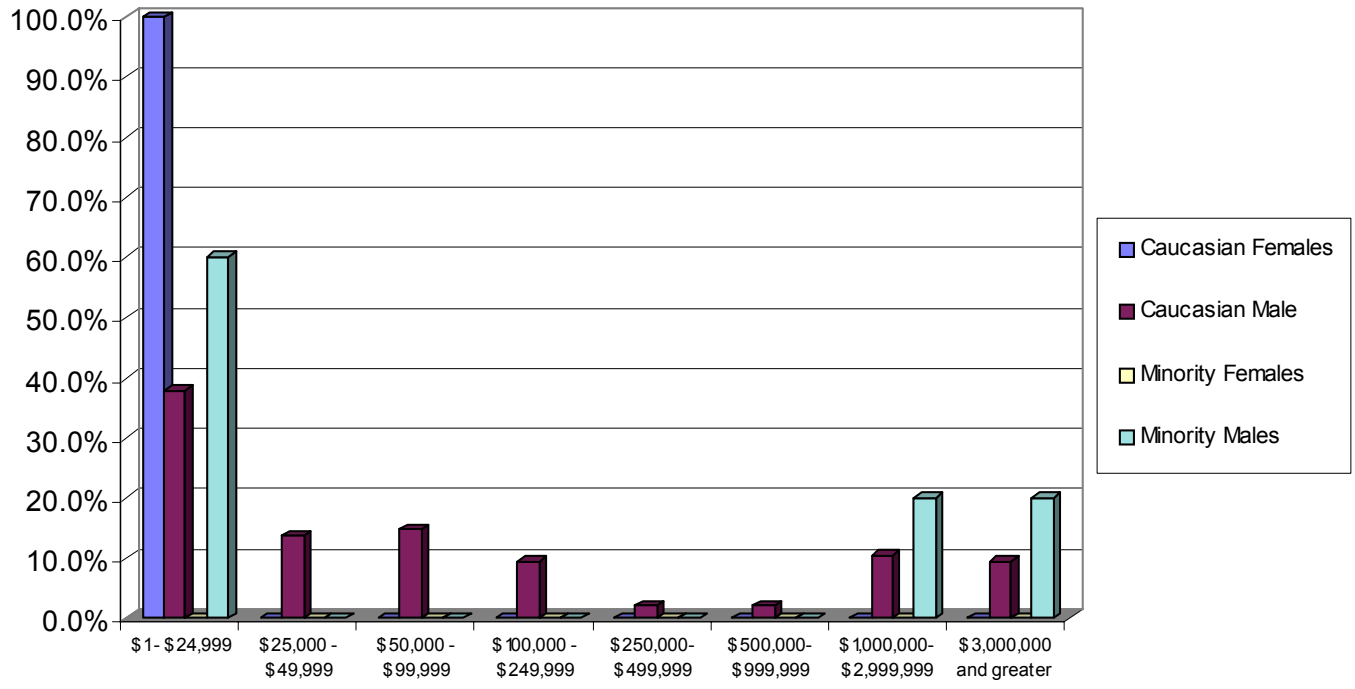


Table 7.12 State Office Building Commission Professional

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	1	100.00%	36	37.89%	0		3	60.00%	40	39.60%
$25,000 - $49,999	0	0.00%	13	13.68%	0		0	0.00%	13	12.87%
$50,000 - $99,999	0	0.00%	14	14.74%	0		0	0.00%	14	13.86%
$100,000 - $249,999	0	0.00%	9	9.47%	0		0	0.00%	9	8.91%
$250,000-$499,999	0	0.00%	2	2.11%	0		0	0.00%	2	1.98%
$500,000-$999,999	0	0.00%	2	2.11%	0		0	0.00%	2	1.98%
$1,000,000-$2,999,999	0	0.00%	10	10.53%	0		1	20.00%	11	10.89%
$3,000,000 and greater	0	0.00%	9	9.47%	0		1	20.00%	10	9.90%
Total	1	100.00%	95	100.00%	0	0.00%	5	100.00%	101	100.00%

P-Value > 0.05



Services Prime Contracts by Size Fiscal Years July 1, 1995- June 30, 1997

Chart 7.08 Professional Services Prime Contracts by Size Fiscal Years July 1, 1995 -- June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	0		10	41.67%	0		0		10	41.67%
$25,000 - $49,999	0		3	12.50%	0		0		3	12.50%
$50,000 - $99,999	0		2	8.33%	0		0		2	8.33%
$100,000 - $249,999	0		3	12.50%	0		0		3	12.50%
$250,000-$499,999	0		1	4.17%	0		0		1	4.17%
$500,000-$999,999	0		2	8.33%	0		0		2	8.33%
$1,000,000-$2,999,999	0		2	8.33%	0		0		2	8.33%
$3,000,000 and greater	0		1	4.17%	0		0		1	4.17%
Total	0	0.00%	24	100.00%	0	0.00%	0	0.00%	24	100.00%

P-Value > 0.05

Table 7.13 State Office Building Commission Supplies Prime Contracts by Size Fiscal Years July 1, 1995 – June 30, 1997

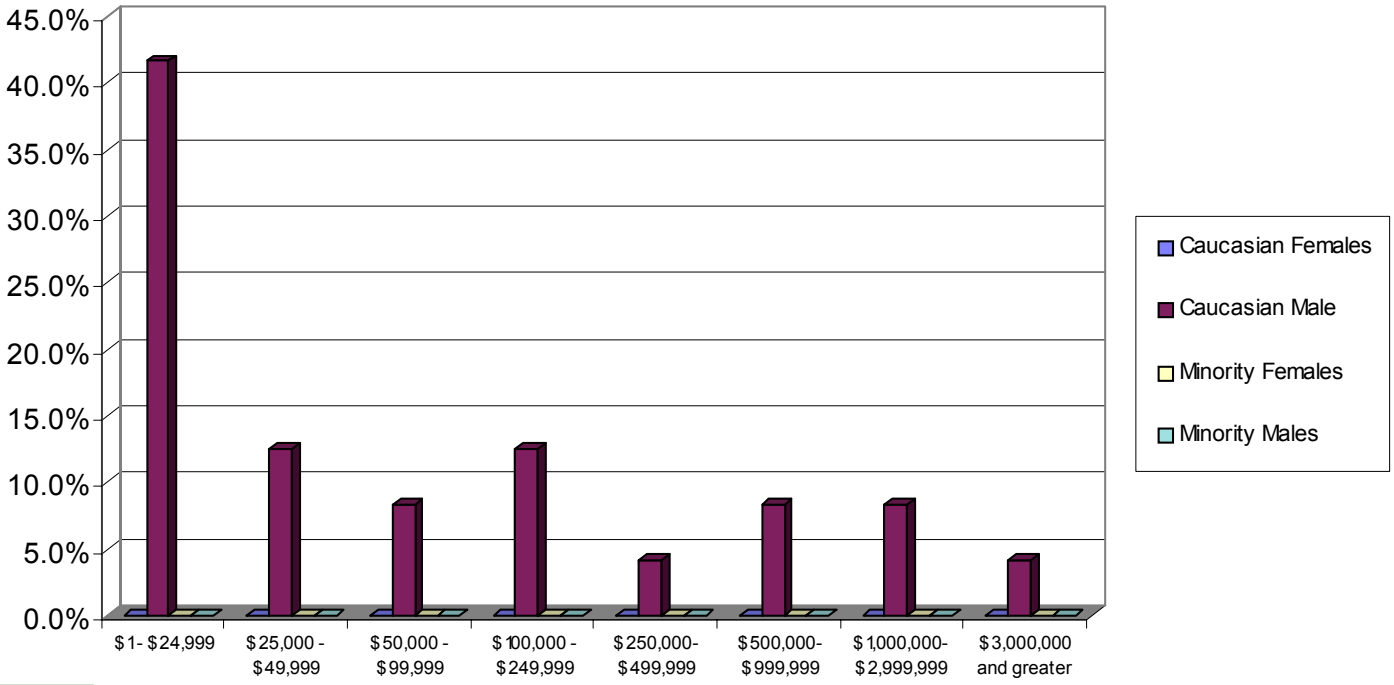


Chart 7.09 Supplies Prime Contracts by Size Fiscal Years
July 1, 1995 – June 30, 1997

Table 7.14 Indiana Department of Transportation Construction Prime Contracts by Size Fiscal Years July 1, 1995 – June 30, 1997

Chart 7.10 Construction Prime Contracts by Size Fiscal Years

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	0	0.00%	11	2.08%	0	0.00%	3	27.27%	14	2.44%
$25,000 - $49,999	1	4.00%	46	8.70%	4	50.00%	3	27.27%	54	9.42%
$50,000 - $99,999	4	16.00%	106	20.04%	1	12.50%	0	0.00%	111	19.37%
$100,000 - $249,999	11	44.00%	117	22.12%	2	25.00%	1	9.09%	131	22.86%
$250,000-$499,999	6	24.00%	96	18.15%	0	0.00%	3	27.27%	105	18.32%
$500,000-$999,999	2	8.00%	73	13.80%	0	0.00%	0	0.00%	75	13.09%
$1,000,000-$2,999,999	1	4.00%	68	12.85%	1	12.50%	0	0.00%	70	12.22%
$3,000,000 and greater	0	0.00%	12	2.27%	0	0.00%	1	9.09%	13	2.27%
Total	25	100.00%	529	100.00%	8	100.00%	11	100.00%	573	100.00%

P-Value < 0.001

July 1, 1995 – June 30, 1997

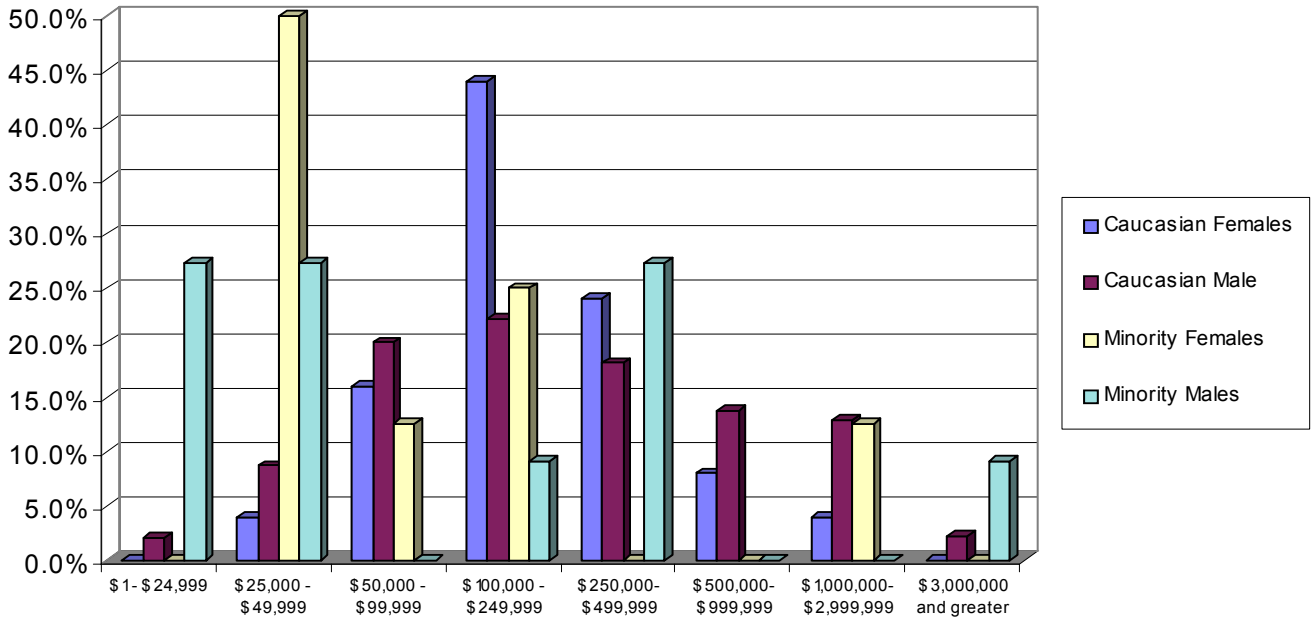


Table 7.15 Indiana Department of Transportation Construction Subcontracts by Size Fiscal Years July 1, 1995 – June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	461	86.65%	1,341	84.71%	0		321	87.70%	2,123	85.57%
$25,000 - $49,999	43	8.08%	118	7.45%	0		20	5.46%	181	7.30%
$50,000 - $99,999	14	2.63%	77	4.86%	0		13	3.55%	104	4.19%
$100,000 - $249,999	11	2.07%	27	1.71%	0		6	1.64%	44	1.77%
$250,000-$499,999	3	0.56%	11	0.69%	0		4	1.09%	18	0.73%
$500,000-$999,999	0	0.00%	3	0.19%	0		0	0.00%	3	0.12%
$1,000,000-$2,999,999	0	0.00%	5	0.32%	0		2	0.55%	7	0.28%
$3,000,000 and greater	0	0.00%	1	0.06%	0		0	0.00%	1	0.04%
Total	532	100.00%	1583	100.00%	0	0.00%	366	100.00%	2481	100.00%

P-Value > 0.05

Chart 7.11 Construction Subcontracts by Size Fiscal Years July 1, 1995 – June 30, 1997

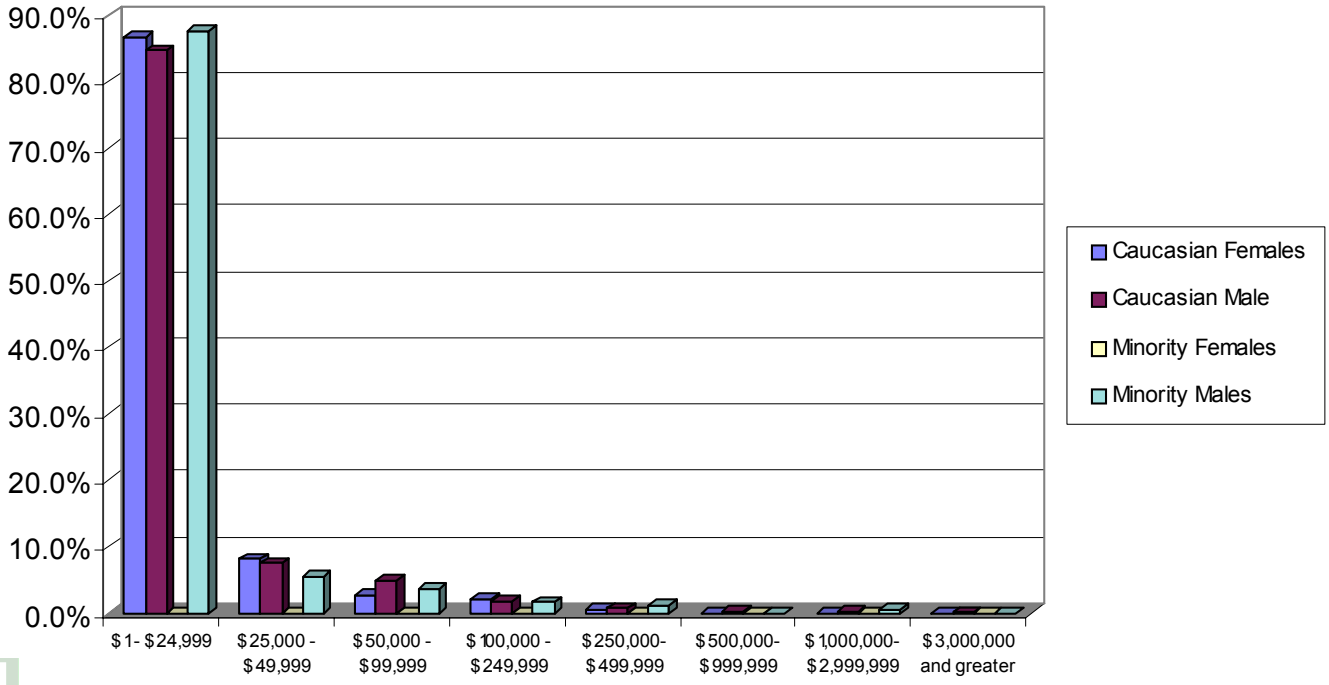
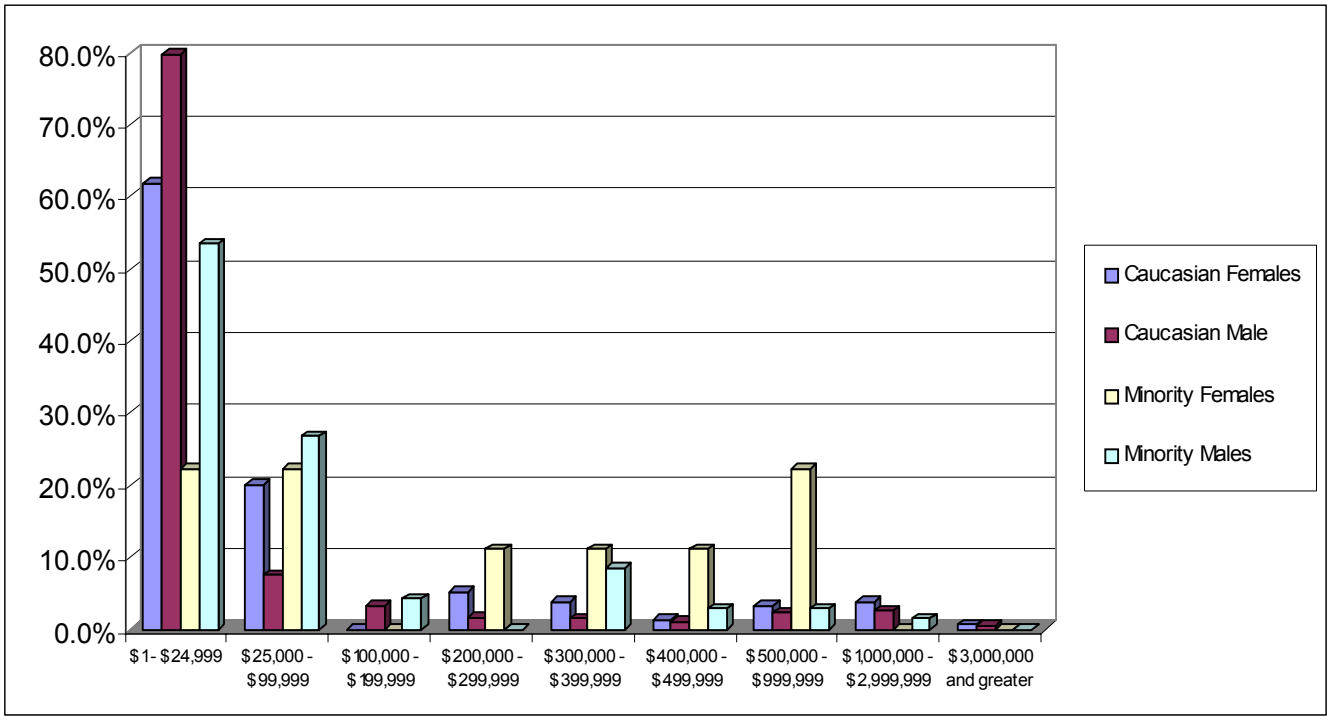


Table 7.16 Indiana Department of Transportation Supplies Subcontracts by Size Fiscal Years July 1, 1995 – June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	96	61.94%	3,974	79.72%	2	22.22%	38	53.52%	4,110	78.74%
$25,000 - $99,999	31	20.00%	374	7.50%	2	22.22%	19	26.76%	426	8.16%
$100,000 - $199,999	0	0.00%	164	3.29%	0	0.00%	3	4.23%	167	3.20%
$200,000 - $299,999	8	5.16%	82	1.64%	1	11.11%	0	0.00%	91	1.74%
$300,000 - $399,999	6	3.87%	71	1.42%	1	11.11%	6	8.45%	84	1.61%
$400,000 - $499,999	2	1.29%	52	1.04%	1	11.11%	2	2.82%	57	1.09%
$500,000 - $999,999	5	3.23%	116	2.33%	2	22.22%	2	2.82%	125	2.39%
$1,000,000 - $2,999,999	6	3.87%	125	2.51%	0	0.00%	1	1.41%	132	2.53%
$3,000,000 and greater	1	0.65%	27	0.54%	0	0.00%	0	0.00%	28	0.54%
Total	155	100.00%	4,985	100.00%	9	100.00%	71	100.00%	5,220	100.00%

P-Value < 0.001

Chart 7.12 Supplies Subcontracts by Size Fiscal Years July 1, 1995 – June 30, 1997



B. Lottery and Riverboat Casinos

As indicated in Tables 7.30, 7.31, and 7.32, 71.17 percent of the Lottery and Riverboat Casinos construction contracts were under $25,000, 85.82 percent were under $100,000, and 93.77 percent were under $300,000. Therefore, there is clear evidence that limited capacity is necessary to perform *small* Lottery and Riverboat Casinos construction contracts.

Also in the tables are the percentages of professional services and supply contracts under $25,000, $100,000, and $300,000. A sufficient professional services and supply contract base exists within the bid capacity of small firms. As a result, it is not necessary to document the capacity of construction, professional services, and supply firms interested in being included in the pool of available firms.

Table 7.30 Percentage of Contracts Under $25,000

Construction Prime Contracts–71.17%
Professional Services Prime Contracts–89.83%
Supplies Prime Contracts–96.94%

Table 7.31 Percentage of Contracts Under $100,000

Construction Prime Contracts–85.82%
Professional Services Prime Contracts–96.45%
Supplies Prime Contracts–99.04%

Table 7.32 Percentage of Contracts Under $300,000

Construction Prime Contracts–93.77%
Professional Services Prime Contracts–98.40%
Supplies Prime Contracts–99.73%

1. Size Distribution

Distribution of contracts by size is presented in the following tables and charts. In order to assess whether the differences between the size of contracts awarded to each ethnicity/gender group is attributable to chance, a probability value (or P-value) is calculated. The P-value takes into account the actual and expected observation for each

group. If the P-value is more than 0.05, a significant difference is not proven; i.e., the difference can be attributed to chance. If it is less than 0.05, the difference is probably not attributable to chance. If it is less than 0.01 the difference is most certainly significant and not attributable to chance.[4]

As depicted below, there is no statistically significant difference between groups in the Lottery supplies, Riverboat Casinos professional services, and Riverboat Casinos supplies. However, there is a statistically significant difference in Riverboat Casinos construction and other services–ethnic groups were not equally likely to be awarded small and large construction contracts.

a. Lottery Commission Supplies Prime Contracts by Size – July 1, 1995 to June 30, 1997

Table 7.33 and Chart 7.13 depict Lottery supplies prime contract awards within dollar ranges. The percent of contracts below $25,000 was 95.01; below $100,000 was 98.34; and below $300,000 was 99.72 percent.

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The P-value of >0.05 denotes no significant difference in size of supplies prime contracts awards across ethnic/gender groups.

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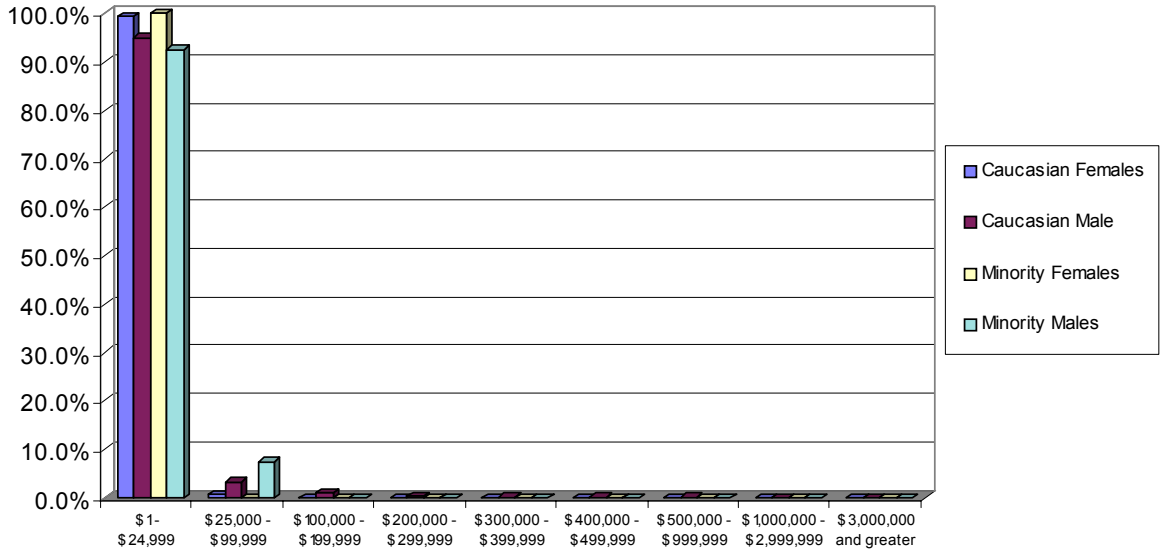
[4]In the disparity section we used the Z-test, which is designed for the situation where there is only one value for each group (for example, utilization percentage). The Z-test is applied to each group and the P-value is calculated in each case. In the capacity section we used Chi-squared test, which is designed for the situation where there are multiple values for each ethnic/gender group (for example, the number of businesses falling into the eight categories of prime contract dollar sizes). The Chi-squared test is applied to the table as a whole and therefore the P-value is calculated only once.

Table 7.33 Indiana Lottery Commission Supplies Prime Contracts by Size July 1, 1995 - June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	151	99.34%	6,943	94.94%	42	100.00%	149	92.55%	7,285	95.01%
$25,000 - $99,999	1	0.66%	242	3.31%	0	0.00%	12	7.45%	255	3.33%
$100,000 - $199,999	0	0.00%	76	1.04%	0	0.00%	0	0.00%	76	0.99%
$200,000 - $299,999	0	0.00%	30	0.41%	0	0.00%	0	0.00%	30	0.39%
$300,000 - $399,999	0	0.00%	8	0.11%	0	0.00%	0	0.00%	8	0.10%
$400,000 - $499,999	0	0.00%	5	0.07%	0	0.00%	0	0.00%	5	0.07%
$500,000 - $999,999	0	0.00%	8	0.11%	0	0.00%	0	0.00%	8	0.10%
$1,000,000 - $2,999,999	0	0.00%	1	0.01%	0	0.00%	0	0.00%	1	0.01%
$3,000,000 and greater	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Total	152	100.00%	7,313	100.00%	42	100.00%	161	100.00%	7,668	100.00%

P-Value > 0.05

Chart 7.13 Supplies Prime Contracts by Size July 1, 1995 - June 30, 1997



b. Riverboat Casinos Construction Prime Contracts by Size - July 1, 1995 to June 30, 1997

Table 7.34 and Chart 7.14 depict the Riverboat Casinos construction prime contract awards within dollar ranges. The percent of contracts below $25,000 was 60.96 percent; below $100,000 was 80.72 percent; and under $300,000 was 89.04 percent.

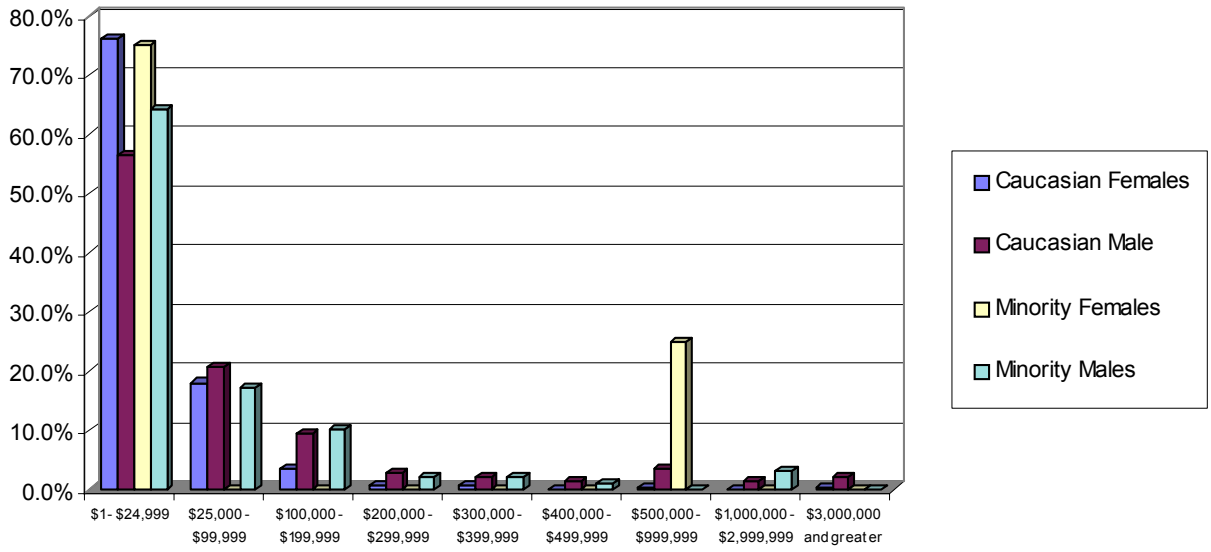
The P-value of < 0.01 denotes a significant difference in size of Riverboat Casinos construction contract awards across ethnic/gender groups.

Table 7.34 Indiana's Riverboat Casinos Construction Prime Contracts by Size July 1, 1995 - June 30, 1997
Chart 7.14 Construction Prime Contracts by Size

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	181	76.05%	515	56.59%	3	75.00%	63	64.29%	762	60.96%
$25,000 - $99,999	43	18.07%	187	20.55%	0	0.00%	17	17.35%	247	19.76%
$100,000 - $199,999	8	3.36%	86	9.45%	0	0.00%	10	10.20%	104	8.32%
$200,000 - $299,999	2	0.84%	26	2.86%	0	0.00%	2	2.04%	30	2.40%
$300,000 - $399,999	2	0.84%	18	1.98%	0	0.00%	2	2.04%	22	1.76%
$400,000 - $499,999	0	0.00%	12	1.32%	0	0.00%	1	1.02%	13	1.04%
$500,000 - $999,999	1	0.42%	33	3.63%	1	25.00%	0	0.00%	35	2.80%
$1,000,000 - $2,999,999	0	0.00%	14	1.54%	0	0.00%	3	3.06%	17	1.36%
$3,000,000 and greater	1	0.42%	19	2.09%	0	0.00%	0	0.00%	20	1.60%
Total	238	100.00%	910	100.00%	4	100.00%	98	100.00%	1,250	100.00%

P-Value < 0.01

July 1, 1995 - June 30, 1997



c. Riverboat Casinos Professional Services Contracts by Size - July 1, 1995 to June 30, 1997

Table 7.35 and Chart 7.15 depict Riverboat Casinos professional services contract awards combined within dollar ranges. The percent of contracts below $25,000 was 84.51 percent; below $100,000 was 94.52; and below $300,000 was 98.53 percent.

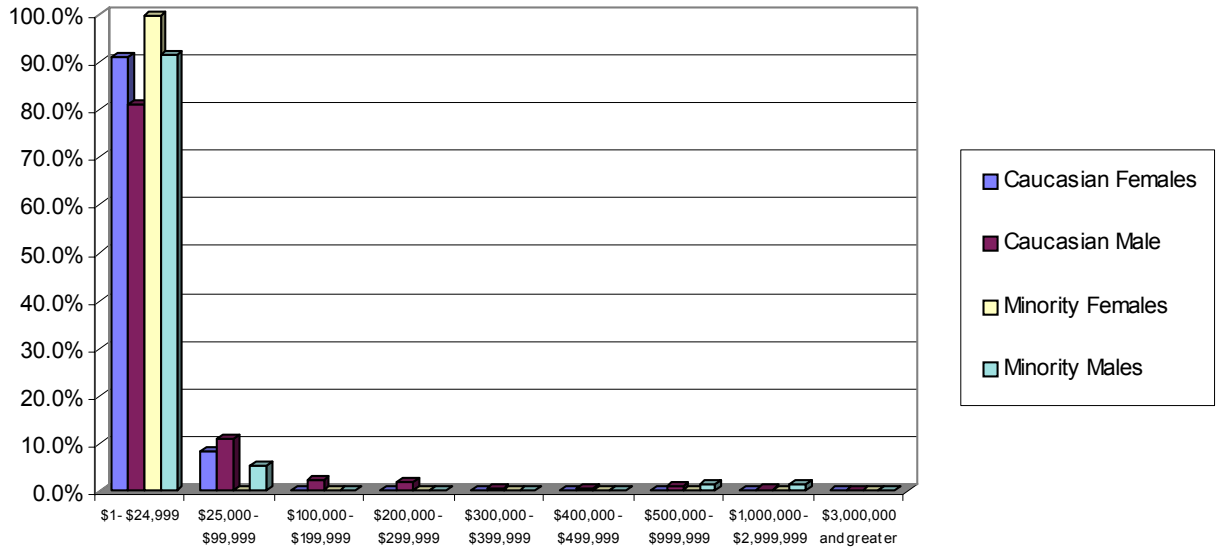
The P-value of > 0.05 denotes no significant difference in the size of Riverboat Casinos professional services contract awards across ethnic/gender groups.

Table 7.35 Indiana's Riverboat Casinos Professional Services Contract by Size July 1, 1995 - June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	334	91.26%	815	81.26%	18	100.00%	66	91.67%	1,233	84.51%
$25,000 - $99,999	31	8.47%	111	11.07%	0	0.00%	4	5.56%	146	10.01%
$100,000 - $199,999	0	0.00%	24	2.39%	0	0.00%	0	0.00%	24	1.64%
$200,000 - $299,999	0	0.00%	20	1.99%	0	0.00%	0	0.00%	20	1.37%
$300,000 - $399,999	0	0.00%	8	0.80%	0	0.00%	0	0.00%	8	0.55%
$400,000 - $499,999	0	0.00%	7	0.70%	0	0.00%	0	0.00%	7	0.48%
$500,000 - $999,999	1	0.27%	12	1.20%	0	0.00%	1	1.39%	14	0.96%
$1,000,000 - $2,999,999	0	0.00%	4	0.40%	0	0.00%	1	1.39%	5	0.34%
$3,000,000 and greater	0	0.00%	2	0.20%	0	0.00%	0	0.00%	2	0.14%
Total	366	100.00%	1,003	100.00%	18	100.00%	72	100.00%	1,459	100.00%

P-Value > 0.05

Chart 7.15 Professional Services Prime Contracts by Size July 1, 1995 - June 30, 1997



d. Riverboat Casinos Supply Contracts by Size - July 1, 1995 to June 30, 1997

Table 7.36 and Chart 7.16 depict all Riverboat Casinos supply prime contract awards combined within dollar ranges. The percent of contracts below $25,000 was 97.77 percent; below $100,000 was 99.34; and below $300,000 was 99.61 percent.

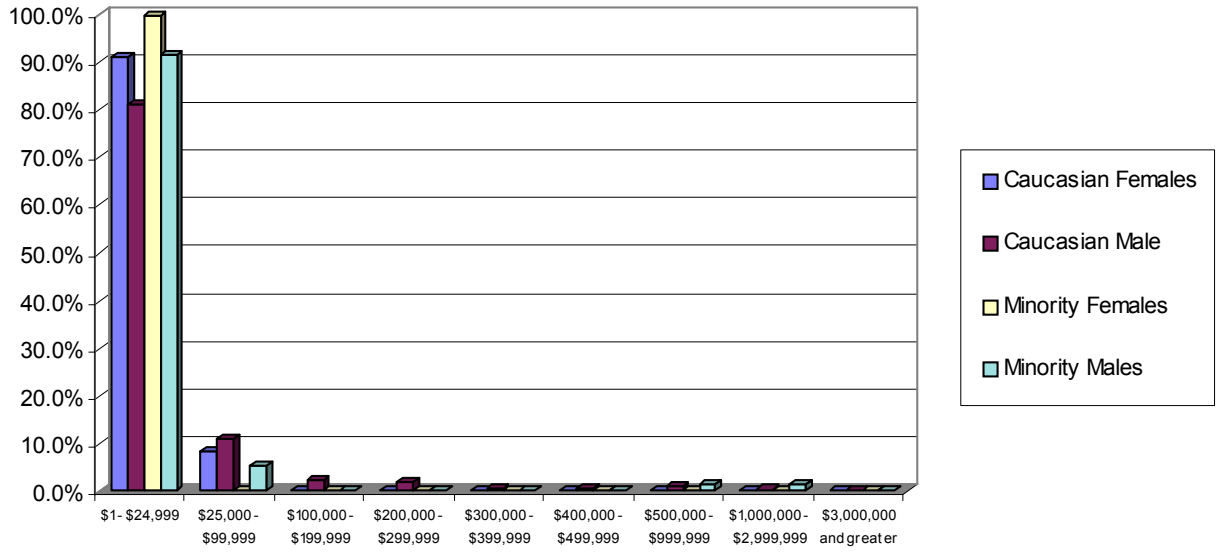
The P-value of >0.05 denotes no significant difference in the size of contract awards in the Riverboat Casinos supply contracts across ethnic/gender groups.

Table 7.36 Indiana's Riverboat Casinos Supplies Prime Contracts by Size Fiscal Years July 1, 1995 - June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	1,932	99.18%	17,997	97.63%	292	98.98%	466	96.48%	20,687	97.77%
$25,000 - $99,999	9	0.46%	308	1.67%	3	1.02%	12	2.48%	332	1.57%
$100,000 - $199,999	4	0.21%	49	0.27%	0	0.00%	4	0.83%	57	0.27%
$200,000 - $299,999	1	0.05%	28	0.15%	0	0.00%	0	0.00%	29	0.14%
$300,000 - $399,999	0	0.00%	29	0.16%	0	0.00%	1	0.21%	30	0.14%
$400,000 - $499,999	1	0.05%	9	0.05%	0	0.00%	0	0.00%	10	0.05%
$500,000 - $999,999	1	0.05%	7	0.04%	0	0.00%	0	0.00%	8	0.04%
$1,000,000 - $2,999,999	0	0.00%	3	0.02%	0	0.00%	0	0.00%	3	0.01%
$3,000,000 and greater	0	0.00%	3	0.02%	0	0.00%	0	0.00%	3	0.01%
Total	1,948	100.00%	18,433	100.00%	295	100.00%	483	100.00%	21,159	100.00%

P-Value > 0.05

Chart: 7.16 Indiana's Riverboat Casinos Supplies Prime contracts by Size Fiscal Years July 1, 1995 - June 30, 1997



e. Indiana's Riverboat Casinos Other Services Contracts by Size - July 1, 1995 to June 30, 1997

Table 7.37 and Chart 7.17 depict all Riverboat Casinos other services prime contract awards combined within dollar ranges. The percent of contracts below $25,000 was 96.55 percent; below $100,000 was 99.13; and below $300,000 was 99.75 percent.

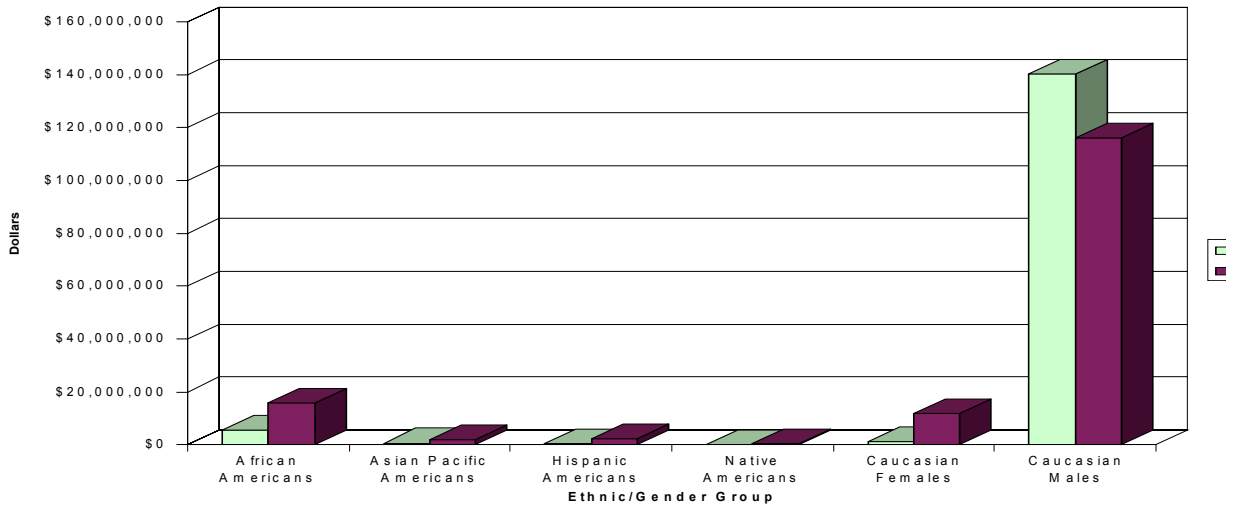
The P-value of < 0.01denotes a significant difference in the size of contract awards in the Riverboat Casinos other services contracts across ethnic/gender groups.

Table 7.37 Indiana's Riverboat Casinos Other Services Prime Contracts by Size Fiscal Years July1, 1995-June 30, 1997

Size	Caucasian Females		Caucasian Male		Minority Females		Minority Males		Total	Total
	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent	Freq	Percent
$1 - $24,999	459	98.29%	11,738	96.72%	156	99.36%	733	92.43%	13,086	96.55%
$25,000 - $99,999	8	1.71%	283	2.33%	1	0.64%	57	7.19%	349	2.58%
$100,000 - $199,999	0	0.00%	66	0.54%	0	0.00%	0	0.00%	66	0.49%
$200,000 - $299,999	0	0.00%	17	0.14%	0	0.00%	1	0.13%	18	0.13%
$300,000 - $399,999	0	0.00%	5	0.04%	0	0.00%	0	0.00%	5	0.04%
$400,000 - $499,999	0	0.00%	3	0.02%	0	0.00%	1	0.13%	4	0.03%
$500,000 - $999,999	0	0.00%	11	0.09%	0	0.00%	0	0.00%	11	0.08%
$1,000,000 - $2,999,999	0	0.00%	5	0.04%	0	0.00%	1	0.13%	6	0.04%
$3,000,000 and greater	0	0.00%	8	0.07%	0	0.00%	0	0.00%	8	0.06%
Total	467	100.00%	12,136	100.00%	157	100.00%	793	100.00%	13,553	100.00%

P-Value < 0.01

Chart: 7.17 Other Services Prime Contracts by Size Fiscal Years July 1, 1995-June 30, 1997



C. State Capacity Survey

In measuring capacity, the pool of construction businesses in the State's availability list is assessed in terms of their relative ability to handle large State construction contracts. A random sample of 400 construction firms with State experience were surveyed. (A companion capacity survey was conducted for construction companies with InDOT experience.)

Interviewers contacted each firm by telephone. At least three telephone calls were made to each company to complete the survey. Survey results are presented in Table 7.17. The survey response rate was 55.2 percent, with 221 of the 400 companies responding to the survey. Nonrespondents were mainly companies in the sample with wrong telephone numbers and no new telephone listings (based on telephone information and Internet Web page research). Nine companies, or 2.25 percent of the sample refused to participate in the survey.

Table 7.17 Distribution of State Capacity Sample

Response	Number of Firms	Percentage
Total Survey Sample	**400**	**100**
Respondents	**221**	**55.2**
Nonrespondents	**179**	**44.7**
Wrong number/no new listing	170	42.5
Refused to participate	9	2.3

The table below depicts the ethnic and gender composition of the study sample. Caucasians comprised the largest ethnic group in the sample (83.26 percent), followed by African Americans (12.21 percent), Hispanic Americans and Asian Americans (1.81 percent, each), and Native Americans (0.90 percent).

Caucasian males represented the largest gender group in the study (69.23 percent). Minority males constituted 14.48 percent of the interviewees, while Caucasian females and Minority females accounted for 14.03 percent and 2.26 percent, respectively.

Table 7.18 Distribution of Respondents, by Ethnicity and Gender

Owner Ethnicity	Respondent Distribution	
	Number	Percent of Sample
African American		
Males	2	0.90%
Females	25	11.31%
Asian American		
Males	0	0.00%
Females	4	1.81%
Hispanic American		
Males	1	0.45%
Females	3	1.36%
Native American		
Males	2	0.09%
Females	0	
Caucasian American		
Males	31	69.23%
Females	153	14.03%
Total	221	100%
Owner Gender	**Number**	**Percent of Sample**
Minority Males	5	14.48%
Minority Females	32	2.26%
Caucasian Males	153	69.23%
Caucasian Females	31	14.03%
Total	221	100%

During telephone interviews, the following questions were asked:

- Do you work as a prime contractor only, subcontractor only, or both?
- What was your business' largest number of employees in the previous 12 months?
- How many years have you been in business?
- How much was the largest contract your company has ever been awarded?
- What were your gross receipts during the previous 24 months?
- What is your highest education level?

Those questions are repeated below, with each one followed by a distribution of interviewee responses and a discussion.

In order to assess whether the differences between ethnic/gender groups as presented in the tables are attributable to chance, a probability value (or P-value) is calculated. The P-value takes into account the actual and expected responses for each group. If the P-value is more than 0.05, a significant difference is not proven; i.e., the difference can be attributed to chance. If it is less than 0.05, the difference is probably not attributable to chance. If it is 0.01or less the difference is most certainly significant and not attributable to chance.[5]

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[5]In the disparity section we used the Z-test which is designed for the situation where there is only one value for each group (for example, utilization percentage). The Z-test is applied to each group and the p-value is calculated in each case. In the capacity section we used Chi-squared test which is designed for the situation where there are multiple values for each ethnic/gender group (fore example the number of businesses fallen into the seven categories of number of years in business). The Chi-squared test is applied to the table as a whole and therefore the p-value is calculated only once.

a. Do you work as a prime only, subcontractor only, or both?

About 25 percent of each minority and Caucasian female company worked only as a subcontractor, while about 16 percent of the Caucasian male business owners worked only as a subcontractor. Most of the balance of all groups worked as both prime contractors, and subcontractors.

The P-Value of > 0.05 indicates there is no significant difference between groups on this capacity variable, as measured by business tier preferences.[6] (Table 7.19.)

Table 7.19 Construction Firms Business Tier By Ethnicity and Gender

Business Tier	Business Owner Ethnicity and Gender						
	African American %	Asian American %	Hispanic American %	Native American %	Caucasian Female %	Caucasian Male %	Total Number
Prime Contractor Only	12.00%	25.00%	25.00%	50.00%	10.34%	18.90%	33
Subcontractor Only	24.00%	0.00%	25.00%	0.00%	27.59%	15.75%	35
Both Prime and Subcontractor	64.00%	75.00%	50.00%	50.00%	62.07%	65.35%	123
Total	25	4	4	2	29	127	191

P-Value > 0.05

[6] In the disparity section we used the Z-test which is designed for the situation where there is only one value for each group (for example, utilization percentage). The Z-test is applied to each group and the P-Value is calculated in each case. In the capacity section we used a Chi-squared test which is designed for the situation where there are multiple values for each ethnic/gender group (for example the number of businesses in the seven categories of number of years in business). The Chi-squared test is applied to the table as a whole and therefore the P-Value is calculated only once.

b. How many years have you been in business?

A larger percentage of Caucasian males and Caucasian females than MBEs, reported being in business for 31 years or more (at 39.74 % and 23.33 %, respectively). All of the Asian American, Native American and Hispanic American owners were in business 20 years or less. Seventy percent of the African American firms were younger than 20 years old, however, 22.2 percent were older than 26 years.

The P-Value of < 0.001 indicates there is a significant difference between groups on this capacity variable, as measured by number of years in business. (Table 7.20.)

Table 7.20 Construction Firms Number of Years in Business

	Business Owner Ethnicity and Gender						
Number of Years in Business	African American %	Asian American %	Hispanic American %	Native American %	Caucasian Female %	Caucasian Male %	Total Number
1 - 5	25.93%	25.00%	25.00%	50.00%	16.67%	6.62%	25
6 - 10	25.93%	0.00%	0.00%	50.00%	16.67%	10.60%	29
11 - 15	18.52%	25.00%	75.00%	0.00%	13.33%	11.92%	31
16 - 20	0.00%	50.00%	0.00%	0.00%	16.67%	14.57%	29
21 - 25	7.41%	0.00%	0.00%	0.00%	6.67%	8.61%	17
26 - 30	11.11%	0.00%	0.00%	0.00%	6.67%	7.95%	17
31+	11.11%	0.00%	0.00%	0.00%	23.33%	39.74%	70
Total	27	4	4	2	30	151	218

P-Value <0.01

c. What was your largest number of employees in the previous 12 months?

Forty-four percent of the Caucasian male business owners reported more than thirty employees in the previous 12 months. Twenty-six percent of the African American and 25 percent of the Hispanic American business owners reported having that many employees.

The P-Value of <0.01 indicates there is a significant difference between the businesses on this capacity variable, as measured by number of employees. (Table 7.21.)

Table 7.21 Construction Firms Number of Employees by Ethnicity and Gender

	Business Owner Ethnicity and Gender						
Number of Employees	African American	Asian American	Hispanic American	Native American	Caucasian Female	Caucasian Male	Total Number
	%	%	%	%	%	%	
1 - 5	36.00%	0.00%	0.00%	50.00%	20.00%	10.42%	31
6 - 10	20.00%	0.00%	25.00%	0.00%	6.67%	13.19%	27
11 - 15	12.00%	25.00%	0.00%	50.00%	16.67%	11.81%	27
16 - 20	12.00%	50.00%	25.00%	0.00%	10.00%	6.94%	19
21 - 25	8.00%	25.00%	0.00%	0.00%	6.67%	4.17%	11
26 - 30	4.00%	0.00%	25.00%	0.00%	13.33%	9.03%	19
31+	8.00%	0.00%	25.00%	0.00%	26.67%	44.44%	75
Total	25	4	4	2	30	144	209

P-Value < 0.01

d. What was your gross receipts during the previous 24 months?

More than 50 percent of the businesses refused to answer this question, therefore, those responses were not analyzed.

e. How much was the largest contract your company has ever been awarded?

Most of the contracts received by the ethnic/gender groups were more than $100,000. Caucasian male and minority business owners received a large percentage of contracts valued at over $400,000.

The P-Value for this variable is greater than 0.05, therefore no significant group difference exists between the groups on this capacity variable. (Table 7.22.)

Table 7.22 Largest Contract, by Ethnicity and Gender

Largest Contract	Business Owner By Ethnicity and Gender						
	African American %	Asian American %	Hispanic American %	Native American %	Caucasian Female %	Caucasian Male %	Total Number
Less Than $50K	0.00%	0.00%	0.00%	0.00%	0.00%	4.00%	3
$50K to $99K	15.79%	0.00%	0.00%	0.00%	0.00%	8.00%	9
$100K to $199K	36.84%	0.00%	0.00%	0.00%	0.00%	8.00%	13
$200K to $299K	5.26%	0.00%	0.00%	0.00%	25.00%	10.67%	13
$300K to $399K	0.00%	0.00%	50.00%	100.00%	12.50%	10.67%	14
$400K to $499K	10.53%	25.00%	0.00%	0.00%	12.50%	4.00%	8
$500K to $599K	5.26%	25.00%	0.00%	0.00%	0.00%	4.00%	5
$600K or more	26.32%	50.00%	50.00%	0.00%	50.00%	50.67%	55
Total	19	4	4	2	16	75	120

P-Value > 0.05

f. What is your highest education level?

Most of the ethnic/gender groups are college graduates, except for Hispanic Americans who mainly graduated from high school.

The P-Value for this variable is greater than 0.05, therefore no significant group difference exists between the groups on this capacity variable. (Table 7.23.)

Table 7.23 Owners Educational Level By Ethnicity and Gender

	Business Owner Ethnicity and Gender						
Owner's Educational Level	African American	Asian American	Hispanic American	Native American	Caucasian Female	Caucasian Male	Total Number
	%	%	%	%	%	%	
High School	34.78%	50.00%	100.00%	0.00%	30.43%	31.25%	44
Some College	0.00%	0.00%	0.00%	50.00%	0.00%	0.00%	1
College Graduate	47.83%	25.00%	0.00%	50.00%	56.52%	57.50%	72
Graduate Degree	0.00%	0.00%	0.00%	0.00%	0.00%	1.25%	1
Technical School	17.39%	25.00%	0.00%	0.00%	8.70%	5.00%	11
Other	0.00%	0.00%	0.00%	0.00%	4.35%	5.00%	5
Total	23	4	2	2	23	80	134

P-Value > 0.05

g. Conclusion

Businesses available for State construction work present a similar picture, in terms of whether they work as a prime contractor, subcontractor, or both (business tier), size of the largest contract they were ever awarded, and owners educational level. However, they are significantly different in terms of their number of years in business and number of employees.

D. InDOT Capacity Survey

A capacity survey was conducted to assess the pool of qualified businesses available for Indiana Department of Transportation (InDOT) construction contracts. Included were 432 construction firms willing to conduct business with the InDOT (all of the firms in the InDOT's utilization database). Interviewers contacted each firm by telephone. Up to three telephone calls were made to each company. Survey results are presented in Table 7.24.

The survey response rate was 56.9 percent More than 33 percent of the sample could not be located because of no answers to repeated calls, and wrong numbers with no new number (based on telephone information and Internet Web page research). Also, 9.9 percent refused to participate or did not respond when additional survey information they requested was provided.

Table 7.24 Distribution of InDOT Capacity Survey

Response	Number of Firms	Percentage
Total Survey Sample	**432**	**100**
Respondents	**246**	**56.9**
Nonrespondents	**186**	**43.1**
Wrong number/no new number	143	33.2
Refused to participate	43	9.9

The table below depicts the ethnic and gender composition of the study sample. Caucasians comprised the largest ethnic group in the sample (90.65 percent), followed by African Americans (4.07 percent), Hispanic Americans and Native Americans (2.03 percent, each), and Asian Americans (1.22 percent).

Caucasian males represented the largest gender group in the study (73.58 percent). Minority males constituted 6.91 percent of the interviewees, while Caucasian females and Minority females accounted for 17.07 percent and 2.44 percent, respectively.

Table 7.25 InDOT Respondents

Owner Ethnicity	Sample Distribution Number	% of Sample
African American	10	4.07%
Asian American	3	1.22%
Hispanic American	5	2.03%
Native American	5	2.03%
Caucasian American	233	90.65%
Total		
Owner Gender	**Sample Distribution Number**	**% of Sample**
Minority Males	17	6.91%
Minority Females	6	2.44%
Caucasian Males	181	73.58%
Caucasian Females	42	17.07%
Total	242	100%

Questions asked during the survey are presented in the State capacity survey section above.

a. Do you work as a prime only, subcontractor only, or both?

In comparison to the other groups, a larger percentage of Hispanic American, Native American, and Asian American business owners work only as prime contractors (40%, 40%, and 33.33 %, respectively). Eighty percent of the African Americans work as both prime contractors and subcontractors, as do 60 percent of the Native Americans, 54.76 percent of the Caucasian females, and 64.09 percent of the Caucasian male business owners.

The P-Value of > 0.05 indicates there is **no significant difference** between groups, as on this capacity variable, as measured by business tier preferences.[7] (Table 7.26.)

Table 7.26 Indiana Department of Transportation Firms
Business Tier By Ethnicity and Gender

Business Tier	Business Owner Ethnicity and Gender						
	African American %	Asian American %	Hispanic American %	Native American %	Caucasian Female %	Caucasian Male %	Total Number
Prime Contractor Only	10.00%	33.33%	40.00%	40.00%	16.67%	18.78%	47
Subcontractor Only	10.00%	33.33%	40.00%	0.00%	28.57%	17.13%	47
Both Prime and Subcontractor	80.00%	33.33%	20.00%	60.00%	54.76%	64.09%	152
Total	10	3	5	5	42	181	246

P-Value > 0.05

[7] In the disparity section we used the Z-test which is designed for the situation where there is only one value for each group (for example, utilization percentage). The Z-test is applied to each group and the P-Value is calculated in each case. In the capacity section we used a Chi-squared test which is designed for the situation where there are multiple values for each ethnic/gender group (for example the number of businesses in the seven categories of number of years in business). The Chi-squared test is applied to the table as a whole and therefore the P-Value is calculated only once.

b. How many years have you been in business?

A larger percentage of Caucasian males and African Americans reported being in business for 31 years or more (at 36.11% and 30%, respectively). However, all of the Asian American and Hispanic American owners were in business 15 years or less.

The P-Value of > 0.05 indicates there is **no significant difference** between groups on this capacity variable, as measured by number of years in business. (Table 7.27.)

Table 7.27 Indiana Department of Transportation Firms
Number of Years in Business by Ethnicity and Gender

	Business Owner Ethnicity and Gender						
Number of Years in Business	African American %	Asian American %	Hispanic American %	Native American %	Caucasian Female %	Caucasian Male %	Total Number
1 - 5	0.00%	0.00%	0.00%	0.00%	17.50%	8.33%	22
6 - 10	20.00%	0.00%	20.00%	20.00%	15.00%	10.00%	28
11 - 15	20.00%	100.00%	80.00%	20.00%	15.00%	11.67%	37
16 - 20	10.00%	0.00%	0.00%	0.00%	22.50%	16.11%	39
21 - 25	20.00%	0.00%	0.00%	0.00%	5.00%	7.78%	18
26 - 30	0.00%	0.00%	0.00%	40.00%	5.00%	10.00%	22
31+	30.00%	0.00%	0.00%	20.00%	20.00%	36.11%	77
Total	10	3	5	5	40	180	243

P-Value > 0.05

c. What was your largest number of employees in the previous 12 months?

Sixty percent of the African American, Hispanic American, and Native American business owners reported more than 30 employees in the previous 12 months. One-half of the Caucasian male business owners and 46.15 percent of the Caucasian female business owners reported having that many employees.

The P-Value of 0.05 indicates there is **no significant difference** between the businesses on this capacity variable, as measured by number of employees. (Table 7.28.)

Table 7.28 Indiana Department of Transportation Firms
Number of Employees by Ethnicity and Gender

	Business Owner Ethnicity and Gender						
Number of Employees	African American	Asian American	Hispanic American	Native American	Caucasian Female	Caucasian Male	Total Number
	%	%	%	%	%	%	
1 - 5	20.00%	0.00%	0.00%	0.00%	2.56%	4.55%	11
6 - 10	0.00%	50.00%	0.00%	0.00%	5.13%	9.09%	19
11 - 15	0.00%	0.00%	0.00%	40.00%	20.51%	5.11%	19
16 - 20	10.00%	50.00%	0.00%	0.00%	17.95%	10.80%	28
21 - 25	10.00%	0.00%	20.00%	0.00%	2.56%	9.09%	19
26 - 30	0.00%	0.00%	20.00%	0.00%	5.13%	10.80%	22
31+	60.00%	0.00%	60.00%	60.00%	46.15%	50.57%	119
Total	10	2	5	5	39	176	237

P-Value > 0.05

d. What was your gross receipts during the previous 24 months?

Less than 50 percent of the businesses responded to this question, therefore, responses to this question were not analyzed.

e. How much was the largest contract your company has ever been awarded?

Most of the contracts received by the ethnic/gender groups were more than $300,000. The P-Value for this variable is greater than .05, therefore **no significant group difference** exists between the groups on this capacity variable. (Table 7.29.)

Table 7.29 Indiana Department of Transportation Firms Largest Contracts Received by Business Ownership Ethnicity and Gender

Largest Contract	Business Owner By Ethnicity and Gender						
	African American %	Asian American %	Hispanic American %	Native American %	Caucasian Female %	Caucasian Male %	Total Number
Less Than $50K	0.00%	0.00%	0.00%	0.00%	7.14%	0.00%	2
$50K to $99K	0.00%	0.00%	20.00%	25.00%	7.14%	6.06%	12
$100K to $199K	0.00%	0.00%	0.00%	0.00%	14.29%	6.06%	12
$200K to $299K	0.00%	0.00%	0.00%	0.00%	3.57%	7.58%	11
$300K to $399K	0.00%	33.33%	0.00%	25.00%	10.71%	6.82%	14
$400K to $499K	14.29%	33.33%	0.00%	0.00%	3.57%	7.58%	13
$500K to $599K	0.00%	0.00%	0.00%	0.00%	3.57%	3.79%	6
$600K or more	85.71%	33.33%	80.00%	50.00%	50.00%	62.12%	109
Total	7	3	5	4	28	132	179

P-Value > 0.05

f. What is your highest education level?

Less than 50 percent of the businesses responded to this question, therefore responses to this question were not analyzed.

g. Conclusion

Businesses available for InDOT contracts present a similar picture, in terms of whether they work as a prime contractor, subcontractor, or both, number of years in business, number of employees, and largest contracts ever received.

IV. SUMMARY OF AVAILABLE FIRMS

A. Construction Companies

The distribution of available construction firms in Table 7.38 is summarized below.

- ***MBEs*****:** account for 11.47 percent of the construction firms in the State's market area.
- ***WBEs*****:** account for 5.93 percent of the construction firms in the State's market area.
- ***MBE/WBE/DBEs*****:** account for 17.4 percent of the construction firms in the State's market area.
- ***African Americans*****:** account for 8.39 percent of the construction firms in the State's market area.
- ***Asian Pacific Americans*****:** account for 1.12 percent of the construction firms in the State's market area.
- ***Hispanic Americans*****:** account for 1.29 percent of the construction firms in the State's market area.
- ***Native Americans*****:** account for 0.67 percent of the construction firms in the State's market area.
- ***Caucasian Males*****:** account for 82.60 percent of the construction firms in the State's market area.

Table 7.38 Construction Availability Market Area: State of Indiana

Ethnicity	Percent of Businesses
African Americans	8.39%
Asian Pacific Americans	1.12%
Hispanic Americans	1.29%
Native Americans	0.67%
Caucasian Females	5.93%
Caucasian Males	82.60%
TOTAL	100.00%
Ethnicity and Gender	**Percent of Businesses**
African American Females	0.85%
African American Males	7.54%
Asian Pacific American Females	0.09%
Asian Pacific American Males	1.03%
Hispanic American Females	0.13%
Hispanic American Males	1.16%
Native American Females	0.22%
Native American Males	0.45%
Caucasian Females	5.93%
Caucasian Males	82.60%
TOTAL	100.00%
Minority and Gender	**Percent of Businesses**
Minority Females	1.29%
Minority Males	10.17%
Caucasian Females	5.93%
Caucasian Males	82.60%
TOTAL	100.00%
Minority and Women	**Percent of Businesses**
MBEs	11.47%
WBEs	5.93%
MBE/WBEs	17.40%

B. Professional Services Companies

The distribution of available professional services firms in Table 7.39 is summarized below.

- ***MBEs*:** account for 24.24 percent of the professional services firms in the State's market area.
- ***WBEs*:** account for 10.7 percent of the professional services firms in the State's market area.
- ***MBE/WBEs*:** account for 34.94 percent of the professional services firms in the State's market area.
- ***African Americans*:** account for 16.68 percent of the professional services firms in the State's market area.
- ***Asian Pacific Americans*:** account for 4.12 percent of the professional services firms in the State's market area.
- ***Hispanic Americans*:** account for 2.75 percent of the professional services firms in the State's market area.
- ***Native Americans*:** account for 0.69 percent of the professional services firms in the State's market area.
- ***Caucasian Males*:** account for 65.06 percent of the professional services firms in the State's market area.

Table 7.39 Professional Services Availability Market Area: State of Indiana

Ethnicity	Percent of Businesses
African Americans	16.68%
Asian Pacific Americans	4.12%
Hispanic Americans	2.75%
Native Americans	0.69%
Caucasian Females	10.70%
Caucasian Males	65.06%
TOTAL	100.00%
Ethnicity and Gender	**Percent of Businesses**
African American Females	5.79%
African American Males	10.89%
Asian Pacific American Females	0.79%
Asian Pacific American Males	3.34%
Hispanic American Females	1.08%
Hispanic American Males	1.67%
Native American Females	0.10%
Native American Males	0.59%
Caucasian Females	10.70%
Caucasian Males	65.06%
TOTAL	100.00%
Minority and Gender	**Percent of Businesses**
Minority Females	7.75%
Minority Males	16.49%
Caucasian Females	10.70%
Caucasian Males	65.06%
TOTAL	100.00%
Minority and Women	**Percent of Businesses**
MBEs	24.24%
WBEs	10.70%
MBE/WBEs	34.94%

C. Supplies Companies

The distribution of available supplies firms in Table 7.40 is summarized below.

- ***MBEs*:** account for 6.03 percent of the supplies firms in the State's market area.
- ***WBEs*:** account for 3.41 percent of the supplies firms in the State's market area.
- ***MBE/WBE/DBEs*:** account for 9.44 percent of the supplies firms in the State's market area.
- ***African Americans*:** account for 4.46 percent of the supplies firms in the State's market area.
- ***Asian Pacific Americans*:** account for 0.70 percent of the supplies firms in the State's market area.
- ***Hispanic Americans*:** account for 0.67 percent of the supplies firms in the State's market area.
- ***Native Americans*:** account for 0.20 percent of the supplies firms in the State's market area.
- ***Caucasian Males*:** account for 90.56 percent of the supplies firms in the State's market area.

Table 7.40 Supplies Availability Market Area: State of Indiana

Ethnicity	Percent of Businesses
African Americans	4.46%
Asian Pacific Americans	0.70%
Hispanic Americans	0.67%
Native Americans	0.20%
Caucasian Females	3.41%
Caucasian Males	90.56%
TOTAL	100.00%
Ethnicity and Gender	**Percent of Businesses**
African American Females	1.04%
African American Males	3.42%
Asian Pacific American Females	0.12%
Asian Pacific American Males	0.57%
Hispanic American Females	0.22%
Hispanic American Males	0.45%
Native American Females	0.08%
Native American Males	0.12%
Caucasian Females	3.41%
Caucasian Males	90.56%
TOTAL	100.00%
Minority and Gender	**Percent of Businesses**
Minority Females	1.46%
Minority Males	4.56%
Caucasian Females	3.41%
Caucasian Males	90.56%
TOTAL	100.00%
Minority and Women	**Percent of Businesses**
MBEs	6.03%
WBEs	3.41%
MBE/WBEs	9.44%

D. Other Services Companies

This industry category is for Riverboat Casinos only. The distribution of available other services firms in Table 7.41 is summarized below.

- ***MBEs*:** account for 13.66 percent of the other services firms in the State's market area.
- ***WBEs*:** account for 7.88 percent of the other services firms in the State's market area.
- ***MBE/WBE*s:** account for 21.54 percent of the other services firms in the State's market area.
- ***African Americans***: account for 10.72 percent of the other services firms in the State's market area.
- ***Asian Pacific Americans*:** account for 1.23 percent of the other services firms in the State's market area.
- ***Hispanic Americans*:** account for 1.44 percent of the other services firms in the State's market area.
- ***Native Americans*:** account for 0.28 percent of the other services firms in the State's market area.
- ***Caucasian Males*:** account for 78.46 percent of the other services firms in the State's market area.

Table 7.41 Other Services Availability Market Area: State of Indiana

Ethnicity	Percent of Businesses
African Americans	10.72%
Asian Pacific Americans	1.23%
Hispanic Americans	1.44%
Native Americans	0.28%
Caucasian Females	7.88%
Caucasian Males	78.46%
TOTAL	100.00%
Ethnicity and Gender	**Percent of Businesses**
African American Females	2.66%
African American Males	8.06%
Asian Pacific American Females	0.25%
Asian Pacific American Males	0.98%
Hispanic American Females	0.53%
Hispanic American Males	0.91%
Native American Females	0.18%
Native American Males	0.11%
Caucasian Females	7.88%
Caucasian Males	78.46%
TOTAL	100.00%
Minority and Gender	**Percent of Businesses**
Minority Females	3.61%
Minority Males	10.05%
Caucasian Females	7.88%
Caucasian Males	78.46%
TOTAL	100.00%
Minority and Women	**Percent of Businesses**
MBEs	13.66%
WBEs	7.88%
MBE/WBEs	21.54%

8

STATISTICAL ANALYSIS OF PRIME CONTRACTOR UTILIZATION

Under a fair and equitable system of awarding contracts, the proportion of contract dollars awarded to MBE/WBE/DBEs should be equal to the proportion of available MBE/WBE/DBEs in the relevant market area. If these proportions are not equal, or if underutilization exists between these proportions, a statistical test could determine the probability that the underutilization is due to chance. If there is a very low probability that the underutilization is due to chance,[1] the Supreme Court states that an inference of discrimination can be made.

In analyzing the data of actual contract dollars received by a given ethnic/gender group and the expected contract dollars that a given ethnic/gender group should receive, any difference between the actual and expected dollars can be interpreted to be either due to chance or to discriminatory treatment in the contract award process.

The first step in conducting a statistical test is to calculate the contract value that each ethnic/gender group is expected to receive, based on each group's respective availability in the market area. This value shall be referred to as the **expected contract amount.** It is in Column 5 in the statistical utilization tables. The next step is to compute the difference between the expected contract amount of a given ethnic/gender group and the **actual contract amount** awarded to that group. Column 2 in the disparity tables shows the actual

[1]When conducting statistical tests, a confidence level must be established as a gauge for determining that an observed occurrence is not due to chance. It is important to note that a 100% confidence level or a level of absolute certainty can never be obtained in statistics. A 95% confidence level is considered by the Courts to be an acceptable level in determining whether an inference of discrimination can be made. Thus, the data analyzed here was done within the 95% confidence level.

contract amount awarded to each ethnic and gender group. When the difference between the expected dollars and actual awards (as shown in Column 6) is negative, and the difference between Column 3 and 4 is statistically significant, the loss of dollars can be attributed to discrimination.

To assess whether the difference is attributable to chance, a P-value is calculated. The P-value takes into account the number of contracts, the contract dollars, and variation of contract dollars. If the difference between the actual and expected number of contracts and total contract dollars has a P-value of less than 0.05, the difference is statistically significant. Column 8 in the statistical utilization tables report the statistically significant underutilization as < 0.05* and over utilization as < 0.05†. In either event, the difference cannot be attributed to chance.

A statistical utilization ratio less than 0.80 or greater than 1.25, as reflected in Column 7 in the statistical utilization tables, indicates a relevant degree of utilization. This disparity may be detectable with a parametric analysis when the number of contracts are sufficiently large and the variation of the contract amount is not too large. When the variation in contract dollar amounts is high the disparity may not be detectable. Under these conditions, a non-parametric analysis is employed to analyze the contracts ranked by dollar amount.

There are two critical constraints in performing statistical tests for significance. First, the size of the population affects the reliability of the results. In other words, a relatively small population size, whether in terms of the total number of contracts or the total number of available businesses, decreases the reliability of the statistical results. Therefore, when the population is too small, no meaningful conclusions can be drawn from the results. This is also a problem when there is a small number of contracts awarded during the study period. Thus, just one or a few large contracts affects the reliability of a calculation of statistical utilization using the standard parametric calculation.

Second, although an inference of discrimination cannot be made if statistical significance is not obtained from the test, the existence of discrimination *cannot* be ruled out. The results of the statistical utilization analysis are necessarily influenced by the size of the population in each contracting and ethnicity/gender category. Given these limitations, the anecdotal data has an especially important role in explaining the conditions of discrimination that might exist in the market area.

The balance of this chapter presents the statistical utilization findings for the Indiana Department of Administration (IDOA), the State Office Building Commission (SOBC), the Indiana Department of Transportation (InDOT), the Indiana Lottery Commission (the Lottery), Indiana's Riverboat Casinos (Riverboat Casinos), with construction, professional services, other services and supply contracts, as these types of work apply to each agency.

I. STATE AGENCIES

A. Summary of Statistical Analysis of Utilization: Indiana Public Works Construction Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

Issues of MBE/WBE capacity often arise is discussions about why MBE/WBEs do not get contracts at the same rate as non-MBE/WBEs. Therefore, contracts under $300,000 are considered in this statistical analysis of utilization. Contracts at that level are accessible to most companies.

The distribution of contract dollars for Indiana Public Works construction prime contracts is depicted in Table 8.01 and Chart 8.01. All minorities and Caucasian females received fewer contract dollars than expected. Native Americans were an exception, who received more dollars than expected. Caucasian males received more contract dollars than expected, $27,883,318 out of a total of $31,890,931, which represented 87.43 percent of the dollars awarded during the study period.

- ***MBEs:*** represent 11.47 percent of the available firms and received 7.30 percent of the construction prime contracts. This is statistically significant underutilization.

- ***WBEs:*** represent 5.93 percent of the available firms and received 5.26 percent of the construction prime contracts. This underutilization is not statistically significant.

- ***MBE/WBEs:*** represent 17.4 percent of the available firms and received 12.57 percent of the construction prime contracts. This underutilization is statistically significant.

- ***African Americans:*** represent 8.39 percent of the available firms and received 5.31 percent of the construction prime contracts. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 1.12 percent of the available firms and received 0.12 percent of the construction prime contracts. This is statistically significant underutilization.

- ***Hispanic Americans:*** represent 1.29 percent of the available firms and received 0.04 percent of the construction prime contracts. This is statistically significant underutilization.

- ***Native Americans:*** represent 0.67 percent of the available firms and received 1.83 percent of the construction prime contracts. This is not statistically significant overutilization.

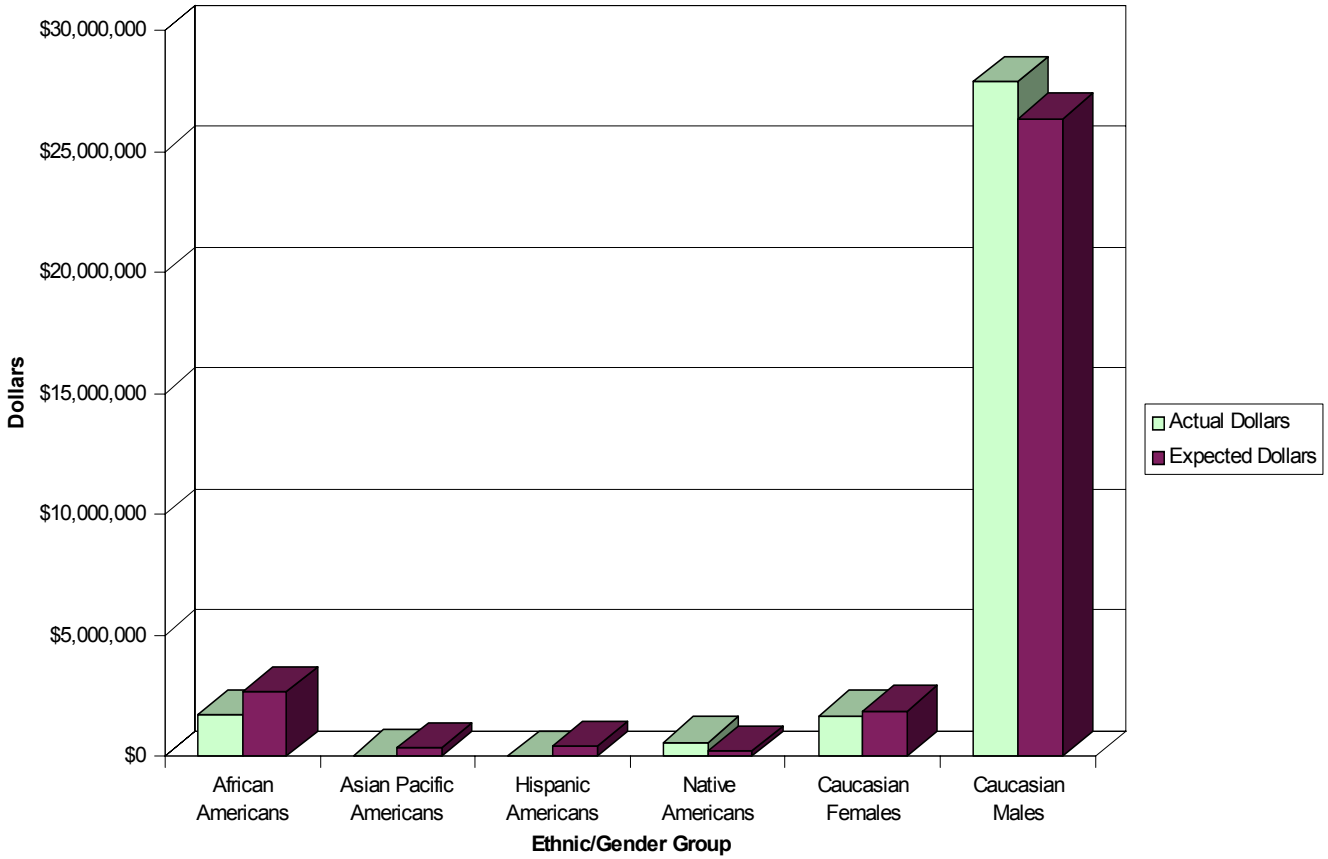
- ***Caucasian Males:*** represent 82.6 percent of the available firms and received 87.43 percent of the construction prime contracts. This is statistically significant overutilization.

Table 8.01 Indiana Public Works Statistical Analysis of Utilization – Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$1,693,994	5.31%	8.39%	$2,675,366	-$981,372	0.63	< .05 *
Asian Pacific Americans	$38,493	0.12%	1.12%	$355,767	-$317,274	0.11	< .05 *
Hispanic Americans	$12,647	0.04%	1.29%	$412,689	-$400,042	0.03	< .05 *
Native Americans	$584,349	1.83%	0.67%	$213,460	$370,889	2.74	not significant
Caucasian Females	$1,678,130	5.26%	5.93%	$1,892,679	-$214,549	0.89	not significant
Caucasian Males	$27,883,318	87.43%	82.60%	$26,340,970	$1,542,348	1.06	< .05 †
TOTAL	$31,890,931	100.00%	100.00%	$31,890,931			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$460,209	1.44%	0.85%	$270,383	$189,826	1.70	not significant
African American Males	$1,233,785	3.87%	7.54%	$2,404,983	-$1,171,198	0.51	< .05 *
Asian Pacific American Females	$0	0.00%	0.09%	$28,461	-$28,461	0.00	not significant
Asian Pacific American Males	$38,493	0.12%	1.03%	$327,305	-$288,812	0.12	< .05 *
Hispanic American Females	$0	0.00%	0.13%	$42,692	-$42,692	0.00	not significant
Hispanic American Males	$12,647	0.04%	1.16%	$369,997	-$357,350	0.03	< .05 *
Native American Females	$0	0.00%	0.22%	$71,153	-$71,153	0.00	not significant
Native American Males	$584,349	1.83%	0.45%	$142,307	$442,042	4.11	not significant
Caucasian Females	$1,678,130	5.26%	5.93%	$1,892,679	-$214,549	0.89	not significant
Caucasian Males	$27,883,318	87.43%	82.60%	$26,340,970	$1,542,348	1.06	< .05 †
TOTAL	$31,890,931	100.00%	100.00%	$31,890,931			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$460,209	1.44%	1.29%	$412,689	$47,519	1.12	not significant
Minority Males	$1,869,275	5.86%	10.17%	$3,244,593	-$1,375,318	0.58	< .05 *
Caucasian Females	$1,678,130	5.26%	5.93%	$1,892,679	-$214,549	0.89	not significant
Caucasian Males	$27,883,318	87.43%	82.60%	$26,340,970	$1,542,348	1.06	< .05 †
TOTAL	$31,890,931	100.00%	100.00%	$31,890,931			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$2,329,483	7.30%	11.47%	$3,657,282	-$1,327,799	0.64	< .05 *
WBEs	$1,678,130	5.26%	5.93%	$1,892,679	-$214,549	0.89	not significant
MBE/WBEs	$4,007,613	12.57%	17.40%	$5,549,961	-$1,542,348	0.72	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.01 Indiana Public Works Statistical Analysis of Utilization – Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



B. Summary of Statistical Analysis of Utilization: Indiana Department of Administration Professional Services Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

Contracts under $300,000 are considered in this statistical analysis of utilization. The distribution of IDOA professional services contract dollars for prime contractors is depicted in Table 8.02 and Chart 8.02. All minorities and Caucasian females received fewer contract dollars than expected. Caucasian males received more contract dollars than expected, $20,013,822 out of a total of $21,960,209, which represented 91.14 percent of the dollars awarded during the study period.

- ***MBEs:*** represent 24.24 percent of the available professional services firms and received 6.54 percent of the professional services prime contract dollars. This is statistically significant underutilization.

- ***WBEs:*** represent 10.7 percent of the available professional services firms and received 2.32 percent of the professional services prime contract dollars. This is statistically significant underutilization.

- ***MBE/WBEs:*** represent 34.94 percent of the available professional services firms and received 8.86 percent of the professional services prime contract dollars. This is statistically significant underutilization.

- ***African Americans:*** represent 16.68 percent of the available professional services firms and received 2.91 percent of the professional services prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 4.12 percent of the available professional services firms and received 3.63 percent of the professional services prime contract dollars. This is not statistically significant underutilization.

- ***Hispanic Americans:*** represent 2.75 percent of the available professional services firms and received none of the professional services prime contract dollars. This is statistically significant underutilization.

- ***Native Americans:*** represent 0.69 percent of the available professional services firms and received none of the professional services prime contract dollars. This is not statistically significant underutilization.

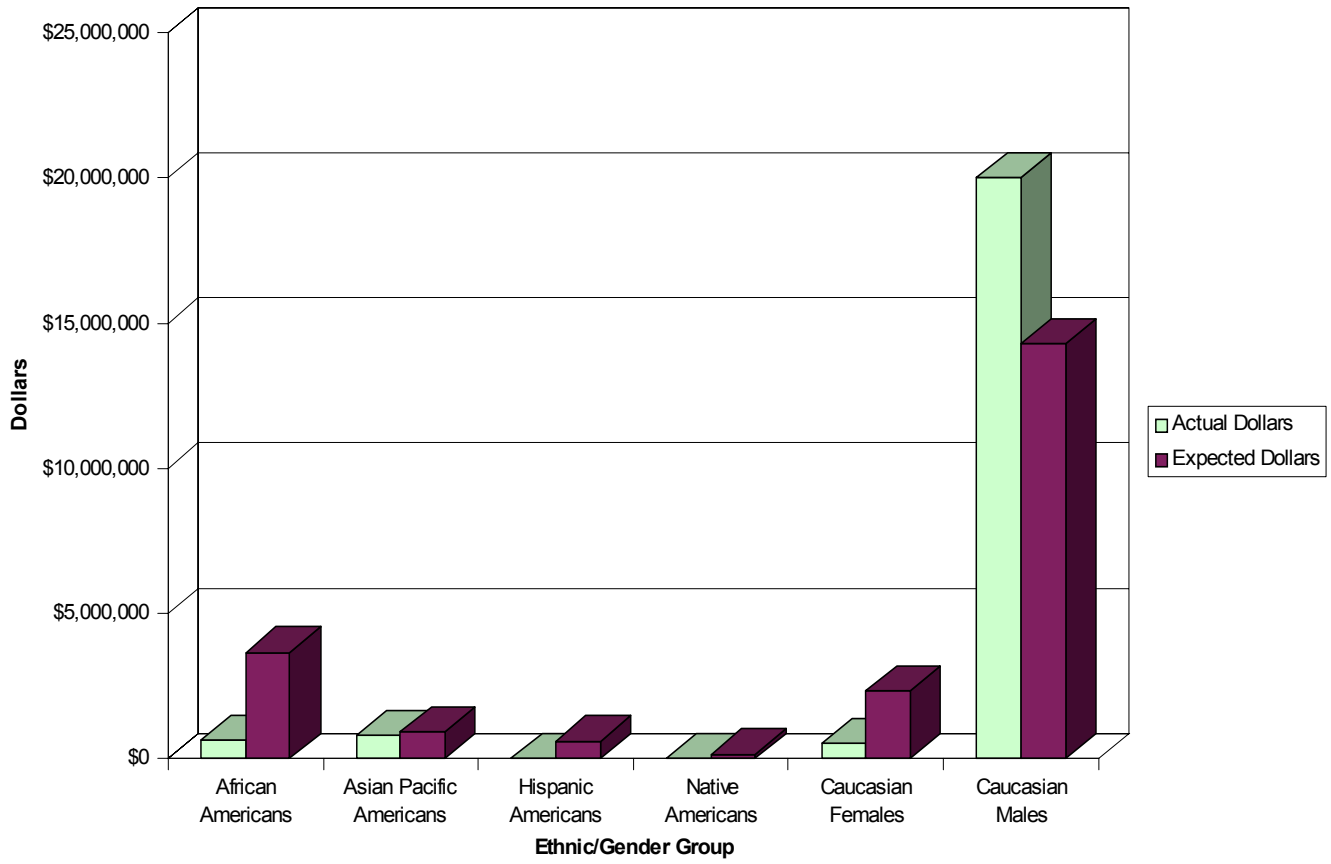
- ***Caucasian Males:*** represent 65.06 percent of the available professional services firms and received 91.14 percent of the professional services prime contract dollars. This is statistically significant overutilization.

Table 8.02 Indiana Department of Administration Statistical Analysis of Utilization – Professional Services – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$639,290	2.91%	16.68%	$3,663,627	-$3,024,337	0.17	< .05 *
Asian Pacific Americans	$796,577	3.63%	4.12%	$905,131	-$108,554	0.88	not significant
Hispanic Americans	$0	0.00%	2.75%	$603,421	-$603,421	0.00	< .05 *
Native Americans	$0	0.00%	0.69%	$150,855	-$150,855	0.00	not significant
Caucasian Females	$510,520	2.32%	10.70%	$2,349,031	-$1,838,511	0.22	< .05 *
Caucasian Males	$20,013,822	91.14%	65.06%	$14,288,144	$5,725,678	1.40	< .05 †
TOTAL	$21,960,209	100.00%	100.00%	$21,960,209			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$0	0.00%	5.79%	$1,271,494	-$1,271,494	0.00	< .05 *
African American Males	$639,290	2.91%	10.89%	$2,392,133	-$1,752,843	0.27	< .05 *
Asian Pacific American Females	$0	0.00%	0.79%	$172,406	-$172,406	0.00	not significant
Asian Pacific American Males	$796,577	3.63%	3.34%	$732,725	$63,851	1.09	not significant
Hispanic American Females	$0	0.00%	1.08%	$237,058	-$237,058	0.00	not significant
Hispanic American Males	$0	0.00%	1.67%	$366,363	-$366,363	0.00	< .05 *
Native American Females	$0	0.00%	0.10%	$21,551	-$21,551	0.00	not significant
Native American Males	$0	0.00%	0.59%	$129,304	-$129,304	0.00	not significant
Caucasian Females	$510,520	2.32%	10.70%	$2,349,031	-$1,838,511	0.22	< .05 *
Caucasian Males	$20,013,822	91.14%	65.06%	$14,288,144	$5,725,678	1.40	< .05 †
TOTAL	$21,960,209	100.00%	100.00%	$21,960,209			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$0	0.00%	7.75%	$1,702,509	-$1,702,509	0.00	< .05 *
Minority Males	$1,435,867	6.54%	16.49%	$3,620,525	-$2,184,658	0.40	< .05 *
Caucasian Females	$510,520	2.32%	10.70%	$2,349,031	-$1,838,511	0.22	< .05 *
Caucasian Males	$20,013,822	91.14%	65.06%	$14,288,144	$5,725,678	1.40	< .05 †
TOTAL	$21,960,209	100.00%	100.00%	$21,960,209			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$1,435,867	6.54%	24.24%	$5,323,034	-$3,887,167	0.27	< .05 *
WBEs	$510,520	2.32%	10.70%	$2,349,031	-$1,838,511	0.22	< .05 *
MBE/WBEs	$1,946,387	8.86%	34.94%	$7,672,065	-$5,725,678	0.25	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.02 Indiana Department of Administration Statistical Analysis of Utilization – Professional Services – Fiscal Years July 1, 1995 - June 30, 1997



C. Summary of Statistical Analysis of Utilization: Indiana Department of Administration Supplies Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

Contracts under $300,000 are considered in this statistical analysis of utilization. The distribution of supply contract dollars for IDOA prime contracts is depicted in Table 8.03 and Chart 8.03. Caucasian women and all minorities received fewer contract dollars than expected. Caucasian males received more contract dollars than expected, $252,845,862 out of a total of $259,051,022, which represented 97.60 percent of the dollars during the study period.

- ***MBEs:*** represent 6.03 percent of the available supplies firms and received 1.76 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***WBEs:*** represent 3.41 percent of the available supplies firms and received 0.64 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***MBE/WBEs:*** represent 9.44 percent of the available supplies firms and received 2.40 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***African Americans:*** represent 4.46 percent of the available supplies firms and received 1.19 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 0.70 percent of the available supplies firms and received 0.36 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***Hispanic Americans:*** represent 0.67 percent of the available supplies firms and received 0.10 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***Native Americans:*** represent 0.20 percent of the available supplies prime contracts firms and received 0.11 percent of the supplies prime contract dollars. This is not statistically significant underutilization.

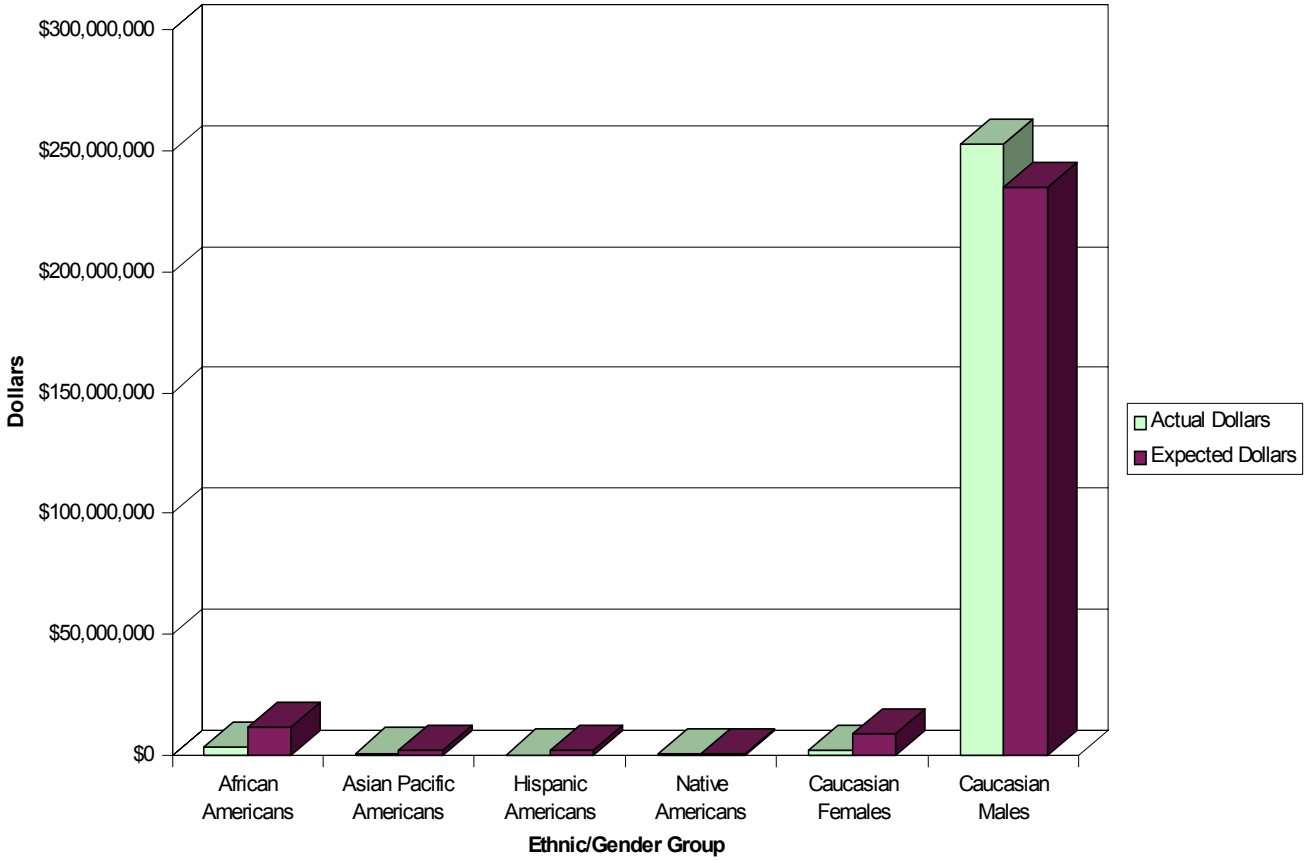
- ***Caucasian Males:*** represent 90.56 percent of the available supplies firms and received 97.60 percent of the supplies prime contract dollars. This is statistically significant overutilization.

Table 8.03 Indiana Department of Administration Statistical Analysis of Utilization – Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$3,092,723	1.19%	4.46%	$11,557,462	-$8,464,739	0.27	< .05 *
Asian Pacific Americans	$922,428	0.36%	0.70%	$1,811,244	-$888,816	0.51	< .05 *
Hispanic Americans	$251,897	0.10%	0.67%	$1,724,994	-$1,473,098	0.15	< .05 *
Native Americans	$292,600	0.11%	0.20%	$517,498	-$224,899	0.57	not significant
Caucasian Females	$1,645,513	0.64%	3.41%	$8,840,596	-$7,195,083	0.19	< .05 *
Caucasian Males	$252,845,862	97.60%	90.56%	$234,599,227	$18,246,634	1.08	< .05 †
TOTAL	$259,051,022	100.00%	100.00%	$259,051,022			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$1,166,278	0.45%	1.04%	$2,695,304	-$1,529,026	0.43	< .05 *
African American Males	$1,926,446	0.74%	3.42%	$8,862,158	-$6,935,713	0.22	< .05 *
Asian Pacific American Females	$47,279	0.02%	0.12%	$323,436	-$276,158	0.15	< .05 *
Asian Pacific American Males	$875,149	0.34%	0.57%	$1,487,808	-$612,658	0.59	< .05 *
Hispanic American Females	$23,927	0.01%	0.22%	$560,623	-$536,696	0.04	< .05 *
Hispanic American Males	$227,970	0.09%	0.45%	$1,164,371	-$936,401	0.20	< .05 *
Native American Females	$66,786	0.03%	0.08%	$215,624	-$148,838	0.31	not significant
Native American Males	$225,814	0.09%	0.12%	$301,874	-$76,060	0.75	not significant
Caucasian Females	$1,645,513	0.64%	3.41%	$8,840,596	-$7,195,083	0.19	< .05 *
Caucasian Males	$252,845,862	97.60%	90.56%	$234,599,227	$18,246,634	1.08	< .05 †
TOTAL	$259,051,022	100.00%	100.00%	$259,051,022			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$1,304,269	0.50%	1.46%	$3,794,988	-$2,490,718	0.34	< .05 *
Minority Males	$3,255,378	1.26%	4.56%	$11,816,211	-$8,560,833	0.28	< .05 *
Caucasian Females	$1,645,513	0.64%	3.41%	$8,840,596	-$7,195,083	0.19	< .05 *
Caucasian Males	$252,845,862	97.60%	90.56%	$234,599,227	$18,246,634	1.08	< .05 †
TOTAL	$259,051,022	100.00%	100.00%	$259,051,022			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$4,559,647	1.76%	6.03%	$15,611,199	-$11,051,551	0.29	< .05 *
WBEs	$1,645,513	0.64%	3.41%	$8,840,596	-$7,195,083	0.19	< .05 *
MBE/WBEs	$6,205,160	2.40%	9.44%	$24,451,794	-$18,246,634	0.25	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.03 Indiana Department of Administration Statistical Analysis of Utilization – Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



D. Summary of Statistical Analysis of Utilization: Indiana Public Works Informal Construction Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of informal construction contract dollars for IDOA prime contractors is depicted in Table 8.04 and Chart 8.04. All minorities and women received fewer informal construction contract dollars than expected. Caucasian males received more informal construction contract dollars than expected, $7,172,194 out of a total of $7,835,886, which represented 91.53 percent of the dollars awarded during the study period.

- ***MBEs:*** represent 11.47 percent of the available construction firms and received 5.97 percent of the informal construction prime contract dollars. This is statistically significant underutilization.

- ***WBEs:*** represent 5.93 percent of the available construction firms and received 2.50 percent of the informal construction prime contract dollars. This is statistically significant underutilization.

- ***MBE/WBEs:*** represent 17.4 percent of the available construction firms and received 8.47 percent of the informal construction prime contract dollars. This is statistically significant underutilization.

- ***African Americans:*** represent 8.39 percent of the available construction firms and received 4.99 percent of the informal construction prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 1.12 percent of the available construction firms and received 0.49 percent of the informal construction prime contract dollars. This is statistically significant underutilization.

- ***Hispanic Americans:*** represent 1.29 percent of the available construction firms and received 0.16 percent of the informal construction prime contract dollars. This is statistically significant underutilization.

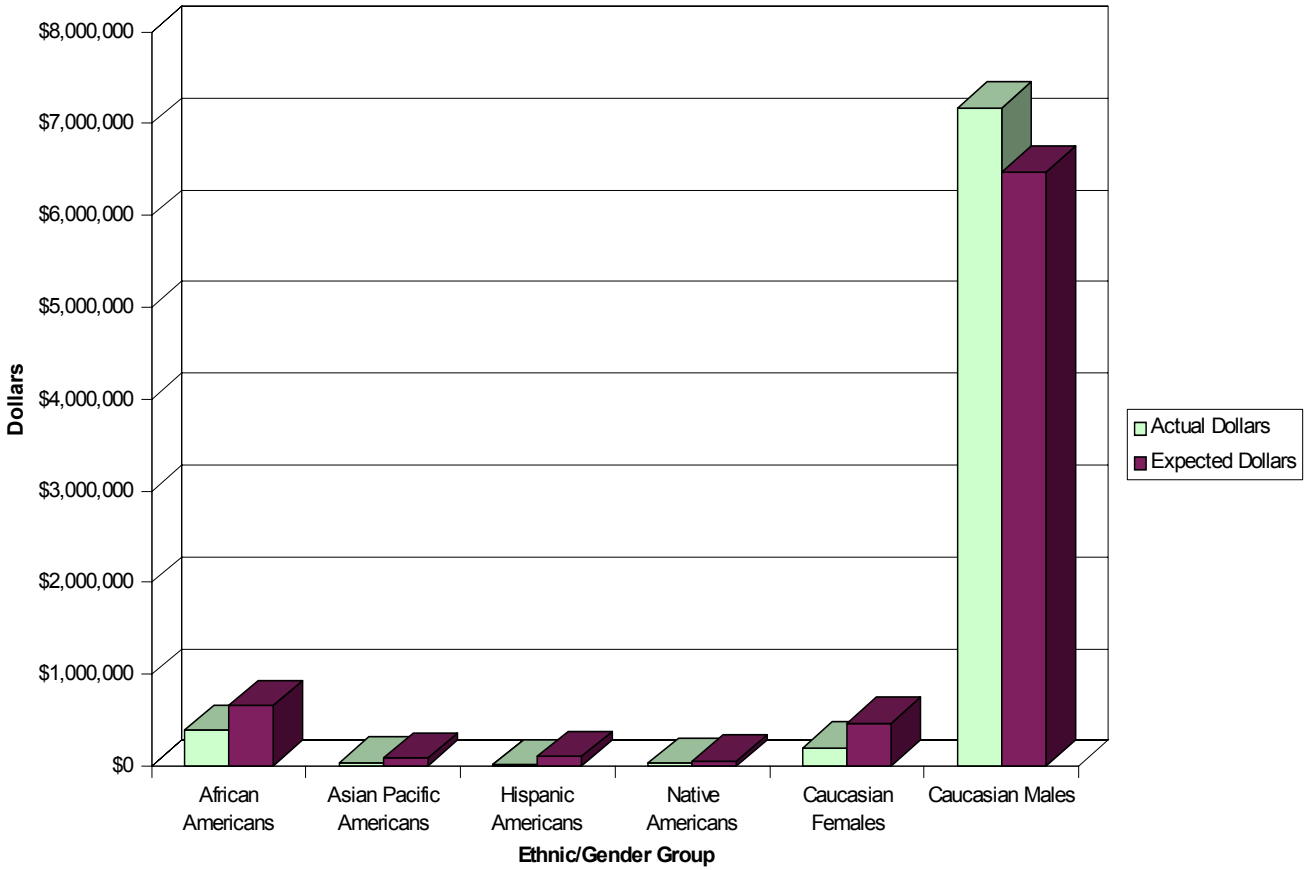
- ***Native Americans:*** represent 0.67 percent of the available construction firms and received 0.32 percent of the informal construction prime contract dollars. This is not statistically significant underutilization.

- ***Caucasian Males:*** represent 82.60 percent of the available construction firms and received 91.53 percent of the informal construction prime contract dollars. This is statistically significant overutilization.

Table 8.04 Indiana Public Works Statistical Analysis of Utilization – Informal Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$391,198	4.99%	8.39%	$657,361	-$266,163	0.60	< .05 *
Asian Pacific Americans	$38,493	0.49%	1.12%	$87,415	-$48,922	0.44	< .05 *
Hispanic Americans	$12,647	0.16%	1.29%	$101,401	-$88,754	0.12	< .05 *
Native Americans	$25,200	0.32%	0.67%	$52,449	-$27,249	0.48	not significant
Caucasian Females	$196,154	2.50%	5.93%	$465,048	-$268,894	0.42	< .05 *
Caucasian Males	$7,172,194	91.53%	82.60%	$6,472,211	$699,983	1.11	< .05 †
TOTAL	$7,835,886	100.00%	100.00%	$7,835,886			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$105,516	1.35%	0.85%	$66,435	$39,080	1.59	not significant
African American Males	$285,682	3.65%	7.54%	$590,926	-$305,244	0.48	< .05 *
Asian Pacific American Females	$0	0.00%	0.09%	$6,993	-$6,993	0.00	not significant
Asian Pacific American Males	$38,493	0.49%	1.03%	$80,422	-$41,929	0.48	< .05 *
Hispanic American Females	$0	0.00%	0.13%	$10,490	-$10,490	0.00	not significant
Hispanic American Males	$12,647	0.16%	1.16%	$90,912	-$78,265	0.14	< .05 *
Native American Females	$0	0.00%	0.22%	$17,483	-$17,483	0.00	not significant
Native American Males	$25,200	0.32%	0.45%	$34,966	-$9,766	0.72	not significant
Caucasian Females	$196,154	2.50%	5.93%	$465,048	-$268,894	0.42	< .05 *
Caucasian Males	$7,172,194	91.53%	82.60%	$6,472,211	$699,983	1.11	< .05 †
TOTAL	$7,835,886	100.00%	100.00%	$7,835,886			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$105,516	1.35%	1.29%	$101,401	$4,114	1.04	not significant
Minority Males	$362,022	4.62%	10.17%	$797,225	-$435,203	0.45	< .05 *
Caucasian Females	$196,154	2.50%	5.93%	$465,048	-$268,894	0.42	< .05 *
Caucasian Males	$7,172,194	91.53%	82.60%	$6,472,211	$699,983	1.11	< .05 †
TOTAL	$7,835,886	100.00%	100.00%	$7,835,886			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$467,538	5.97%	11.47%	$898,627	-$431,089	0.52	< .05 *
WBEs	$196,154	2.50%	5.93%	$465,048	-$268,894	0.42	< .05 *
MBE/WBEs	$663,692	8.47%	17.40%	$1,363,675	-$699,983	0.49	< .05 *

Chart 8.04 Indiana Public Works Statistical Analysis of Utilization – Informal Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



E. Summary of Statistical Analysis of Utilization: Indiana Department of Administration Informal Professional Services Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of IDOA informal professional services contract dollars for prime contractors is depicted in Table 8.05 and Chart 8.05. All minorities and women, except Asian Pacific Americans, received fewer informal professional services contract dollars than expected. Caucasian males received more informal professional services contract dollars than expected, $859,850 out of a total of $1,003,294, which represented 85.70 percent of the dollars awarded during the study period.

- ***MBEs:*** represent 24.24 percent of the available professional services firms and received 10.16 percent of the informal professional services prime contract dollars. This is statistically significant underutilization.

- ***WBEs:*** represent 10.70 percent of the available professional services firms and received 4.14 percent of the informal professional services contract dollars. This is statistically significant underutilization.

- ***MBE/WBEs:*** represent 34.94 percent of the available professional services firms and received 14.30 percent of the informal professional services prime contract dollars. This is statistically significant underutilization.

- ***African Americans:*** represent 16.68 percent of the available professional services firms and received 1.64 percent of the informal professional services prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 4.12 percent of the available professional services firms and received 8.51 percent of the informal professional services prime contract dollars. This is not statistically significant overutilization.

- ***Hispanic Americans:*** represent 2.75 percent of the available professional services firms and received none of the informal professional services prime contract dollars. This is not statistically significant underutilization.

- ***Native Americans:*** represent 0.69 percent of the available professional services firms and received none of the informal professional services prime contract dollars. This is not statistically significant underutilization.

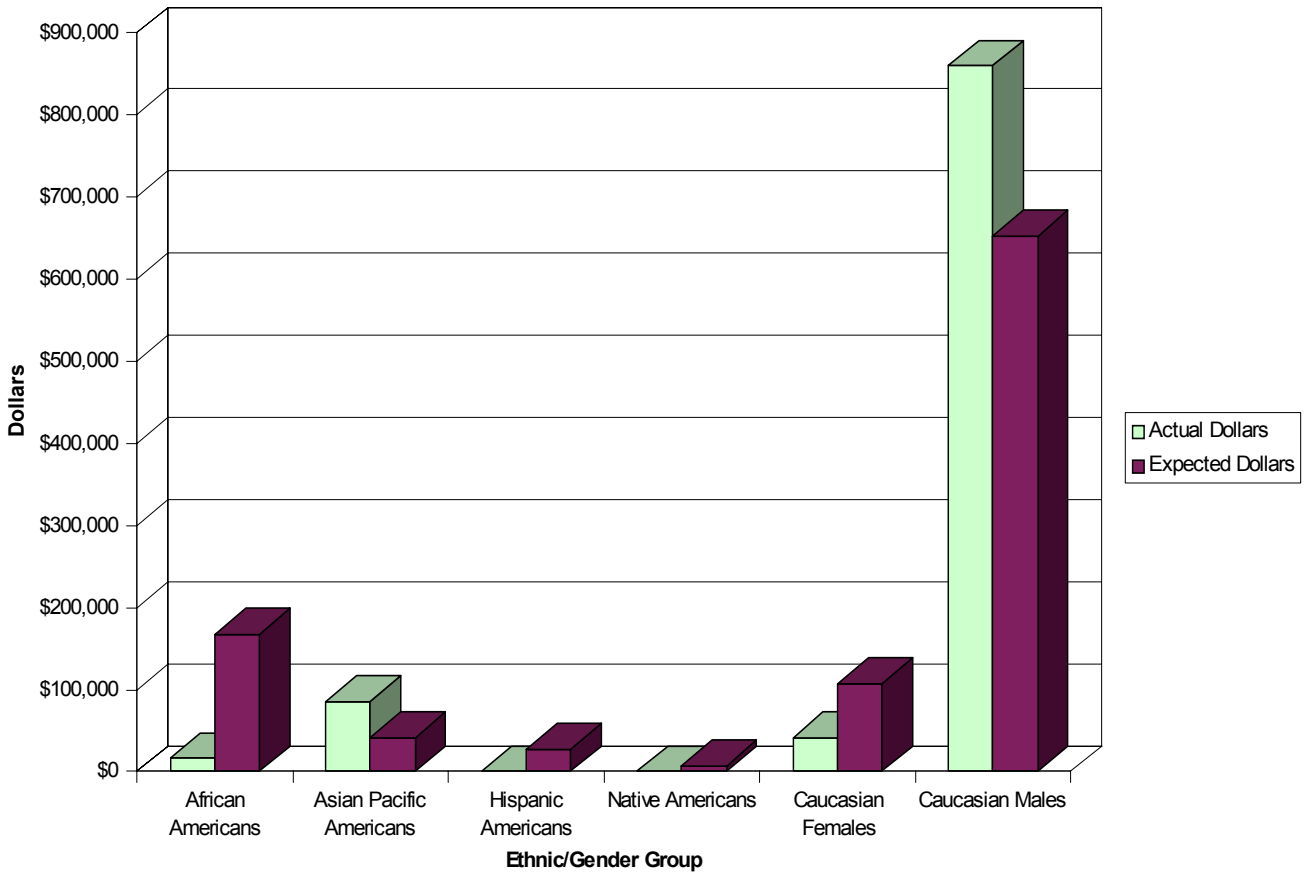
- ***Caucasian Males:*** represent 65.06 percent of the available professional services firms and received 85.7 percent of the informal professional services prime contract dollars. This is statistically significant overutilization.

Table 8.05 Indiana Department of Administration Statistical Analysis of Utilization – Informal Professional Services Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$16,500	1.64%	16.68%	$167,380	-$150,880	0.10	< .05 *
Asian Pacific Americans	$85,429	8.51%	4.12%	$41,353	$44,076	2.07	not significant
Hispanic Americans	$0	0.00%	2.75%	$27,568	-$27,568	0.00	not significant
Native Americans	$0	0.00%	0.69%	$6,892	-$6,892	0.00	not significant
Caucasian Females	$41,515	4.14%	10.70%	$107,320	-$65,805	0.39	< .05 *
Caucasian Males	$859,850	85.70%	65.06%	$652,781	$207,069	1.32	< .05 †
TOTAL	$1,003,294	100.00%	100.00%	$1,003,294			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$0	0.00%	5.79%	$58,091	-$58,091	0.00	< .05 *
African American Males	$16,500	1.64%	10.89%	$109,289	-$92,789	0.15	< .05 *
Asian Pacific American Females	$0	0.00%	0.79%	$7,877	-$7,877	0.00	not significant
Asian Pacific American Males	$85,429	8.51%	3.34%	$33,476	$51,953	2.55	not significant
Hispanic American Females	$0	0.00%	1.08%	$10,830	-$10,830	0.00	not significant
Hispanic American Males	$0	0.00%	1.67%	$16,738	-$16,738	0.00	not significant
Native American Females	$0	0.00%	0.10%	$985	-$985	0.00	not significant
Native American Males	$0	0.00%	0.59%	$5,908	-$5,908	0.00	not significant
Caucasian Females	$41,515	4.14%	10.70%	$107,320	-$65,805	0.39	< .05 *
Caucasian Males	$859,850	85.70%	65.06%	$652,781	$207,069	1.32	< .05 †
TOTAL	$1,003,294	100.00%	100.00%	$1,003,294			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$0	0.00%	7.75%	$77,782	-$77,782	0.00	< .05 *
Minority Males	$101,929	10.16%	16.49%	$165,411	-$63,482	0.62	not significant
Caucasian Females	$41,515	4.14%	10.70%	$107,320	-$65,805	0.39	< .05 *
Caucasian Males	$859,850	85.70%	65.06%	$652,781	$207,069	1.32	< .05 †
TOTAL	$1,003,294	100.00%	100.00%	$1,003,294			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$101,929	10.16%	24.24%	$243,193	-$141,264	0.42	< .05 *
WBEs	$41,515	4.14%	10.70%	$107,320	-$65,805	0.39	< .05 *
MBE/WBEs	$143,444	14.30%	34.94%	$350,513	-$207,069	0.41	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.05 Indiana Department of Administration Statistical Analysis of Utilization – Informal Professional Services Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



F. Summary of Statistical Analysis of Utilization: Indiana Department of Administration Informal Supplies Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of IDOA informal supplies contract dollars for prime contractors is depicted in Table 8.06 and Chart 8.06. African Americans, Asian Pacific Americans, Hispanic Americans, and Caucasian females received fewer informal supplies contract dollars than expected. Caucasian males received more informal supplies contract dollars than expected, $116,519,900 out of a total of $120,059,773 which represented 97.05 percent of the dollars awarded during the study period.

- ***MBEs:*** represent 6.03 percent of the available supplies firms and received 1.95 percent of the informal supplies prime contract dollars. This is statistically significant underutilization.

- ***WBEs:*** represent 3.41 percent of the available supplies firms and received 0.99 percent of the informal supplies contract dollars. This is statistically significant underutilization.

- ***MBE/WBEs:*** represent 9.44 percent of the available supplies firms and received 2.95 percent of the informal supplies prime contract dollars. This is statistically significant underutilization.

- ***African Americans:*** represent 4.46 percent of the available supplies firms and received 1.17 percent of the informal supplies prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 0.70 percent of the available supplies firms and received 0.42 percent of the informal supplies prime contract dollars. This is statistically significant underutilization.

- ***Hispanic Americans:*** represent 0.67 percent of the available supplies firms and received 0.12 percent of the informal supplies prime contract dollars. This is statistically significant underutilization.

- ***Native Americans:*** represent 0.20 percent of the available supplies firms and received 0.24 percent of the informal supplies prime contract dollars. This is not statistically significant underutilization.

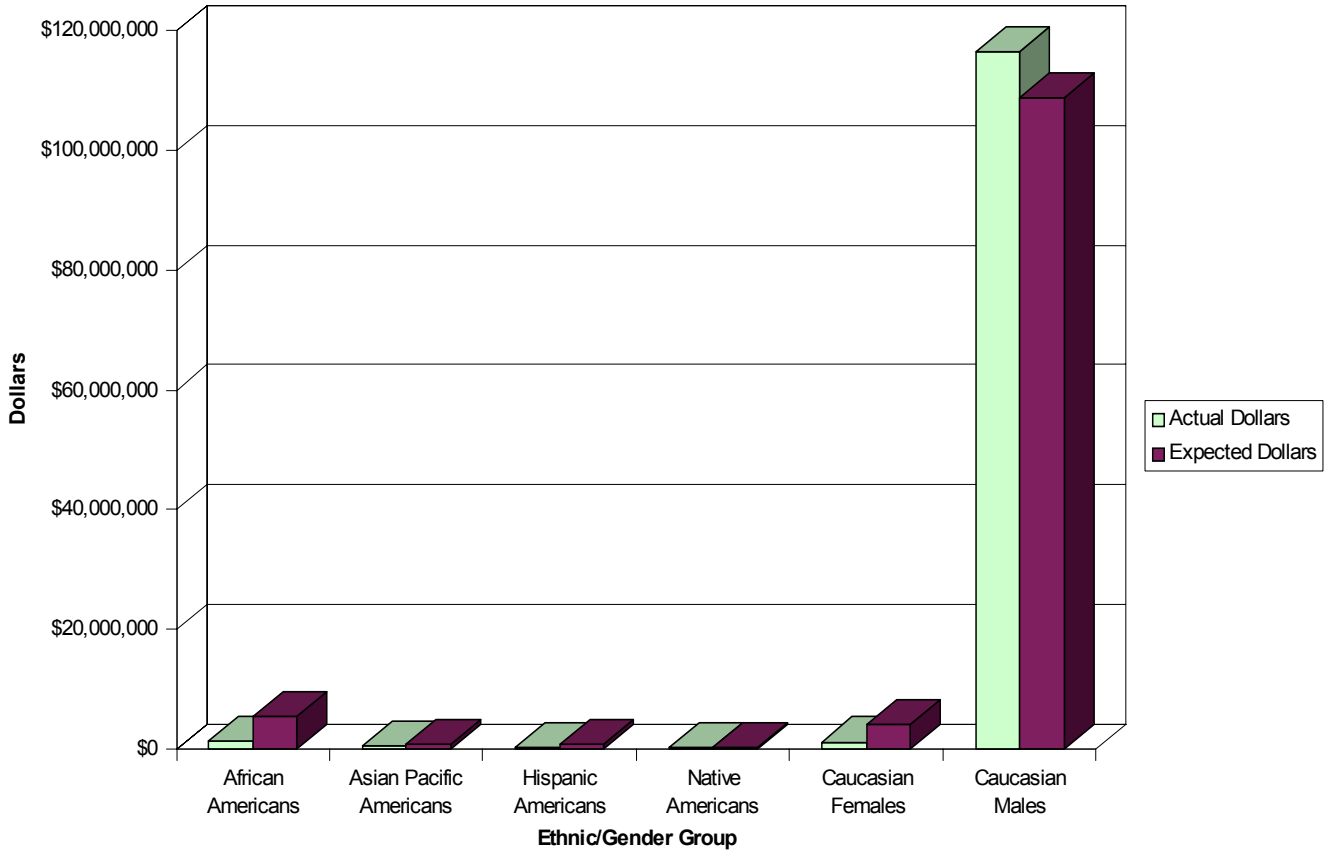
- ***Caucasian Males:*** represent 90.56 percent of the available supplies firms and received 97.05 percent of the informal supplies prime contract dollars. This is statistically significant overutilization.

Table 8.06 Indiana Department of Administration Statistical Analysis of Utilization – Informal Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$1,401,812	1.17%	4.46%	$5,356,421	-$3,954,609	0.26	< .05 *
Asian Pacific Americans	$502,469	0.42%	0.70%	$839,439	-$336,970	0.60	< .05 *
Hispanic Americans	$150,055	0.12%	0.67%	$799,466	-$649,411	0.19	< .05 *
Native Americans	$292,600	0.24%	0.20%	$239,840	$52,760	1.22	not significant
Caucasian Females	$1,192,936	0.99%	3.41%	$4,097,262	-$2,904,326	0.29	< .05 *
Caucasian Males	$116,519,900	97.05%	90.56%	$108,727,345	$7,792,555	1.07	< .05 †
TOTAL	$120,059,773	100.00%	100.00%	$120,059,773			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$390,611	0.33%	1.04%	$1,249,165	-$858,555	0.31	< .05 *
African American Males	$1,011,201	0.84%	3.42%	$4,107,255	-$3,096,054	0.25	< .05 *
Asian Pacific American Females	$47,279	0.04%	0.12%	$149,900	-$102,621	0.32	< .05 *
Asian Pacific American Males	$455,190	0.38%	0.57%	$689,539	-$234,349	0.66	< .05 *
Hispanic American Females	$23,927	0.02%	0.22%	$259,826	-$235,900	0.09	< .05 *
Hispanic American Males	$126,128	0.11%	0.45%	$539,639	-$413,511	0.23	< .05 *
Native American Females	$66,786	0.06%	0.08%	$99,933	-$33,147	0.67	not significant
Native American Males	$225,814	0.19%	0.12%	$139,907	$85,907	1.61	not significant
Caucasian Females	$1,192,936	0.99%	3.41%	$4,097,262	-$2,904,326	0.29	< .05 *
Caucasian Males	$116,519,900	97.05%	90.56%	$108,727,345	$7,792,555	1.07	< .05 †
TOTAL	$120,059,773	100.00%	100.00%	$120,059,773			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$528,602	0.44%	1.46%	$1,758,825	-$1,230,222	0.30	< .05 *
Minority Males	$1,818,334	1.51%	4.56%	$5,476,341	-$3,658,007	0.33	< .05 *
Caucasian Females	$1,192,936	0.99%	3.41%	$4,097,262	-$2,904,326	0.29	< .05 *
Caucasian Males	$116,519,900	97.05%	90.56%	$108,727,345	$7,792,555	1.07	< .05 †
TOTAL	$120,059,773	100.00%	100.00%	$120,059,773			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$2,346,936	1.95%	6.03%	$7,235,165	-$4,888,229	0.32	< .05 *
WBEs	$1,192,936	0.99%	3.41%	$4,097,262	-$2,904,326	0.29	< .05 *
MBE/WBEs	$3,539,872	2.95%	9.44%	$11,332,427	-$7,792,555	0.31	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.06 Indiana Department of Administration Statistical Analysis of Utilization – Informal Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



G. Summary of Indiana Department of Administration Contract Utilization Findings

The underutilization of minorities and Caucasian females on prime contracts, whether statistically significant or not, is summarized in Table 8.07, for prime contracts under $300,000 and in Table 8.08 for informal contracts. African Americans, Asian Pacific Americans, Hispanic Americans, and Caucasian females were underutilized in all types of work.

Table 8.07 Summary of MBE/WBE Underutilization Prime Contract Dollars Under $300,000

Ethnicity	Type of Work		
	Construction (Public Works)	Professional Services	Supplies
African Americans	Yes*	Yes*	Yes*
Asian Pacific Americans	Yes*	Yes	Yes*
Hispanic Americans	Yes*	Yes*	Yes*
Native Americans	No	Yes	Yes
Caucasian Females	Yes	Yes*	Yes*

Yes = underutilized
No = not underutilized
* = statistically significant underutilization.

Table 8.08 Summary of MBE/WBE Underutilization Informal Prime Contract Dollars

Ethnicity	Type of Work		
	Construction (Public Works)	Professional Services	Supplies
African Americans	Yes*	Yes*	Yes*
Asian Pacific Americans	Yes*	No	Yes*
Hispanic Americans	Yes*	Yes	Yes*
Native Americans	Yes	Yes	No
Caucasian Females	Yes*	Yes*	Yes*

Yes = underutilized
No = not underutilized
* = statistically significant

H. Summary of Statistical Analysis of Utilization: State Office Building Commission Construction Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

Contracts under $300,000 are considered in this statistical analysis of utilization. The distribution of contract dollars for the State Office Building Commission (SOBC) construction prime contracts is depicted in Table 8.09 and Chart 8.07. All minorities and Caucasian females received fewer contract dollars than expected. Caucasian males received more construction contract dollars than expected, $5,500,772 out of a total of $5,788,075, which represented 95.04 percent of the construction dollars awarded during the study period.

- ***MBEs:*** represent 11.47 percent of the available firms and received 4.61 percent of the construction prime contracts. This is statistically significant underutilization.

- ***WBEs:*** represent 5.93 percent of the available firms and received 0.35 percent of the construction prime contracts. This is statistically significant underutilization.

- ***MBE/WBEs:*** represent 17.40 percent of the available firms and received 4.96 percent of the construction prime contracts. This is statistically significant underutilization.

- ***African Americans:*** represent 8.39 percent of the available firms and received none of the construction prime contracts. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 1.12 percent of the available firms and received 0.19 percent of the construction prime contracts. This is not statistically significant underutilization.

- ***Hispanic Americans:*** represent 1.29 percent of the available firms and received none of the construction prime contracts. This is not statistically significant underutilization.

- ***Native Americans:*** represent 0.67 percent of the available firms and received 4.42 percent of the construction prime contracts. This is not statistically significant underutilization.

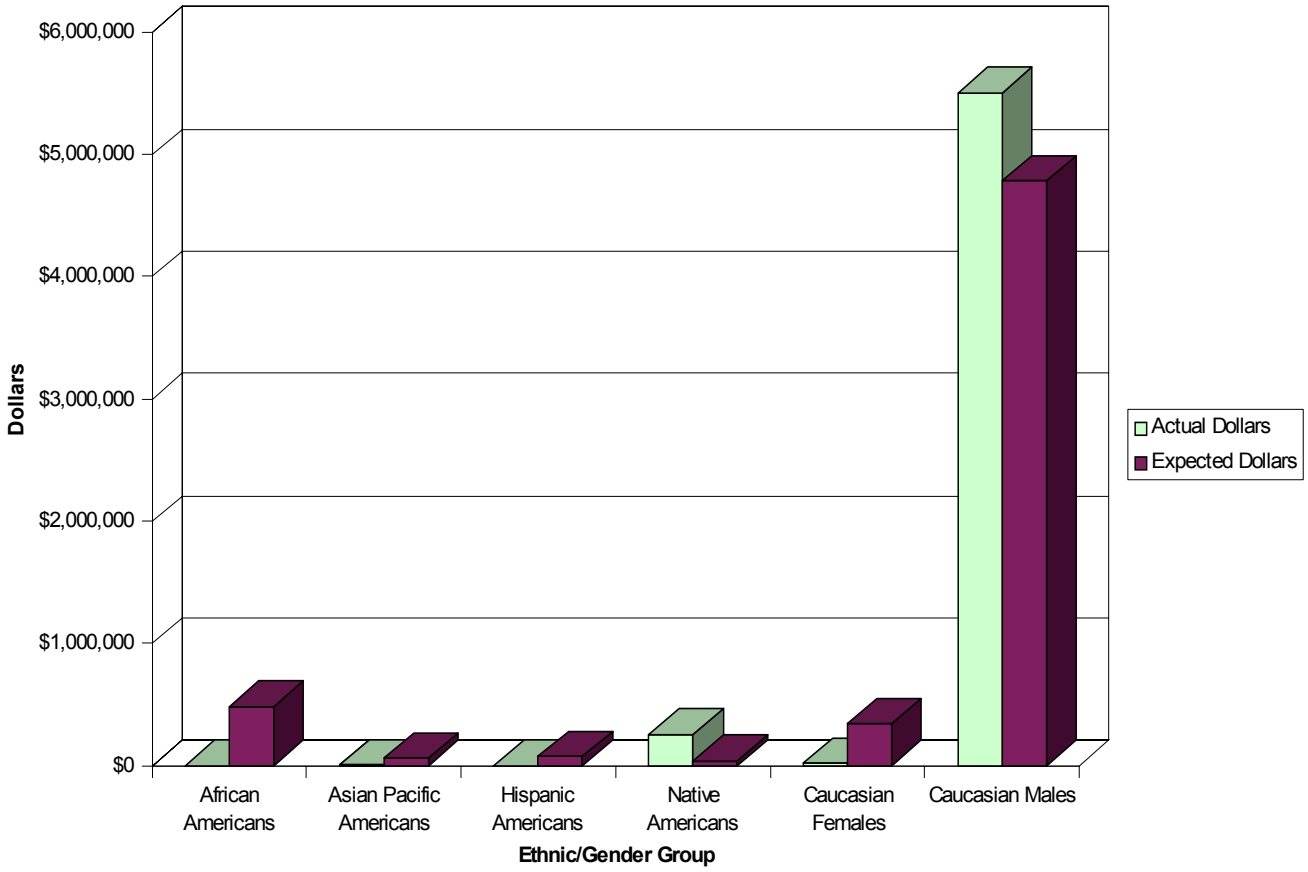
- ***Caucasian Males:*** represent 82.6 percent of the available firms and received 95.04 percent of the construction prime contracts. This is statistically significant overutilization.

Table 8.09 State Office Building Commission Statistical Analysis of Utilization – Construction Prime Contracts – Fiscal Year July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$0	0.00%	8.39%	$485,568	-$485,568	0.00	< .05 *
Asian Pacific Americans	$11,150	0.19%	1.12%	$64,570	-$53,420	0.17	not significant
Hispanic Americans	$0	0.00%	1.29%	$74,901	-$74,901	0.00	not significant
Native Americans	$255,935	4.42%	0.67%	$38,742	$217,193	6.61	not significant
Caucasian Females	$20,218	0.35%	5.93%	$343,514	-$323,296	0.06	< .05 *
Caucasian Males	$5,500,772	95.04%	82.60%	$4,780,780	$719,993	1.15	< .05 †
TOTAL	$5,788,075	100.00%	100.00%	$5,788,075			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$0	0.00%	0.85%	$49,073	-$49,073	0.00	not significant
African American Males	$0	0.00%	7.54%	$436,495	-$436,495	0.00	< .05 *
Asian Pacific American Females	$0	0.00%	0.09%	$5,166	-$5,166	0.00	not significant
Asian Pacific American Males	$11,150	0.19%	1.03%	$59,405	-$48,255	0.19	not significant
Hispanic American Females	$0	0.00%	0.13%	$7,748	-$7,748	0.00	not significant
Hispanic American Males	$0	0.00%	1.16%	$67,153	-$67,153	0.00	not significant
Native American Females	$0	0.00%	0.22%	$12,914	-$12,914	0.00	not significant
Native American Males	$255,935	4.42%	0.45%	$25,828	$230,107	9.91	not significant
Caucasian Females	$20,218	0.35%	5.93%	$343,514	-$323,296	0.06	< .05 *
Caucasian Males	$5,500,772	95.04%	82.60%	$4,780,780	$719,993	1.15	< .05 †
TOTAL	$5,788,075	100.00%	100.00%	$5,788,075			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$0	0.00%	1.29%	$74,901	-$74,901	0.00	not significant
Minority Males	$267,085	4.61%	10.17%	$588,880	-$321,795	0.45	< .05 *
Caucasian Females	$20,218	0.35%	5.93%	$343,514	-$323,296	0.06	< .05 *
Caucasian Males	$5,500,772	95.04%	82.60%	$4,780,780	$719,993	1.15	< .05 †
TOTAL	$5,788,075	100.00%	100.00%	$5,788,075			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$267,085	4.61%	11.47%	$663,782	-$396,697	0.40	< .05 *
WBEs	$20,218	0.35%	5.93%	$343,514	-$323,296	0.06	< .05 *
MBE/WBEs	$287,303	4.96%	17.40%	$1,007,296	-$719,993	0.29	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.07 State Office Building Commission Statistical Analysis of Utilization – Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



I.

Summary of Statistical Analysis of Utilization: State Office Building Commission Professional Services Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

Contracts under $300,000 are considered in this statistical analysis of utilization. The distribution of SOBC professional services contract dollars for prime contractors is depicted in Table 8.10 and Chart 8.08. All minorities and Caucasian females received fewer contract dollars than expected. Caucasian males received more contract dollars than expected, $3,774,604 out of a total of $3,804,930, which represented 99.2 percent of the dollars awarded during the study period.

- ***MBEs:*** represent 24.24 percent of the available professional services firms and received 0.67 percent of the professional services prime contract dollars. This is statistically significant underutilization.

- ***WBEs:*** represent 10.7 percent of the available professional services firms and received 0.13 percent of the professional services prime contract dollars. This is statistically significant underutilization.

- ***MBE/WBEs:*** represent 34.94 percent of the available professional services firms and received 0.80 percent of the professional services prime contract dollars. This is statistically significant underutilization.

- ***African Americans:*** represent 16.68 percent of the available professional services firms and none of the professional services prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 4.12 percent of the available professional services firms and received 0.63 percent of the professional services prime contract dollars. This is not statistically significant underutilization.

- ***Hispanic Americans:*** represent 2.75 percent of the available professional services firms and received none of the professional services prime contract dollars. This is not statistically significant underutilization.

- ***Native Americans:*** represent 0.69 percent of the available professional services firms and received 0.03 percent of the professional services prime contract dollars. This is not statistically significant underutilization.

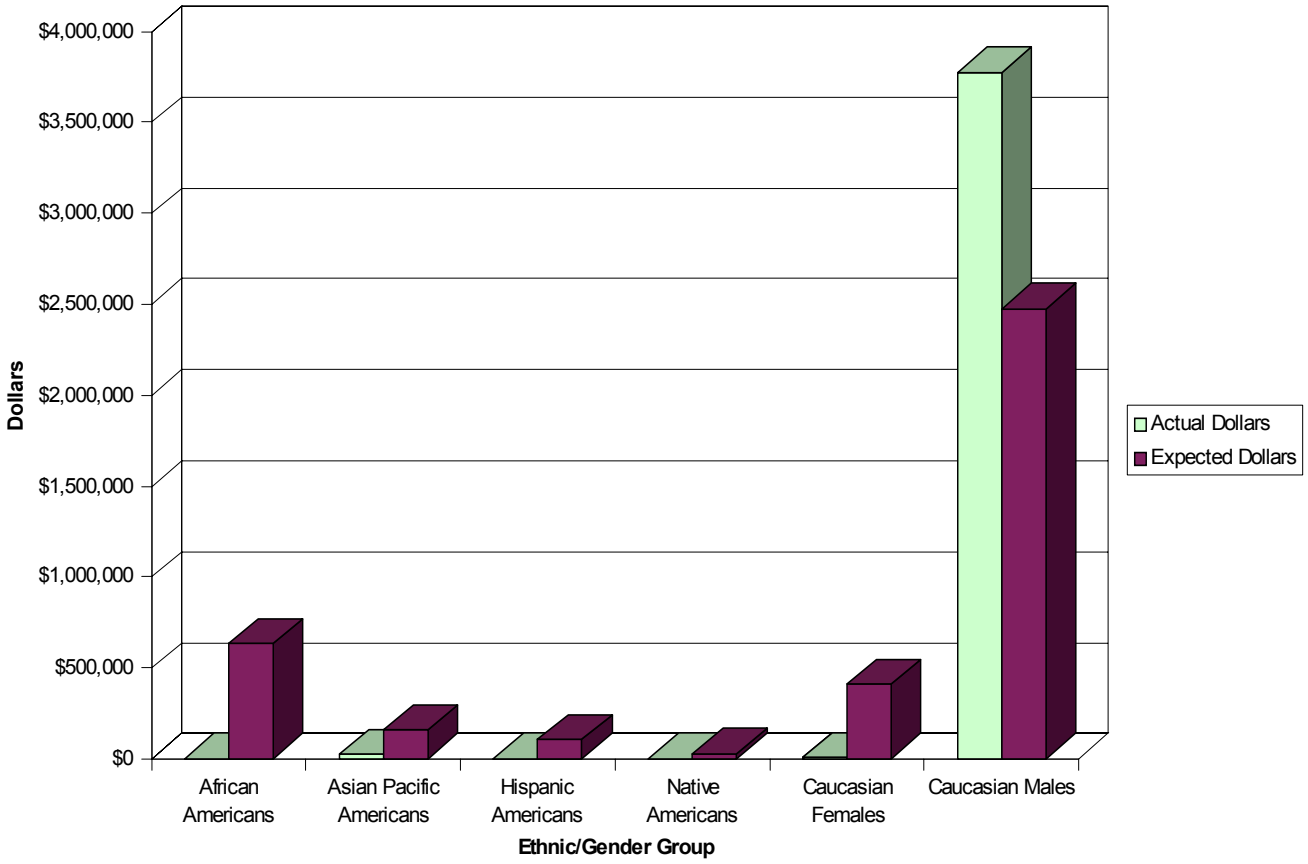
- ***Caucasian Males:*** represent 65.06 percent of the available professional services firms and received 99.20 percent of the professional services prime contract dollars. This is statistically significant overutilization.

Table 8.10 State Office Building Commission Statistical Analysis of Utilization – Professional Services – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$0	0.00%	16.68%	$634,777	-$634,777	0.00	< .05 *
Asian Pacific Americans	$24,110	0.63%	4.12%	$156,827	-$132,717	0.15	not significant
Hispanic Americans	$0	0.00%	2.75%	$104,552	-$104,552	0.00	not significant
Native Americans	$1,216	0.03%	0.69%	$26,138	-$24,922	0.05	not significant
Caucasian Females	$5,000	0.13%	10.70%	$407,004	-$402,004	0.01	< .05 *
Caucasian Males	$3,774,604	99.20%	65.06%	$2,475,632	$1,298,972	1.52	< .05 †
TOTAL	$3,804,930	100.00%	100.00%	$3,804,930			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$0	0.00%	5.79%	$220,305	-$220,305	0.00	< .05 *
African American Males	$0	0.00%	10.89%	$414,472	-$414,472	0.00	< .05 *
Asian Pacific American Females	$0	0.00%	0.79%	$29,872	-$29,872	0.00	not significant
Asian Pacific American Males	$24,110	0.63%	3.34%	$126,955	-$102,845	0.19	not significant
Hispanic American Females	$0	0.00%	1.08%	$41,074	-$41,074	0.00	not significant
Hispanic American Males	$0	0.00%	1.67%	$63,478	-$63,478	0.00	not significant
Native American Females	$0	0.00%	0.10%	$3,734	-$3,734	0.00	not significant
Native American Males	$1,216	0.03%	0.59%	$22,404	-$21,188	0.05	not significant
Caucasian Females	$5,000	0.13%	10.70%	$407,004	-$402,004	0.01	< .05 *
Caucasian Males	$3,774,604	99.20%	65.06%	$2,475,632	$1,298,972	1.52	< .05 †
TOTAL	$3,804,930	100.00%	100.00%	$3,804,930			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$0	0.00%	7.75%	$294,985	-$294,985	0.00	< .05 *
Minority Males	$25,326	0.67%	16.49%	$627,309	-$601,983	0.04	< .05 *
Caucasian Females	$5,000	0.13%	10.70%	$407,004	-$402,004	0.01	< .05 *
Caucasian Males	$3,774,604	99.20%	65.06%	$2,475,632	$1,298,972	1.52	< .05 †
TOTAL	$3,804,930	100.00%	100.00%	$3,804,930			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$25,326	0.67%	24.24%	$922,294	-$896,968	0.03	< .05 *
WBEs	$5,000	0.13%	10.70%	$407,004	-$402,004	0.01	< .05 *
MBE/WBEs	$30,326	0.80%	34.94%	$1,329,298	-$1,298,972	0.02	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.08 Indiana State Office Building Commission Statistical Analysis of Utilization– Professional Services Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



J. Summary of Statistical Analysis of Utilization: State Office Building Commission Supplies Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

Contracts under $300,000 are considered in this statistical analysis of utilization. The distribution of supplies contract dollars for prime contracts is depicted in Table 8.11 and Chart 8.09. Caucasian women and all minorities received fewer contract dollars than expected. Caucasian males received more contract dollars than expected, $741,337, which represented 100 percent of the dollars during the study period.[2]

- ***MBEs:*** represent 6.03 percent of the available supplies firms and received none supplies prime contract dollars. This is underutilization.

- ***WBEs:*** represent 3.41 percent of the available supplies firms and received none of the supplies prime contract dollars. This is underutilization.

- ***MBE/WBEs:*** represent 9.44 percent of the available supplies firms and received none of the supplies prime contract dollars. This is underutilization.

- ***African Americans:*** represent 4.46 percent of the available supplies firms and received none of the supplies prime contract dollars. This is underutilization.

- ***Asian Pacific Americans:*** represent 0.70 percent of the available supplies firms and received none of the supplies prime contract dollars. This is underutilization.

- ***Hispanic Americans:*** represent 0.67 percent of the available supplies firms and received none of the supplies prime contract dollars. This is underutilization.

- ***Native Americans:*** represent 0.20 percent of the available supplies prime contracts firms and received none of the supplies prime contract dollars. This is underutilization.

- ***Caucasian Males:*** represent 90.56 percent of the available supplies firms and received 100 percent of the supplies prime contract dollars. This is overutilization.

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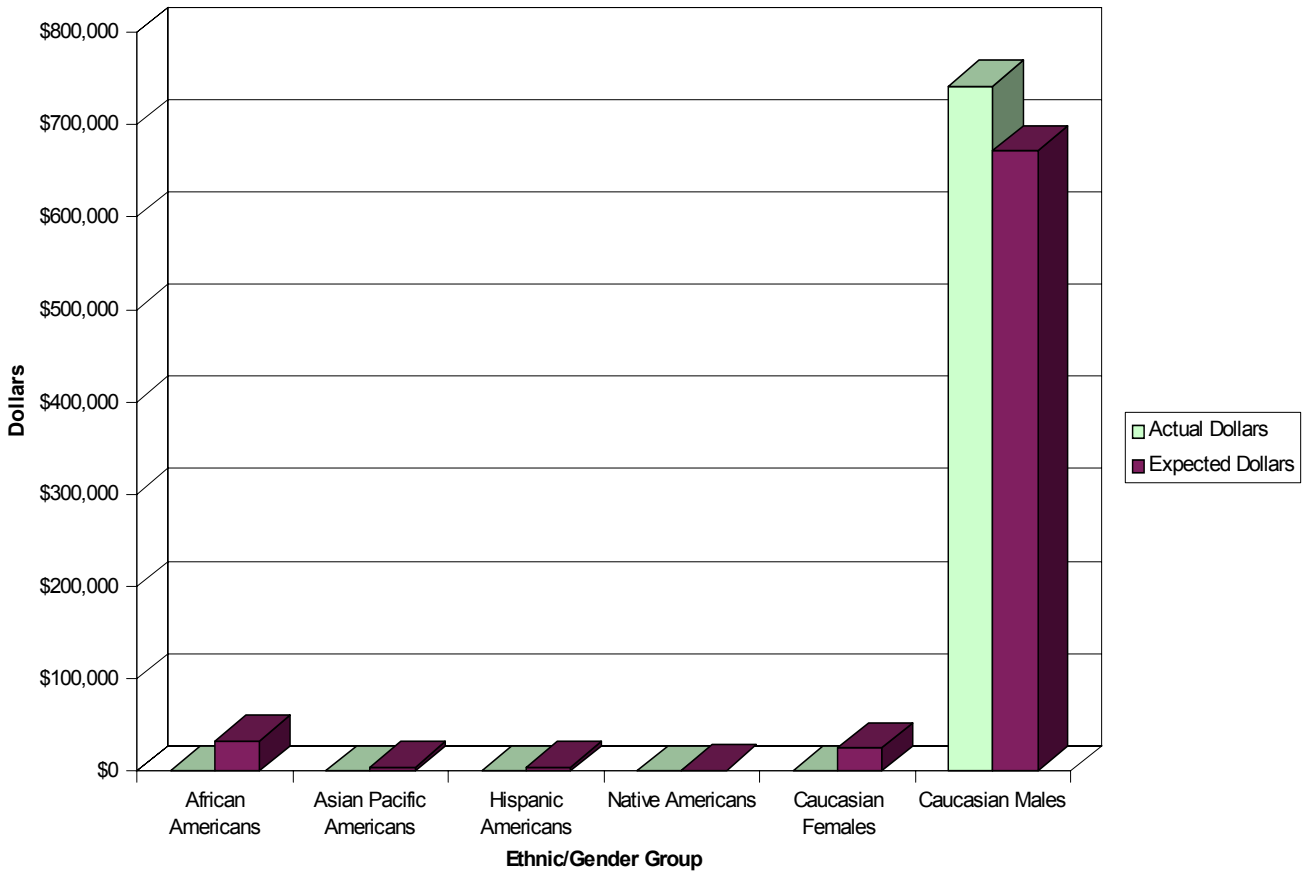
[2]Because of the small number of contract dollars, for these informal contracts, a significance value could not be calculated.

Table 8.11 State Office Building Commission Statistical Analysis of Utilization – Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
African Americans	$0	0.00%	4.46%	$33,074	-$33,074	0.00
Asian Pacific Americans	$0	0.00%	0.70%	$5,183	-$5,183	0.00
Hispanic Americans	$0	0.00%	0.67%	$4,936	-$4,936	0.00
Native Americans	$0	0.00%	0.20%	$1,481	-$1,481	0.00
Caucasian Females	$0	0.00%	3.41%	$25,299	-$25,299	0.00
Caucasian Males	$741,337	100.00%	90.56%	$671,362	$69,975	1.10
TOTAL	$741,337	100.00%	100.00%	$741,337		
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
African American Females	$0	0.00%	1.04%	$7,713	-$7,713	0.00
African American Males	$0	0.00%	3.42%	$25,361	-$25,361	0.00
Asian Pacific American Females	$0	0.00%	0.12%	$926	-$926	0.00
Asian Pacific American Males	$0	0.00%	0.57%	$4,258	-$4,258	0.00
Hispanic American Females	$0	0.00%	0.22%	$1,604	-$1,604	0.00
Hispanic American Males	$0	0.00%	0.45%	$3,332	-$3,332	0.00
Native American Females	$0	0.00%	0.08%	$617	-$617	0.00
Native American Males	$0	0.00%	0.12%	$864	-$864	0.00
Caucasian Females	$0	0.00%	3.41%	$25,299	-$25,299	0.00
Caucasian Males	$741,337	100.00%	90.56%	$671,362	$69,975	1.10
TOTAL	$741,337	100.00%	100.00%	$741,337		
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
Minority Females	$0	0.00%	1.46%	$10,860	-$10,860	0.00
Minority Males	$0	0.00%	4.56%	$33,815	-$33,815	0.00
Caucasian Females	$0	0.00%	3.41%	$25,299	-$25,299	0.00
Caucasian Males	$741,337	100.00%	90.56%	$671,362	$69,975	1.10
TOTAL	$741,337	100.00%	100.00%	$741,337		
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
MBEs	$0	0.00%	6.03%	$44,675	-$44,675	0.00
WBEs	$0	0.00%	3.41%	$25,299	-$25,299	0.00
MBE/WBEs	$0	0.00%	9.44%	$69,975	-$69,975	0.00

Chart 8.09 State Office Building Commission Statistical Analysis of Utilization – Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



K. Summary of Statistical Analysis of Utilization: State Office Building Commission Informal Construction Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of informal construction contract dollars for prime contractors is depicted in Table 8.12 and Chart 8.10. All minorities and women, except Asian Pacific Americans, received fewer informal construction contract dollars than expected. Caucasian males received more informal construction contract dollars than expected, $662,471 out of a total of $713,839, which represented 95.61 percent of the dollars awarded during the study period.

- ***MBEs:*** represent 11.47 percent of the available construction firms and received 1.56 percent of the informal construction prime contract dollars. This is statistically significant underutilization.

- ***WBEs:*** represent 5.93 percent of the available construction firms and received 2.83 percent of the informal construction prime contract dollars. This is not statistically significant underutilization.

- ***MBE/WBEs:*** represent 17.40 percent of the available construction firms and received 4.39 percent of the informal construction prime contract dollars. This is statistically significant underutilization.

- ***African Americans:*** represent 8.39 percent of the available construction firms and received none of the informal construction prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 1.12 percent of the available construction firms and received 1.56 percent of the informal construction prime contract dollars. This is not statistically significant overutilization.

- ***Hispanic Americans:*** represent 1.29 percent of the available construction firms and received none of the informal construction prime contract dollars. This is not statistically significant underutilization.

- ***Native Americans:*** represent 0.67 percent of the available construction firms and received none of the informal construction prime contract dollars. This is not statistically significant underutilization.

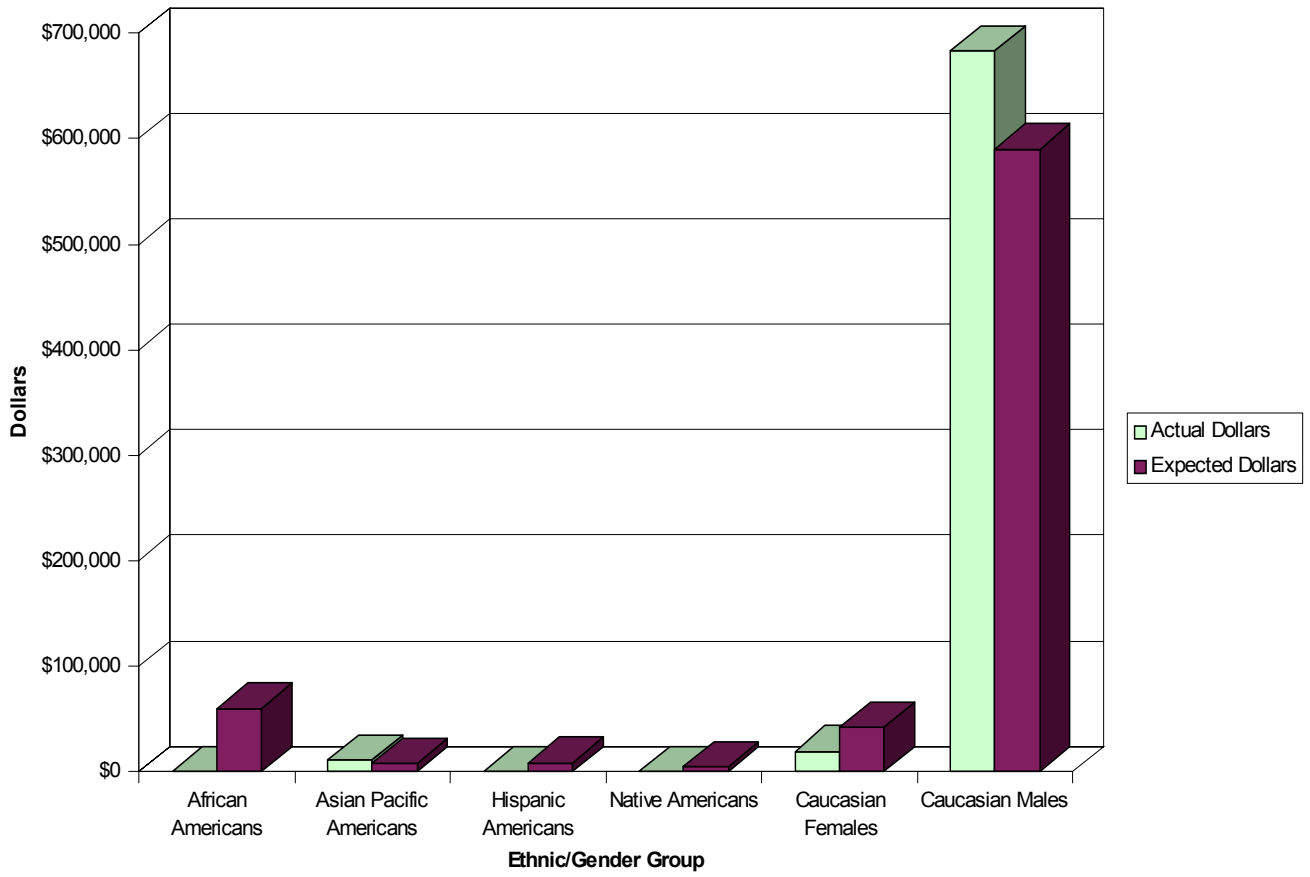
- ***Caucasian Males:*** represent 82.60 percent of the available construction firms and received 95.61 percent of the informal construction prime contract dollars. This is statistically significant overutilization.

Table 8.12 State Office Building Commission Statistically Analysis of Utilization – Informal Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$0	0.00%	8.39%	$59,885	-$59,885	0.00	< .05 *
Asian Pacific Americans	$11,150	1.56%	1.12%	$7,963	$3,187	1.40	not significant
Hispanic Americans	$0	0.00%	1.29%	$9,238	-$9,238	0.00	not significant
Native Americans	$0	0.00%	0.67%	$4,778	-$4,778	0.00	not significant
Caucasian Females	$20,218	2.83%	5.93%	$42,365	-$22,147	0.48	not significant
Caucasian Males	$682,471	95.61%	82.60%	$589,610	$92,861	1.16	< .05 †
TOTAL	$713,839	100.00%	100.00%	$713,839			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$0	0.00%	0.85%	$6,052	-$6,052	0.00	not significant
African American Males	$0	0.00%	7.54%	$53,833	-$53,833	0.00	< .05 *
Asian Pacific American Females	$0	0.00%	0.09%	$637	-$637	0.00	not significant
Asian Pacific American Males	$11,150	1.56%	1.03%	$7,326	$3,824	1.52	not significant
Hispanic American Females	$0	0.00%	0.13%	$956	-$956	0.00	not significant
Hispanic American Males	$0	0.00%	1.16%	$8,282	-$8,282	0.00	not significant
Native American Females	$0	0.00%	0.22%	$1,593	-$1,593	0.00	not significant
Native American Males	$0	0.00%	0.45%	$3,185	-$3,185	0.00	not significant
Caucasian Females	$20,218	2.83%	5.93%	$42,365	-$22,147	0.48	not significant
Caucasian Males	$682,471	95.61%	82.60%	$589,610	$92,861	1.16	< .05 †
TOTAL	$713,839	100.00%	100.00%	$713,839			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$0	0.00%	1.29%	$9,238	-$9,238	0.00	not significant
Minority Males	$11,150	1.56%	10.17%	$72,626	-$61,476	0.15	< .05 *
Caucasian Females	$20,218	2.83%	5.93%	$42,365	-$22,147	0.48	not significant
Caucasian Males	$682,471	95.61%	82.60%	$589,610	$92,861	1.16	< .05 †
TOTAL	$713,839	100.00%	100.00%	$713,839			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$11,150	1.56%	11.47%	$81,864	-$70,714	0.14	< .05 *
WBEs	$20,218	2.83%	5.93%	$42,365	-$22,147	0.48	not significant
MBE/WBEs	$31,368	4.39%	17.40%	$124,229	-$92,861	0.25	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.10 State Office Building Commission Statistically Analysis of Utilization – Informal Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



L. Summary of Statistical Analysis of Utilization: State Office Building Commission Informal Professional Services Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of informal professional services contract dollars for prime contractors is depicted in Table 8.13 and Chart 8.11. All minorities, except Asian Pacific Americans, received fewer informal professional services contract dollars than expected. Caucasian males received more informal professional services contract dollars than expected, $479,383 out of a total of $509,709, which represented 94.05 percent of the dollars awarded during the study period.

- ***MBEs:*** represent 24.24 percent of the available professional services firms and received 4.97 percent of the informal professional services prime contract dollars. This is statistically significant underutilization.

- ***WBEs:*** represent 10.7 percent of the available professional services firms and received 0.98 percent of the informal professional services contract dollars. This is statistically significant underutilization.

- ***MBE/WBEs:*** represent 34.94 percent of the available professional services firms and received 5.95 percent of the informal professional services prime contract dollars. This is statistically significant underutilization.

- ***African Americans:*** represent 16.68 percent of the available professional services firms and received none of the informal professional services prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 4.12 percent of the available professional services firms and received 4.73 percent of the informal professional services prime contract dollars. This is not statistically significant overutilization.

- ***Hispanic Americans:*** represent 2.75 percent of the available professional services firms and received none of the informal professional services prime contract dollars. This is not statistically significant underutilization.

- ***Native Americans:*** represent 0.69 percent of the available professional services firms and received 0.24 percent of the informal professional services prime contract dollars. This is not statistically significant underutilization.

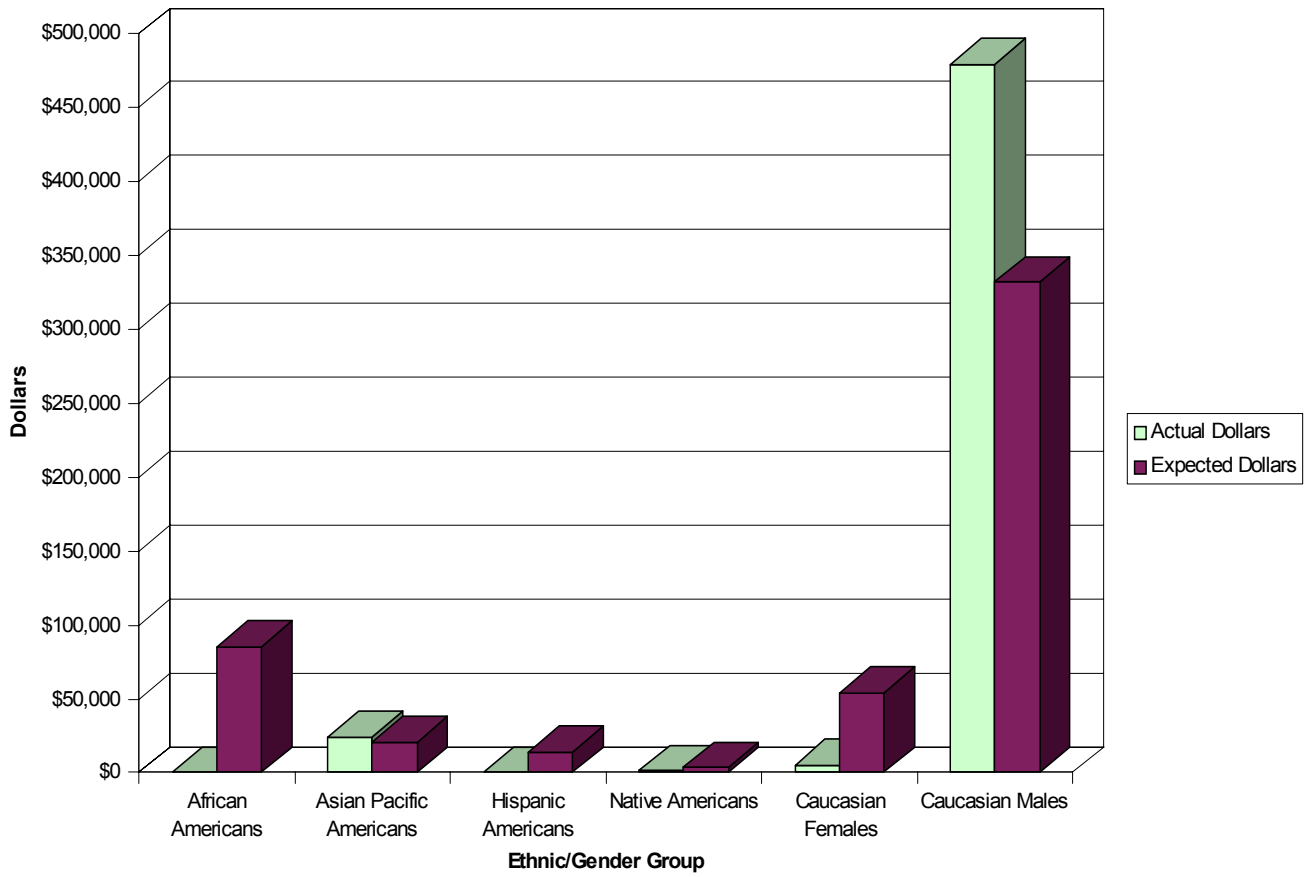
- ***Caucasian Males:*** represent 65.06 percent of the available professional services firms and received 94.05 percent of the informal professional services prime contract dollars. This is statistically significant overutilization.

Table 8.13 State Office Building Commission Statistical Analysis of Utilization – Informal Professional Services Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$0	0.00%	16.68%	$85,035	-$85,035	0.00	< .05 *
Asian Pacific Americans	$24,110	4.73%	4.12%	$21,009	$3,101	1.15	not significant
Hispanic Americans	$0	0.00%	2.75%	$14,006	-$14,006	0.00	not significant
Native Americans	$1,216	0.24%	0.69%	$3,501	-$2,285	0.35	not significant
Caucasian Females	$5,000	0.98%	10.70%	$54,522	-$49,522	0.09	< .05 *
Caucasian Males	$479,383	94.05%	65.06%	$331,636	$147,747	1.45	< .05 †
TOTAL	$509,709	100.00%	100.00%	$509,709			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$0	0.00%	5.79%	$29,512	-$29,512	0.00	not significant
African American Males	$0	0.00%	10.89%	$55,523	-$55,523	0.00	< .05 *
Asian Pacific American Females	$0	0.00%	0.79%	$4,002	-$4,002	0.00	not significant
Asian Pacific American Males	$24,110	4.73%	3.34%	$17,007	$7,103	1.42	not significant
Hispanic American Females	$0	0.00%	1.08%	$5,502	-$5,502	0.00	not significant
Hispanic American Males	$0	0.00%	1.67%	$8,503	-$8,503	0.00	not significant
Native American Females	$0	0.00%	0.10%	$500	-$500	0.00	not significant
Native American Males	$1,216	0.24%	0.59%	$3,001	-$1,785	0.41	not significant
Caucasian Females	$5,000	0.98%	10.70%	$54,522	-$49,522	0.09	< .05 *
Caucasian Males	$479,383	94.05%	65.06%	$331,636	$147,747	1.45	< .05 †
TOTAL	$509,709	100.00%	100.00%	$509,709			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$0	0.00%	7.75%	$39,516	-$39,516	0.00	not significant
Minority Males	$25,326	4.97%	16.49%	$84,034	-$58,708	0.30	< .05 *
Caucasian Females	$5,000	0.98%	10.70%	$54,522	-$49,522	0.09	< .05 *
Caucasian Males	$479,383	94.05%	65.06%	$331,636	$147,747	1.45	< .05 †
TOTAL	$509,709	100.00%	100.00%	$509,709			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$25,326	4.97%	24.24%	$123,551	-$98,225	0.20	< .05 *
WBEs	$5,000	0.98%	10.70%	$54,522	-$49,522	0.09	< .05 *
MBE/WBEs	$30,326	5.95%	34.94%	$178,073	-$147,747	0.17	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.11 State Office Building Commission Statistical Analysis of Utilization – Informal Professional Services Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



M. Summary of Statistical Analysis of Utilization: State Office Building Commission Informal Supplies Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of informal supplies contract dollars for prime contractors is depicted in Table 8.14 and Chart 8.12. All minorities and women received fewer informal supplies contract dollars than expected. Caucasian males received more informal supplies contract dollars than expected, $61,894 out of a total of $61,894, which represented 100 percent of the dollars awarded during the study period.[3]

- ***MBEs:*** represent 6.03 percent of the available supplies firms and received none of the informal supplies prime contract dollars. This is underutilization.

- ***WBEs:*** represent 3.41 percent of the available supplies firms and received none of the informal supplies contract dollars. This is underutilization

- ***MBE/WBEs:*** represent 9.44 percent of the available supplies firms and received none of the informal supplies prime contract dollars. This is underutilization.

- ***African Americans:*** represent 4.46 percent of the available supplies firms and received none of the informal supplies prime contract dollars. This is underutilization.

- ***Asian Pacific Americans:*** represent 0.70 percent of the available supplies firms and received none of the informal supplies prime contract dollars. This is underutilization.

- ***Hispanic Americans:*** represent 0.67 percent of the available supplies firms and received none of the informal supplies prime contract dollars. This is underutilization.

- ***Native Americans:*** represent 0.20 percent of the available supplies firms and received none of the informal supplies prime contract dollars. This is underutilization.

- ***Caucasian Males:*** represent 90.56 percent of the available supplies firms and received 100 percent of the informal supplies prime contract dollars. This is overutilization.

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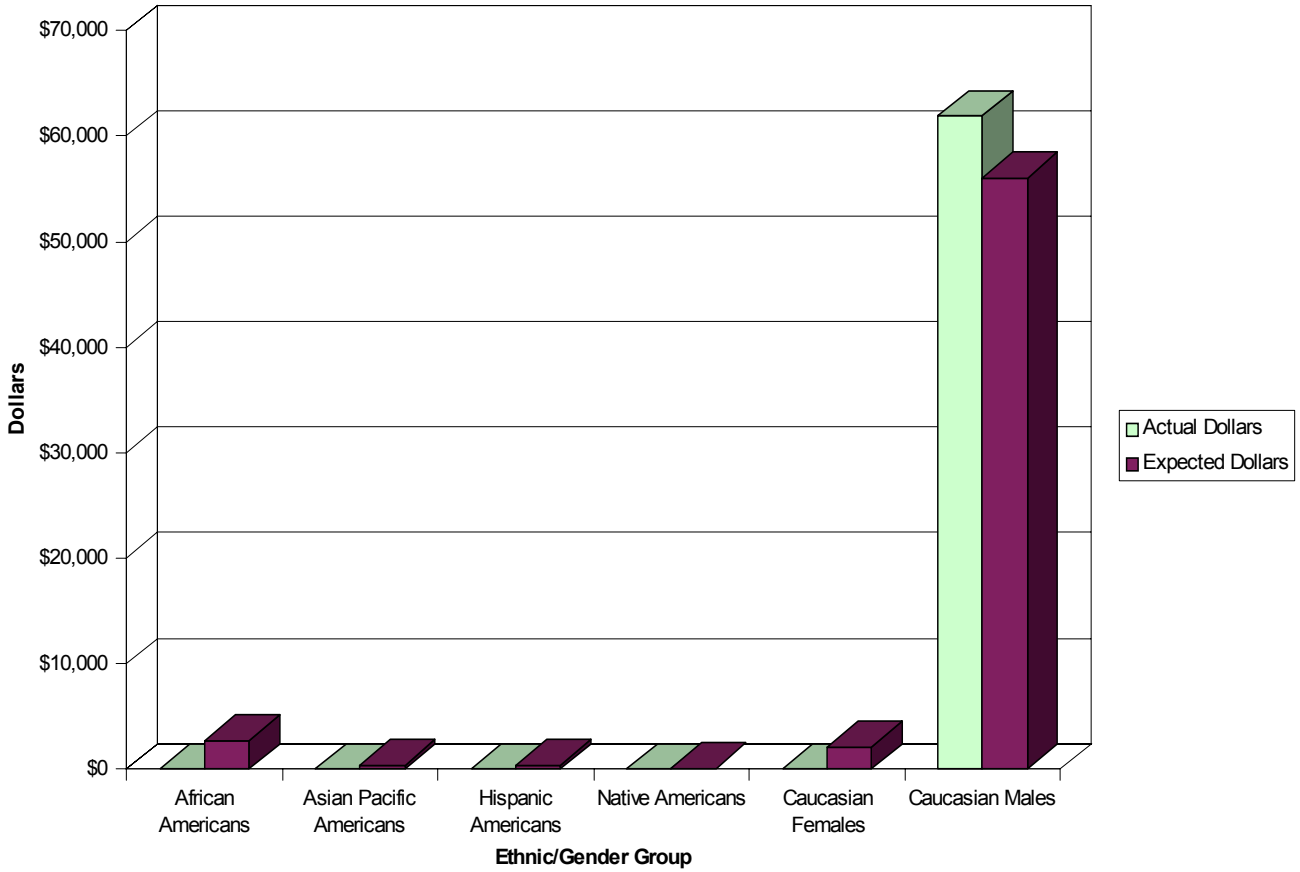
[3]Because of the small number of contract dollars, for these informal contracts, a significance value could not be calculated.

Table 8.14 State Office Building Commission Statistical Analysis of Utilization – Informal Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
African Americans	$0	0.00%	4.46%	$2,761	-$2,761	0.00
Asian Pacific Americans	$0	0.00%	0.70%	$433	-$433	0.00
Hispanic Americans	$0	0.00%	0.67%	$412	-$412	0.00
Native Americans	$0	0.00%	0.20%	$124	-$124	0.00
Caucasian Females	$0	0.00%	3.41%	$2,112	-$2,112	0.00
Caucasian Males	$61,894	100.00%	90.56%	$56,051	$5,842	1.10
TOTAL	$61,894	100.00%	100.00%	$61,894		
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
African American Females	$0	0.00%	1.04%	$644	-$644	0.00
African American Males	$0	0.00%	3.42%	$2,117	-$2,117	0.00
Asian Pacific American Females	$0	0.00%	0.12%	$77	-$77	0.00
Asian Pacific American Males	$0	0.00%	0.57%	$355	-$355	0.00
Hispanic American Females	$0	0.00%	0.22%	$134	-$134	0.00
Hispanic American Males	$0	0.00%	0.45%	$278	-$278	0.00
Native American Females	$0	0.00%	0.08%	$52	-$52	0.00
Native American Males	$0	0.00%	0.12%	$72	-$72	0.00
Caucasian Females	$0	0.00%	3.41%	$2,112	-$2,112	0.00
Caucasian Males	$61,894	100.00%	90.56%	$56,051	$5,842	1.10
TOTAL	$61,894	100.00%	100.00%	$61,894		
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
Minority Females	$0	0.00%	1.46%	$907	-$907	0.00
Minority Males	$0	0.00%	4.56%	$2,823	-$2,823	0.00
Caucasian Females	$0	0.00%	3.41%	$2,112	-$2,112	0.00
Caucasian Males	$61,894	100.00%	90.56%	$56,051	$5,842	1.10
TOTAL	$61,894	100.00%	100.00%	$61,894		
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
MBEs	$0	0.00%	6.03%	$3,730	-$3,730	0.00
WBEs	$0	0.00%	3.41%	$2,112	-$2,112	0.00
MBE/WBEs	$0	0.00%	9.44%	$5,842	-$5,842	0.00

Chart 8.12 State Office Building Commission Statistical Analysis of Utilization – Informal Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



N. SUMMARY OF STATE OFFICE BUILDING COMMISSION CONTRACT UTILIZATION FINDINGS

The underutilization of minorities and Caucasian females on State Office Building Commission (SOBC) formal contracts is summarized in Table 8.15 and in Table 8.16 for informal contracts. African Americans, Asian Pacific Americans, Hispanic Americans, and Caucasian females were underutilized in all types of work.

Table 8.15 Summary of MBE/WBE Underutilization
Prime Contract Dollars Under $300,000

Ethnicity	Type of Work		
	Construction	Professional Services	Supplies+
African Americans	Yes*	Yes*	Yes
Asian Pacific Americans	Yes	Yes	Yes
Hispanic Americans	Yes	Yes	Yes
Native Americans	No	Yes	Yes
Caucasian Females	Yes*	Yes*	Yes

Yes = underutilized
No = not underutilized
* = statistically significant underutilization
+ = statistically significance could not be determined because of small contract dollar amount.

Table 8.16 Summary of MBE/WBE Underutilization
Informal Prime Contract Dollars

Ethnicity	Type of Work		
	Construction	Professional Services	Supplies+
African Americans	Yes*	Yes*	Yes
Asian Pacific Americans	No	No	Yes
Hispanic Americans	Yes	Yes	Yes
Native Americans	Yes	Yes	Yes
Caucasian Females	Yes	Yes*	Yes

Yes = underutilized
No = not underutilized
* = statistically significant underutilization
+ = statistical significance could not be determined because of small total contract dollar amount.

O. Summary of Statistical Analysis of Utilization: Indiana Department of Transportation Construction Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

Contracts under $300,000 are considered in this statistical analysis of utilization. The distribution of contract dollars for Indiana Department of Transportation (InDOT) construction prime contracts is depicted in Table 8.17 and Chart 8.13. All minorities received fewer contract dollars than expected, except Native Americans who received more dollars than expected. Caucasian males received more contract dollars than expected, $35,082,225 out of a total of $39,747,721, which represented 88.26 percent of the dollars awarded during the study period.

- ***DBEs:*** represent 17.40 percent of the available firms and received 11.74 percent of the construction prime contracts. This is statistically significant underutilization.

- ***African Americans:*** represent 8.39 percent of the available firms and received 1.77 percent of the construction prime contracts. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 1.12 percent of the available firms and received none of the construction prime contracts. This is statistically significant underutilization.

- ***Hispanic Americans:*** represent 1.29 percent of the available firms and received none of the construction prime contracts. This is statistically significant underutilization.

- ***Native Americans:*** represent 0.67 percent of the available firms and received 1.04 percent of the construction prime contracts. This is not statistically significant overutilization.

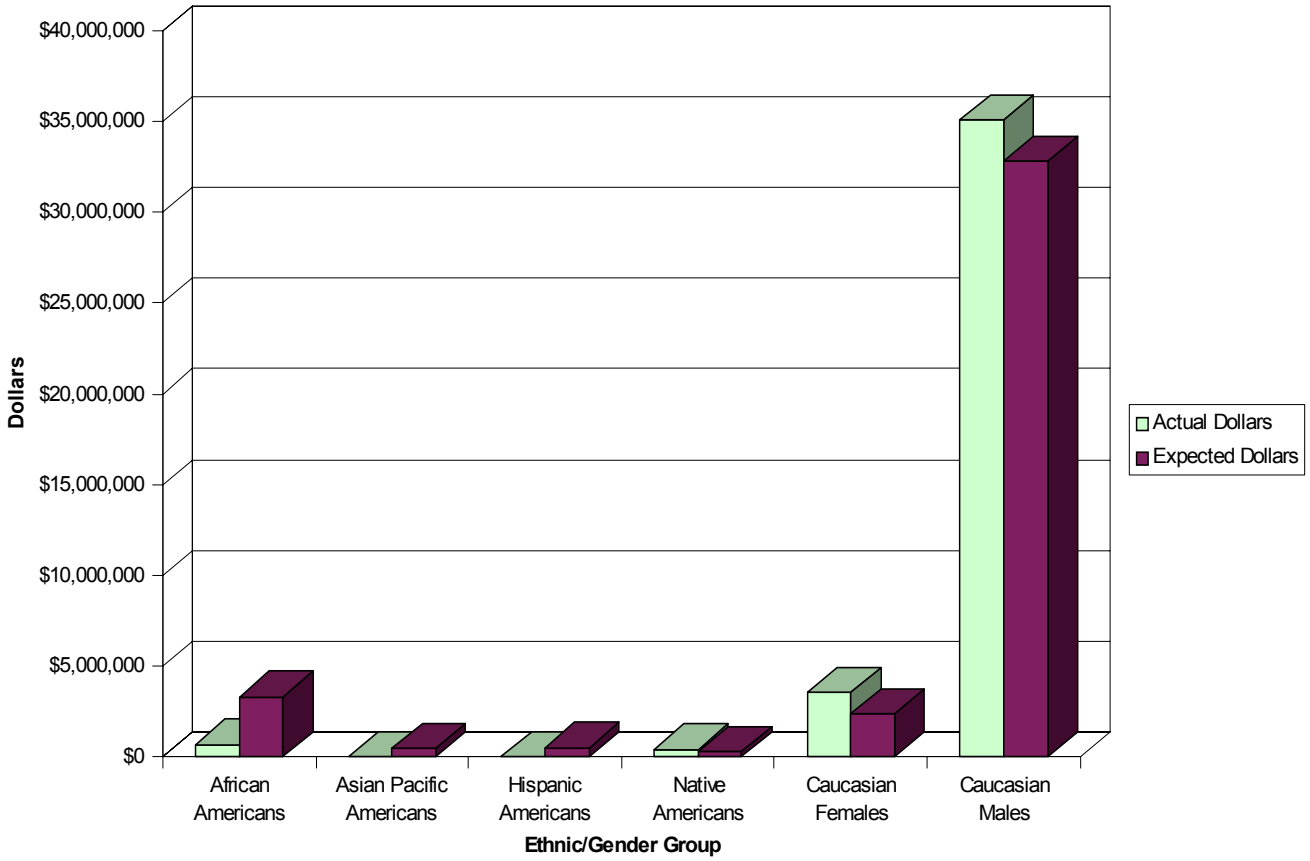
- ***Caucasian Males:*** represent 82.60 percent of the available firms and received 88.26 percent of the construction prime contracts. This is statistically significant overutilization.

Table 8.17 Indiana Department of Transportation Statistical Analysis of Utilization – Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$702,243	1.77%	8.39%	$3,334,481	-$2,632,238	0.21	< .05 *
Asian Pacific Americans	$0	0.00%	1.12%	$443,415	-$443,415	0.00	< .05 *
Hispanic Americans	$0	0.00%	1.29%	$514,361	-$514,361	0.00	< .05 *
Native Americans	$413,488	1.04%	0.67%	$266,049	$147,439	1.55	not significant
Caucasian Females	$3,549,766	8.93%	5.93%	$2,358,968	$1,190,798	1.50	not significant
Caucasian Males	$35,082,225	88.26%	82.60%	$32,830,447	$2,251,777	1.07	< .05 †
TOTAL	$39,747,721	100.00%	100.00%	$39,747,721			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$0	0.00%	0.85%	$336,995	-$336,995	0.00	not significant
African American Males	$702,243	1.77%	7.54%	$2,997,485	-$2,295,242	0.23	< .05 *
Asian Pacific American Females	$0	0.00%	0.09%	$35,473	-$35,473	0.00	not significant
Asian Pacific American Males	$0	0.00%	1.03%	$407,942	-$407,942	0.00	not significant
Hispanic American Females	$0	0.00%	0.13%	$53,210	-$53,210	0.00	not significant
Hispanic American Males	$0	0.00%	1.16%	$461,152	-$461,152	0.00	< .05 *
Native American Females	$295,122	0.74%	0.22%	$88,683	$206,439	3.33	not significant
Native American Males	$118,366	0.30%	0.45%	$177,366	-$59,000	0.67	not significant
Caucasian Females	$3,549,766	8.93%	5.93%	$2,358,968	$1,190,798	1.50	not significant
Caucasian Males	$35,082,225	88.26%	82.60%	$32,830,447	$2,251,777	1.07	< .05 †
TOTAL	$39,747,721	100.00%	100.00%	$39,747,721			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$295,122	0.74%	1.29%	$514,361	-$219,240	0.57	not significant
Minority Males	$820,609	2.06%	10.17%	$4,043,945	-$3,223,336	0.20	< .05 *
Caucasian Females	$3,549,766	8.93%	5.93%	$2,358,968	$1,190,798	1.50	not significant
Caucasian Males	$35,082,225	88.26%	82.60%	$32,830,447	$2,251,777	1.07	< .05 †
TOTAL	$39,747,721	100.00%	100.00%	$39,747,721			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
DBEs	$4,665,497	11.74%	17.40%	$6,917,274	-$2,251,777	0.67	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.13 Indiana State Department of Transportation Statistical Analysis of Utilization – Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



P. Summary of Statistical Analysis of Utilization: Indiana Department of Transportation Supplies Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

Contracts under $300,000 are considered in this statistical utilization analysis. The distribution of supplies contract dollars for prime contracts is depicted in Table 8.18 and Chart 8.14. All minorities, except Native Americans, received fewer contract dollars than expected. Caucasian males received more contract dollars than expected, $77,586,524 out of a total of $83,534,555, which represented 92.88 percent of the dollars during the study period.

- ***DBEs:*** represent 9.44 percent of the available supplies firms and received 7.12 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***African Americans:*** represent 4.46 percent of the available supplies firms and received 0.94 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 0.70 percent of the available supplies firms and received 0.45 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***Hispanic Americans:*** represent 0.67 percent of the available supplies firms and received 0.36 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***Native Americans:*** represent 0.20 percent of the available supplies prime contracts firms and received 0.38 percent of the supplies prime contract dollars. This is not statistically significant overutilization.

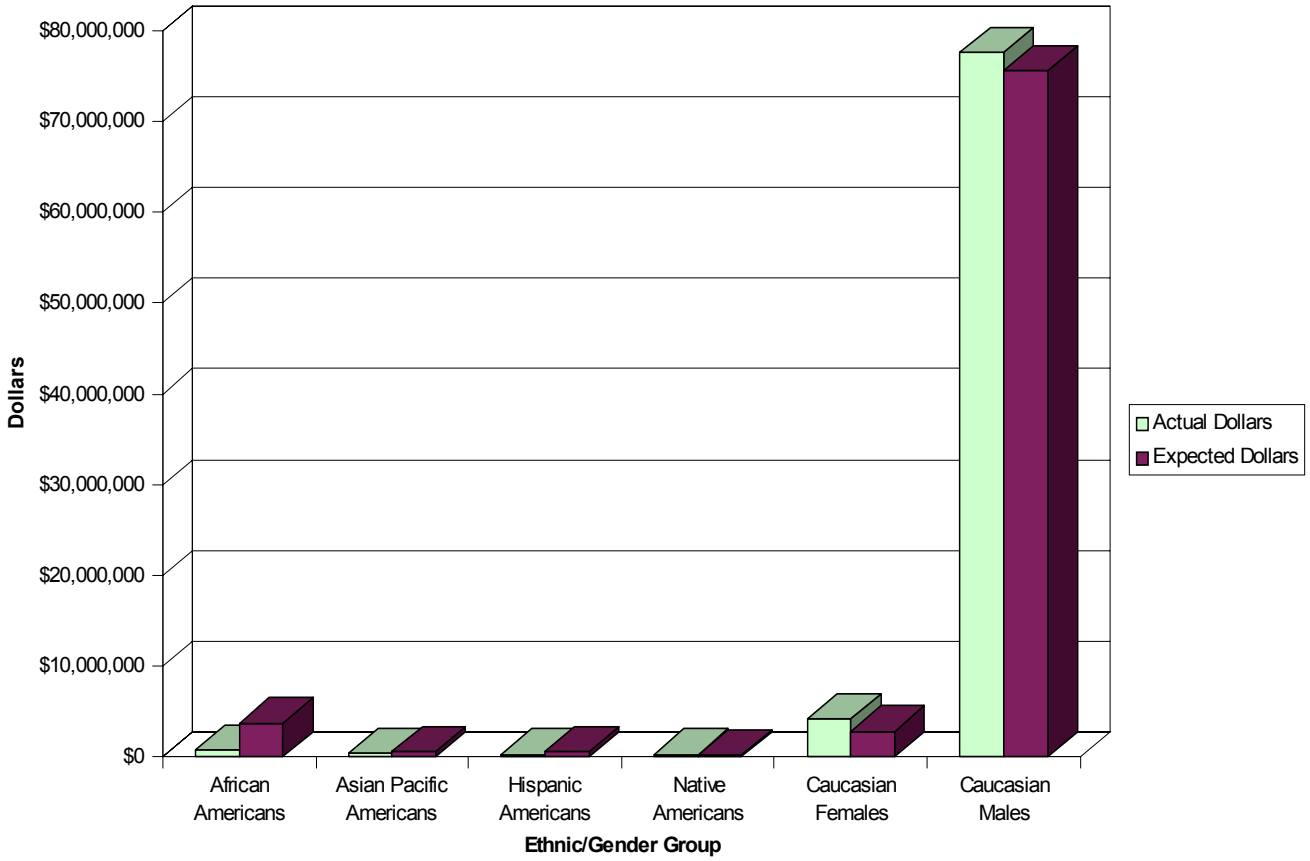
- ***Caucasian Males:*** represent 90.56 percent of the available supplies firms and received 92.88 percent of the supplies prime contract dollars. This is statistically significant overutilization.

Table 8.18 Indiana Department of Transportation Statistical Analysis of Utilization – Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$788,993	0.94%	4.46%	$3,726,862	-$2,937,870	0.21	< .05 *
Asian Pacific Americans	$373,211	0.45%	0.70%	$584,060	-$210,850	0.64	< .05 *
Hispanic Americans	$302,887	0.36%	0.67%	$556,248	-$253,361	0.54	< .05 *
Native Americans	$320,832	0.38%	0.20%	$166,874	$153,957	1.92	not significant
Caucasian Females	$4,162,109	4.98%	3.41%	$2,850,771	$1,311,338	1.46	not significant
Caucasian Males	$77,586,524	92.88%	90.56%	$75,649,739	$1,936,785	1.03	< .05 †
TOTAL	$83,534,555	100.00%	100.00%	$83,534,555			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$1,800	0.00%	1.04%	$869,138	-$867,338	0.00	< .05 *
African American Males	$787,193	0.94%	3.42%	$2,857,725	-$2,070,532	0.28	< .05 *
Asian Pacific American Females	$0	0.00%	0.12%	$104,297	-$104,297	0.00	< .05 *
Asian Pacific American Males	$373,211	0.45%	0.57%	$479,764	-$106,553	0.78	< .05 *
Hispanic American Females	$1,018	0.00%	0.22%	$180,781	-$179,763	0.01	< .05 *
Hispanic American Males	$301,869	0.36%	0.45%	$375,467	-$73,599	0.80	not significant
Native American Females	$318,564	0.38%	0.08%	$69,531	$249,033	4.58	not significant
Native American Males	$2,268	0.00%	0.12%	$97,343	-$95,075	0.02	< .05 *
Caucasian Females	$4,162,109	4.98%	3.41%	$2,850,771	$1,311,338	1.46	not significant
Caucasian Males	$77,586,524	92.88%	90.56%	$75,649,739	$1,936,785	1.03	< .05 †
TOTAL	$83,534,555	100.00%	100.00%	$83,534,555			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$321,382	0.38%	1.46%	$1,223,746	-$902,364	0.26	< .05 *
Minority Males	$1,464,540	1.75%	4.56%	$3,810,299	-$2,345,759	0.38	< .05 *
Caucasian Females	$4,162,109	4.98%	3.41%	$2,850,771	$1,311,338	1.46	not significant
Caucasian Males	$77,586,524	92.88%	90.56%	$75,649,739	$1,936,785	1.03	< .05 †
TOTAL	$83,534,555	100.00%	100.00%	$83,534,555			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
DBEs	$5,948,031	7.12%	9.44%	$7,884,817	-$1,936,785	0.75	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.14 Indiana State Department of Transportation Statistical Analysis of Utilization – Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



Q. Summary of Statistical Analysis of Utilization: Indiana Department of Transportation Informal Construction Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of InDOT informal construction contract dollars for prime contractors is depicted in Table 8.19 and Chart 8.15. All minorities, except African Americans, received fewer informal construction contract dollars than expected.[4]

- ***DBEs:*** represent 17.4 percent of the available construction firms and received 27.23 percent of the informal construction prime contract dollars. This is overutilization.

- ***African Americans:*** represent 8.39 percent of the available construction firms and received 20.1 percent of the informal construction prime contract dollars. This is overutilization.

- ***Asian Pacific Americans:*** represent 1.12 percent of the available construction firms and received none of the informal construction prime contract dollars. This is underutilization.

- ***Hispanic Americans:*** represent 1.29 percent of the available construction firms and received none of the informal construction prime contract dollars. This is underutilization.

- ***Native Americans:*** represent 0.67 percent of the available construction firms and received none of the informal construction prime contract dollars. This is underutilization.

- ***Caucasian Males:*** represent 82.6 percent of the available construction firms and received 72.77 percent of the informal construction prime contract dollars. This is underutilization.

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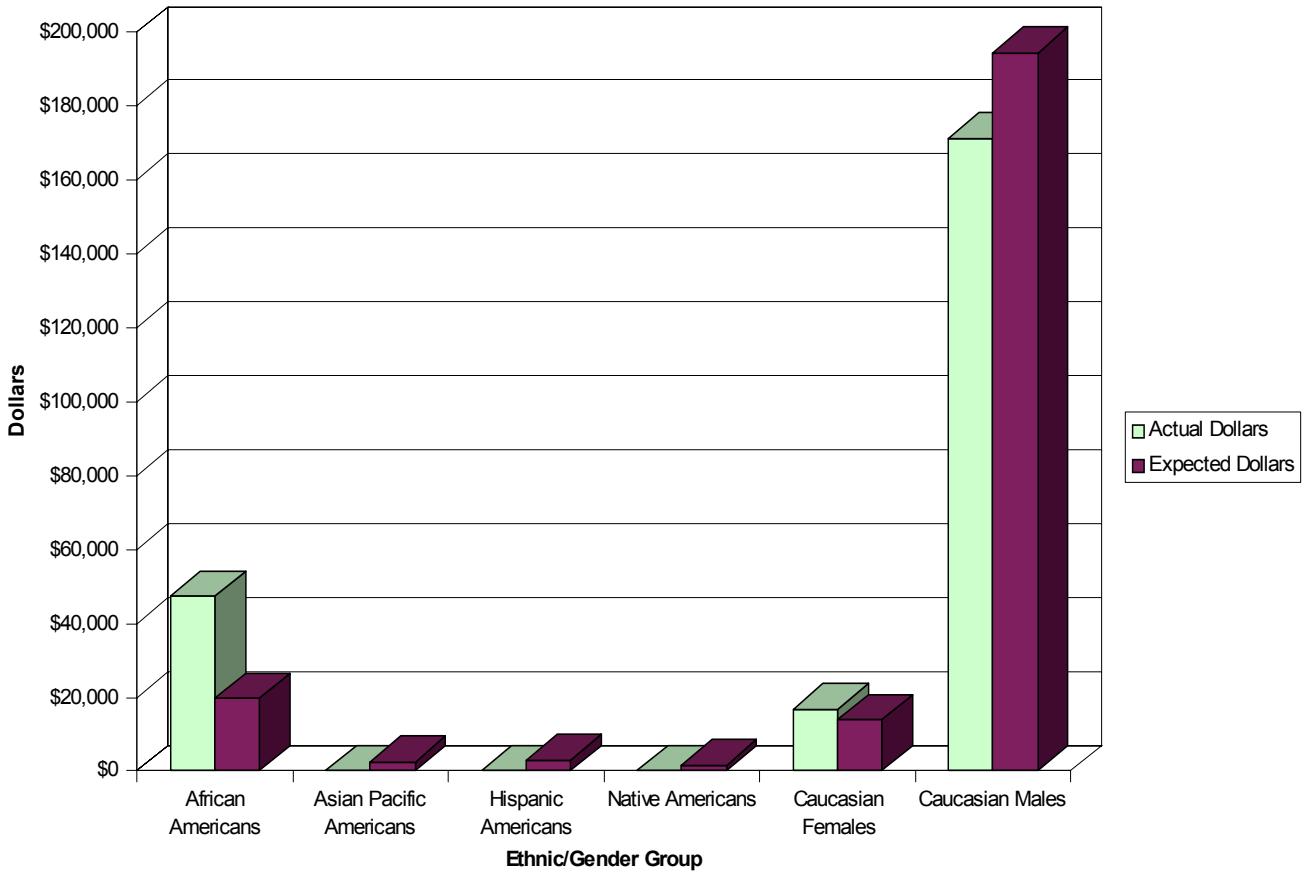
[4]Because of the small number of contract dollars, for these informal contracts, a significance value could not be calculated.

Table 8.19 Indiana Department of Transportation Statistical Analysis of Utilization – Informal Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
African Americans	$47,275	20.10%	8.39%	$19,730	$27,545	2.40
Asian Pacific Americans	$0	0.00%	1.12%	$2,624	-$2,624	0.00
Hispanic Americans	$0	0.00%	1.29%	$3,043	-$3,043	0.00
Native Americans	$0	0.00%	0.67%	$1,574	-$1,574	0.00
Caucasian Females	$16,775	7.13%	5.93%	$13,958	$2,817	1.20
Caucasian Males	$171,133	72.77%	82.60%	$194,253	-$23,121	0.88
TOTAL	$235,182	100.00%	100.00%	$235,182		
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
African American Females	$0	0.00%	0.85%	$1,994	-$1,994	0.00
African American Males	$47,275	20.10%	7.54%	$17,736	$29,539	2.67
Asian Pacific American Females	$0	0.00%	0.09%	$210	-$210	0.00
Asian Pacific American Males	$0	0.00%	1.03%	$2,414	-$2,414	0.00
Hispanic American Females	$0	0.00%	0.13%	$315	-$315	0.00
Hispanic American Males	$0	0.00%	1.16%	$2,729	-$2,729	0.00
Native American Females	$0	0.00%	0.22%	$525	-$525	0.00
Native American Males	$0	0.00%	0.45%	$1,049	-$1,049	0.00
Caucasian Females	$16,775	7.13%	5.93%	$13,958	$2,817	1.20
Caucasian Males	$171,133	72.77%	82.60%	$194,253	-$23,121	0.88
TOTAL	$235,182	100.00%	100.00%	$235,182		
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
Minority Females	$0	0.00%	1.29%	$3,043	-$3,043	0.00
Minority Males	$47,275	20.10%	10.17%	$23,927	$23,347	1.98
Caucasian Females	$16,775	7.13%	5.93%	$13,958	$2,817	1.20
Caucasian Males	$171,133	72.77%	82.60%	$194,253	-$23,121	0.88
TOTAL	$235,182	100.00%	100.00%	$235,182		
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
DBEs	$64,050	27.23%	17.40%	$40,929	$23,121	1.56

Chart 8.15 Indiana Department of Transportation Statistical Analysis of Utilization – Informal Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



R. Summary of Statistical Analysis of Utilization: Indiana Department of Transportation Informal Supplies Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of InDOT informal supplies contract dollars for prime contractors is depicted in Table 8.20 and Chart 8.16. All minorities received fewer informal supplies contract dollars than expected. Caucasian males received more informal supplies contract dollars than expected, $14,046,579 out of a total of $14,799,618, which represented 94.91 percent of the dollars awarded during the study period.

- ***DBEs:*** represent 9.44 percent of the available supplies firms and received 5.09 percent of the informal supplies prime contract dollars. This is statistically significant underutilization.

- ***African Americans:*** represent 4.46 percent of the available supplies firms and received 1.22 percent of the informal supplies prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 0.70 percent of the available supplies firms and received 0.18 percent of the informal supplies prime contract dollars. This is statistically significant underutilization.

- ***Hispanic Americans:*** represent 0.67 percent of the available supplies firms and received 0.08 percent of the informal supplies prime contract dollars. This is statistically significant underutilization.

- ***Native Americans:*** represent 0.20 percent of the available supplies firms and received 0.02 percent of the informal supplies prime contract dollars. This is statistically significant underutilization.

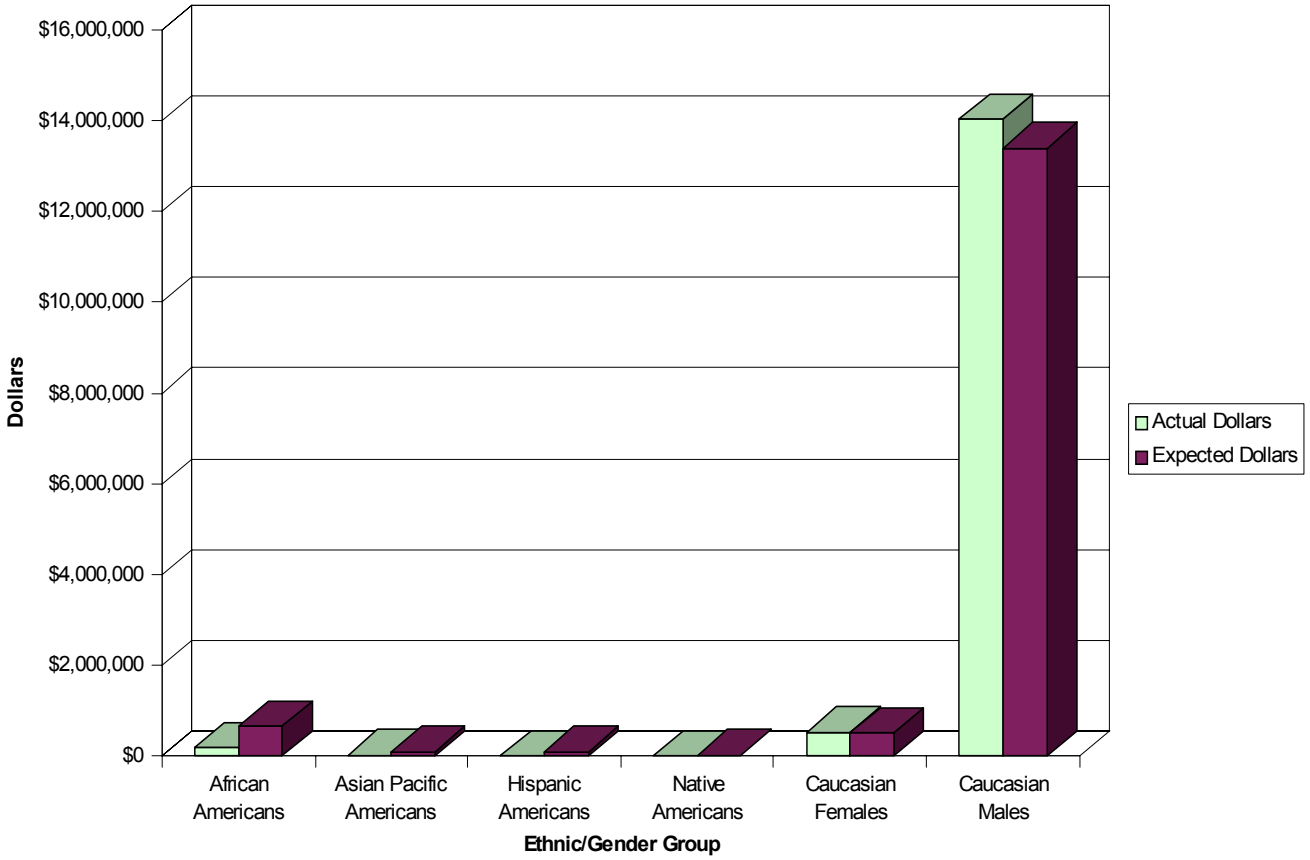
- ***Caucasian Males:*** represent 90.56 percent of the available supplies firms and received 94.91 percent of the informal supplies prime contract dollars. This is statistically significant overutilization.

Table 8.20 Indiana Department of Transportation Statistical Analysis of Utilization – Informal Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$181,294	1.22%	4.46%	$660,279	-$478,985	0.27	< .05 *
Asian Pacific Americans	$27,281	0.18%	0.70%	$103,477	-$76,196	0.26	< .05 *
Hispanic Americans	$11,116	0.08%	0.67%	$98,549	-$87,433	0.11	< .05 *
Native Americans	$2,268	0.02%	0.20%	$29,565	-$27,297	0.08	< .05 *
Caucasian Females	$531,080	3.59%	3.41%	$505,064	$26,015	1.05	not significant
Caucasian Males	$14,046,579	94.91%	90.56%	$13,402,683	$643,896	1.05	< .05 †
TOTAL	$14,799,618	100.00%	100.00%	$14,799,618			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$1,800	0.01%	1.04%	$153,983	-$152,183	0.01	< .05 *
African American Males	$179,494	1.21%	3.42%	$506,296	-$326,802	0.35	< .05 *
Asian Pacific American Females	$0	0.00%	0.12%	$18,478	-$18,478	0.00	< .05 *
Asian Pacific American Males	$27,281	0.18%	0.57%	$84,999	-$57,718	0.32	< .05 *
Hispanic American Females	$1,018	0.01%	0.22%	$32,028	-$31,010	0.03	< .05 *
Hispanic American Males	$10,098	0.07%	0.45%	$66,521	-$56,423	0.15	< .05 *
Native American Females	$0	0.00%	0.08%	$12,319	-$12,319	0.00	not significant
Native American Males	$2,268	0.02%	0.12%	$17,246	-$14,978	0.13	not significant
Caucasian Females	$531,080	3.59%	3.41%	$505,064	$26,015	1.05	not significant
Caucasian Males	$14,046,579	94.91%	90.56%	$13,402,683	$643,896	1.05	< .05 †
TOTAL	$14,799,618	100.00%	100.00%	$14,799,618			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$2,818	0.02%	1.46%	$216,808	-$213,990	0.01	< .05 *
Minority Males	$219,141	1.48%	4.56%	$675,062	-$455,921	0.32	< .05 *
Caucasian Females	$531,080	3.59%	3.41%	$505,064	$26,015	1.05	not significant
Caucasian Males	$14,046,579	94.91%	90.56%	$13,402,683	$643,896	1.05	< .05 †
TOTAL	$14,799,618	100.00%	100.00%	$14,799,618			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
DBEs	$753,039	5.09%	9.44%	$1,396,934	-$643,896	0.54	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.16 Indiana Department of Transportation Statistical Analysis of Utilization – Informal Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



S. Summary of Indiana Department of Transportation Contract Utilization Findings

The underutilization of minorities and Caucasian females on prime contracts is summarized in Table 8.21, for prime contracts under $300,000 and in Table 8.22 for informal contracts. African Americans, Asian Pacific Americans, Hispanic Americans, and Caucasian females were underutilized in all types of work.

Table 8.21 Summary of DBE Underutilization Prime Contract Dollars Under $300,000

Ethnicity	Type of Work	
	Construction	Supplies
African Americans	Yes*	Yes*
Asian Pacific Americans	Yes*	Yes*
Hispanic Americans	Yes*	Yes*
Native Americans	No	No
Caucasian Females	No	No

Yes = underutilized
No = not underutilized
* = statistically significant underutilization.

Table 8.22 Summary of DBE Underutilization Informal Prime Contract Dollars

Ethnicity	Type of Work	
	Construction+	Supplies
African Americans	No	Yes*
Asian Pacific Americans	Yes	Yes*
Hispanic Americans	Yes	Yes*
Native Americans	Yes	Yes*
Caucasian Females	No	No

Yes = underutilized
No = not underutilized
* = statistically significant underutilization.
+ = statistically significance could not be determined because of small contract dollar amount.

II. LOTTERY COMMISSION AND RIVERBOAT CASINOS

A. Summary of Statistical Analysis of Utilization: Indiana Lottery Commission Supplies Prime Contracts All Dollars — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of all contract dollars for Indiana Lottery Commission supplies prime contracts is depicted in Table 8.23 and Chart 8.17. All minorities and Caucasian females received fewer contract dollars than expected. Caucasian males received more contract dollars than expected, $52,783,996 out of a total of $54,155,717, which represented 97.47 percent of the dollars awarded during the study period.

- ***MBEs*:** represent 6.03 percent of the available firms and received 2.13 percent of the supplies prime contracts. This is statistically significant underutilization.

- ***WBEs*:** represent 3.41 percent of the available firms and received 0.41 percent of the supplies prime contracts. This is statistically significant underutilization.

- ***MBE/WBEs*:** represent 9.44 percent of the available firms and received 2.53 percent of the supplies prime contracts. This is statistically significant underutilization.

- ***African Americans*:** represent 4.46 percent of the available firms and received 2.09 percent of the supplies prime contracts. This is statistically significant underutilization.

- ***Asian Pacific Americans*:** represent 0.70 percent of the available firms and received none of the supplies prime contracts. This is statistically significant underutilization.

- ***Hispanic Americans*:** represent 0.67 percent of the available firms and received 0.03 percent of the supplies prime contracts. This is statistically significant underutilization.

- ***Native Americans*:** represent 0.20 percent of the available firms and received 0.02 percent of the supplies prime contracts. This is statistically significant underutilization.

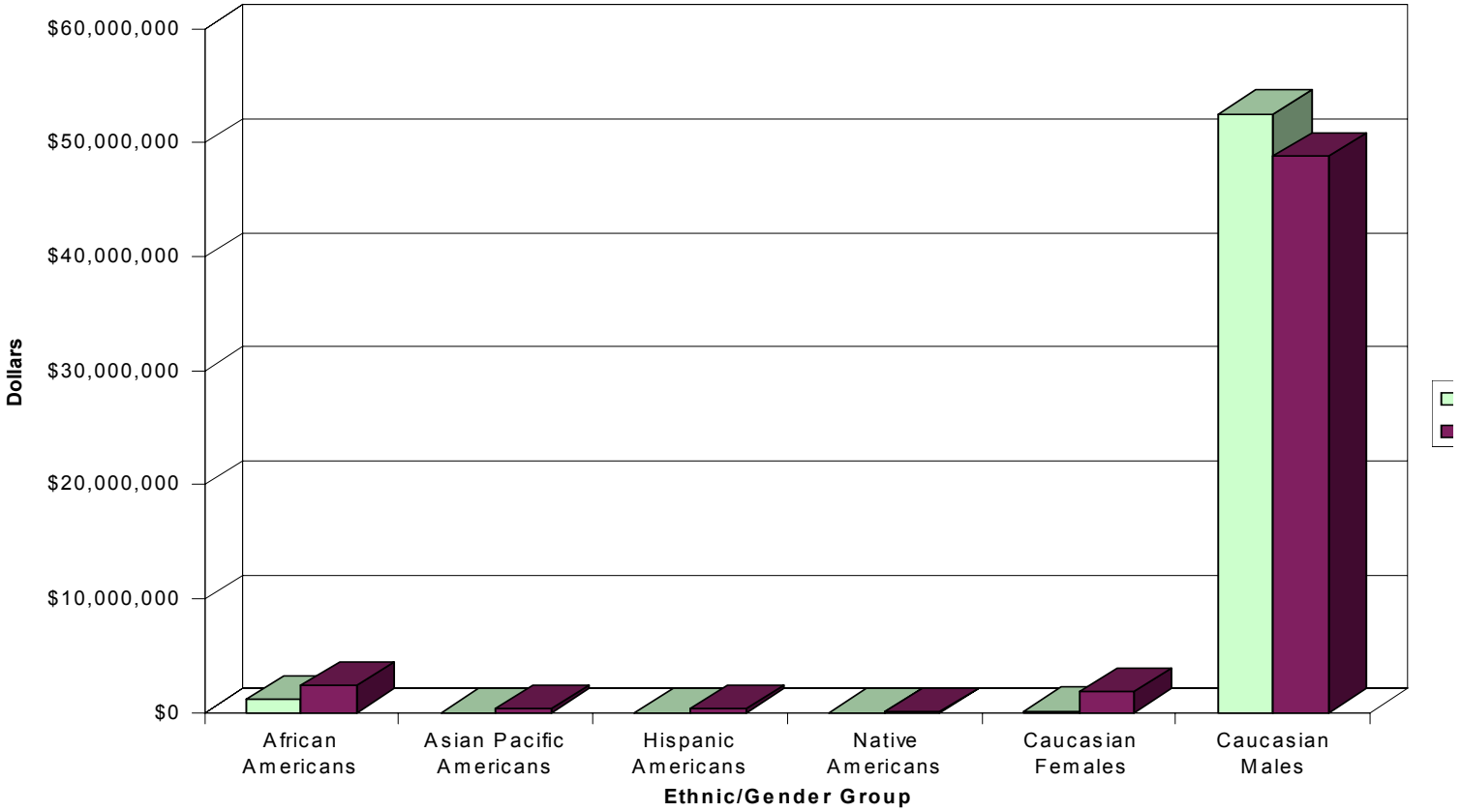
- ***Caucasian Males*:** represent 90.56 percent of the available firms and received 97.47 percent of the supplies prime contracts. This is statistically significant overutilization.

Table 8.23 Indiana Lottery Commission Statistical Analysis of Utilization All Dollars – Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$1,129,705	2.09%	4.46%	$2,416,137	-$1,286,432	0.47	< .05 *
Asian Pacific Americans	$175	0.00%	0.70%	$378,648	-$378,473	0.00	< .05 *
Hispanic Americans	$13,892	0.03%	0.67%	$360,617	-$346,725	0.04	< .05 *
Native Americans	$8,218	0.02%	0.20%	$108,185	-$99,967	0.08	< .05 *
Caucasian Females	$219,731	0.41%	3.41%	$1,848,164	-$1,628,433	0.12	< .05 *
Caucasian Males	$52,783,996	97.47%	90.56%	$49,043,965	$3,740,031	1.08	< .05 †
TOTAL	$54,155,717	100.00%	100.00%	$54,155,717			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$42,984	0.08%	1.04%	$563,465	-$520,481	0.08	< .05 *
African American Males	$1,086,721	2.01%	3.42%	$1,852,672	-$765,951	0.59	< .05 *
Asian Pacific American Females	$0	0.00%	0.12%	$67,616	-$67,616	0.00	< .05 *
Asian Pacific American Males	$175	0.00%	0.57%	$311,033	-$310,858	0.00	< .05 *
Hispanic American Females	$0	0.00%	0.22%	$117,201	-$117,201	0.00	< .05 *
Hispanic American Males	$13,892	0.03%	0.45%	$243,417	-$229,524	0.06	< .05 *
Native American Females	$8,218	0.02%	0.08%	$45,077	-$36,859	0.18	not significant
Native American Males	$0	0.00%	0.12%	$63,108	-$63,108	0.00	< .05 *
Caucasian Females	$219,731	0.41%	3.41%	$1,848,164	-$1,628,433	0.12	< .05 *
Caucasian Males	$52,783,996	97.47%	90.56%	$49,043,965	$3,740,031	1.08	< .05 †
TOTAL	$54,155,717	100.00%	100.00%	$54,155,717			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$51,202	0.09%	1.46%	$793,358	-$742,157	0.06	< .05 *
Minority Males	$1,100,788	2.03%	4.56%	$2,470,229	-$1,369,441	0.45	< .05 *
Caucasian Females	$219,731	0.41%	3.41%	$1,848,164	-$1,628,433	0.12	< .05 *
Caucasian Males	$52,783,996	97.47%	90.56%	$49,043,965	$3,740,031	1.08	< .05 †
TOTAL	$54,155,717	100.00%	100.00%	$54,155,717			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$1,151,990	2.13%	6.03%	$3,263,587	-$2,111,597	0.35	< .05 *
WBEs	$219,731	0.41%	3.41%	$1,848,164	-$1,628,433	0.12	< .05 *
MBE/WBEs	$1,371,721	2.53%	9.44%	$5,111,752	-$3,740,031	0.27	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.17 Indiana Lottery Commission Statistical Analysis of Utilization All Dollars – Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



B. Summary of Statistical Analysis of Utilization: Indiana Lottery Commission Informal Supplies Contracts under $25,000 — Fiscal Years July 1, 1995 - June 30, 1997

Informal contracts under $25,000 are considered in this statistical analysis of utilization. The distribution of Indiana Lottery Commission supplies contract dollars for prime contractors is depicted in Table 8.24 and Chart 8.18. All minorities and Caucasian females, except African Americans, received fewer informal supply contract dollars than expected. Caucasian males received more contract dollars than expected, $10,079,730 out of a total of $10,931,012, which represented 92.21 percent of the informal supply dollars awarded during the study period.

- ***MBEs*****:** represent 6.03 percent of the available supplies firms and received 6.22 percent of the supplies prime contract dollars. This is not statistically significant overutilization.

- ***WBEs*****:** represent 3.41 percent of the available supplies firms and received 1.56 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***MBE/WBEs*****:** represent 9.44 percent of the available supplies firms and received 7.79 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***African Americans*****:** represent 4.46 percent of the available supplies firms and received 6.02 percent of the supplies prime contract dollars. This is not statistically significant overutilization.

- ***Asian Pacific Americans*****:** represent 0.70 percent of the available supplies firms and received none of the supplies prime contract dollars. This is statistically significant underutilization.

- ***Hispanic Americans*****:** represent 0.67 percent of the available supplies firms and received 0.13 of the supplies prime contract dollars. This is statistically significant underutilization.

- ***Native Americans*****:** represent 0.20 percent of the available supplies firms and received 0.08 of the supplies prime contract dollars. This is statistically significant underutilization.

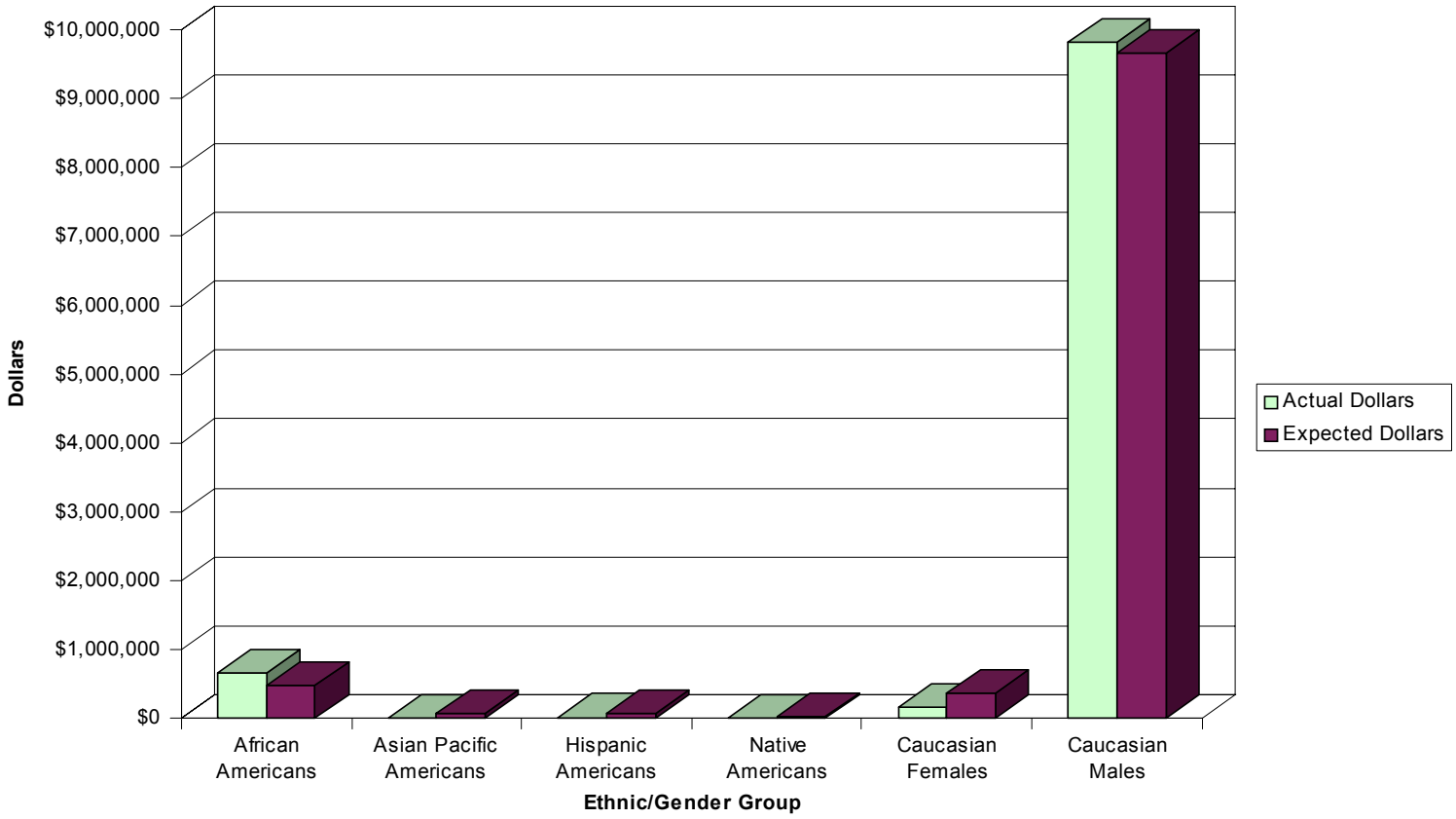
- ***Caucasian Males*****:** represent 90.56 percent of the available supplies firms and received 92.21 percent of the supplies prime contract dollars. This is statistically significant overutilization.

Table 8.24 Indiana Lottery Commission Statistical Analysis of Utilization Informal Under $25,000 – Supplies – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$658,066	6.02%	4.46%	$487,683	$170,383	1.35	not significant
Asian Pacific Americans	$175	0.00%	0.70%	$76,428	-$76,253	0.00	< .05 *
Hispanic Americans	$13,892	0.13%	0.67%	$72,788	-$58,896	0.19	< .05 *
Native Americans	$8,218	0.08%	0.20%	$21,837	-$13,619	0.38	< .05 *
Caucasian Females	$170,931	1.56%	3.41%	$373,041	-$202,110	0.46	< .05 *
Caucasian Males	$10,079,730	92.21%	90.56%	$9,899,235	$180,495	1.02	< .05 †
TOTAL	$10,931,012	100.00%	100.00%	$10,931,012			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$42,984	0.39%	1.04%	$113,732	-$70,748	0.38	< .05 *
African American Males	$615,082	5.63%	3.42%	$373,951	$241,132	1.64	not significant
Asian Pacific American Females	$0	0.00%	0.12%	$13,648	-$13,648	0.00	< .05 *
Asian Pacific American Males	$175	0.00%	0.57%	$62,780	-$62,605	0.00	< .05 *
Hispanic American Females	$0	0.00%	0.22%	$23,656	-$23,656	0.00	< .05 *
Hispanic American Males	$13,892	0.13%	0.45%	$49,132	-$35,240	0.28	< .05 *
Native American Females	$8,218	0.08%	0.08%	$9,099	-$881	0.90	not significant
Native American Males	$0	0.00%	0.12%	$12,738	-$12,738	0.00	< .05 *
Caucasian Females	$170,931	1.56%	3.41%	$373,041	-$202,110	0.46	< .05 *
Caucasian Males	$10,079,730	92.21%	90.56%	$9,899,235	$180,495	1.02	< .05 †
TOTAL	$10,931,012	100.00%	100.00%	$10,931,012			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$51,202	0.47%	1.46%	$160,135	-$108,933	0.32	< .05 *
Minority Males	$629,150	5.76%	4.56%	$498,601	$130,549	1.26	not significant
Caucasian Females	$170,931	1.56%	3.41%	$373,041	-$202,110	0.46	< .05 *
Caucasian Males	$10,079,730	92.21%	90.56%	$9,899,235	$180,495	1.02	< .05 †
TOTAL	$10,931,012	100.00%	100.00%	$10,931,012			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$680,351	6.22%	6.03%	$658,736	$21,615	1.03	not significant
WBEs	$170,931	1.56%	3.41%	$373,041	-$202,110	0.46	< .05 *
MBE/WBEs	$851,282	7.79%	9.44%	$1,031,777	-$180,495	0.83	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.18 Indiana Department of Administration Statistical Analysis of Utilization Informal Under $25,000 – Supplies – Fiscal Years July 1, 1995 - June 30, 1997



C. Summary of Indiana Lottery Commission Contract Utilization Findings

The underutilization of minorities and Caucasian females on prime contracts, whether statistically significant or not, is summarized in Table 8.25, for supplies prime contracts, all dollars, and in Table 8.26 for informal contracts. African Americans, Asian Pacific Americans, Hispanic Americans, Native American and Caucasian females were underutilized in either or both categories.

Table 8.25 Summary of MBE/WBE Underutilization Prime Contract Dollars

Ethnicity	Supplies
African Americans	Yes*
Asian Pacific Americans	Yes*
Hispanic Americans	Yes*
Native Americans	Yes*
Caucasian Females	Yes*

Yes = underutilized
No = not underutilized
* = statistically significant underutilization.

Table 8.26 Summary of MBE/WBE Underutilization Informal Prime Contract Dollars

Ethnicity	Supplies
African Americans	Yes
Asian Pacific Americans	Yes*
Hispanic Americans	Yes*
Native Americans	Yes*
Caucasian Females	Yes*

Yes = underutilized
No = not underutilized
* = statistically significant

D. Summary of Statistical Analysis of Utilization: Indiana's Riverboat Casinos Construction Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of supply contract dollars for Indiana's Riverboat Casinos construction prime contracts is depicted in Table 8.27 and Chart 8.19. Caucasian women and all minorities received fewer contract dollars than expected. Caucasian males received more contract dollars than expected, $299,394,893 out of a total of $319,688,141, which represented 93.65 percent of the dollars during the study period.

- ***MBEs*:** represent 11.47 percent of the available supplies firms and received 3.32 percent of the construction prime contract dollars. This is statistically significant underutilization.

- ***WBEs*:** represent 5.93 percent of the available supplies firms and received 3.03 percent of the construction prime contract dollars. This is not statistically significant underutilization.

- ***MBE/WBEs*:** represent 17.40 percent of the available supplies firms and received 6.35 percent of the construction prime contract dollars. This is not statistically significant underutilization.

- ***African Americans*:** represent 8.39 percent of the available supplies firms and received 2.21 percent of the construction prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans*:** represent 1.12 percent of the available supplies firms and received 0.02 percent of the construction prime contract dollars. This is statistically significant underutilization.

- ***Hispanic Americans:*** represent 1.29 percent of the available supplies firms and received 0.62 percent of the construction prime contract dollars. This is not statistically significant underutilization.

- ***Native Americans*:** represent 0.67 percent of the available supplies prime contracts firms and received 0.47 percent of the construction prime contract dollars. This is statistically significant underutilization.

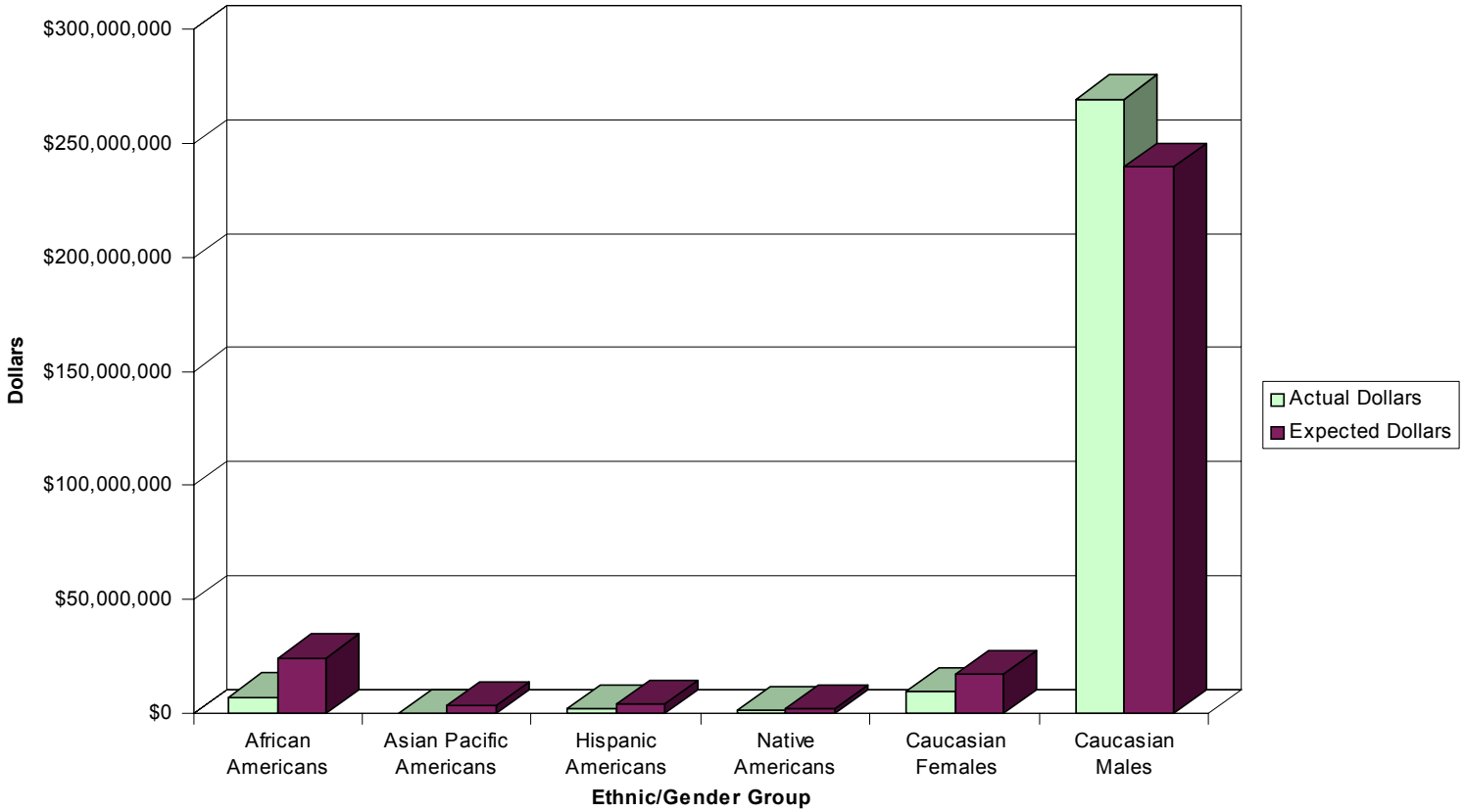
- ***Caucasian Males*:** represent 82.60 percent of the available supplies firms and received 93.65 percent of the construction prime contract dollars. This is not statistically significant overutilization.

Table 8.27 Indiana's Riverboat Casinos Statistical Analysis of Utilization All Dollars – Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$7,059,313	2.21%	8.39%	$26,818,996	-$19,759,683	0.26	< .05 *
Asian Pacific Americans	$51,342	0.02%	1.12%	$3,566,356	-$3,515,014	0.01	< .05 *
Hispanic Americans	$1,984,223	0.62%	1.29%	$4,136,973	-$2,152,750	0.48	not significant
Native Americans	$1,512,324	0.47%	0.67%	$2,139,814	-$627,490	0.71	< .05 *
Caucasian Females	$9,686,047	3.03%	5.93%	$18,973,013	-$9,286,966	0.51	not significant
Caucasian Males	$299,394,893	93.65%	82.60%	$264,052,989	$35,341,904	1.13	not significant
TOTAL	$319,688,141	100.00%	100.00%	$319,688,141			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$937,480	0.29%	0.85%	$2,710,430	-$1,772,951	0.35	< .05 *
African American Males	$6,121,833	1.91%	7.54%	$24,108,566	-$17,986,733	0.25	not significant
Asian Pacific American Females	$11,634	0.00%	0.09%	$285,308	-$273,674	0.04	not significant
Asian Pacific American Males	$39,708	0.01%	1.03%	$3,281,047	-$3,241,340	0.01	< .05 *
Hispanic American Females	$0	0.00%	0.13%	$427,963	-$427,963	0.00	not significant
Hispanic American Males	$1,984,223	0.62%	1.16%	$3,709,010	-$1,724,787	0.53	not significant
Native American Females	$0	0.00%	0.22%	$713,271	-$713,271	0.00	not significant
Native American Males	$1,512,324	0.47%	0.45%	$1,426,542	$85,781	1.06	not significant
Caucasian Females	$9,686,047	3.03%	5.93%	$18,973,013	-$9,286,966	0.51	not significant
Caucasian Males	$299,394,893	93.65%	82.60%	$264,052,989	$35,341,904	1.13	not significant
TOTAL	$319,688,141	100.00%	100.00%	$319,688,141			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$949,114	0.30%	1.29%	$4,136,973	-$3,187,859	0.23	< .05 *
Minority Males	$9,658,087	3.02%	10.17%	$32,525,166	-$22,867,078	0.30	< .05 *
Caucasian Females	$9,686,047	3.03%	5.93%	$18,973,013	-$9,286,966	0.51	not significant
Caucasian Males	$299,394,893	93.65%	82.60%	$264,052,989	$35,341,904	1.13	not significant
TOTAL	$319,688,141	100.00%	100.00%	$319,688,141			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$10,607,201	3.32%	11.47%	$36,662,138	-$26,054,937	0.29	< .05 *
WBEs	$9,686,047	3.03%	5.93%	$18,973,013	-$9,286,966	0.51	not significant
MBE/WBEs	$20,293,248	6.35%	17.40%	$55,635,152	-$35,341,904	0.36	not significant

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.19 Indiana's Riverboat Casinos Statistical Analysis of Utilization All Dollars – Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



E. Summary of Statistical Analysis of Utilization: Indiana's Riverboat Casinos Professional Services Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of professional services contract dollars for Indiana's Riverboat Casinos prime contractors is depicted in Table 8.28 and Chart 8.20. With the exception of Hispanic Americans, all minorities and women received fewer professional services contract dollars than expected. Caucasian males received more professional services contract dollars than expected, $48,520,779 out of a total of $55,751,055, which represented 87.03 percent of the dollars awarded during the study period.

- ***MBEs*:** represent 24.24 percent of the available professional services firms and received 5.37 percent of the professional services prime contract dollars. This is statistically significant underutilization.

- ***WBEs*:** represent 10.70 percent of the available professional services firms and received 7.60 percent of the professional services prime contract dollars. This is not statistically significant underutilization.

- ***MBE/WBEs*:** represent 34.94 percent of the available professional services firms and received 12.97 percent of the professional services prime contract dollars. This is statistically significant underutilization.

- ***African Americans*:** represent 16.68 percent of the available professional services firms and received 0.90 percent of the professional services prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans*:** represent 4.12 percent of the available professional services firms and received 0.29 percent of the professional services prime contract dollars. This is statistically significant underutilization.

- ***Hispanic Americans*:** represent 2.75 percent of the available professional services firms and received 4.17 percent of the professional services prime contract dollars. This is not statistically significant overutilization.

- ***Native Americans*:** represent 0.69 percent of the available professional services firms and received none of the professional services prime contract dollars. This is statistically significant underutilization.

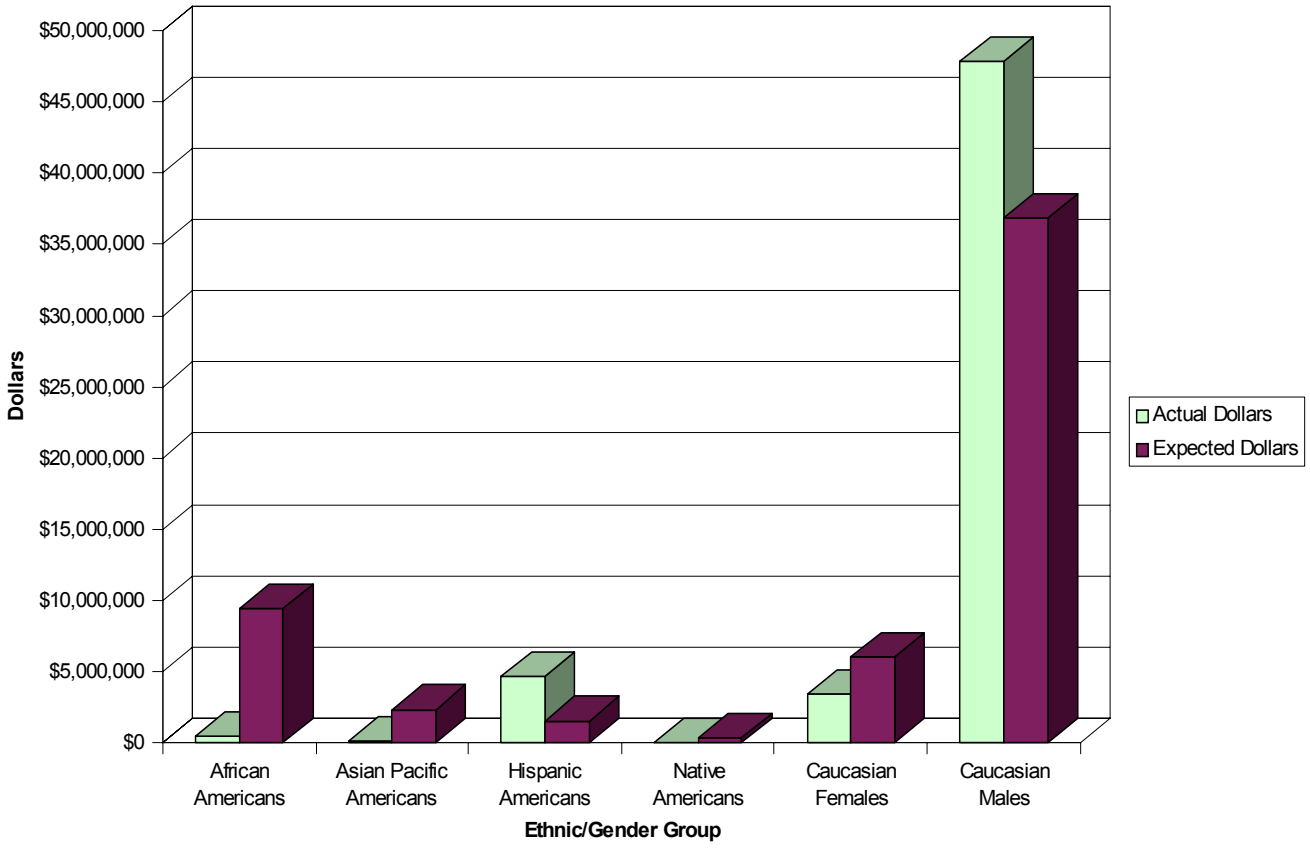
- ***Caucasian Males*:** represent 65.06 percent of the available professional services firms and received 87.03 percent of the professional services prime contract dollars. This is statistically significant overutilization.

Table 8.28 Indiana's Riverboat Casinos Statistical Analysis of Utilization – Professional Services Prime Contracts All Dollars – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$502,431	0.90%	16.68%	$9,300,961	-$8,798,530	0.05	< .05 *
Asian Pacific Americans	$163,529	0.29%	4.12%	$2,297,884	-$2,134,356	0.07	< .05 *
Hispanic Americans	$2,325,588	4.17%	2.75%	$1,531,923	$793,665	1.52	not significant
Native Americans	$0	0.00%	0.69%	$382,981	-$382,981	0.00	< .05 *
Caucasian Females	$4,238,728	7.60%	10.70%	$5,963,557	-$1,724,829	0.71	not significant
Caucasian Males	$48,520,779	87.03%	65.06%	$36,273,748	$12,247,030	1.34	< .05 †
TOTAL	$55,751,055	100.00%	100.00%	$55,751,055			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$27,535	0.05%	5.79%	$3,227,981	-$3,200,446	0.01	< .05 *
African American Males	$474,896	0.85%	10.89%	$6,072,980	-$5,598,084	0.08	< .05 *
Asian Pacific American Females	$0	0.00%	0.79%	$437,692	-$437,692	0.00	< .05 *
Asian Pacific American Males	$163,529	0.29%	3.34%	$1,860,192	-$1,696,664	0.09	< .05 *
Hispanic American Females	$0	0.00%	1.08%	$601,827	-$601,827	0.00	< .05 *
Hispanic American Males	$2,325,588	4.17%	1.67%	$930,096	$1,395,492	2.50	not significant
Native American Females	$0	0.00%	0.10%	$54,712	-$54,712	0.00	not significant
Native American Males	$0	0.00%	0.59%	$328,269	-$328,269	0.00	< .05 *
Caucasian Females	$4,238,728	7.60%	10.70%	$5,963,557	-$1,724,829	0.71	not significant
Caucasian Males	$48,520,779	87.03%	65.06%	$36,273,748	$12,247,030	1.34	< .05 †
TOTAL	$55,751,055	100.00%	100.00%	$55,751,055			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$27,535	0.05%	7.75%	$4,322,211	-$4,294,676	0.01	< .05 *
Minority Males	$2,964,013	5.32%	16.49%	$9,191,538	-$6,227,525	0.32	< .05 *
Caucasian Females	$4,238,728	7.60%	10.70%	$5,963,557	-$1,724,829	0.71	not significant
Caucasian Males	$48,520,779	87.03%	65.06%	$36,273,748	$12,247,030	1.34	< .05 †
TOTAL	$55,751,055	100.00%	100.00%	$55,751,055			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$2,991,548	5.37%	24.24%	$13,513,749	-$10,522,201	0.22	< .05 *
WBEs	$4,238,728	7.60%	10.70%	$5,963,557	-$1,724,829	0.71	not significant
MBE/WBEs	$7,230,276	12.97%	34.94%	$19,477,307	-$12,247,030	0.37	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.20 Indiana's Riverboat Casinos Statistical Analysis of Utilization – Professional Services Prime Contracts
All Dollars – Fiscal Years July 1, 1995 - June 30, 1997



F. Summary of Statistical Analysis of Utilization: Indiana's Riverboat Casinos Supplies Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of Indiana's Riverboat Casinos supplies contract dollars for prime contractors is depicted in Table 8.29 and Chart 8.21. All minorities received fewer supplies contract dollars than expected. Caucasian males received more supplies contract dollars than expected, $88,541,983 out of a total of $94,443,862, which represented 93.75 percent of the dollars awarded during the study period. This is not statistically significant.

- ***MBEs*:** represent 6.03 percent of the available supplies firms and received 2.50 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***WBEs:*** represent 3.41 percent of the available supplies firms and received 3.75 percent of the supplies contract dollars. This is not statistically significant overutilization.

- ***MBE/WBEs*:** represent 9.44 percent of the available supplies firms and received 6.25 percent of the supplies prime contract dollars. This is not statistically significant underutilization.

- ***African Americans*:** represent 4.46 percent of the available supplies firms and received 2.14 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans*:** represent 0.70 percent of the available supplies firms and received 0.11 percent of the supplies prime contract dollars. This is statistically significant underutilization.

- ***Hispanic Americans*:** represent 0.67 percent of the available supplies firms and received 0.17 of the supplies prime contract dollars. This is statistically significant underutilization.

- ***Native Americans*:** represent 0.20 percent of the available supplies firms and received 0.08 of the supplies prime contract dollars. This is statistically significant underutilization.

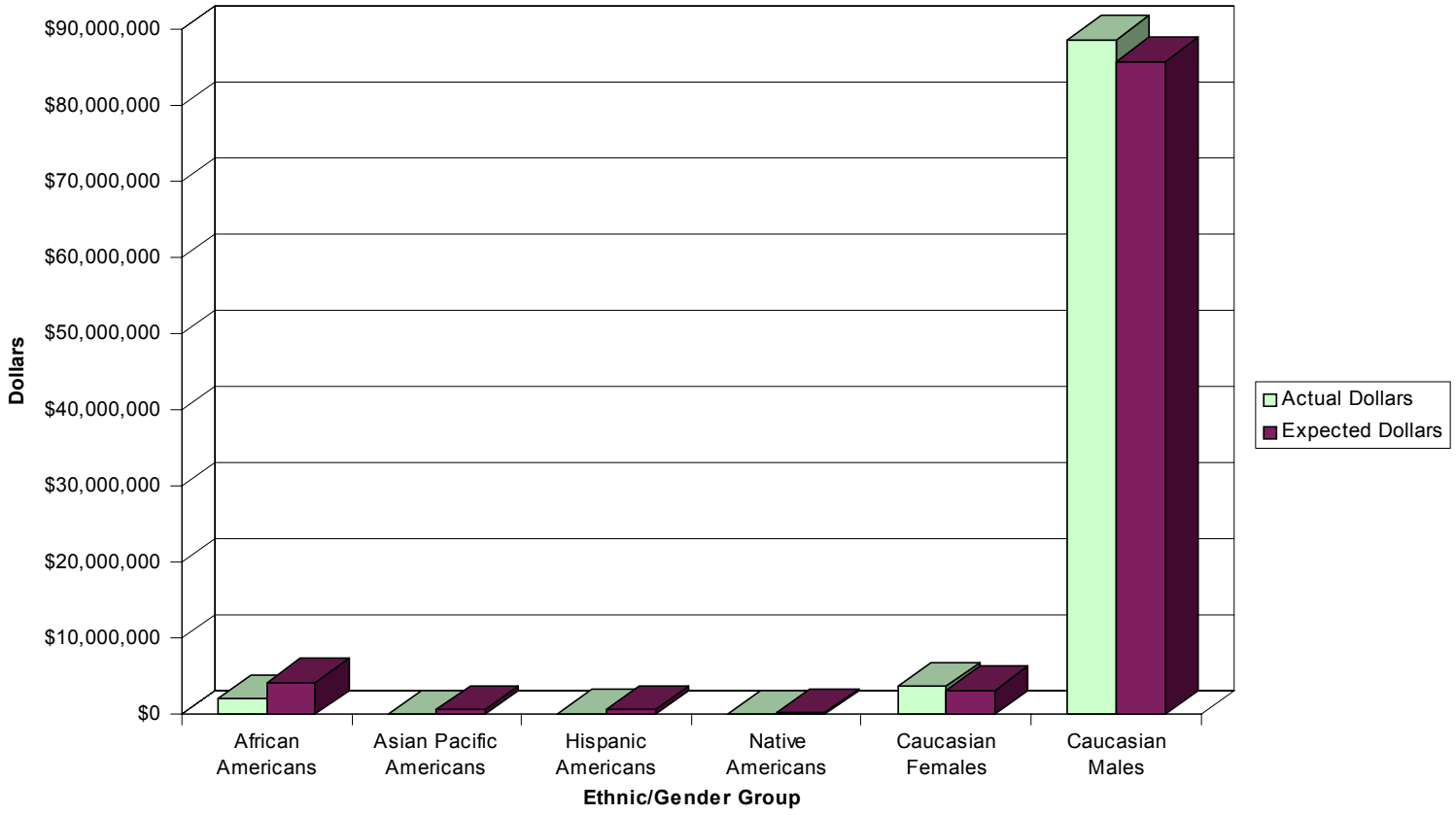
- ***Caucasian Males*:** represent 90.56 percent of the available supplies firms and received 93.75 percent of the supplies prime contract dollars. This is not statistically significant overutilization.

Table 8.29 Indiana's Riverboat Casinos Statistical Analysis of Utilization – Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$2,018,244	2.14%	4.46%	$4,213,577	-$2,195,333	0.48	< .05 *
Asian Pacific Americans	$102,456	0.11%	0.70%	$660,337	-$557,881	0.16	< .05 *
Hispanic Americans	$160,686	0.17%	0.67%	$628,892	-$468,206	0.26	< .05 *
Native Americans	$78,351	0.08%	0.20%	$188,668	-$110,317	0.42	< .05 *
Caucasian Females	$3,542,142	3.75%	3.41%	$3,223,072	$319,071	1.10	not significant
Caucasian Males	$88,541,983	93.75%	90.56%	$85,529,317	$3,012,666	1.04	not significant
TOTAL	$94,443,862	100.00%	100.00%	$94,443,862			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$291,744	0.31%	1.04%	$982,644	-$690,900	0.30	not significant
African American Males	$1,726,500	1.83%	3.42%	$3,230,933	-$1,504,433	0.53	< .05 *
Asian Pacific American Females	$71,244	0.08%	0.12%	$117,917	-$46,673	0.60	< .05 *
Asian Pacific American Males	$31,212	0.03%	0.57%	$542,419	-$511,207	0.06	< .05 *
Hispanic American Females	$40,205	0.04%	0.22%	$204,390	-$164,184	0.20	< .05 *
Hispanic American Males	$120,481	0.13%	0.45%	$424,502	-$304,021	0.28	< .05 *
Native American Females	$47,975	0.05%	0.08%	$78,612	-$30,636	0.61	< .05 *
Native American Males	$30,375	0.03%	0.12%	$110,056	-$79,681	0.28	< .05 *
Caucasian Females	$3,542,142	3.75%	3.41%	$3,223,072	$319,071	1.10	not significant
Caucasian Males	$88,541,983	93.75%	90.56%	$85,529,317	$3,012,666	1.04	not significant
TOTAL	$94,443,862	100.00%	100.00%	$94,443,862			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$451,169	0.48%	1.46%	$1,383,562	-$932,394	0.33	not significant
Minority Males	$1,908,568	2.02%	4.56%	$4,307,910	-$2,399,343	0.44	< .05 *
Caucasian Females	$3,542,142	3.75%	3.41%	$3,223,072	$319,071	1.10	not significant
Caucasian Males	$88,541,983	93.75%	90.56%	$85,529,317	$3,012,666	1.04	not significant
TOTAL	$94,443,862	100.00%	100.00%	$94,443,862			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$2,359,737	2.50%	6.03%	$5,691,473	-$3,331,736	0.41	< .05 *
WBEs	$3,542,142	3.75%	3.41%	$3,223,072	$319,071	1.10	not significant
MBE/WBEs	$5,901,879	6.25%	9.44%	$8,914,545	-$3,012,666	0.66	not significant

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.21 Indiana's Riverboat Casinos Statistical Analysis of Utilization – Supplies Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



G. Summary of Statistical Analysis of Utilization: Indiana's Riverboat Casinos Other Services Prime Contracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of Indiana's Riverboat Casinos other services contract dollars for prime contractors is depicted in Table 8.30 and Chart 8.22. All minorities and Caucasian females received fewer other services contract dollars than expected. Caucasian males received more other services contract dollars than expected, $140,110,845 out of a total of $147,889,231, which represented 94.74 percent of the dollars awarded during the study period.

- ***MBEs*:** represent 13.66 percent of the available other services firms and received 4.43 percent of the other services prime contract dollars. This is statistically significant underutilization.

- ***WBEs*:** represent 7.88 percent of the available other services firms and received 0.83 percent of the other services prime contract dollars. This is statistically significant underutilization.

- ***MBE/WBEs*:** represent 21.54 percent of the available other services firms and received 5.26 percent of the other services prime contract dollars. This is statistically significant underutilization.

- ***African Americans*:** represent 10.72 percent of the available other services firms and received 3.75 percent of the other services prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans*:** represent 1.23 percent of the available other services firms and received 0.42 percent of the other services prime contract dollars. This is underutilization, but is not statistically significant.

- ***Hispanic Americans*:** represent 1.44 percent of the available other services firms and received 0.26 percent of the other services prime contract dollars. This is statistically significant underutilization.

- ***Native Americans*:** represent 0.28 percent of the available other services firms and received none of the informal other services prime contract dollars. This is statistically significant underutilization.

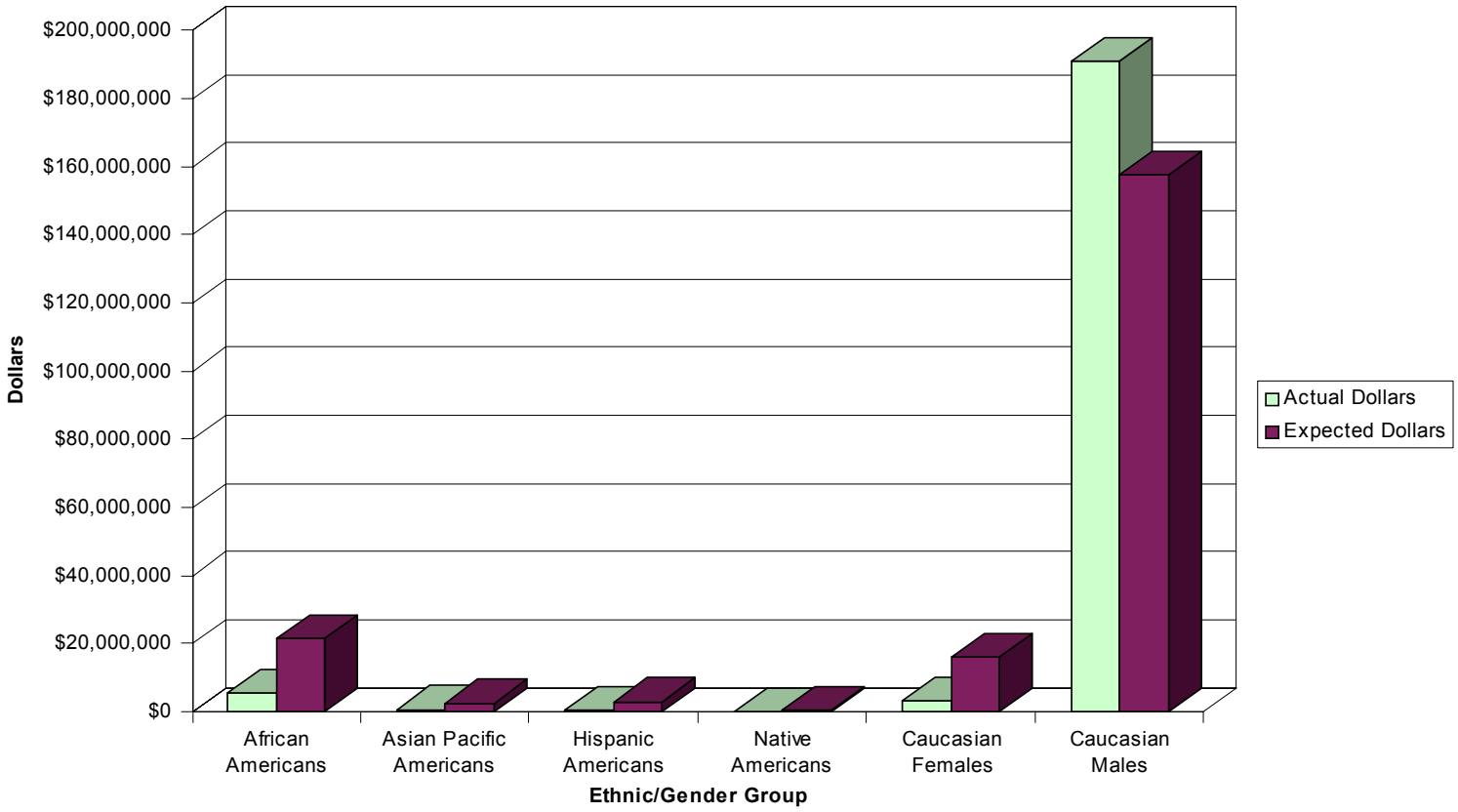
- ***Caucasian Males*:** represent 78.46 percent of the available other services firms and received 94.74 percent of the other services prime contract dollars. This is statistically significant overutilization.

Table 8.30 Indiana's Riverboat Casinos Statistical Analysis of Utilization – Other Services Prime Contracts All Dollars– Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$5,547,901	3.75%	10.72%	$15,850,825	-$10,302,923	0.35	< .05 *
Asian Pacific Americans	$621,970	0.42%	1.23%	$1,813,003	-$1,191,032	0.34	not significant
Hispanic Americans	$387,855	0.26%	1.44%	$2,123,803	-$1,735,948	0.18	< .05 *
Native Americans	$0	0.00%	0.28%	$414,401	-$414,401	0.00	< .05 *
Caucasian Females	$1,220,658	0.83%	7.88%	$11,655,018	-$10,434,360	0.10	< .05 *
Caucasian Males	$140,110,845	94.74%	78.46%	$116,032,181	$24,078,664	1.21	< .05 †
TOTAL	$147,889,231	100.00%	100.00%	$147,889,231			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$159,314	0.11%	2.66%	$3,936,806	-$3,777,492	0.04	< .05 *
African American Males	$5,388,587	3.64%	8.06%	$11,914,019	-$6,525,431	0.45	< .05 *
Asian Pacific American Females	$227,024	0.15%	0.25%	$362,601	-$135,577	0.63	not significant
Asian Pacific American Males	$394,946	0.27%	0.98%	$1,450,402	-$1,055,456	0.27	not significant
Hispanic American Females	$965	0.00%	0.53%	$777,001	-$776,036	0.00	< .05 *
Hispanic American Males	$386,890	0.26%	0.91%	$1,346,802	-$959,912	0.29	< .05 *
Native American Females	$0	0.00%	0.18%	$259,000	-$259,000	0.00	< .05 *
Native American Males	$0	0.00%	0.11%	$155,400	-$155,400	0.00	< .05 *
Caucasian Females	$1,220,658	0.83%	7.88%	$11,655,018	-$10,434,360	0.10	< .05 *
Caucasian Males	$140,110,845	94.74%	78.46%	$116,032,181	$24,078,664	1.21	< .05 †
TOTAL	$147,889,231	100.00%	100.00%	$147,889,231			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$387,303	0.26%	3.61%	$5,335,408	-$4,948,105	0.07	< .05 *
Minority Males	$6,170,424	4.17%	10.05%	$14,866,623	-$8,696,199	0.42	< .05 *
Caucasian Females	$1,220,658	0.83%	7.88%	$11,655,018	-$10,434,360	0.10	< .05 *
Caucasian Males	$140,110,845	94.74%	78.46%	$116,032,181	$24,078,664	1.21	< .05 †
TOTAL	$147,889,231	100.00%	100.00%	$147,889,231			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$6,557,727	4.43%	13.66%	$20,202,031	-$13,644,304	0.32	< .05 *
WBEs	$1,220,658	0.83%	7.88%	$11,655,018	-$10,434,360	0.10	< .05 *
MBE/WBEs	$7,778,386	5.26%	21.54%	$31,857,050	-$24,078,664	0.24	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.22 Indiana's Riverboat Casinos Statistical Analysis of Utilization – Other Services Prime Contracts All Dollars – Fiscal Years July 1, 1995 - June 30, 1997



H. Summary of Statistical Analysis of Utilization: Indiana's Riverboat Casinos Construction Prime Contracts Informal under $25,000 — Fiscal Years July 1, 1995 - June 30, 1997

Informal contracts under $25,000 are considered in this statistical analysis of utilization. The distribution of informal contract dollars for the Indiana's Riverboat Casinos construction contracts is depicted in Table 8.31 and Chart 8.23. All minorities received fewer informal contract dollars than expected.

- ***MBEs*****:** represent 11.47 percent of the available firms and received 8.25 percent of the informal construction prime contracts. This is statistically significant underutilization.

- ***WBEs*****:** represent 5.93 percent of the available firms and received 23.96 percent of the informal construction prime contracts. This is not statistically significant overutilization.

- ***MBE/WBEs*****:** represent 17.40 percent of the available firms and received 32.21 percent of the informal construction prime contracts. This is not statistically significant overutilization.

- ***African Americans*****:** represent 8.39 percent of the available firms and received 7.27 of the informal construction prime contracts. This is not statistically significant underutilization.

- ***Asian Pacific Americans*****:** represent 1.12 percent of the available firms and received 0.98 percent of the informal construction prime contracts. This is not statistically significant underutilization.

- ***Hispanic Americans*****:** represent 1.29 percent of the available firms and received none of the informal construction prime contracts. This is statistically significant underutilization.

- ***Native Americans*****:** represent 0.67 percent of the available firms and received none of the informal construction prime contracts. This is statistically significant underutilization.

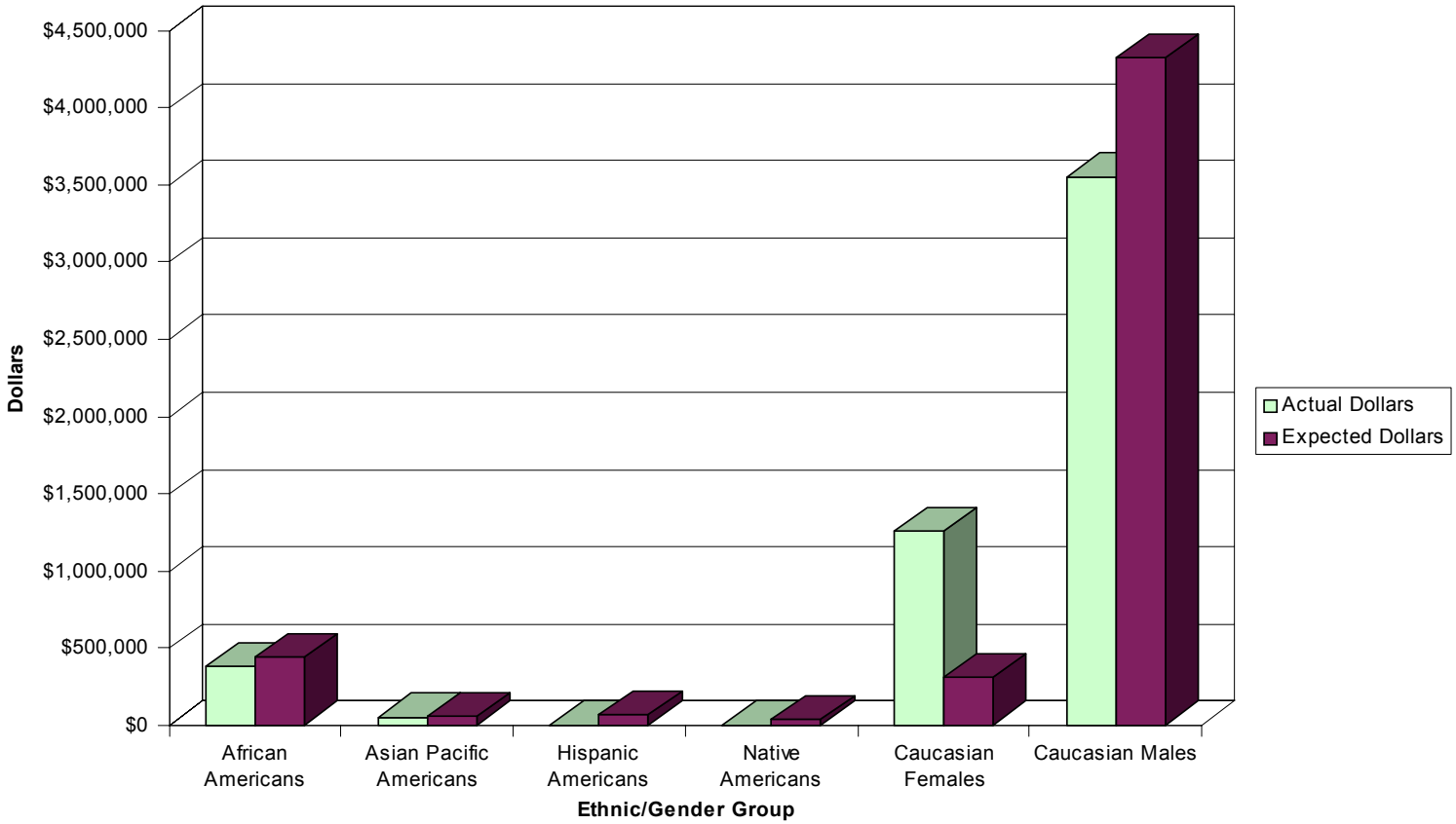
- ***Caucasian Males*****:** represent 82.60 percent of the available firms and received 67.79 percent of the informal construction prime contracts. This is not statistically significant overutilization.

Table 8.31 Indiana's Riverboat Casinos Statistical Analysis of Utilization – Informal Construction Prime Contracts Under $25,000– Fiscal Year July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$380,400	7.27%	8.39%	$439,187	-$58,787	0.87	not significant
Asian Pacific Americans	$51,342	0.98%	1.12%	$58,403	-$7,061	0.88	not significant
Hispanic Americans	$0	0.00%	1.29%	$67,747	-$67,747	0.00	< .05 *
Native Americans	$0	0.00%	0.67%	$35,042	-$35,042	0.00	< .05 *
Caucasian Females	$1,254,585	23.96%	5.93%	$310,702	$943,884	4.04	not significant
Caucasian Males	$3,548,880	67.79%	82.60%	$4,324,127	-$775,247	0.82	not significant
TOTAL	$5,235,207	100.00%	100.00%	$5,235,207			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$5,945	0.11%	0.85%	$44,386	-$38,441	0.13	< .05 *
African American Males	$374,455	7.15%	7.54%	$394,801	-$20,346	0.95	not significant
Asian Pacific American Females	$11,634	0.22%	0.09%	$4,672	$6,962	2.49	not significant
Asian Pacific American Males	$39,708	0.76%	1.03%	$53,730	-$14,023	0.74	not significant
Hispanic American Females	$0	0.00%	0.13%	$7,008	-$7,008	0.00	not significant
Hispanic American Males	$0	0.00%	1.16%	$60,739	-$60,739	0.00	< .05 *
Native American Females	$0	0.00%	0.22%	$11,681	-$11,681	0.00	not significant
Native American Males	$0	0.00%	0.45%	$23,361	-$23,361	0.00	not significant
Caucasian Females	$1,254,585	23.96%	5.93%	$310,702	$943,884	4.04	not significant
Caucasian Males	$3,548,880	67.79%	82.60%	$4,324,127	-$775,247	0.82	not significant
TOTAL	$5,235,207	100.00%	100.00%	$5,235,207			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$17,579	0.34%	1.29%	$67,747	-$50,168	0.26	< .05 *
Minority Males	$414,163	7.91%	10.17%	$532,631	-$118,469	0.78	not significant
Caucasian Females	$1,254,585	23.96%	5.93%	$310,702	$943,884	4.04	not significant
Caucasian Males	$3,548,880	67.79%	82.60%	$4,324,127	-$775,247	0.82	not significant
TOTAL	$5,235,207	100.00%	100.00%	$5,235,207			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$431,742	8.25%	11.47%	$600,378	-$168,637	0.72	< .05 *
WBEs	$1,254,585	23.96%	5.93%	$310,702	$943,884	4.04	not significant
MBE/WBEs	$1,686,327	32.21%	17.40%	$911,080	$775,247	1.85	not significant

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.23 Indiana's Riverboat Casinos Statistical Analysis of Utilization – Informal Construction Prime Contracts – Fiscal Years July 1, 1995 - June 30, 1997



I. Summary of Statistical Analysis of Utilization: Indiana's Riverboat Casinos Informal Professional Services Prime Contracts under $25,000 — Fiscal Years July 1, 1995 - June 30, 1997

Informal contracts under $25,000 are considered in this statistical analysis of utilization. The distribution of Indiana's Riverboat Casinos professional services contract dollars for prime contractors is depicted in Table 8.32 and Chart 8.24. All minorities received fewer contract dollars than expected.

- ***MBEs*:** represent 24.24 percent of the available professional services firms and received 6.58 percent of the informal professional services prime contract dollars. This is statistically significant underutilization.

- ***WBEs*:** represent 10.70 percent of the available professional services firms and received 27.33 percent of the informal professional services prime contract dollars. This is not statistically significant overutilization.

- ***MBE/WBEs*:** represent 34.94 percent of the available professional services firms and received 33.91 percent of the informal professional services prime contract dollars. This is not statistically significant underutilization.

- ***African Americans*:** represent 16.68 percent of the available professional services firms and 5.42 percent of the informal professional services prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans*:** represent 4.12 percent of the available professional services firms and received 1.16 percent of the informal professional services prime contract dollars. This is statistically significant underutilization.

- ***Hispanic Americans*:** represent 2.75 percent of the available professional services firms and received none of the informal professional services prime contract dollars. This is statistically significant underutilization.

- ***Native Americans*:** represent 0.69 percent of the available professional services firms and received none of the informal professional services prime contract dollars. This is statistically significant underutilization.

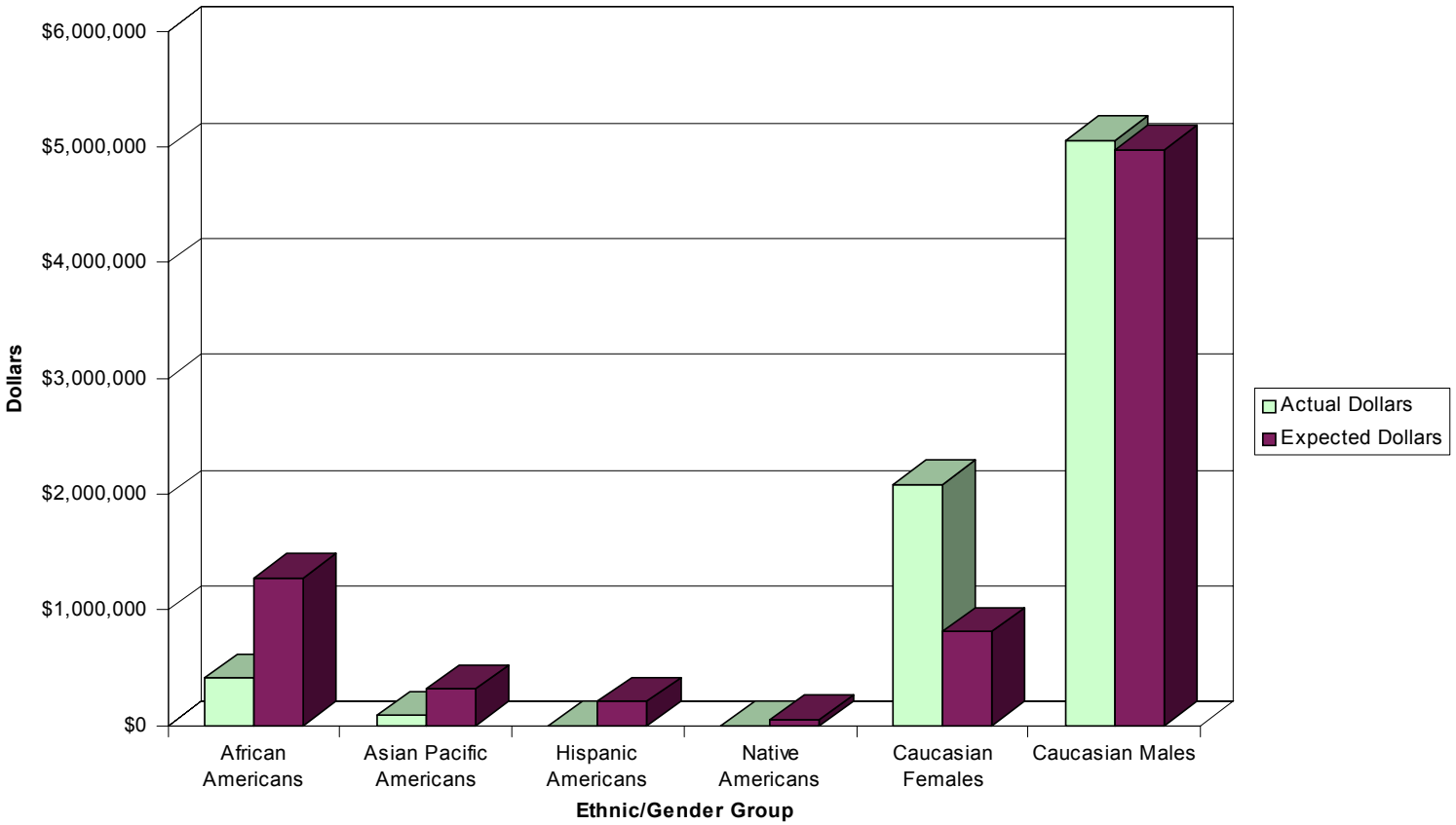
- ***Caucasian Males*:** represent 65.06 percent of the available professional services firms and received 66.09 percent of the informal professional services prime contract dollars. This is not statistically significant overutilization.

Table 8.32 Indiana's Riverboat Casinos Statistical Analysis of Utilization – Professional Services Informal Under $25,000– Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$414,160	5.42%	16.68%	$1,273,961	-$859,801	0.33	< .05 *
Asian Pacific Americans	$88,279	1.16%	4.12%	$314,743	-$226,465	0.28	< .05 *
Hispanic Americans	$0	0.00%	2.75%	$209,829	-$209,829	0.00	< .05 *
Native Americans	$0	0.00%	0.69%	$52,457	-$52,457	0.00	< .05 *
Caucasian Females	$2,087,012	27.33%	10.70%	$816,834	$1,270,178	2.56	not significant
Caucasian Males	$5,046,821	66.09%	65.06%	$4,968,448	$78,374	1.02	not significant
TOTAL	$7,636,272	100.00%	100.00%	$7,636,272			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$27,535	0.36%	5.79%	$442,139	-$414,604	0.06	< .05 *
African American Males	$386,625	5.06%	10.89%	$831,822	-$445,196	0.46	< .05 *
Asian Pacific American Females	$0	0.00%	0.79%	$59,951	-$59,951	0.00	< .05 *
Asian Pacific American Males	$88,279	1.16%	3.34%	$254,792	-$166,514	0.35	< .05 *
Hispanic American Females	$0	0.00%	1.08%	$82,433	-$82,433	0.00	< .05 *
Hispanic American Males	$0	0.00%	1.67%	$127,396	-$127,396	0.00	< .05 *
Native American Females	$0	0.00%	0.10%	$7,494	-$7,494	0.00	not significant
Native American Males	$0	0.00%	0.59%	$44,963	-$44,963	0.00	< .05 *
Caucasian Females	$2,087,012	27.33%	10.70%	$816,834	$1,270,178	2.56	not significant
Caucasian Males	$5,046,821	66.09%	65.06%	$4,968,448	$78,374	1.02	not significant
TOTAL	$7,636,272	100.00%	100.00%	$7,636,272			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$27,535	0.36%	7.75%	$592,017	-$564,482	0.05	< .05 *
Minority Males	$474,904	6.22%	16.49%	$1,258,973	-$784,069	0.38	< .05 *
Caucasian Females	$2,087,012	27.33%	10.70%	$816,834	$1,270,178	2.56	not significant
Caucasian Males	$5,046,821	66.09%	65.06%	$4,968,448	$78,374	1.02	not significant
TOTAL	$7,636,272	100.00%	100.00%	$7,636,272			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$502,439	6.58%	24.24%	$1,850,990	-$1,348,551	0.27	< .05 *
WBEs	$2,087,012	27.33%	10.70%	$816,834	$1,270,178	2.56	not significant
MBE/WBEs	$2,589,451	33.91%	34.94%	$2,667,824	-$78,374	0.97	not significant

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.24 Indiana's Riverboat Casinos Statistical Analysis of Utilization– Professional Services Prime Contracts Informal Under $25,000– Fiscal Years July 1, 1995 - June 30, 1997



J. Summary of Statistical Analysis of Utilization: Indiana's Riverboat Casinos Informal Supplies Prime Contracts Informal under $25,000 — Fiscal Years July 1, 1995 - June 30, 1997

Informal contracts under $25,000 are considered in this statistical analysis of utilization. The distribution of Indiana's Riverboat Casinos supplies contract dollars for prime contracts is depicted in Table 8.33 and Chart 8.25. All minorities received fewer contract dollars than expected. Caucasian males received more contract dollars than expected, $23,046,336, which represented 91.42 percent of the dollars during the study period.

- ***MBEs*:** represent 6.03 percent of the available supplies firms and received 3.30 informal supplies prime contract dollars. This is statistically significant underutilization.

- ***WBEs*:** represent 3.41 percent of the available supplies firms and received 5.29 of the informal supplies prime contract dollars. This is not statistically significant overutilization.

- ***MBE/WBEs*:** represent 9.44 percent of the available supplies firms and received 8.58 of the informal supplies prime contract dollars. This is not statistically significant underutilization.

- ***African Americans*:** represent 4.46 percent of the available supplies firms and received 2.55 of the informal supplies prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans*:** represent 0.70 percent of the available supplies firms and received 0.12 of the informal supplies prime contract dollars. This is statistically significant underutilization.

- ***Hispanic Americans*:** represent 0.67 percent of the available supplies firms and received 0.46 of the informal supplies prime contract dollars. This is statistically significant underutilization.

- ***Native Americans*:** represent 0.20 percent of the available supplies prime contracts firms and received 0.16 of the informal supplies prime contract dollars. This is not statistically significant underutilization.

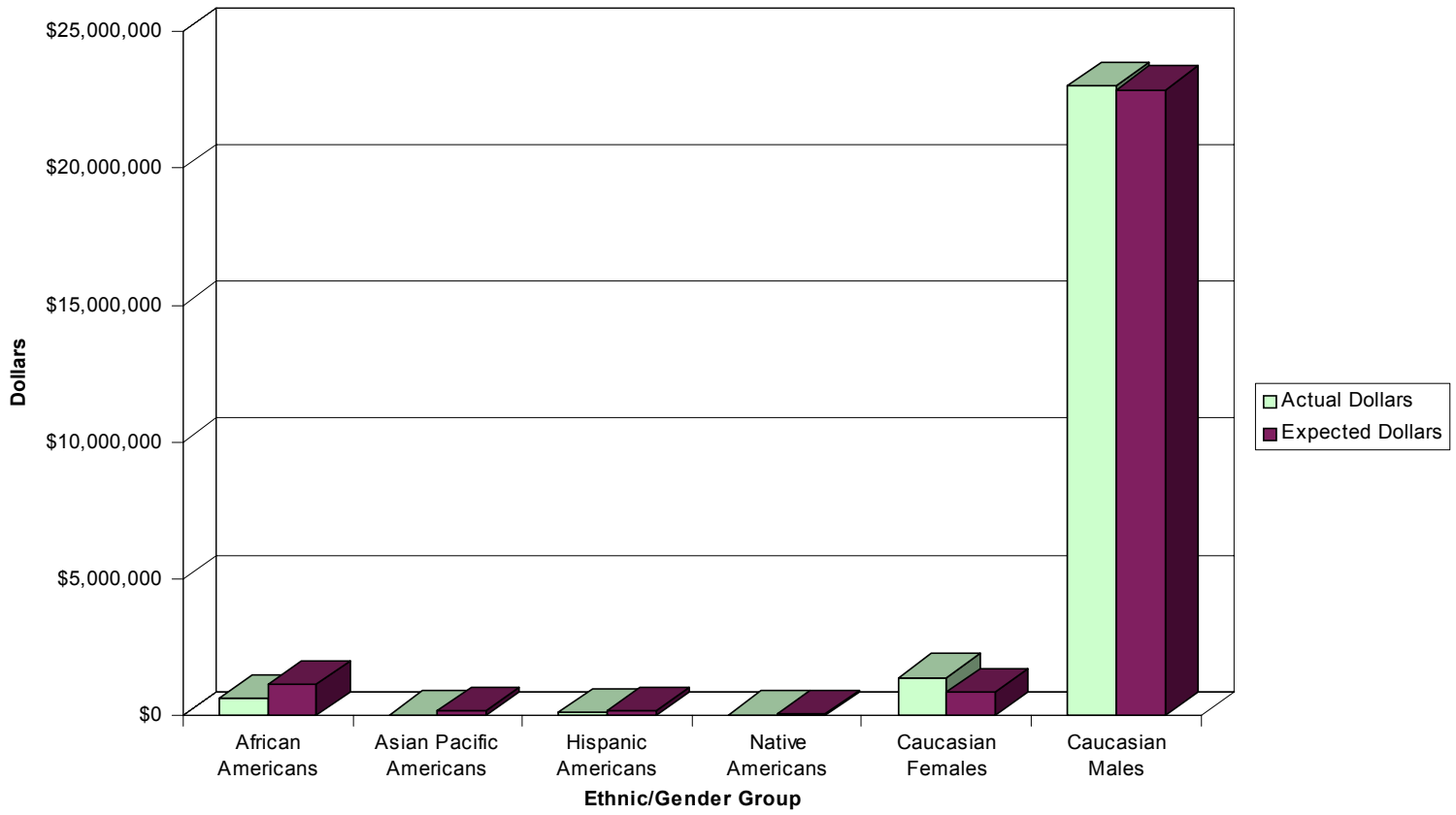
- ***Caucasian Males*:** represent 90.56 percent of the available supplies firms and received 91.42 percent of the informal supplies prime contract dollars. This is not statistically significant overutilization.

Table 8.33 Indiana's Riverboat Casinos Statistical Analysis of Utilization – Supplies Prime Contracts Informal Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$643,598	2.55%	4.46%	$1,124,753	-$481,155	0.57	< .05 *
Asian Pacific Americans	$31,212	0.12%	0.70%	$176,267	-$145,055	0.18	< .05 *
Hispanic Americans	$116,140	0.46%	0.67%	$167,874	-$51,734	0.69	< .05 *
Native Americans	$40,432	0.16%	0.20%	$50,362	-$9,931	0.80	not significant
Caucasian Females	$1,332,706	5.29%	3.41%	$860,352	$472,354	1.55	not significant
Caucasian Males	$23,046,336	91.42%	90.56%	$22,830,815	$215,521	1.01	< .05 †
TOTAL	$25,210,424	100.00%	100.00%	$25,210,424			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$291,744	1.16%	1.04%	$262,303	$29,441	1.11	not significant
African American Males	$351,854	1.40%	3.42%	$862,451	-$510,597	0.41	< .05 *
Asian Pacific American Females	$0	0.00%	0.12%	$31,476	-$31,476	0.00	< .05 *
Asian Pacific American Males	$31,212	0.12%	0.57%	$144,791	-$113,579	0.22	< .05 *
Hispanic American Females	$40,205	0.16%	0.22%	$54,559	-$14,354	0.74	< .05 *
Hispanic American Males	$75,935	0.30%	0.45%	$113,315	-$37,380	0.67	< .05 *
Native American Females	$10,056	0.04%	0.08%	$20,984	-$10,928	0.48	< .05 *
Native American Males	$30,375	0.12%	0.12%	$29,378	$997	1.03	not significant
Caucasian Females	$1,332,706	5.29%	3.41%	$860,352	$472,354	1.55	not significant
Caucasian Males	$23,046,336	91.42%	90.56%	$22,830,815	$215,521	1.01	< .05 †
TOTAL	$25,210,424	100.00%	100.00%	$25,210,424			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$342,006	1.36%	1.46%	$369,322	-$27,316	0.93	not significant
Minority Males	$489,376	1.94%	4.56%	$1,149,934	-$660,558	0.43	< .05 *
Caucasian Females	$1,332,706	5.29%	3.41%	$860,352	$472,354	1.55	not significant
Caucasian Males	$23,046,336	91.42%	90.56%	$22,830,815	$215,521	1.01	< .05 †
TOTAL	$25,210,424	100.00%	100.00%	$25,210,424			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$831,382	3.30%	6.03%	$1,519,256	-$687,875	0.55	< .05 *
WBEs	$1,332,706	5.29%	3.41%	$860,352	$472,354	1.55	not significant
MBE/WBEs	$2,164,088	8.58%	9.44%	$2,379,609	-$215,521	0.91	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.25 Indiana's Riverboat Casinos Statistical Analysis of Utilization – Supplies Prime Contracts Informal Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997



K. Summary of Statistical Analysis of Utilization: Indiana's Riverboat Casinos Informal Other Services Prime Contracts under $25,000 — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of Indiana's Riverboat Casinos informal other services under $25,000 contract dollars for prime contractors is depicted in Table 8.34 and Chart 8.26. All minorities and women, except Asian Pacific Americans, received fewer informal other services contract dollars than expected. Caucasian males received more informal other services contract dollars than expected, $19,643,391 out of a total of $22,510,482, which represented 87.26 percent of the dollars awarded during the study period.

- ***MBEs*:** represent 13.66 percent of the available other services firms and received 8.72 percent of the informal other services prime contract dollars. This is statistically significant underutilization.

- ***WBEs*:** represent 7.88 percent of the available other services firms and received 4.02 percent of the informal other services contract dollars. This is statistically significant underutilization.

- ***MBE/WBEs*:** represent 21.54 percent of the available other services firms and received 12.74 percent of the informal other services prime contract dollars. This is statistically significant underutilization.

- ***African Americans*:** represent 10.72 percent of the available other services firms and received 5.58 percent of the informal other services prime contract dollars. This is statistically significant underutilization.

- ***Asian Pacific Americans*:** represent 1.23 percent of the available other services firms and received 2.62 percent of the informal other services prime contract dollars. This is not statistically significant overutilization.

- ***Hispanic Americans*:** represent 1.44 percent of the available other services firms and received 0.52 percent of the informal other services prime contract dollars. This is statistically significant underutilization.

- ***Native Americans:*** represent 0.28 percent of the available other services firms and received none of the informal other services prime contract dollars. This is statistically significant underutilization.

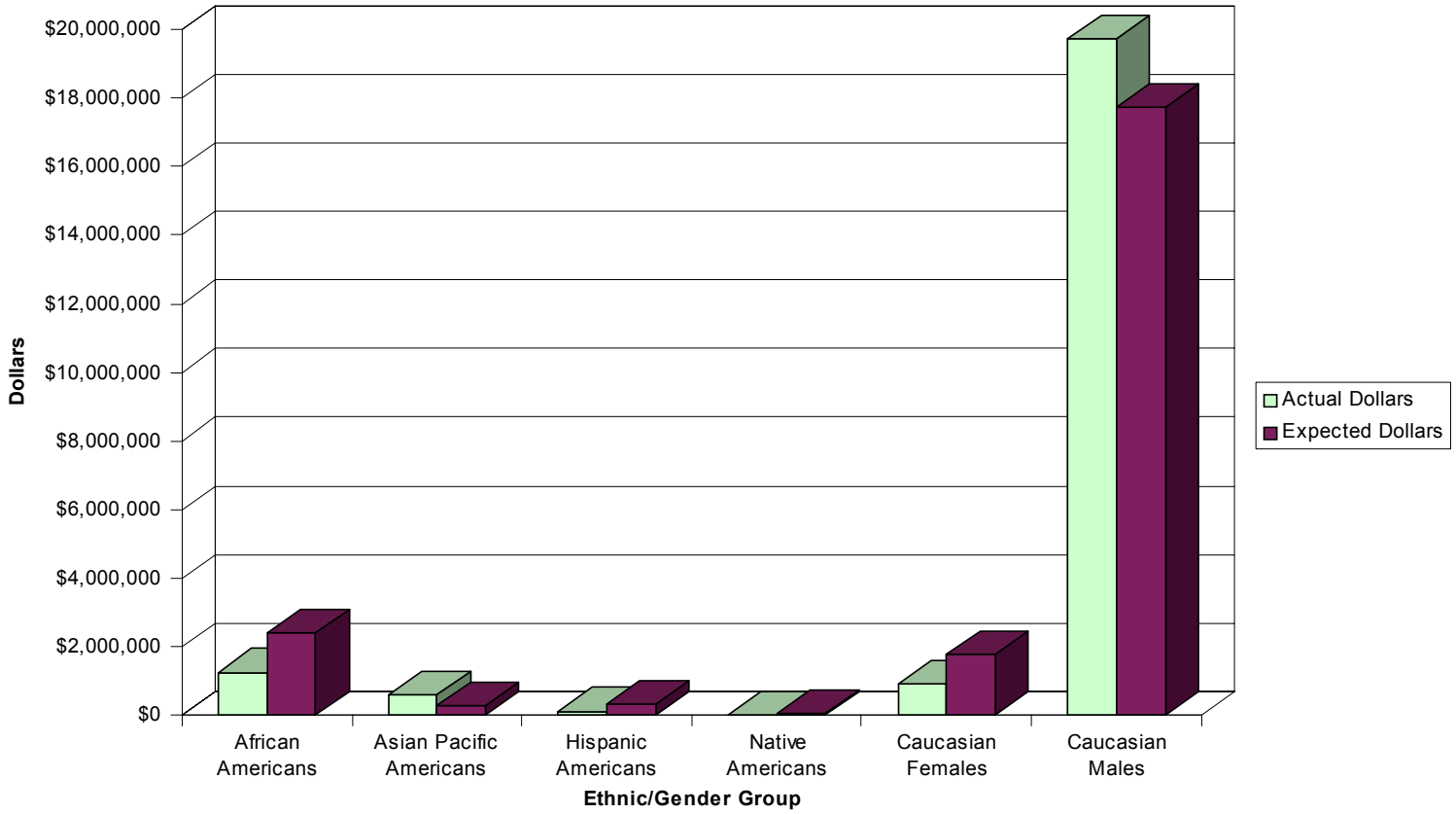
- ***Caucasian Males*:** represent 78.46 percent of the available other services firms and received 87.26 percent of the informal other services prime contract dollars. This is statistically significant overutilization.

Table 8.34 Indiana's Riverboat Casinos Statistically Analysis of Utilization – Other Services Prime Contracts Informal Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$1,255,375	5.58%	10.72%	$2,412,682	-$1,157,307	0.52	< .05 *
Asian Pacific Americans	$588,770	2.62%	1.23%	$275,960	$312,810	2.13	not significant
Hispanic Americans	$118,001	0.52%	1.44%	$323,268	-$205,267	0.37	< .05 *
Native Americans	$0	0.00%	0.28%	$63,077	-$63,077	0.00	< .05 *
Caucasian Females	$904,945	4.02%	7.88%	$1,774,031	-$869,086	0.51	< .05 *
Caucasian Males	$19,643,391	87.26%	78.46%	$17,661,464	$1,981,927	1.11	< .05 †
TOTAL	$22,510,482	100.00%	100.00%	$22,510,482			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$131,532	0.58%	2.66%	$599,228	-$467,696	0.22	< .05 *
African American Males	$1,123,843	4.99%	8.06%	$1,813,454	-$689,610	0.62	< .05 *
Asian Pacific American Females	$227,024	1.01%	0.25%	$55,192	$171,832	4.11	not significant
Asian Pacific American Males	$361,746	1.61%	0.98%	$220,768	$140,978	1.64	not significant
Hispanic American Females	$965	0.00%	0.53%	$118,269	-$117,304	0.01	< .05 *
Hispanic American Males	$117,036	0.52%	0.91%	$204,999	-$87,964	0.57	< .05 *
Native American Females	$0	0.00%	0.18%	$39,423	-$39,423	0.00	< .05 *
Native American Males	$0	0.00%	0.11%	$23,654	-$23,654	0.00	< .05 *
Caucasian Females	$904,945	4.02%	7.88%	$1,774,031	-$869,086	0.51	< .05 *
Caucasian Males	$19,643,391	87.26%	78.46%	$17,661,464	$1,981,927	1.11	< .05 †
TOTAL	$22,510,482	100.00%	100.00%	$22,510,482			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$359,521	1.60%	3.61%	$812,112	-$452,591	0.44	< .05 *
Minority Males	$1,602,625	7.12%	10.05%	$2,262,875	-$660,250	0.71	< .05 *
Caucasian Females	$904,945	4.02%	7.88%	$1,774,031	-$869,086	0.51	< .05 *
Caucasian Males	$19,643,391	87.26%	78.46%	$17,661,464	$1,981,927	1.11	< .05 †
TOTAL	$22,510,482	100.00%	100.00%	$22,510,482			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$1,962,146	8.72%	13.66%	$3,074,987	-$1,112,841	0.64	< .05 *
WBEs	$904,945	4.02%	7.88%	$1,774,031	-$869,086	0.51	< .05 *
MBE/WBEs	$2,867,091	12.74%	21.54%	$4,849,018	-$1,981,927	0.59	< .05 *

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 8.26 Indiana's Riverboat Casinos Statistically Analysis of Utilization – Other Services Prime Contracts Informal Under $25,000 – Fiscal Years July 1, 1995 - June 30, 1997



L. Summary of Indiana's Riverboat Casinos Contract Utilization Findings

The underutilization of minorities and Caucasian females on Riverboat Casinos formal contracts is summarized in Table 8.37 and in Table 8.38 for informal contracts. African Americans and Native Americans were underutilized in all types of work.

Table 8.37 Summary of MBE/WBE Underutilization Prime Contract Dollars

Ethnicity	Type of Work			
	Construction	Professional Services	Supplies	Other Services
African Americans	Yes*	Yes*	Yes*	Yes*
Asian Pacific Americans	Yes*	Yes*	Yes*	Yes
Hispanic Americans	Yes	No	Yes*	Yes*
Native Americans	Yes*	Yes*	Yes*	Yes*
Caucasian Females	Yes	Yes	No	Yes*

Yes = underutilized
No = not underutilized
* = statistically significant underutilization

Table 8.38 Summary of MBE/WBE Underutilization
Informal Prime Contract Dollars

Ethnicity	Type of Work			
	Construction	Professional Services	Supplies	Other Services
African Americans	Yes	Yes*	Yes*	Yes*
Asian Pacific Americans	Yes	Yes*	Yes*	No
Hispanic Americans	Yes*	Yes*	Yes*	Yes*
Native Americans	Yes*	Yes*	Yes	Yes*
Caucasian Females	No	No	No	Yes*

Yes = underutilized
No = not underutilized
* = statistically significant underutilization

9

STATISTICAL ANALYSIS OF SUBCONTRACTOR UTILIZATION

The subcontractor statistical analysis of utilization compared the number of contracts and the amount of the contract dollars awarded to MBE/WBE/DBEs and non-MBE/WBE/DBEs with their availability in the market area. The procedures for this analysis are detailed in the Prime Contractor Statistical Analysis of Utilization Chapter. The following tables include an analysis of subcontractor contracts for fiscal years 1995 through 1997.

Only two agencies submitted subcontracing records in sufficient numbers to conduct a disparity analysis: the Indiana Department of Administration (IDOA) Public Works records and the Indiana Department of Transportation (InDOT).

I. STATE AGENCIES

A. Summary of Statistical Analysis of Utilization: Indiana Public Works Construction Subcontracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of IDOA Public Works construction subcontract dollars is depicted in Table 9.01 and Chart 9.01. As indicated, with the exception of African Americans and Native Americans, MBE/WBEs received fewer construction subcontracts than expected. Caucasian males also received more construction contract dollars than expected, $6,020,382, which represented 85.95 percent of the $7,004,548 subcontract dollars awarded during the study period.

- ***MBEs:*** represent 11.47 percent of the available construction firms and received 13.56 percent of the construction subcontracts during the study period. This is not statistically significant overutilization.

- ***WBEs*:** represent 5.93 percent of the available construction firms and received 0.49 percent of the construction subcontract dollars. This is statistically significant underutilization.

- ***MBE/WBEs*:** represent 17.4 percent of the construction firms and received 14.05 percent of the construction subcontract dollars. This is not statistically significant underutilization.

- ***African Americans*:** represent 8.39 percent of the construction firms and received 11.41 percent of the construction subcontracts during the study period. This is not statistically significant overutilization.

- ***Asian Pacific Americans:*** represent 1.12 percent of the construction firms and received 0.30 percent of the construction subcontract dollars. This is not statistically significant underutilization.

- ***Hispanic Americans:*** represent 1.29 percent of the construction subcontracts and received 0.20 percent of the construction subcontract dollars. This is not statistically significant underutilization.

- ***Native Americans:*** represent 0.67 percent of the construction subcontracts and received 1.64 percent of the construction subcontract dollars. This is not statistically significant overutilization.

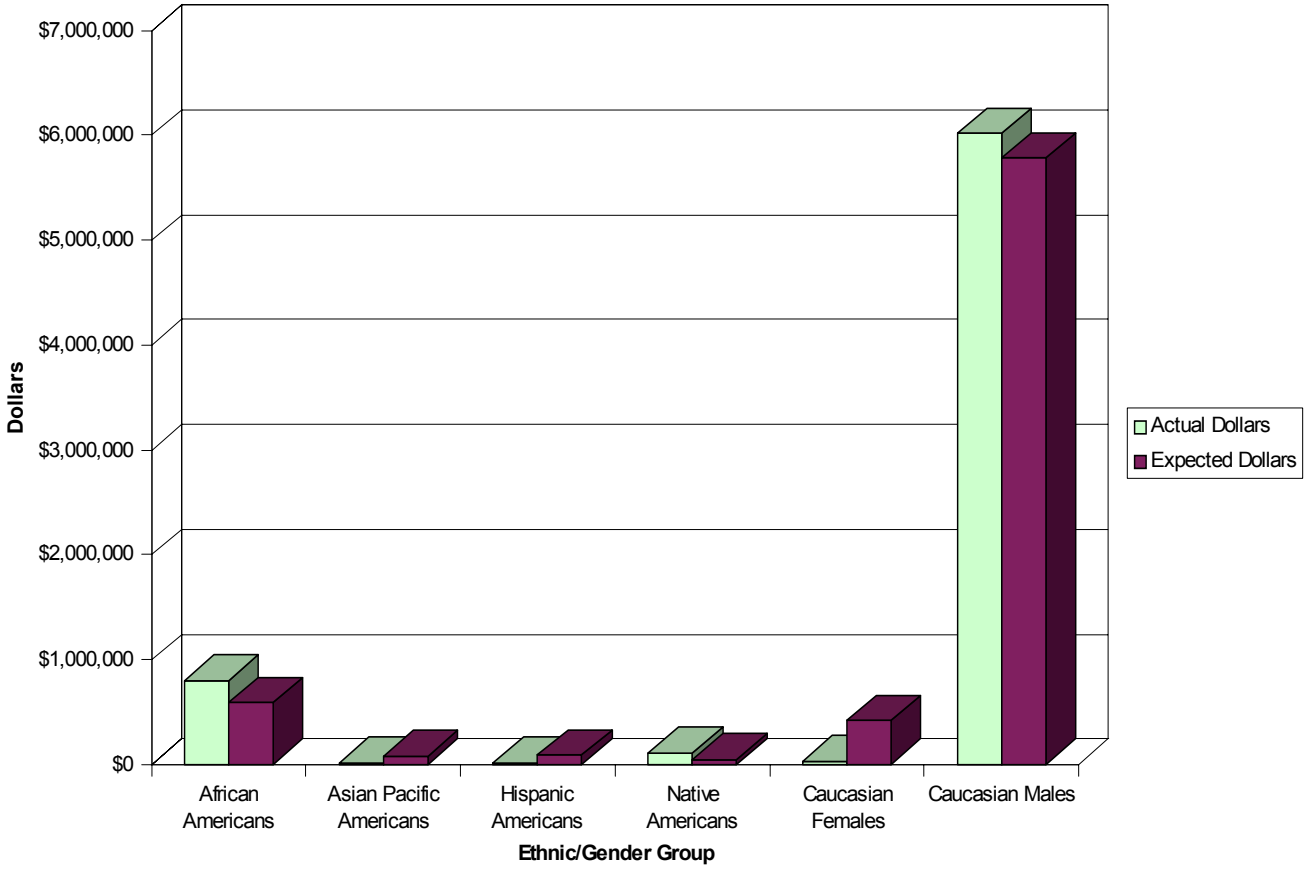
- ***Caucasian Males:*** represent 82.6 percent of the construction subcontracts and received 85.95 of the construction subcontract dollars. This is not statistically significant overutilization.

Table 9.01 Public Works Statistical Analysis of Utilization – Construction Subcontracts – Fiscal Years July 1, 1995 – June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$799,412	11.41%	8.39%	$587,619	$211,793	1.36	not significant
Asian Pacific Americans	$21,000	0.30%	1.12%	$78,141	-$57,141	0.27	not significant
Hispanic Americans	$14,200	0.20%	1.29%	$90,643	-$76,443	0.16	not significant
Native Americans	$115,000	1.64%	0.67%	$46,885	$68,115	2.45	not significant
Caucasian Females	$34,554	0.49%	5.93%	$415,709	-$381,155	0.08	< .05 *
Caucasian Males	$6,020,382	85.95%	82.60%	$5,785,550	$234,832	1.04	not significant
TOTAL	$7,004,548	100.00%	100.00%	$7,004,548			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$12,000	0.17%	0.85%	$59,387	-$47,387	0.20	not significant
African American Males	$787,412	11.24%	7.54%	$528,232	$259,180	1.49	not significant
Asian Pacific American Females	$0	0.00%	0.09%	$6,251	-$6,251	0.00	not significant
Asian Pacific American Males	$21,000	0.30%	1.03%	$71,890	-$50,890	0.29	not significant
Hispanic American Females	$0	0.00%	0.13%	$9,377	-$9,377	0.00	not significant
Hispanic American Males	$14,200	0.20%	1.16%	$81,267	-$67,067	0.17	not significant
Native American Females	$0	0.00%	0.22%	$15,628	-$15,628	0.00	not significant
Native American Males	$115,000	1.64%	0.45%	$31,256	$83,744	3.68	not significant
Caucasian Females	$34,554	0.49%	5.93%	$415,709	-$381,155	0.08	< .05 *
Caucasian Males	$6,020,382	85.95%	82.60%	$5,785,550	$234,832	1.04	not significant
TOTAL	$7,004,548	100.00%	100.00%	$7,004,548			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$12,000	0.17%	1.29%	$90,643	-$78,643	0.13	not significant
Minority Males	$937,612	13.39%	10.17%	$712,645	$224,967	1.32	not significant
Caucasian Females	$34,554	0.49%	5.93%	$415,709	-$381,155	0.08	< .05 *
Caucasian Males	$6,020,382	85.95%	82.60%	$5,785,550	$234,832	1.04	not significant
TOTAL	$7,004,548	100.00%	100.00%	$7,004,548			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
MBEs	$949,612	13.56%	11.47%	$803,288	$146,324	1.18	not significant
WBEs	$34,554	0.49%	5.93%	$415,709	-$381,155	0.08	< .05 *
MBE/WBEs	$984,166	14.05%	17.40%	$1,218,998	-$234,832	0.81	not significant

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 9.01 Indiana Department of Administration Statistical Analysis of Utilization – Construction Subcontracts – Fiscal Years July 1, 1995 - June 30, 1997



B. Summary of Statistical Analysis of Utilization: Indiana Department of Transportation Construction Subcontracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of InDOT construction dollars for subcontracts is depicted in Table 9.02 and Chart 9.02. African Americans and Asian Pacific Americans received fewer construction subcontracts than expected, as did Caucasian males, but not at a significant level.

- ***DBEs:*** represent 17.4 percent of the available construction firms and received 27.74 percent of the construction subcontracts. This is not statistically significant overutilization.

- ***African Americans*:** represent 8.39 percent of the available construction firms and received 1.62 percent of the construction subcontracts. This is statistically significant underutilization.

- ***Asian Pacific Americans:*** represent 1.12 percent of the construction firms and received 0.26 percent of the construction subcontract dollars. This is statistically significant underutilization.

- ***Hispanic Americans:*** represent 1.29 percent of the construction firms and received 3.04 percent of the construction subcontract dollars. This is not statistically significant overutilization.
- ***Native Americans:*** represent 0.67 percent of the construction firms and received 10.52 percent of the construction subcontract dollars. This is not statistically significant overutilization.
- ***Caucasian Females:*** represent 5.93 percent of the construction firms and received 12.31 percent of the construction subcontract dollars. This is not statistically significant overutilization.

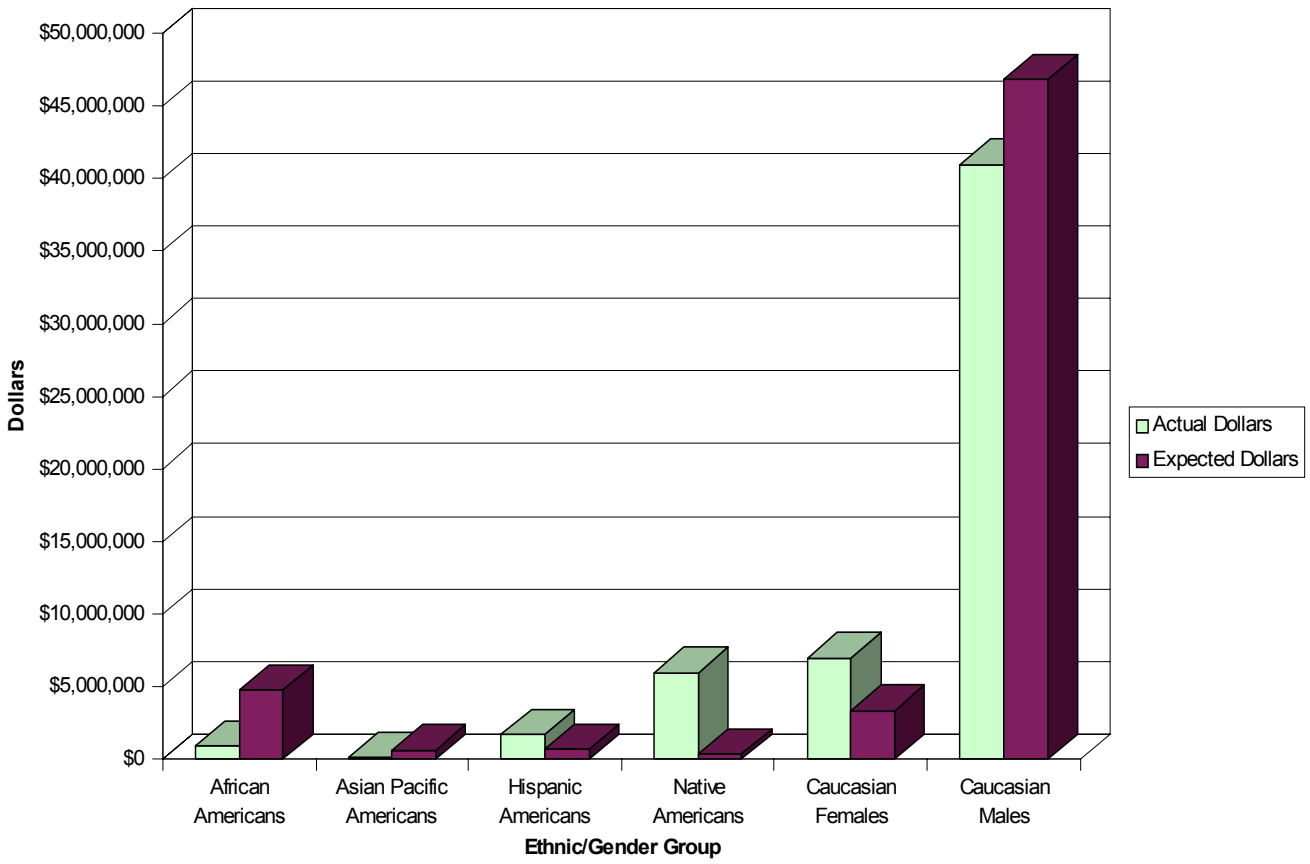
- ***Caucasian Males:*** represent 82.6 percent of the construction firms and received 72.26 percent of the construction subcontract dollars. This is not statistically significant underutilization.

Table 9.02 Indiana Department of Transportation Statistical Analysis of Utilization – Construction Subcontracts – Fiscal Years July 1, 1995 - June 30, 1997

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8
Ethnicity	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African Americans	$916,475	1.62%	8.39%	$4,756,890	-$3,840,415	0.19	< .05 *
Asian Pacific Americans	$149,765	0.26%	1.12%	$632,565	-$482,800	0.24	< .05 *
Hispanic Americans	$1,722,298	3.04%	1.29%	$733,776	$988,522	2.35	not significant
Native Americans	$5,963,582	10.52%	0.67%	$379,539	$5,584,043	15.71	not significant
Caucasian Females	$6,979,513	12.31%	5.93%	$3,365,246	$3,614,267	2.07	not significant
Caucasian Males	$40,971,503	72.26%	82.60%	$46,835,120	-$5,863,617	0.87	not significant
TOTAL	$56,703,136	100.00%	100.00%	$56,703,136			
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
African American Females	$0	0.00%	0.85%	$480,749	-$480,749	0.00	< .05 *
African American Males	$916,475	1.62%	7.54%	$4,276,140	-$3,359,665	0.21	< .05 *
Asian Pacific American Females	$0	0.00%	0.09%	$50,605	-$50,605	0.00	not significant
Asian Pacific American Males	$149,765	0.26%	1.03%	$581,960	-$432,195	0.26	not significant
Hispanic American Females	$0	0.00%	0.13%	$75,908	-$75,908	0.00	not significant
Hispanic American Males	$1,722,298	3.04%	1.16%	$657,868	$1,064,430	2.62	not significant
Native American Females	$0	0.00%	0.22%	$126,513	-$126,513	0.00	< .05 *
Native American Males	$5,963,582	10.52%	0.45%	$253,026	$5,710,556	23.57	not significant
Caucasian Females	$6,979,513	12.31%	5.93%	$3,365,246	$3,614,267	2.07	not significant
Caucasian Males	$40,971,503	72.26%	82.60%	$46,835,120	-$5,863,617	0.87	not significant
TOTAL	$56,703,136	100.00%	100.00%	$56,703,136			
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
Minority Females	$0	0.00%	1.29%	$733,776	-$733,776	0.00	< .05 *
Minority Males	$8,752,119	15.43%	10.17%	$5,768,994	$2,983,126	1.52	not significant
Caucasian Females	$6,979,513	12.31%	5.93%	$3,365,246	$3,614,267	2.07	not significant
Caucasian Males	$40,971,503	72.26%	82.60%	$46,835,120	-$5,863,617	0.87	not significant
TOTAL	$56,703,136	100.00%	100.00%	$56,703,136			
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**	**P-Value**
DBEs	$15,731,633	27.74%	17.40%	$9,868,016	$5,863,617	1.59	not significant

An (*) denotes a statistically significant underutilization and a (†) denotes a statistically significant overutilzation.

Chart 9.02 Indiana Department of Transportation Statistical Analysis of Utilization – Construction Subcontracts – Fiscal Years July 1, 1995 - June 30, 1997



C. Summary of Subcontract Underutilization Findings

The underutilization of minorities and Caucasian females on subcontracts is summarized in Table 9.03. African Americans, Asian Pacific Americans, Hispanic Americans, and Caucasian females were underutilized by one or the other agency.

Table 9.03 Summary of MBE/WBE/DBE Underutilization Subcontract Dollars

Ethnicity	Construction	
	IDOA	InDOT
African Americans	No	Yes*
Asian Pacific Americans	Yes	Yes*
Hispanic Americans	Yes	No
Native Americans	No	No
Caucasian Females	Yes*	No

Yes = underutilized
No = not underutilized
* = statistically significant underutilization.

II. Indiana's Riverboat Casinos

Only the Indiana's Riverboat Casinos submitted subcontracing records in sufficient numbers to conduct a statistical analysis of utilization.

A. Summary of Statistical Analysis of Utilization: Indiana's Riverboat Casinos Construction Subcontracts — Fiscal Years July 1, 1995 - June 30, 1997

The distribution of Riverboat Casinos construction subcontract dollars is depicted in Table 9.04 and Chart 9.03. As indicated, with the exception of African Americans and Asian Pacific Americans, MBEs received fewer construction subcontracts than expected. Caucasian males received fewer construction contract dollars than expected, $1,025,722, which represented 19.53 percent of the subcontract dollars awarded during the study period.[1]

- ***MBEs:*** represent 11.47 percent of the available construction firms and received 63.73 percent of the construction subcontracts dollars during the study period. This is overutilization.

- ***WBEs*****:** represent 5.93 percent of the available construction firms and received 16.74 percent of the construction subcontract dollars. This is overutilization.

- ***MBE/WBEs*****:** represent 17.4 percent of the construction firms and received 80.47 percent of the construction subcontract dollars. This is overutilization.

- ***African Americans*****:** represent 8.39 percent of the construction firms and received 62.06 percent of the construction subcontracts during the study period. This is overutilization.

- ***Asian Pacific Americans:*** represent 1.12 percent of the construction firms and received 1.67 percent of the construction subcontract dollars. This is overutilization.

- ***Hispanic Americans:*** represent 1.29 percent of the construction firms and received none of the construction subcontract dollars. This is underutilization.

- ***Native Americans:*** represent 0.67 percent of the construction firms and received none of the construction subcontract dollars. This is underutilization.

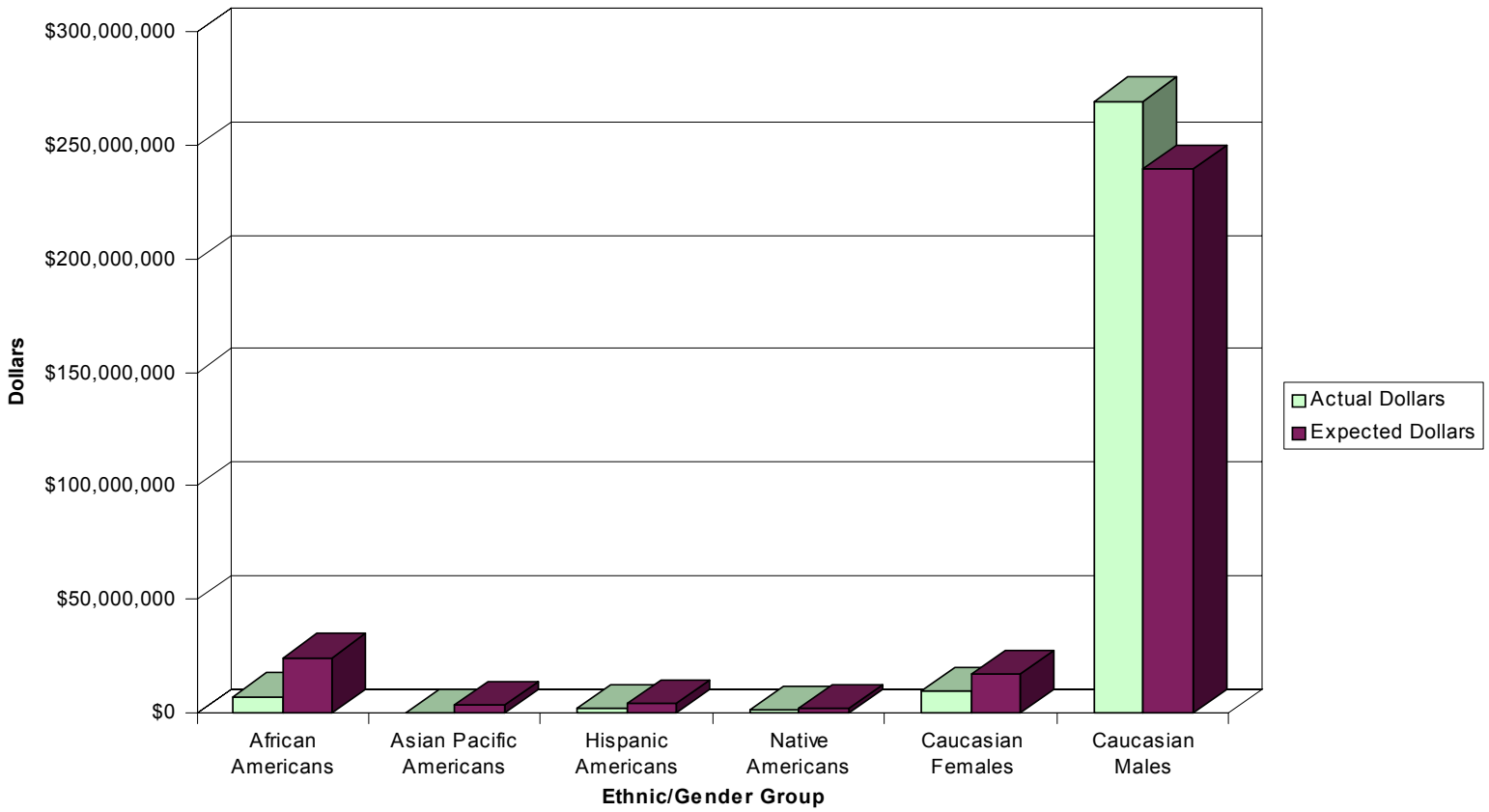
- ***Caucasian Males:*** represent 82.6 percent of the construction firms and received 19.53 of the construction subcontract dollars. This is underutilization.

[1]Because of the small number of contracts, significant value could not be calculated.

Table 9.04 Indiana's Riverboat Casinos Statistical Analysis of Utilization – Construction Subcontracts – Fiscal Years July 1, 1995 - June 30, 1997

Ethnicity	Actual Dollars	Utilization	Availability	Expected Dollars	Dollars Lost	Disp. Ratio
African Americans	$3,259,638	62.06%	8.39%	$440,639	$2,818,998	7.40
Asian Pacific Americans	$87,750	1.67%	1.12%	$58,596	$29,154	1.50
Hispanic Americans	$0	0.00%	1.29%	$67,971	-$67,971	0.00
Native Americans	$0	0.00%	0.67%	$35,157	-$35,157	0.00
Caucasian Females	$879,404	16.74%	5.93%	$311,729	$567,675	2.82
Caucasian Males	$1,025,722	19.53%	82.60%	$4,338,421	-$3,312,700	0.24
TOTAL	$5,252,513	100.00%	100.00%	$5,252,513		
Ethnicity and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
African American Females	$1,374,502	26.17%	0.85%	$44,533	$1,329,969	30.87
African American Males	$1,885,136	35.89%	7.54%	$396,107	$1,489,029	4.76
Asian Pacific American Females	$0	0.00%	0.09%	$4,688	-$4,688	0.00
Asian Pacific American Males	$87,750	1.67%	1.03%	$53,908	$33,842	1.63
Hispanic American Females	$0	0.00%	0.13%	$7,031	-$7,031	0.00
Hispanic American Males	$0	0.00%	1.16%	$60,939	-$60,939	0.00
Native American Females	$0	0.00%	0.22%	$11,719	-$11,719	0.00
Native American Males	$0	0.00%	0.45%	$23,438	-$23,438	0.00
Caucasian Females	$879,404	16.74%	5.93%	$311,729	$567,675	2.82
Caucasian Males	$1,025,722	19.53%	82.60%	$4,338,421	-$3,312,700	0.24
TOTAL	$5,252,513	100.00%	100.00%	$5,252,513		
Minority and Gender	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
Minority Females	$1,374,502	26.17%	1.29%	$67,971	$1,306,531	20.22
Minority Males	$1,972,886	37.56%	10.17%	$534,392	$1,438,493	3.69
Caucasian Females	$879,404	16.74%	5.93%	$311,729	$567,675	2.82
Caucasian Males	$1,025,722	19.53%	82.60%	$4,338,421	-$3,312,700	0.24
TOTAL	$5,252,513	100.00%	100.00%	$5,252,513		
Minority and Women	**Actual Dollars**	**Utilization**	**Availability**	**Expected Dollars**	**Dollars Lost**	**Disp. Ratio**
MBEs	$3,347,388	63.73%	11.47%	$602,363	$2,745,024	5.56
WBEs	$879,404	16.74%	5.93%	$311,729	$567,675	2.82
MBE/WBEs	$4,226,792	80.47%	17.40%	$914,092	$3,312,700	4.62

Chart 9.03 Indiana's Riverboat Casinos Statistical Analysis of Utilization – Construction Subcontracts – Fiscal Years July 1, 1995 - June 30, 1997



B. Summary of Indiana Riverboat Casino Subcontract Underutilization Findings

The underutilization of minorities and Caucasian females on Riverboat Casino subcontracts is summarized in Table 9.05. Hispanic Americans and Native Americans were underutilized.

Table 9.05 Summary of MBE/WBE Underutilization Subcontract Dollars

Ethnicity	Construction Riverboat Casinos
African Americans	No
Asian Pacific Americans	No
Hispanic Americans	Yes
Native Americans	Yes
Caucasian Females	No

Yes = underutilized
No = not underutilized

10

ANECDOTAL ANALYSIS

I. THE LEGAL FRAMEWORK OF THE ANECDOTAL ANALYSIS

A. Purpose of Anecdotal Testimony in Croson Studies and Relevant Case Law

The anecdotal study gives business owners the opportunity to discuss barriers to positive experiences contracting in and with the State of Indiana (the State). Mason Tillman Associates uses this information to make recommendations regarding policy and procedures that could improve the contracting process and increase contracting opportunities for businesses traditionally excluded from the marketplace. These recommendations include race and gender neutral strategies and, where there is appropriate statistical evidence of underutilization of minority business enterprises (MBEs) or women business enterprises (WBEs), may also include race and gender conscious remedies.

The United States Supreme Court, in its 1989 decision, *City of Richmond v. J.A. Croson Co.*, specified the use of anecdotal testimony as a means to determine whether remedial race and gender conscious relief may be justified in a particular market area. In the *Croson* decision, the Court stated that "evidence of a pattern of individual discriminatory acts can, if supported by appropriate statistical proof[s], lend support to a [local entity's] determination that broader remedial relief [may be] justified."[1] The Eleventh Circuit also addressed the importance of anecdotal evidence coupled with statistical evidence of discrimination, stating that "while such evidence can doubtless show the perception and, on occasion, the existence of discrimination, it needs statistical underpinnings. . . ."[2]

[1] *Croson*, 488 U.S. at 509.
[2] *Dade County*, 122 F.3d 895, 925-926 (11th Cir.1997).

Anecdotal testimony of individual acts can, when supported with statistical data, document the routine practices by which minority and woman-owned companies are excluded from business opportunities within a given market area. The statistical data quantifies the results of discriminatory practices but, standing alone, does not explain how such discrimination takes place. This is where anecdotal evidence becomes invaluable. Anecdotal testimony provides the human context in which the numbers can be understood. The Ninth Circuit has stated that "the combination of convincing anecdotal evidence and statistical evidence is potent."[3] As the Court explained, "The individuals who testified about their personal experiences . . . brought the cold numbers convincingly to life."[4]

In the accounts of business owners who have been systematically underutilized, the barriers faced by these businesses begin to emerge. Anecdotal testimony from business owners provides information on the kinds of barriers that are routinely erected within the market area, the means by which barriers are erected, who erects them, and their effect on the development of MBE/WBEs. Anecdotal evidence is a tool that is used to understand the patterns and effects of discrimination, much like statistical evidence is used to document discrimination that may be present.

B. Anecdotal Evidence of Active and Passive Participation

Croson authorizes anecdotal inquiries along two lines: evidence of active participation and evidence of passive participation. The first approach, which establishes active participation, delves into official or formal acts of exclusion that are undertaken by representatives of the local government entity. The purpose of this examination is to determine whether the entity itself has committed affirmative acts designed to bar minority and woman business owners from opportunities to contract within the jurisdiction.

Passive participation, the second line of inquiry, focuses on the government's "passive" support of a private system of prime contractors and/or other entities that use their power and influence to bar minority and woman-owned businesses from benefitting from opportunities originating with the government entity or occurring in the market area where the government infuses its money. Under *Croson*, "passive" governmental exclusion results when government officials knowingly either use public monies to contract with private-sector companies that discriminate against minority and woman business owners, or fail to take positive steps to prevent discrimination by contractors who receive public funds.[5]

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[3] *Coral Construction*, 941 F.2d 910, 919 (9th Cir.1991).

[4] *Id.* (citing *International Brotherhood of Teamsters v. United States*, 431 U.S. 324, 339 (1977)).

[5] *Croson*, 488 U.S. at 491-93, 509.

Anecdotal accounts of passive participation also delve into the activities of purely private-sector entities. The Tenth Circuit Court of Appeals has cautioned, however, that anecdotal accounts of discrimination should be entitled to less evidentiary weight to the extent that the accounts concern private more than government-sponsored activities.[6]

When paired with appropriate statistical data, anecdotal evidence that the entity has engaged in either active or passive forms of discrimination can support the imposition of a race and/or gender-conscious remedial program. Anecdotal evidence that is not sufficiently compelling, either alone or in combination with statistical data, to support a race or gender-conscious program is not without utility in the *Croson* framework. As *Croson* points out, jurisdictions have at their disposal "a whole array of race-neutral devices to increase the accessibility of [public] contracting opportunities to small entrepreneurs of all races."[7] Anecdotal accounts can paint a finely detailed portrait of the practices and procedures that generally govern the award of public contracts in the relevant market area. These narratives can thus identify specific generic practices that can be implemented, improved, or eliminated in order to increase contracting opportunities for businesses owned by all citizens.

This anecdotal section presents accounts from interviews of 46 business owners.

II. ANECDOTAL METHODOLOGY AND PROFILES

A. Methodology

In this study, the primary method used to gather anecdotal testimony was oral history interviews. In-depth interviews with minority, woman, and Caucasian male business owners were conducted, using open-ended questions regarding common business practices in the State's market area. Mason Tillman Associates considers oral history interviews superior to other forms of anecdotal data collection methods, such as mail surveys and public hearings. Oral history interviews provide the researcher with a greater opportunity to learn not only the type and effects of barriers on MBE/WBEs, but also the means by which those practices occur. They also ensure the anonymity of the interviewees.

By listening to interviewees describe in detail and in their own words the barriers they have encountered in conducting business, researchers can collect information as to how barriers

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[6]*Concrete Works*, 36 F.3d at 1530 "while a fact finder should accord less weight to personal accounts of discrimination that reflect isolated incidents, anecdotal evidence of a municipality's institutional practices carries more weight due to the systemic impact that such institutional practices have on market conditions."

[7]488 U.S. at 509.

come to exist, who creates them, and how they affect the development of minority and woman-owned businesses. The information obtained not only sheds light on an agency's present contracting practices but also offers vital insights for future program needs and changes.

The interviewees who participated in this study were solicited through a variety of channels, including media outreach, public meetings, contract records, agency referrals, and business networking. Once identified, interviewees were pre-screened to determine whether they fit the appropriate occupational categories, were willing to commit to the interview process, and operated within the defined market area. Selected interviewees were asked to report incidents that occurred in the State of Indiana market area in the past ten years.

Each interview lasted approximately an hour. Mason Tillman interviewers used a standard list of probes which covered all aspects of business development from start-up to growth issues, including both public and private sector experiences. When completed, the interviews were transcribed and analyzed for patterns and practices effecting MBE/WBE access to contracting opportunities.

B. Interviewee Profiles

A total of 46 business owners were interviewed. Table 10.01 illustrates the composition of this group. Fourteen of the interviewees were African American, one was Asian American, one was Hispanic American, two were Native Americans, and 28 were Caucasian Americans. Fourteen were male, and 32 were female. Interviewees were selected from four industry categories: construction, professional services, other services, and supplies. In addition, efforts were undertaken to verify the accounts of interviewees through use of documentary evidence in which written, published, and archival records corroborated reported patterns and practices.

Table 10.01 Interviewee Profile

Ethnicity	Gender		Total
	Male	Female	
African American	11	3	14
Asian American	1	0	1
Caucasian American	1	27	28
Hispanic American	1	0	1
Native American	0	2	2
Total	14	32	46
Industry*			
Construction	2	9	11
Professional Services	6	12	18
Supplies	8	3	11
Other Services	5	11	16
Total	21	35	56*

*** Some interviewees listed multiple industries.**

III. GENERAL BARRIERS IN THE MARKETPLACE

Socioeconomic studies support the historical reality that throughout the past century, minority business development across the country has been limited by attitudes concerning race. As explored by Eric Foner in *Reconstruction: America's Unfinished Revolution* (Harper and Row. 1988) and by Michael C. Dawson in *Behind the Mule: Race and Class in African American Politics* (Princeton University Press, 1994), African Americans have faced discrimination, limited property rights, and impeded access to markets consistently since the era of Reconstruction. Since the 1960s, however, socioeconomic literature has sought not simply to document the effects of overt discrimination but to understand the

relationship between structural barriers — such as discrimination in housing and lending, education, employment and economic success.[8]

The present anecdotal analysis likewise seeks to understand the relationship between documented gender and racial discrimination among the major social and financial institutions in Indiana and the development of Indiana's minority and women-owned businesses. The first section of this analysis explores general market area conditions in the State and their effect on MBE/WBE development, as observed by the interviewees. The analysis addresses the perceptions of business owners, where the State is identified as either an active or passive participant to the event. As a passive participant, the State's role may have been no more than making its funds available in the market place where businesses engage in discriminatory acts and create barriers to MBE/WBE access to public and private opportunities, although there are also anecdotal accounts of active participation by the State.

A. Gender and Ethnic Harassment and Discrimination

Women and minorities report that sexual and racial harassment in the market area, which is the State of Indiana. The pervasive atmosphere of gender and ethnic stereotyping often makes it difficult to work with clients. As women business owners struggle to meet employee and customer needs, they sometimes find themselves in the position of accepting the terms of gender discrimination, rather than speaking out.

The following female professional services contractor, who has been self-employed for five years, describes situations of gender discrimination that range from the subtle unwillingness to acknowledge women as business owners to more overt sexual harassment:

> I get people all the time that want to talk to the boss, and they figure that that's a male-gendered person. . . . I've had comments made to me that were pretty suggestive at times, from other trucking companies that have wanted me to come and help them out with their needs. They need additional equipment, so they call and I feel like I have to put up with a lot, just to keep my people working, and so they can make a fair amount of money in a week. I've had one person that was a pretty large . . . prominent . . . contractor . .

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[8]See Donald Kinder and Lynn Sanders, *Divided by Color: Racial Politics and Democratic Ideals* (University of Chicago Press, 1996); Douglas Massey and Nancy Denton, *American Apartheid: Segregation and the Making of the Underclass* (Harvard University Press, 1993); Melvin Oliver and Thomas Shapiro, *Black Wealth/White Wealth: A New Perspective on Racial Inequality* (1997); and William Julius Wilson, *When Work Disappears: The World of the New Urban Poor* (Knopf, 1996)

> . and he needed extra equipment, and he's made comments before about liking to get my bed in the air and flap my tailgate, or something along those lines. You know, it's sexual type harassment.

Another female professional services contractor who has been in business for 10 years concurs that it often takes women business owners a long time to gain credibility because of the discrimination that results from historical attitudes about gender roles:

> I would have to say, for me, it's always been more subtle . . . . Men, people for the first five years just didn't believe that this was my business. And so you're, in subtle ways, in meetings - you know, being put off, like, 'Well, you know, I'll just discuss that with your superintendent.' You know, he's a man. And I'd say, 'No, you're discussing it with me. This is my company.' . . . . It took them years to figure that out, that I knew what I was talking about and I was controlling this operation. And . . . when I say subtle, they're more patronizing maybe, and that's why I would say it might be gender discrimination, because I was a female . . . . I had . . . someone in a state management position tell my superintendent, "Well, she shouldn't be out here anyway. You know, women should be—"what did he say? 'Men are hunter/gatherers. Women are childbearers.'

In many cases, this stereotyping often results in women being perceived as outside their established role when running a company. Women are consequently not taken seriously as professionals or as business owners. Their male counterparts often use sexist remarks or engage in improper behavior and are not obliged to censure themselves. One Caucasian woman in professional services reported, this attitude reflects an unjust sense of entitlement and superiority:

> Being a woman in an environmental engineering industry, and going out and doing a lot of marketing, when . . . 95 percent . . . of the people that are sitting across the desk are men, you hear a lot of the 'cutesy-pie' comments, and a lot of flirting. And I've had to take a lot of that: 'Oh, not only are you brilliant, but you're beautiful. Boy, I like this. Boy, aren't you glad you're married? Want to stay over and have dinner with me? How about drinks? What about this, what about that.' Just tons . . . of comments. I can't go blow by blow, but I've heard it all. I don't really want to get down into the nitty-gritty; it's just a little bit different when you're a woman, and you're sitting across the desk, and you're talking technical, and you realize they're not looking at your face. It doesn't bother me, anymore. It used to for a long time, but it's to the point where I just ignore it because I figure . . . 10 years from now it won't matter because then they'll be bugging somebody else. But . . . it's a little harder for a woman in the industry to get the respect and get the attention, if they're not listening to what you say and are too busy looking at what you are, instead of what you're saying.

Overt contempt for a woman-owned business can sometimes be thinly veiled. This Caucasian female in professional services observes that large prime contractors often use unfair stereotypes about women-owned firms to justify not soliciting their businesses. Such discriminatory treatment makes it difficult to gain confidence and to develop business opportunities.

> [What] . . . I've heard from several large corporations is how . . . good we are, and, boy, if we only had a little more depth, and 'Come back little girl, when you grow up and you have hundreds of people.' So, I heard that, too. And these are people that have policies in place that supposedly have small business set-asides for woman owned companies.

The justification for discrimination that is used to deny contracts to women-owned businesses is often contrived and gender based. The following Caucasian female in the construction business describes a deliberate attempt to deny her the tools necessary to effectively render her services, a scenario that has become a test of will for a woman to participate in a career in which she is skilled:

> Basically, yes [I have faced gender discrimination] because of what they had said [in] a conversation that wasn't supposed to get back to me. There was a contractor war, and it was over pricing. And they made the big issue of the ways they . . . made contractors cut their prices in order to keep their contracts. And it was the big joke, making the woman cut her contract prices, because basically I was a woman [so] I didn't need these nicer items to work with; I didn't need that much money.

A Caucasian woman in the construction industry notes that the most hurtful gender harassment is that which attributes the success a woman has won through hard work over the long term in building her own business to using her gender to get ahead. This presumption denies women credit for their tenacity and ingenuity as entrepreneurs and denies them the respect that they deserve:

> I think the worst statements that bother you the most are like, 'You got where you got by laying on your back.' And this goes from being in business myself, and working the construction field, before I was in business. I've never worked on a crew where somebody didn't accuse you of going to bed with somebody. And this would either come from wives that were on the team or another guy if he would see you talking to somebody . . . [If] I got a drink of water, and Fred came over here for a drink of water. . . then sometimes the joke was made, well, 'You know what he's doing with her.' And it's kind of the same way with [company name withheld]; if they don't like you, they're going to say all kinds of things: 'Well, since she comes in here unannounced, we didn't know she was

> coming, she must have done somebody up north and got in.' There's bunches and bunches of that kind of stuff . . . you're never going to stop racial slurs, and you're never going to stop slurs on this order. I feel that it is very common. I don't like it as a part of doing business because I would rather have them say, 'Look, she's a female, but she's a rough cookie. I don't want to bid against her next time.' I don't mind stuff like that, but I don't want them saying I got the bid because I laid on my back.

Similarly, this Caucasian female reports having been harassed for departing from what some men have regarded as her appropriate gender role; she also describes the substantial length of time that it has taken to gain some measure of respect from her male peers. This persistence speaks both to the institutionalization of sexual harassment and to female determination to overcome it:

> As far as specific verbiage, [it has] not [been] directly to my face, since 1995. Prior to that there [were] . . . instances where male inspectors would get right up in my face and tell me to go home and cook or something like that. But since 1995 — we've been in business for 10 years, so . . . the last three or four years we've eliminated a lot of that due to our tenacity of not leaving. And the way we present ourselves, too. We've been around long enough that most people realize that I'm not going to go home and cook.

A Caucasian woman in professional services reports that her ability is often directly questioned because of stereotypical perceptions of her gender and because she does not fit the masculine image required in her field. She also reports having received no work from state agencies, regardless of the amount of work for which they contract in her field:

> As a female, I mean I'm not . . . ugly: I'm 5' 2" and weigh 105 pounds. I don't fit the six-foot 'bubba' image that they have. I mean this is true . . . I know that. They look at me and go, 'No, you didn't …work with all these grizzly guys down in the sewer.' And yes I did. Yes, I did, but that is really hard…I realize that physical appearance is a part of the problem. I can acknowledge that. They look at me and go, 'There is no way that you did this,' but I did. However, I also know that they don't look at the guys and go, 'No, you didn't.' But I have received nothing [no State contracts]. I don't understand it because I do know there are jobs there, and I do know they're handing those jobs out.

This Caucasian woman supplier finds that because of prevailing stereotypes, there are men with whom she deals professionally that do not regard her as a real business player and therefore discredits her abilities and compromises the profitability of her firm:

> [In] a school district over in Monroe County, that man … before him [the current school district person] was pretty open to me, and we worked together, but then when he [another school district person] came in, I really did feel like he didn't even give me a chance. And I've really felt like that was because I was a woman . . . . He didn't seem to be listening to what I was saying. He was preoccupied with other things, and he was just talking to me as a formality…because he had to. I didn't have the feeling during the meeting or even afterward that I'd even hear from him, and I didn't. And then I followed up with phone calls, and he just put me off one way or another, and I felt like that was because I was small . . . because I was woman-owned business.

One way of dealing with incidents of harassment is to face them head on. The following Caucasian woman construction contractor notes that, while she endures sexual harassment routinely, there are certain levels of harassment and circumstances that she will not tolerate. When she does react, she tries to resolve the situation by reflecting a sense of self-possession and confidence:

> If somebody said something to me, my motto is . . . sometimes they're not treating you any worse than they would treat a fellow man. So I don't pay much attention to stuff like that. When I work, of course I work around basically all men. There's no other woman that works around me. And I just don't pay attention to that stuff because a lot of times . . . on a job, guys are going to be guys, and sometimes they forget that you're there, and I don't care . . . . [But] if somebody really gets in my face and calls me a few choice names that I wouldn't want to be called, then I just get back in their face and explain to them how ugly they are — and forget it . . . . there's a lot of this kind of stuff that goes on, even between men. Men get real rough with each other, but nobody thinks anything about it. But if a man and a woman get rough, it's a big deal.

Another Caucasian female in the professional services has found that the least disruptive way to cope with sexist attitudes is to avoid doing business with those who harbor them. Although not everyone in her industry can afford to give up any potential contracting opportunity, she finds it preferable to limit the organizations to which she markets rather than to deal with gender harassment:

> It's only the business I'm in because I know it's mostly a man's field . . . In] environmental engineering, there are very few women. I was one of the first women certified in the State of Indiana to run waste water plants. Given that there aren't many women in my business, it's more of an issue of people not being used to having women in the business. It's a man's world and . . . because of that there are people out there who feel very strongly that way,

> and mostly I try to stay away from those individuals because they feel strongly and that's fine. That's their preference. I choose to do business with people who want to work with me. It makes both of our lives a lot easier. So it's more from that context that I'm working in a construction-type industry that's mostly men.

Another Caucasian woman in the professional services made an even harder decision to retain business while fending off sexual discrimination. She limited her role in her company, and employed men to represent the company, in order to prevent clients from knowing that the business is woman owned:

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> It's kind of hard to…you can't always say, 'You're discriminating against me. You're treating me differently.' Sometimes it's just more of a feeling and right now we're tackling that by basically having some of the guys in the office deal with them, and my presence is pretty much disappearing with them to see if it makes a difference.

Racial harassment likewise can take the form of offensive and inappropriate discussions among individuals who may be aware that they are using unacceptable terms but try only halfheartedly to conceal it. The atmosphere in which such conversations are tolerated can convert the workplace into an unpleasant, if not hostile environment, as reported, ambivalently, by the following male African American business owner:

> It was not really harassment—well, it was harassment . . . .The 'n' word slips out when they don't think I'm around. Those kinds of situations obviously make you feel uncomfortable in certain settings . . . when . . . you're overhearing other people talking, and all of a sudden that word comes out, or another derogatory word comes out, [and] they don't really realize [that] you're in the room or you're close enough to hear. That's happened to me about twice. It's not like it happens every day of the week.

Women who lack market security or otherwise choose silence simply abide gender harassment. The seasonal nature of one Caucasian woman's business and her dependency on Caucasian owned businesses and agency managers for contract work tempers her inclination to offend a client by challenging sexual harassment:

> I just try and change it to where we're back on business . . . because if you tell them that it offends you or what have you, they're not going to use your equipment. And in my line of business, I've got to have these trucks out there working every day. In Indiana transportation and my line of business, it's seasonal. During the winter months, there's very little work, so I've got to have them out there working. I can't have trucks sitting here on the lot. Yeah, I'm going to have to swallow everything . . . . My rates have to be so

> low . . . so I can set the rate. What they offer me once they have control of everything isn't enough . . . . It's giving up too much on the hour. It's not really profitable, but, at the same time, I've got to have work for my people, or they're going to quit.

This Caucasian woman contractor observes how a newly developed business owned by a man and woman has greater and more immediate access to work in her field than she, as a women owner, has enjoyed:

> There are very few men in my industry, in this area . . . . One of my competitors and her husband have just purchased a business such as mine, which is also a franchise . . . and I'm watching, and I'm seeing that because it's the husband and wife team, they're getting into places that I've been beating my head against for years. So, you know, and that little bit is just kind of interesting to watch. It doesn't make me happy, but it's interesting.

One Native American female in the construction industry did not make an issue of her female ownership when she bought a business from a male owner, and as a result encountered few problems:

> I bought a company that was already on a [State] bidders list. I maintain that same company. They [the State] had no idea [the ownership of the company had changed]. It became common knowledge after about a year that a woman owned the company. It was irrelevant at that point. It didn't really matter. Nothing had changed. There was no difference between the way I ran the company and the way my predecessor ran the company. So, it was a non-issue. The only thing is that it did raise some eyebrows because they [discovered they] can fill out that little check-box in their reports back to their home office [indicating] that they're using a woman contractor . . . but that wasn't until after about four or five years using us.

Sadly, the pervasiveness of gender discrimination can result in environments where women actively compete against one another and those that are best able to help women owned businesses are compelled instead to try to outdo them. The following Caucasian woman in the professional services reports having experienced resistance not only from men in government agencies but from other women entrepreneurs:

> [At] one particular county I visited when the business was not that old, maybe a couple of years old, I ran into . . . a commissioner who was just insistent that I couldn't possibly be an engineer, that the business just had to be my husband's, it was some kind of front. And I just decided I didn't feel like dealing with that, so I just never bothered going back there. [In] another instance . . . a client wanted to deal . . . I''m trying to think of how he even

> wound up being a potential client without having running into me first . . . wanted to deal with the engineer instead of just the secretary who he assumed I was.
>
> . . . I feel sometimes there's a situation where, unfortunately, the lesser treatment comes from another woman. For whatever reason, I'll run into a situation where I feel that another woman is not particularly receptive to having to deal with a woman, that she kind of wants to be the only one there, in which [cases] we either find someone else in the firm to deal with her or just don't worry about that client or that potential client.

B. Meeting Higher Standards

MBE/WBEs often face higher standards of review when bidding and completing contracts. They are often held accountable for errors and delays that commonly occur without consequence for Caucasian males. These disparate bidding and performance standards increase the cost of doing business and reduces its profitability, thereby retarding MBE/WBE growth and development relative to Caucasian male business owners who do not have to bear these additional costs to do business. Demands are also more frequently made on MBE/WBEs to provide additional services without compensation.

The following African American male discusses how other businesses in his industry place more blame on minority owned companies for occasional delays or mistakes:

> We're one of the few minorities in this industry, no question about it. You know, we have to basically do a better job, I guess, than the majority companies, because . . . when we screw up it's magnified . . . whereas we see some of our counterparts out there: if they make mistakes it's not quite so magnified . . . . Like let's say we don't hit a day on the delivery cycle: I've got to sit down and justify, as every company does. It just appears that it's more, and maybe this is just my personal perception of what's going on, it just appears that . . . when you're a minority company, you have to do a much better job than a majority company just so you can be looked at as the same as a majority company.

Minority and woman business owners are held to a different standard which often results in their being forced to redo projects for little or no compensation. A Caucasian female in the construction industry reports receiving a different level of scrutiny than a Caucasian male contractor hired by the same company, thus making it more costly for her company to perform the same scope of work:

> We have been over-scrutinized on several projects . . . .There are times that we've been told we had to remove a specific curb and gutter because they

> didn't like the way it looked, and yet the large white contractor that was doing the same work down the street was doing work that was even worse and [did not have to] remove anything. And that's happened on several projects since then, that the same contractor has done really bad work and has never had to remove any of it.

A Caucasian female in professional services observes how time and labor-intensive, and therefore costly it is to provide the detailed demonstrations of her credibility that are often required:

> It's just more difficult for me to close the deal, and I have to go to greater lengths to prove that I can do what I said I would do. I know they check on every reference I give them . . . I'm glad they check my references because they're going to hear good things. So that's a bonus, except I do know they don't check in other places. They're just cautious because how could this woman have done that? She's a woman. She supposed to be staying at home having babies so how could she have done this?

Higher standards imposed on MBE/WBEs was demonstrated when the State used it discretion to reject a WBEs low bid on a technicality. The following female professional services contractor who has been in business for 10 years reports having lost several State of Indiana jobs due to bonding technicalities:

> They said that this was just technical, and it's probably happened before, but it was very tragic for me during that year of business. I was low bidder on five projects in the State of Indiana, and my bonding agent, who I had been bonded by for the previous three years - he's very reputable in this state - he attached the wrong form for his power of attorney. It goes along with the bond form. And they gave every one of those five jobs to the second bidder without notice to me at all, except for that when Friday came and the awards were supposed to be given, they didn't give them to me . . . . I lost five projects due to a simple technicality that could have been fixed within a fax, you know. . . . They could say it was legal, because in their documents they say you have to have a proper power of attorney, or whatever, but it cost the taxpayers an extra $50,000, which I thought was just absurd.
>
> It cost the taxpayers almost $50,000 because . . . because I was out of those four projects; the total of the difference was approximately $50,000. Yeah, that they just threw away [and] said, 'No problem . . . . There's this technicality, you know, too bad, and we'll just, you know, get someone else to work . . . .'

The manner in which MBE/WBEs are treated in the workplace is demeaning for a business person before their colleagues and, especially their key employees. A business vulnerable to sexual harassment and discrimination can be viewed as tenuous, unstable, and a poor job choice. Stature is also important to forge relationships and relationships are critical to business development. Barriers to these critical business resources are illustrated by an account of a Caucasian female in professional services. She relates the extra difficulties women face trying to do business in the male dominated trades:

> [It's difficult] when a women comes into a male-dominated field . . . . I tried to help this one woman, and it was terrible how they treated her. . . . You asked me the question, 'Did they put more restrictions on you, or did they supervise you more when you . . . started working?'. . . . This woman literally went out of business because of it. And it was terrible. I mean, I'm on the same job as a subcontractor as she is. I've been in business, oh, say three or four years, five maybe. This is her first year of business. She's trying to do curb work, concrete . . . and they are just demanding that she be out in the field, running these crews. . . . They had EEO, they had everybody on her back–no matter what she did, it wasn't good enough. She had to replace all this stuff. Everybody was just on top of her, and I said for . . . what reason? She's doing a great job. She can't be in every place at one time. But when we started, too, there was so much scrutiny, even within the State's DBE Department, on new DBEs. It was just pathetic. It was really terrible. And I didn't have that bad of an experience . . . but I've seen it happen.

Minority and woman business owners who respond by working extra hard to prove they are capable of completing a contract, despite their experience, do so at a cost to their business. A Caucasian female in professional services explains how male contractors often question her credentials:

> It happens so regularly that . . . the people that I deal with are typically more men, and it usually takes a little bit to overcome that . . . I'm female and, yes, I do have the proper credentials and, yes, I have put in all the field time that everyone else has. . . . I always have to go through that, whereas a man would never have to prove that he has done anything. He comes in with automatic credibility . . . . It happens. I'd say nearly every job I go on I have to go out of my way a little bit to prove that I can do what I say I can do.

IV. INSTITUTIONAL BARRIERS

A. Financial Institutions

The relationship between structural barriers associated with finance and minority and women-owned business development is most explicit. As explored in detail in the national socioeconomic studies cited herein (see especially Oliver, Wilson), discrimination in both housing and commercial lending has represented a formidable barrier to the development of minority businesses across the country. In the long period prior to the study, housing segregation, the use of "restrictive covenants," and other Federal Housing Administration (FHA) lending policies contributed to the decay of inner cities and, because of depressed housing values and higher standards for refinancing housing loans, the inability of many minorities to gain access to customary sources of capital for business formation.[9] In more recent years, discriminatory bank lending practices, as reported by the anecdotal interviewees, has posed a barrier to small business development. Because MBE/WBEs tend to be small or start-up, their lack of access to financial resources, compounded by other structural and social barriers, has a particularly adverse effect.

Many interviewees report difficulty obtaining financing and credit, although most attribute these complications more to the size of their business than to their race or gender. Financial institutions are hesitant to extend lines of credit to small businesses that have not been in the market for a long period of time, do not have established track records, or do not have substantial credit histories. Small businesses, however, cannot endure market pressure or establish credit histories unless they have the initial support of financial institutions. The financial sector holds MBE/WBEs to higher performance standards and limits their access to competitive credit. As a result, small businesses have difficulty obtaining enough capital to develop their businesses. Many MBE/WBEs adversely affected by these market pressures remain small, understaffed, and ineligible to bid on large contracts or bid competitively on small ones.

An African American supplier discusses a struggle to obtain credit without a credit history, and how this struggle has negatively impacted their business development:

> We were having a difficult time getting a line of credit through banking institutions . . . . [We did not have] enough history, things along those lines . . . . I would say that [size] was a big factor in the decision. . . . We have [since] been very, very fortunate. We have signed up a couple of large

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[9]Oliver and Shapiro explain that, on a national level, while middle-class Blacks earn 75 cents for every dollar earned by middle-class whites, they possess only 15 cents for every dollar of wealth or assets held by middle-class whites, and this disparity has a devastating impact on business development.

> accounts. And we use the capital or the money to grow our business, but without a line of credit . . . it hindered us as far as hiring people and basically getting more business.

Many small businesses have the professional competence to compete on large contracts, yet lack the financial backing to be competitive for these projects. A Caucasian female in professional services reports how she is limited to small contracts, despite her high qualifications and low prices:

> I've had people say, 'Oh, your proposal's the best, your price is the best, but you know, you're just way too little, and you don't have the financial backing to do a job this size.' That's what hurts me. I've had many opportunities where people would have liked to have helped me, but they knew that I had to have cash flow come in every 30 days because I didn't have the lines of credit I needed to substantiate a million dollar job . . . . So I can never get the big projects I need because I don't have the financial support from the banks that I should have to do the type of work I'm doing.

A Caucasian female in professional services explains that financial institutions unnecessarily set excessively high lending/credit requirements for small businesses even when the company is financially sound:

> When we established [our company], I went through [a bank] to obtain a small business loan, and the small business loan [requirements] made it very difficult for me to obtain capital or even lines of credit, and they not only made sure we had enough collateral, but they over collateralized, and have financially put a hardship on me . . . even though I have enough receivables and stuff in the company to take care of the money that I owe them; they still have a lien on my house. [Now] when I finally didn't need money . . . I got a credit line . . . and I tripled my size in two years .

The same interviewee reflects on the hardship incurred during the time when she was unable to obtain adequate financing to develop her business:

> They took three and four months to get answers back to me, when I needed money. . . . When I went back for capital, and I had all of these contracts in hand, one of them being a $1 million contract, they basically said, 'Well, we don't think you need this additional capital for growth. We think it's to substantiate your losses.' . . . I [was awarded] the million-dollar job, and it killed me to do it. It almost made me go under . . . . I had to go without pay for nine months, and several of my people took huge pay cuts. We had to scrape up money and borrow money against our personal charge cards, to put it into the company, just to get by for a couple of months . . . . I still

> owe $40,000 against my charge card to put money into the company, because they wouldn't give it to me.

A Caucasian female in the construction industry also comments on financial institutions that do not offer support during the time when small businesses are in most need:

> I think I have the same difficulty in obtaining credit as any company does. The banks are very willing to lend you money when you don't need it and very unwilling to lend you money when you do need it.

A Caucasian female in construction comments on how some banks are skeptical of small woman-owned businesses in particular:

> It was much more apparent when I first came into business . . . . The perfect example was when I worked with the bank. I had to establish a line of credit. It wasn't granted. He was just very skeptical that I would be able to run a successful business.

B. Distributors and Suppliers

MBE/WBEs also have problems obtaining the necessary supplies at competitive prices and payment terms to both bid and complete projects. Suppliers will charge MBE/WBEs prices higher than market value and those offered to majority-owned companies. At other times, suppliers will not even sell their goods to MBE/WBEs. In either event, MBE/WBEs face limited access to the supplies needed to be competitive or even to bid, and this puts them at an economic disadvantage and prevents them from being competitive on high-value contracts.

Barred access to the supplies that are stipulated in a bid specification precludes minority and woman-owned businesses from even bidding on some contracts. An African American supplier discusses how a distributor refused to sell the firm needed products so a bid quote could be developed:

> We've been turned down by certain suppliers who have exclusive territory agreements. And we have tried to buy products from them, and they would not sell them to us. They referred us to other distributors in the area. When we really need the [products] in order to be competitive, [we] have to be able to buy direct from the [particular distributor].

Another African American contractor also complains about distributors that have refused to supply him with the equipment needed to complete a project. As a result, he resorted to purchasing the equipment in a secondary market, which charged higher prices and therefore increased the cost of performing the work and lowered his profit margin:

> Our biggest problem is [that] distributors are blocking us from . . . working with other companies . . . . We [have to] buy in a secondary market . . . . So we have to go through loopholes in order to get equipment brand new. . . . [On] the bid that we had recently won, I ended up paying $2,000 . . . over and above the actual cost of the equipment because of that . . . but we wanted the job. I mean they know we can do the job, but they're stopping the distributor from even giving [technical support]—even though we're certified . . . . It's discrimination. The bottom-line is these companies don't want competition. They're scared of competition.

C. Social and Professional Networks

Networks provide contractors with opportunities to find out about bids and build long-term relationships with businesses and agencies that lead to future contracting. They also provide information about the latest advancements in the industry and help contractors obtain financing and bonding. Unfortunately, these networks often exclude minority and woman business owners, despite their business success and acumen.

The social networks of Caucasian males provide a distinct competitive advantage for them in various industries. The "good old boy" network, in many cases, determines who will find out about and be granted both private and public contracts. A Caucasian female supplier reports on missing out on bid opportunities available to Caucasian males:

> I think a lot of that business is done by the old boy network, and . . . I don't even get a chance to quote a lot of it because of that, or even hear about it. You're kind of what I call patted on the head, and . . . [told], 'Be a nice girl and go back to your office, and do your own thing.' . . . I'm not real hyper about it . . . . I kind of do my own thing, and if someone doesn't want to work with me, for whatever reason, then I just go in a different direction. So I'm not certainly getting on a bandstand about it. It's just a sense that you get, and I get a feeling after awhile that there are certainly areas where men are very good, and will work with whoever is competent, and those are the kind of people you tend to navigate to and work with . . . . I'm sure it has certainly kept us from growing the way it should. I think I probably fight twice as hard to get business because of that.

Despite numerous attempts to socialize and market her business, one being to take up the game of golf, this Caucasian female services contractor reports having been unsuccessful in breaking into her industry's dominant networks:

> I even took up golf in order to get in there like guys, playing golf and finding out [about each other] . . . . I'm not a social butterfly, but I don't stay home a whole lot either . . . . In my social activities, I found that a lot of the

> company owners or politicians . . . knew branch managers, district managers for these other companies . . . . It was mostly guys talking to guys . . . . I got into a few of these things because I do a lot of charity work . . . You do get invitations to the golf outings, which I have attended, and that's how you get a lot of information on what's going on, and when I've talked to even some of the public utilities . . . they just jolly you around, and say, 'Oh, what a pretty girl you are' and 'Oh, I've heard of your business,' . . . but when it comes down to giving the jobs away, it goes to the good old boys.

The same contractor comments on how a male employee was able to break into networks from which her woman manager was excluded:

> I hired a gentleman, who happened to be my son . . . . My business did increase significantly and stayed that way for the time that he was with me, which was, oh, about two years. And then he decided that he didn't want to work for mom anymore, and he left. So the businesses that we kept were the ones that we were able to get into because of his efforts. But we've not really increased since . . . It worked with a guy in front . . . . One day he got an account that I had tried to get previously, and it was, 'Oh, yeah, the guy plays golf, and we're going to play golf together, blah, blah, blah.' . . . . I said, 'Okay, let's try this company, and then let's try this company,' and he did get into the companies that we talked about, and we did talk about him going out and getting the business, as opposed to sending out my woman manager, who couldn't get in the same doors that [my son] could get into.

Another Caucasian female in professional services reports that she has not benefitted from networks predominantly comprised of Caucasian males, although minority and woman-oriented networks have provided her with valuable leads:

> A network that leads us to work is more likely to be a female or a minority network than a white male network. The only time I would think that we get contacted with a lead is really when someone says, 'Well, we think maybe, you know, because you are a woman-owned company, you have an advantage here.' But . . . they wouldn't normally think to contact us, I don't think.

Another Caucasian female in professional services, self-employed for five years, says that large companies prefer to work with other men in her industry and that these other companies benefit financially from their relationship:

> It goes back to the same thing: large companies controlling the market . . . They're not going to do a job with me, when they've got their main people,

> which are basically, in this field, men. They're not going to give me a chance when they've got their buddies or men that they can get along with well. I think it's harder in this industry for contractors to talk to women than what it is for them to buddy around with men.

An African American vendor observed that the big contracts tend to go to the largest suppliers, who are often not local but part of the good old boy network:

> Local vendors get the nickel and dimes, and the big dollars . . . are being spent outside of the area. That's not economic development. [That's] pacifying the system because you're basically allowing those thousand-dollar purchases to get your report done, but when it comes to the true issue of economic development, you know, you're skirting the issue. You're basically taking care of buddies . . .That's my biggest problem, that the . . . big dollars need to be spent locally, whether it's developing businesses that can provide those needs or encouraging [the agencies] to do more business locally. And that's what we're pushing. You know . . . if I can do 75 percent of their office supply needs, why not? If I can provide the services, I can provide the same product as the guy down the street, across the City line, over in Hampton.

V. THE CONTRACTING PROCESS

A. Bid Information

To be competitive, a business must have timely information about contracting opportunities. MBE/WBEs find that they encounter barriers to bidding, including not receiving timely or adequate bid information. Access to appropriate bid information is reported to be a problem even in agencies which actively seek out MBE/WBEs to develop an accessible vendors list, as well as in many other instances.

A Caucasian female supplier relates her frustration at how her company was actively pursued for inclusion on a vendors list but did not receive a single notice for twelve months thereafter:

> It took me probably a year to get into [a vendors list] . . . . I went to a meeting, and they were there, the purchasing people, saying, 'Call us, here's our number, we want to buy from minority vendors and women owned businesses,' but then it took me over a year to finally get something from that purchaser . . . .I've recently given three quotes to different casinos here. Then, when I follow up, they still haven't looked at the quotes . . . . [They say,] 'We haven't had time to look at your prices. We're still waiting for

> some other quotes to come in,' which could be very well true, but at the specific casino, [the purchaser] wouldn't give me the list . . . .Basically, I asked if I could quote on the [products], and I faxed over my vendor information sheet that I got at their meeting, with my pending letter, thinking they would at least let me quote. I thought that was the whole point. And then she wouldn't give me a list of the stuff. She said . . . 'I'll let you know, when I want a quote.' And . . . she was just really rude. She said, 'If I do send you over a quote, you have to have it back within an hour' . . . . And I said, 'I could do that.' And she said, 'Well, you can?' And I said yes. And she said, 'Okay, then.' . . . . Well, then about six months later, someone else in her department at like four o'clock one night faxed over some stuff for me to quote. And I did quote them on that, but I never heard anything . . . . I have learned from several of the purchasing agents that they buy from [company name withheld], which is a national company. It's not a minority business. So to me, that's even more irritating, that they're not even attempting to try to buy from someone else. And I know I have good prices.

Other individuals report success in getting an initial contact with different agencies, but subsequently not obtaining complete and accurate information. A Caucasian female in the supplies industry states that she has been invited to bid on projects but has not been given adequate information. She explains that attempts to get the needed information have been met with non-responsiveness, and the modest dollar amount involved rules out the option of driving a great distance to obtain the information:

> I've really not been on [a bidders list]. I tried to get on one quite a few years ago, maybe five years ago, and I would get maybe one bid every six months. So I kind of dropped that . . . This was with the State of Indiana . . . I don't know if simply there were no other bids up, or requirements for those kinds of products. They would just kind of come in the mail every once in a while . . . I tried to [pursue bids], and . . . probably some of that was my own ignorance in how to deal with the State. But what I found was that I would get a proposal requesting a bid . . . which could be a total price to the State of maybe $350, so it would not be a large quote. And they would simply send something in writing requesting a quote, that I could not quote from at all, to give them a proper price. And when I would call and try to talk to people . . . number one, I always had trouble trying to find someone who could answer a question. Number two, they'd say, 'You've got to come up here and look at it.' Well, for me to drive an hour and three quarters, in one direction . . . for a $350 item, certainly wasn't worth even doing. And they were not at all interested, and I said, 'If you could just send a sample with a quote, I'd be more than happy to work,' and there was no . . . communication there at all. So then I just kind of dropped it . . . . I think if they were looking for an item that was $10,000, $100,000 — I'm sure that

> most people when they're looking at those kind of contracts will go to Indianapolis, and I certainly would, to. But if you're looking at a low-end item, or a small quantity item, in those price ranges, it's not worth it. I can't afford too go or send someone to Indianapolis to do that.

This Caucasian woman supplier has noted that a real barrier to her acquiring government bids is a lack of communication and coordination. The amount of information one has becomes useless if the agencies involved do not ensure its timely dissemination, accuracy, and usefulness. And, no amount of information has value if it is not accompanied by a true willingness to contract with MBE/WBEs:

> When they have called to get bid information, I have been given different numbers obviously . . . . and just been given the runaround basically. And I don't have the time to be chasing things when I have business in the private sector. So when I've gone after government contracts . . . I've called the appropriate numbers, not gotten anywhere, or been told contracts have already been awarded. So I just don't chase my tail . . . . So you call or you stop by and find out that, no, this is either not true, or the contract has been awarded, or they don't know what the heck I'm talking about. That has been my experience. Those are the three answers I get, not 'You need to speak to this one,' or 'You need to have a written proposal in,' or 'You need to contact someone.
>
> There's never any guidelines of what to do . . . . I have heard that they need [my type of] services . . . . and it came through the mail. And it was for—contact somebody in Indianapolis, as I recall. And I did all of those things they wanted. They sent back some information and said I needed to be a woman-owned certified business and have a number. I did have that number. So my next correspondence was my number is blah, blah, blah. And I never heard anything. [I] called down and they said, well, the contract had been awarded, and it was to a national chain. I am a woman owned business. I own a franchise of a national chain, so I could not see where that would have made a difference. I mean, the financing for the payroll is there. There's never been a question on that. My people have always gotten paid on time. The company is on the Stock Exchange, so that could also be checked out very easily. Why it went to the other company I have no idea. But . . . I felt . . . it was a stall, when they said I didn't have a number, which I do and did . . . on the first bid letter.

On the other hand, a Caucasian woman supplier offers positive comments about the State of Indiana's dissemination of information via the Internet. This type of new electronic information has afforded her new advantages and the bid information is equally available to all businesses that have internet access. Although the Internet/World Wide Web is a

major breakthrough in information technology, it remains prohibitive as a tool for the smaller and less financially solvent businesses in the State:

> I tend to get their [bid information] in a timely fashion . . . only if I see it posted on the Internet. [That is] the only way that I have ever received . . . information on a bid. And I see it posted, and I inquire about it.

This Native American woman in the construction business likewise partially attributes her company's growth to the bid information that she has found on the Internet:

> I mean . . . you read press releases that are off the Internet . . . . Access to the information is greater because I don't have to subscribe to a local Indianapolis paper, for example. I can . . . pick it up right off the Internet, right off the State Page.

The difficulty related to acquiring useful information seems to be exacerbated by MBE/WBEs size. Their smaller size does not allow for the extra manpower, which larger mainstream businesses have at their disposal, to pursue actively all possible bid opportunities. One major means of pursuing business, given the time and resources, is through professional networking, a system from which, as described in a section above, minorities and women are often excluded.

This problem would not be so severe if, as a Caucasian woman in professional services points out, the State had active and useful tools to distribute bid information. Because small MBE/WBEs lack the resources to access all possibilities while being left without support from the State, their handicap is worsened:

> I think that this information on bids is more for the back end of a project. In other words, after the project is designed and it's outbid per se to subcontractors and vendors, I think there is a lot more announcement that is given to that kind of project versus the front end of projects which would be the design and development, the professional services that go into developing a project. I am aware there are at times broader announcements, but I don't think there is anything geared specifically to the women or minority-owned firms to make it a little bit easier to find out about things. Since we are small, we don't have a marketing person other than myself, so I don't have somebody dedicated to following up on things and finding out when things are happening, so it's usually by chance or by my own network that I even find out about things . . . Larger companies usually have a marketing person on board and that's all they do. In fact, the ones who do a lot of government projects actually follow and network more with the government administrators and find out about things. There is no mechanism for us to find out directly about projects.

> In other words, there is no list that comes out and says, 'Oh, here are some set-asides for these types of businesses' or 'By the way, we're trying to involve in this project. These are the things that are upcoming.' I think there could be a better mechanism for doing that, whether it's by set-aside or whether it's by the old type meeting that I could attend and be aware of that here are the projects that are coming out, if you're interested, here's where you should submit proposals to. So it's kind of been a learning process to even know who to talk to about things.

B. Lead Time

The timeliness of bid information is as important as the thoroughness and accuracy of the information, and late notification has proven to be another major barrier to MBE/WBE contracting with the State of Indiana and with other organizations in its market area. An African American male construction contractor who has been in business for three years reports having had serious problems getting adequate lead time to bid. He recognizes that prime contractors and agencies are able to document that they have allowed him to see bid specifications, but it would have been impossible, given the timeline for him to actually respond to it. He believes that he will be better able to respond by getting adequate lead time:

> It seems like some of these companies send me a bid packet . . . but . . . the bid is over the day I receive the packet. That's what I was complaining about when I met the people down at the university. I said, when they send me a bid packet . . . they have a record that they send them out to me, but when I receive them, it's the last day of the bid . . . . I don't ever get them on time . . . It's a learning process. I mean, so we didn't learn how the business goes, that's all. So it may be on my part by just not knowing how to operate right. So we're learning now.

Despite the pervasiveness of inadequate lead time, some interviewees tend not to believe that delays are created intentionally. A Caucasian female supplier states that she often does not have enough time to respond but still gives the companies the benefit of the doubt, despite the possibility that the inability of these companies to use their resources to help her effectively may reflect their priorities:

> A lot of the bids are short. For the time they're posted, the time you have to get them in is a short period of time . . . I don't think people purposely get it to me late, but maybe they do, but it's just sometimes, by the time they mail it to you, like today, I had to throw one away, because it was due yesterday. And by the time they mail it to you, there's really no time to even bid on it. I have had that happen, but I can't say that it's happened in '95 to '97, because I wasn't doing it then . . . . I would get the information faxed

> to me, through a company, and but it tells me it was posted today. So then I have to fax a letter to the point of contact, saying I want information on this bid. And then they mail it to me usually, and then by the time I get it, it was too late to bid. And that happened several times.

On the other hand, a Caucasian female in the construction business observes that by employing certain techniques, companies can effectively maintain the appearance of seeking diversity without actually engaging MBE/WBEs:

> We get late solicitations all the time that are asking for a bid today or tomorrow. [Responding to whether companies are trying to meet minority or women enterprise goals:] Normally, if we get an invitation to bid in that time span, that's what it is . . . I think that [they're] your old cover-your-a--letters. They send it certified and then they put a copy of it in their file and then if they don't meet [the] goal they can say, 'Well, look . . . we solicited.'

The lack of time to respond efficiently can deter a business from attempting to respond at all. Given the cost of preparing a bid, the practice of inadequate lead time confounded by inadequate information about the requirement would make the pursuit of business with the organization a poor business decision. An African American female in professional services states that there is a significant cost incurred to prepare a proposal, but since she is not given enough time and will often not be awarded the project, she does not attempt it. She regards this practice as effectively limiting the businesses that respond to an agency's request for proposals/bids:

> And then the next step that I have found difficult in the process is to just have the time available to make an appropriate and adequate response to a request for a bid because it's a time consuming process, for the most part, and they need or require a reason. And trying to project cost, etc. based on something that you don't know . . . . And that whole process, after you've invested your time and energy in putting together the response . . . you are likely not to win the bid, and then you don't know what you didn't do right. That is, I think, part of what has prevented me from responding more frequently when I see something that I think I could do, and I think that a lot of other minority-owned businesses find that same challenge hard to overcome.

Another practice which effectively hampers MBE/WBE access to bidding includes controlling information about the release of the requirements. One Caucasian female contractor notes that organizations frequently will communicate with her company about potential opportunities but then delay for extended periods or ultimately do little to inform her:

> [We get bid notice late] all the time. All the time. And most of the time we find out because we've made a call and a follow-up call, where they'll say, contracts . . . are from, say, February 1st to February 1st. So, you call in November, and say I'd like to submit a bid, blah, blah, blah, and they say, 'Well, we don't take it until February.' February 1st is when our contract is up. So you follow up again in December, and you follow up again twice in January, and maybe two days before the contracts are due [you hear]: 'Oh, yeah, by the way, they're due on Tuesday.' And that is . . . a norm.

A Native American woman business owner relates that if she does attempt to assemble a bid on short notice, she must overbid to cover unforeseen incidentals or site conditions that cannot be thoroughly researched in time. The outcome of this quandary furnishes an all too tangible reason for a company to deny her bid:

> They've done it [sent late bid notification] actually three times. The first time I just blew it off, you know, and said, 'Well, you know, things got lost in the mail or something.' But then they've done it to me twice, and what it appears that they do is that a project would come out for a letting . . . whether it was a WBE, MBE, or just the bid across minority participation or DBE goal . . . and . . . there would be like two or three days lead time, which means I may get the letter—it comes certified to me, which is fine—but it comes certified to me on a Thursday . . . and then I have to bid it on a Monday morning. That type of a lead time. So when you look at the numbers, sure if it's the 15th to the 20th, but if three of those days are Friday, Saturday and Sunday, you know, you really don't have a lot of time to go and bid them. You can't effectively bid a project if you don't go out and see the site . . . if you don't have an opportunity to thoroughly go over the plans and find out what it's about . . . .
>
> And then what they do, what I'm speculating is happening, is that they'll get the certified mail receipt card saying that I acknowledged receipt of the letter and that I was unresponsive, that I did not submit a bid. And it goes down that way . . . . into some log that gets reported to the State, I'm sure and then it looks as though—if you do this in enough numbers—it looks as though the WBEs and MBEs are not willing to bid the work, when in reality we're sending back letters to them, again via certified mail, at least I do this, saying that there's not enough time for me to bid this. How can you, you know? It's not fair. So . . . that's the frustrating part is that we're being solicited and their argument is that we're either . . . not responding to them . . . and if we do bid the project we're high. And one of the reasons we're high is because they're doing the . . . covering your butt type thing. If you're gonna bid, you're gonna cover your butt, you know, for those unforeseen things that you don't have time to go out and look at the project.

The repercussions and potential motivations of giving inadequate lead time are further explained by a Native American woman construction contractor, who has detected a pattern of late mailings among state agencies and the tendency to disqualify MBE/WBEs either for failure to respond or for responses that reflect the lack of lead time:

> I'm on a regular mailing list, so they [state agencies] will send me the lettings for the next month, and anybody who does regular [state agency] work knows when the bid-letting's schedule is, so they know when the bids are coming up. But there's some large, large contractors who still wait and effectively will give you a week's time period with which to bid . . . . The subcontractor needs to be accountable and responsible for this work . . . . But the [state agency] work and some of these other projects that are coming to the head . . . are not characteristic — like your gambling work, you know? Those types of things that are not regularly let on the 15th of every month. . . . I got these two letters. When I got the first letter and the bid-letting, the date was short. I just attributed it to, 'Oh, what the heck?' I got on somebody's list, and it's late, and they have got to meet the goal, and someone messed up. No big deal, it's one project. But when I got the same letter twice, the second time I wrote back and copied the State on it, and I'm in the process of doing it on the third letter.
>
> So now to me that's establishing a pattern . . . . It was not just a freaky thing that I got the first letter, and it was short, got lost in the mail, or sat on some secretary's desk . . . . It seems as though it is just a perfunctory action that they do in order to meet a goal . . . . If they're short on their goal participation and they want this job, they have got to fill out their logs, so they fill it out . . . but there's no checks and balance on that . . . . The goals of the participation seemed to have been around long enough now that contractors are going to use favorite contractors . . . That in itself is not a bad practice, but it makes it very difficult. It kind of defeats the purpose of having this type of work that people can break into . . . for a prime contractor to not award contracts to subcontractors that are disadvantaged, DBEs, unless he can justify that (A) we were unresponsive, and that happens because we just don't have time; (B) . . . we're too high. You know, he has no real reason to award us the work if we're that much higher.

On the other hand, a Caucasian woman in professional services states that she has had no problems obtaining adequate lead time to submit proposals to State of Indiana agencies:

> Basically, we submit proposals, not bids . . . . We get the same time as everybody else has, and the state normally gives the full 30 days. Some other agencies sometimes give as little as two weeks. In general, it's fine. There's the occasional project that may require quite a bit of work ahead of

> time to prepare a proposal. Typically, you're aware of that kind of project ahead of time or probably not interested in it . . . . The lead for proposals has not been a problem.

C. Other Problems with the Bid Process and Prime Contractors

Interviewees report a wide range of other frustrations and barriers attendant to the processes used by prime contractors to meet bid requirements — processes that range from the manipulative to the unethical. These include use of fronts, bid shopping and receiving no feedback from prime contractors or agencies following solicitation of bids and proposals.

The practice of soliciting minority and women-owned businesses for the sole purpose of compliance with minority subcontracting outreach requirements is regarded as routine by many of the experienced MBE/WBE contractors who were interviewed for this Study. When this practice is exercised, the company that is soliciting MBEs gives no reason or an inadequate reason for denial. This does not produce accountability or allow the subcontractor to learn to become more competitive process. An African American male business owner finds the absence of constructive feedback both unhelpful and discouraging:

> If a company is planning on getting a contract with the State of Indiana and the State wants to know if this company is doing business with minority businesses, [the company] gets what is called the Minority Compliance sheet that they have to complete. So they pick up and call several minority companies . . . . After the company prepares the quote . . . it stays right there because they do not call back to notify the person or the company that they were high or they were low, or their product was not acceptable, for whatever reason . . . If we spend a lot of time preparing a quote and [get] no business and no response . . . it makes it very difficult, and it becomes very discouraging, because . . . we wouldn't have known whether our prices were higher or whether the merchandise that we had was acceptable to the firm. It's just the silence is what creates the problem. And there is a silence, you know? . . . The contract companies . . . get the numbers, go to the states, and say, 'Okay, we've contacted several companies,' but that's it. We don't know whether those quotes or rates were any higher or lower . . . and also there is no monitoring as far as I know . . . . We did in fact talk to several competent minority companies. These were their quotes, and this is how much we are paid for the merchandise, but they were all higher . . . And, in the absence of that information, we tend to operate in a vacuum. That makes it very difficult for the little guy.

A Caucasian female in the construction industry describes an incident in which her WBE status was used by a majority owned company to win a bid. Situations like these effectively

misrepresents and manipulates minority firms and abuses the MBE/WBE program's objectives:

> I received a call last week from a contractor that I've worked for previously, asking if I would bid a project and bid the trucking for him. And I informed him that I didn't have any trucks and he knew that. And he said, 'Well, specifically I'm asking you to use our trucks and write it to your books.' I just told him I thought that was illegal and I wouldn't do it.

An African American male business owner reiterates the frustration attendant to taking the time and energy to complete bids that he knows he will never win. Never knowing why his bid was rejected makes it impossible to know how he can improve. This lack of information and non-responsiveness reaffirms the belief that bids are often solicited only to meet compliance requirements:

> The negative business experience has been basically [with] the prime contractors, which would be the private sector. Those are the companies that call minority agencies to get quotes to satisfy the State, attempting to do business with minority businesses. However . . . we spend a lot of time responding to their quotes, but after they receive the quote from you, they didn't notify that you were high or low . . . . They just don't call back. You don't hear from them again. And that makes it pretty difficult because we tend to spend a lot of time preparing quotes for many of these prime contractors and we don't hear from them after we submit a quote. That makes it difficult because it doesn't tell us whether we are competitive, non-competitive, too high, too low, just no feedback.

The financial and professional integrity and employee frustration that arises from concentrating on a contracting process that is not open and competitive may discourage companies from bidding. A Caucasian female in professional services expressed her frustration that the agency to which she had submitted a proposal had encouraged her participation, had suggested that she had a fair opportunity at winning the bid, but had, in her view, already predetermined which contractor would be awarded the contract. After encountering this scenario several times, she has found no way to address the situation:

> We were bidding on the possibility of doing some training for a local school project through the local school corporation, and we were encouraged by one of the school board members to go through this process [and] submit a proposal to a certain individual, which we did. We took a lot of time developing and writing the proposal . . . only to hear that (and we had actually asked) someone else was going to get this project. He is a white male from another community, and they said, 'Well, you know, it wasn't clear yet . . . . They were looking at several possibilities.' So we submitted

> the proposal. Once again, we never heard anything from the school corporation. We tried to call. We said . . .'What about the proposal?' Couldn't get through to the individual who had talked to us before about submitting the proposal. So we felt that was a strange situation. I mean we just felt kind of like we . . . had developed a proposal so that they could have several to look at, knowing full well that they'd already selected the individual to begin with.

Minority and woman owned businesses are excluded from contracts when prime contractors bid shop or use subjective selection criteria not based on price or experience. Bid shopping is a process by which prime contractors, after being awarded a contract use one subcontractor's bid to solicit other subcontractors to perform the same job for a lower price. Bid shopping allows prime contractors to artificially drive down the subcontractor price and thereby increase their own profit margin. It also allows the prime contractors to circumvent the bidding process and select personally the subcontractors with whom they will work and determine the price they will pay for the service. Practices by which bids are undercut, such as bid shopping or rejecting the lowest bidder on a technicality, are particularly devastating to minority and woman owned businesses.

A Caucasian female in construction discusses how some prime contractors effectively exclude woman contractors from competing in the market through bid shopping:

> There was a contractor war, and it was over pricing, and they made . . . big issue of the ways they made contractors cut their prices in order to keep their contracts. And it was the big joke, making the woman cut her contract prices, because basically [they thought that] because I was a woman, I didn't need these nicer items to work with; I didn't need that much money.

D. Denial of Contract Despite Low Bid or Superior Experience

A Caucasian female in professional services complains of losing contracts to male-owned competitors that charge higher prices for their services:

> One of the things we do is training for organizations or broker trainers, and we know of other training organizations in (our city) that are run by males and actually have male trainers. We know their cost pricing structure, and we think ours is very competitive, but often times when we have submitted bids for training, we're informed that our costs are way too high, when later we find out that [another] person . . . got the job and he prices it higher than we do.

A Caucasian female supplier shares an experience in which a competitor was utilized instead of her company even though her comparable products were less expensive. She believes that the other company was given preferential treatment because the owner was a male:

> When I was approached . . . about using my chemicals . . . a man there who had a meeting right after me or before me . . . they took his chemicals and used them even though I know that mine were cheaper and they didn't even give [them a fair try] . . . They tried it, but they didn't try it in a fair manner that they probably gave him, and I felt that was because he was a man.

A Caucasian female in construction observes that she has lost several contracts even after reducing her bid by 40 percent, which, she firmly believes, made hers the lowest bid:

> I have suspicions about it, but I can't prove it . . . . I have bid several jobs at basically 40 percent of my unit price and didn't get them. So I really suspect that this was handed to someone that, you know, they'd prefer to have it. But I can't prove it.

A Caucasian female architect describes the effects of being unable to win or even to be given consideration by being placed on a short list for a particular project, despite being highly qualified and having an MBE/WBE participation plan:

> We teamed up with one of the largest architectural firms in the country . . . and we submitted as the local lead on the project . . . and we weren't considered on the short list at all. And we are obviously qualified. The whole team is qualified to do the project, but I believe all the [companies] that were short-listed, I can't quote for sure, but from memory, I don't know that any of them contained either a WBE or DBE person on their team. And that is really disappointing to me that none of those teams made an effort to include those types of firms. We did, and we weren't considered for the short list . . . . So I guess in terms of disappointments when we don't get [a contract] or we don't get short-listed, I feel like that would be okay if the other team at least had that qualification on their team. But they don't. They're not making an effort to include smaller firms on their teams, smaller disadvantaged or anything, yet they end up getting the projects.

E. Reduction in the Scope of Work or Cancellation of Contract

Even after MBE/WBEs have overcome substantial barriers and have won government and corporate contracts, they encounter additional barriers to adversely effect their opportunity

to make a profit on the job, including delays in receiving tasks orders, reduction in the scope of work, and cancellation of the contract.

The following Caucasian female in professional services expresses frustration over the length of time that she has waited to get actual work on federal projects for which she is under contract. This interviewee reports having submitted her company as a WBE to a federal program that directs federal solicitations to disadvantaged companies and having received no further information after having been approved for well over a year:

> I guess the whole thing I want for you to understand out of this . . . is more of a federal thing. It's funny that I have two federal contracts and not one task order. I call Washington and I ask about these contracts, and it's like, 'Well, we don't know . . . if anything's coming.' And I'm sure that these are the only two contracts they've ever got, based on being a woman[owned] company, and to this date, I have not spent one dollar on them . . . . They basically say that there's . . . nothing in the pipeline. And it's been over a year, almost a year and a half on one, and a year and three months on the other. Never once had any work come from it. It's an open-ended list . . . [where] if there's a task order that comes, we'll add the bid against some other qualified people. And I keep calling, and my marketing guys keep calling, and nothing's there. But I supposedly have two federal contracts, and no work's ever materialized. I guess I'm just on some list somewhere, approved to do some work, if some work ever comes along. So, I guess . . . what I'm saying [is] that some of these federal contracts aren't anything that they're supposed to be. When you think you get a million dollars . . . where it says do task order up to a million dollars and a year and a half later, you haven't done one cent, you begin to wonder . . . was this just a bogus list, to say that I'm approved to do federal work, and I went to all this trouble to fill out these forms and sign them? To sit on some list for five years, and not do one thing? And I've got two like that. And I have not done one thing on either one of them.

As described above, minorities and women often believe that they are listed on a bid only to fulfill MBE/WBE participation goals. Even when these contracts have been awarded to them, minority and women contractors report that, through various techniques, prime contractors and public agencies reduce the amount of work that was originally offered or cancel the project. This Caucasian female in professional services reports having been awarded a contract only to have a larger company contest the award, which required that she re-bid and ultimately lose the contract:

> . . . I put in a proposal for a superfund site, and there were three contractors that bid. [Department official's name withheld] called me up and awarded [the contract to] me . . . A large international company protested because we

> got it, and said that they had a lower price, even though price was not the issue. [The Department] rebid the job, and they ended up giving it to [the] large international company, because of price . . . after they had already negotiated with me.

A Caucasian woman in the construction industry relates having attempted to retain from the prime contractor a fraction of a bid that she was originally awarded and having tried to use the available minority and women's groups to intercede for her, only to find them ineffectual and non-responsive:

> During this contractor war, then there was a bid time that came up, and, of course, like all companies, they were . . . going to the one-source, one-call deal. Well [later] I lost my contract, and because it was such a big area that this gentleman had taken, I requested a hearing to try to see if I couldn't keep just my little corner of the contract. And basically, they played corporate games. I called . . . on the [name of a private organization withheld], and I called . . . on the..[name of a private organization withheld], and it was a joke, basically. The [private organizations] said they couldn't have anything to do with it. They wouldn't even listen. And then, the [company name withheld] side-played corporate games with me, until this other gentleman signed a contract.
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> . . . They were pretty open about their games. I have the complete file on it. I asked for a hearing. They kept pretending to set up dates. Dates would be canceled, either due to the fact of this lady, [name withheld]. . . . She would be out of town, she couldn't meet with me now, she needed more information, nobody would answer her, so they kept putting me off, and putting me off, until, of course . . . I was getting pretty upset with them, and I called [them a name] and I said, 'Look . . . you know, you're discriminating against me. I'm asking for a chance to save my contract. You're the one that states you take care of your minority and your women-owned business contracts.' And I said . . . 'You made your bribes. . . . You have your black women, you have your white women, you have your Spanish ladies . . . You have all of them in your picture . . . so . . . let's see a little bit of this in the field work. . . . As far as I'm concerned, because you will not meet with me and talk with me, you're discriminating.' Well, the minute I used the word 'discrimination,' I had a meeting like the next couple days . . . . It was three days before this man signed his contract.
>
> So then after I met with them, they said . . . 'You haven't been discriminated against. This man genuinely took the bid, and this is the way we're going to do it.' You know, I basically had no right even asking to be considered to keep a part of my contract, because basically, I was a woman contractor. What gave me the right to ask to keep my contract? So then I was told that

> I couldn't keep the contract, after the other guy had signed. They wouldn't give me a decision until after this other company had signed. So, then . . . they washed their hands. They wouldn't even talk to me after that.

Cancellation of a contract or project can occur at any stage, but this Caucasian female construction contractor reports having been allowed to make all the necessary preparations and to arrive at the construction site before her contract was canceled. The cancellation occurred, she explains, after she had described to the project engineer in a preconstruction meeting the method of performing the work item. Her method was outlined in such a way that would have allowed for comment and revisions. She believes that the decision to cancel the contract was based on gender discrimination:

> One contract specifically I can speak to: It was a contract that we had with a large majority contractor in the [name removed] District, and it was to . . . [work] on a bridge in Harrison County, Indiana. The head of the [name removed] District doesn't particularly like the type of work I perform and just chose to arbitrarily jerk the contract away from us, after we had arrived on the project. I don't think that would have been the case had it been a majority contractor. I felt that I was being discriminated against. Well, the fact that we were at the pre-construction meeting and I discussed the way we were going to place this bridge . . . . The person that we're referring to knew how it was going to be placed and made no remark. He waited until we took our equipment in and got ready to do the project, and he personally stopped it at that point, stating that he wasn't going to allow it. . . . Anyway I feel . . . that had I been a larger company, a larger majority owned company, that wouldn't have happened.

Reduction in the scope of work can result in costly consequences, especially for smaller MBE/WBE firms. This African American male supplier reports having been left with substantial excess inventory when the bid that he had estimated would involve $10,000 was reduced to $500:

> We were awarded some business for the Indiana Department of Transportation. They gave us annual usages on what we would have thought that the business would be worth, and then we thought it would be worth about $10,000. We thought that we were going to get all that business with that state department. In reality, we went out and we put some product in our stock to handle the business, and the orders that we've gotten year-to-date have been roughly about less than 500 bucks. I've got a lot of product out here that I had put aside for them, and we just never received any of the business. So, that's the one situation where we thought we were awarded the business, and it really never materialized to the dollar that we thought it was going to be . . . . I've called and spoken to a couple of the

> locations to see why they haven't bought from us, and they have just continued to buy from the last supplier who was awarded it last time . . . .

A Caucasian woman professional services contractor who has been in business for 10 years also reports having suffered a substantial financial loss when the State chose not to exercise a second-year option:

> I had a contract, a maintenance contract, that was awarded to me, and it's a one-year contract with a second-year option if both parties agree. And that was maybe five years ago. And in my previous five years - or fifteen years of business with the State, I've never seen anyone not get that second option. The year that I got that contract, they did not give me the second-year option, which hurt me bad, because I had bid that job as a two-year project, which was my fault. I shouldn't have because the second year is an option, but I bought a lot of materials for a two-year basis, and with two-year prices, and when I didn't get the renewal, it was devastating. And I went to the State, and I cried to them, 'Hey . . . this is terrible that you're not doing this.' I . . . could call it discrimination . . . because I've never seen it happen before. And they said, 'well, we can't live with the way this proposal was written, and we want to change it, and so we have to re-let this job this next year.' . . . And that hurt, you know.

F. Late Payment

Late payment by prime contractors and agencies, a problem that is frequently reported by interviewees, poses a special hardship on small firms with limited cash flow. Late payments has a confounding effect on these firms because their profit level is severely circumscribed by the numerous barriers to their competing for and completing a contract. A Caucasian female in construction notes that some companies have been excessively delinquent in paying her business and that more than half of the jobs she has done for the State have involved late payment:

> The main thing that we've been dealing with besides the [disparate] pressure that has been put on us to perform is the slow payment. I went yesterday to actually a day-long meeting with a contractor addressing invoices that hadn't been paid that were over four years old. At that point, they didn't even ask us to set up our list that we wrote. And that's specific just to one contractor. That's happened with more than one [and] almost everything with the state. There's been probably less than 50 percent that have paid in a real timely manner. I mean, I'm talking 60 to 90 days plus.

The need for prompt payment is a basic business principle. One African American woman in professional services relates how late payment makes it difficult to conduct business and

severely limits the viability of a small business, a problem that is even more compromising for MBEs, who face a host of other obstacles:

> [There was] a general contractor who I bid with on a different job, not for a State job, but I installed some blinds for a company in January, for a general contractor, and was not paid until June. Now, as a small business, I cannot afford to wait that long to get paid. My suppliers give me net 30, and I can't afford to give anybody net 120, or whatever. So I think this is one of the things that really is a concern for small businesses.

A Caucasian woman business owner describes difficulties securing payment for completed work. She reports trying to get payments from a public agency that were two or more months overdue. Attempts that she made to discuss the issue evoked the response that the payment schedule was standard operating procedure. Because none of the creditors to whom she owes money operate on such a schedule, her business was adversely affected:

> [I experience late payment] all the time . . . . I give net 30, and . . . I think it should be paid within net 30, but many people pay [much later]. Like the [public agency], I have a bid with them, and they pay 60 and over . . . and then I called to talk about it. They said that's how they do it. . . . I have lots of people who are late . . . 40 percent [are late] . . . . I send statements, and I follow up, and I follow up with statements, phone call about it . . . . I just think that's how a lot of people pay. That's the way I understood it, but when I call them, they say, 'Well, we pay once a month, and you missed the date,' or 'We'll get it right out,' and then I never really get it, and then I have to call back, and they say, 'Well, I think we sent it.' I mean it is a struggle all the time, but I don't know why . . . . When I have to pay within 30 days . . . of course it affects [my business]. So I don't have the cash flow.

According to a Native American woman who has been in business for three years, late payment relates to business size. In her experience, the large companies and agencies that have the cash flow to pay their bills promptly have the worst payment records:

> The only thing I've noticed is the bigger the account, the longer they feel they have the right to take to pay. The little guy pays promptly, and it's usually on delivery. And the bigger the guy, the less money the outlay seems to be, [he] really is not going to pay promptly.

Although it is commonly understood that late payment hurts small businesses the most, this female interviewee observes that late payment is unrelated to gender:

> Government-wise or anywhere, I mean we always have some late payments, but I don't think it has anything to do with gender.

A Caucasian male in the construction industry also relates having had difficulty getting paid for materials when working on state and federal projects. He also reports having attempted to utilize an innovative program for addressing these problems, which proved unsuccessful:

> Another major factor that we ran into would be the shortage on the job itself, on sod. . . . We had critical shortages on getting paid for the sod that we took in versus what we got paid . . . . If we got paid for . . . anywhere from 92 to 95 percent of our sod that we took in . . . we felt like we were lucky. We went . . . back to a governor's aide in 1995, I believe, or 1996. They came to town and held a government day, you know, if you had a problem, and we tried to talk to an aide there to see if they could do something about it. And basically nothing could be done about it. I mean we've experienced that for it seems like . . . over five years. When we first started with the seeding and sodding, we didn't seem to have such a problem with getting our quantities paid, and as the State got tighter with budgets and everything, I felt like . . . quantities just kept getting shorted on jobs, and federal aid jobs were the worst probably.

G. Managers and Inspectors

Project managers and field inspectors can help contractors by providing them with information and technical assistance, or, if they choose, they can make working conditions very difficult. Barriers imposed by managers and inspectors can increase the cost of completing the contract and damage reputations. While these key personnel can affect all contractors, minorities and women are particularly subject to an adverse impact because they are at the mercy of managers and inspectors who might harbor negative attitudes about affirmative action.

A Caucasian female in construction reflects on the impact of manager and inspector skepticism regarding the work of women in a male-dominated field and of agency staff attitudes on a contractor’s profit margin:

> Whenever I go do a job, they go over it, and over it, and over it . . . and I don't know if it is the ignorance of the person in this field, because he's demonstrated that several times, or if it is because it is me. Personally, [I feel] kind of taunted by this district, that they really don't want me there. . . . They go over your job, and go over your job, and they . . . ask you to make return trips on things that don't even need to be done.

Another Caucasian female construction contractor recalls a prime contractor's intimidating manager who threatened her when she started working on a project:

> We performed—this was actually in the [name withheld] District—with a local to this area large . . . contractor on I-70 in Indianapolis. And we were pressured continually up there. In fact, when we started on the project, the project manager for this construction company said, 'If you,' and I won't use the word, but he . . . basically used foul language . . . for screw up, 'this project, you'll never work for us again.' And that was the way he started us on the project.

Responsibility for project delays have fallen on MBE/WBEs. A Caucasian female business owner describes being forced to work overtime without compensation because of project delays, even though her company was not responsible for the project being behind schedule. She has still not been paid for her overtime work:

> We were given schedules during the bid process when we were supposed to be on the project, and, due to their negligence, they were like three months late getting us in and forced us to work a bunch of hours of overtime . . . to meet the project's schedule, and to date I haven't been reimbursed for any of the additional expenses.

VI. ATTITUDES TOWARD IDOA AND InDOT

Respondent observations are especially useful in identifying the barriers and exemplary practices afforded to the State's MBE/WBEs. These insights provide a useful opportunity to see the gaps that exist between policy and practice and the areas out of which greatest difficulties emerge. These comments also provide guidance for building relationships between state agencies and the firms with which they seek to do business.

A former construction contractor who works for a WBE despite being in business for 27 years speaks about problems with the InDOT qualifications process . . . His frustration is compounded by the time and money the process requires, even though it was intended to reduce paperwork:

> It's just repetitious. Every year they want the same old thing, and you go through it. I think it's very expensive, and for a small company like us, it costs almost $3,000. A simple bank statement at the end of the year, what you're worth, the jobs you've done. It's just too elaborate, and it's too expensive. I shudder to think what some of the general contractors like [name withheld] and some others that are owned by [name withheld] and some of the others owned by families, what they have to pay to do it. Years

> ago they came up with this federal thing [that would] reduce paperwork. I'd like to know whatever happened to it. It's ridiculous. A company that's been in business for several years like we have and others longer, they shouldn't have to go through all this baloney…List the jobs and give your bank statement.

While interviewees acknowledge that State regulations are not deliberately designed to discriminate against small minority and women-owned businesses, the following Caucasian woman in professional services relates how certain bid requirements create de facto discrimination:

> For example . . . in our business, we bid a lot against [company name withheld]. Well, they are a humongous company, as you know. They're the division of the airplane builders. Well, you know, a $20 million performance bond to [them] is no big deal. But if you take a company our size, which is a $12 million company, a $20 million performance bond is a big deal. So if the State has that as a requirement, you know, they've kind of eliminated us from the competition, even though we are equally as qualified, and in some instances, more so than [company name withheld], because we are a smaller company and we aren't as bureaucratic, and we have a better staff for the project we're bidding on than they do. But we get eliminated from the competition, because we can't supply that $20 million bond . . . . I think it's discrimination against not necessarily size and certainly not against gender, but it's a discrimination; it's an elimination process that State procurements will utilize in order to be able to award the contract to the company that they want to have the contract. Kind of a game, you know?

A Caucasian woman commodities supplier believes that the State of Indiana is not open to new ideas or suggestions:

> It's still hard . . . It's still harder than it would be in other states but here . . . Even Ohio is, to me, light-years ahead of Indiana and they're right next door . . . as far as being open and willing to change . . . because I also . . . grow and sell organic produce to stores and restaurants. I know Ohio is much more open to those kind of innovative things than is Indiana. Anything to do with the environment, anything to do with changing very much, it's very hard for anybody to accept that here in Indiana . . . .

Interviewees also voice concern about their perception of futility or potential backlash in utilizing [the State's] grievance procedure. A Caucasian woman in professional services is unsatisfied with the bid process but believes her complaints would have no effect in generating change:

> And frankly, . . . to be up front about that, I believe that some of us are given out somewhat on a political basis and to complain . . . would not help me at all in the future. It wouldn't help me immediately, nor would it help me in the future to complain about it.

A female professional services provider expresses concern about the Department of Building Administration and its lack of programs designed to help companies like hers:

> I expressed to them my interest in getting more work as a woman-owned business. I was told that they are all announced and they are posted at times, for different projects. I asked if there were any other set-asides or any thing else. And they said, well, 'Very rarely are there set-asides for WBEs.'

Interviewees also recount positive experiences with State agencies. One female contractor notes that the [IDOA] conference in Indianapolis was very helpful in making contacts:

> They had that major conference down in Indianapolis, last spring . . . I unfortunately have not had a chance to follow through, but I still have all the names and stuff, so when I get around to doing that, then I'll at least have people's names to contact.

Overall, this African American woman supplier has had only positive experiences with the State during the few years in which she has been working with them:

> I have done business with the State of Indiana a few years, and I find it very exciting, and I find that they have treated me fairly, I feel . . . . I can call and get information, and there is a willingness there to work with me. I was an exhibitor [for] about three years ago to the State, and it was a lot of fun. I feel that in the time to come that my contracts will increase . . . but I can't say that I have negative feelings about the State. All of my feelings are positive.

VII. GENERAL ATTITUDES TOWARD MBE/WBE PROGRAMS

The respondents provide a broad range of positive and negative observations regarding MBE/WBE programs. In most cases, individuals recognize the necessity for MBE/WBE programs, but proffer complaints about the implementation process or the execution of such programs.

A. The Necessity of MBE/WBE Programs

A Caucasian female in professional services asserts the necessity of MBE/WBE programs but has had difficulty impressing this idea upon others. She contends that the need for programs has actually increased because decision makers, companies, and individuals seem to have reverted to more conservative ideas:

> Particularly with this HR group that we work with, because we're working with a lot of other people from around the country, our peers, our colleagues . . . I notice that with the young people, particularly these young men out of college, a hardened attitude against affirmative action and a belief that they are now experiencing what they call reverse discrimination and a belief that they have a hardship in the work force because of prior affirmative action initiatives . . . The reality is they are still the majority and they have the greatest opportunities . . . . They can look around in our company and in other companies that we subcontract with and see the power structure is white male. And yet they feel very comfortable talking about the antagonism toward blacks and black activists . . . and all women. . . . It's embarrassing for me to see them representing our company with their attitudes when frequently we're dealing with a lot of minorities in this selection process. It hurts my heart. Because now human resource people . . . have misunderstandings about what affirmative action is all about, why there is a need for it, what the disparity of opportunity is in reality in this nation for blacks and Hispanics and women . . . . I've been in the forefront of this since the ‘60s and ‘70s, and instead of seeing decision makers grow with the information and sensitivity, I'm seeing an entrenchment and throwback in their attitudes and their behaviors.

A Native American woman construction contractor has observed first-hand the disparate treatment of women entrepreneurs. It was not until her network of colleagues increased that she realized most women did not encounter the same degree of success that she had. The contact allowed her to view minority and women-owned businesses within a larger context:

> The only reason that I spoke up or started speaking up was because . . . it [affirmative action] wasn't helping other women businesses that didn't have the same opportunity I had. And in talking to women business owners throughout the State, now through the program and the networking that I've done through InDOT, I realized that we weren't there yet and that it was rather, I don't want to say selfish, but it was rather myopic on my part to assume that because I had not had any difficulty that other people had not had difficulty. And there are still a lot of barriers that have to be crossed and pushed. . . . So that's why I decided to become more vocal. So I appreciate you calling and letting me voice my opinion.

B. Ineffective Program Design and Implementation

Some business owners approve of the MBE/WBE programs, but have concerns about the flaws in their implementation process. These flaws are viewed as being inherent in program design, as well as execution. An Asian American professional services contractor, in business for nine years believes that only a select few minority firms receive business from the State. He notes that, because of those few, the State can claim to have met its requirements in engaging minority firms, although it has failed to reach out and broaden the opportunities of the entire minority business community:

> It looks like there are maybe one or two minority firms in the State, that have been established for some time . . . and they get most of the work. And there is no fair distribution of work among minorities. Once . . . the State maybe just feels that they've [met their] requirements with this firm and that firm, and then therefore why should we bother with the rest of the minority firms? . . . . That's probably one of the reasons that . . . they have met the minimum required by the State. Then there is no need for the State to pursue that any further.

After finding no success as a certified WBE, this Caucasian female in professional services reports having related this to other minority business owners at a meeting. Some MBE/WBEs concluded that it was not cost effective to re-certify or even apply for certification. The effects of this response can be damaging to the program:

> I don't think there is any emphasis on the selection team to include the WBE and MBE. So you know, there again, what is the advantage to being certified as a WBE? It does not give me a leg up in going after projects. It doesn't even give me any special recognition or qualification. It basically doesn't mean anything, or hasn't to this point . . . . There really wasn't any kind of advantage to being a woman-owned business. A lot of them at that meeting decided, well, why should I go through that certification if it's of no value to me because obviously you are certified and you are not getting any business, so what's the advantage to being certified when there is no list and there is no follow-up?

A Caucasian woman in professional services found that she was able to be certified but that the help that she needed exceeded what was available. Additionally, she notes that when project teams are considered, there is more emphasis on the prime contractor than on the WBEs that may be engaged as subcontractors:

> I was told there is not necessarily a set-aside for a woman-owned business. The city definitely does not recognize or does not have any set-asides for

> WBEs. The State on a different level is a little better, but they're geared more towards minority businesses than they are women-owned businesses . . . . Well, with the city, they basically said we have the certification process, but that is where it stops. We don't have any implementation process. So other than certify you, that's all we do. We can't help you find out about any projects or get you any list of projects or even tell you where to go to find the list. So right now there is no initiative to funnel women-owned businesses. There is an initiative for minority-owned businesses. And I believe there is even a quota for that. Now at the state level, I was told at times there are set-asides, but again, there is not a definite program for that to happen. So, while sometimes they look more favorably among design teams that have included minorities or women, many times that does not even matter to the people doing the selection. They're basing their selection for the design team based more on the prime candidate than on who they have put together on their team as minority and women.

Finally, a Caucasian female in professional services relates how she can see the benefit of MBE programs but that WBEs require as much assistance as MBEs. Since the required eligibility process is so labor-intensive and she would need as much help as MBEs, she believes her company would benefit more from its reputation as a good company than from anything a WBE program could offer. This general disillusionment is pervasive among the many companies that believe in the potential of MBE/WBE programs but do not see its effectiveness realized:

> [Affirmative action] has not helped in other states where we've been. As a matter of fact, we've lost business in places where they say they are looking for minority participation. And that's the other thing, you know: There's a distinction; I'm not so sure that the minority business distinction overlaps into women-owned businesses. So I really don't think the gender issue is a help at all. I think . . . companies are better off if they're minority-owned, rather than women-owned. And that's just my sense of looking at some of the RFPs from different states. And women are not considered minorities; for that minority-owned business distinction, you have to be a minority, not a woman. And so . . . I guess the answer is . . . it hasn't helped, and then you couple that with the laborious process of being certified. Sometimes I wonder why in the heck we did it in the first place, went through that process, when it hasn't helped to win business. I mean I think our reputation in terms of the work we do is what wins us the business, not the fact that we are a woman-owned business.

VIII. ATTITUDES TOWARD THE STATE OF INDIANA MBE/WBE/DBE PROGRAMS

Many interviewees identify serious difficulties in participating in the State of Indiana MBE/WBE Program and InDOT DBE Program, particularly in the certification process. However, they also have found certain aspects of the program helpful and observe that the State could benefit by better monitoring and enhancing its program by drawing upon the more successful efforts of other governments.

A. Ineffectiveness of MBE/WBE/DBE Programs

A Caucasian female in professional services has assessed Indiana's WBE program as relatively ineffective. She has experienced no gain as a result of her involvement with the program, although it has cost her to participate:

> I think I've been a WBE about a year and one half. I have not received anything from the State which is surprising. I guess I'm not sure at this point if I haven't set securely into a category or what has happened. However, there are people with my same credentials who are getting jobs with the State, and I know I have the same credentials as these people…the same type of company, the same kind of personnel, etc., and I have not been contacted about any of the jobs and I have been curious . . . . You know, in all honesty, it does not affect my business because my business is going very strongly on its own; however, I'm wondering why even bother to go ahead and get a WBE because it has zero impact . . . It just cost me money . . . is all it's done.

Another Caucasian female trucking company owner has been self-employed for five years and has noticed that despite the lengthy paperwork required for certification, her largest competitor is a woman-owned business front:

> There's a lot of companies labeled disadvantaged or women-owned businesses that aren't truly owned and controlled by women. I mean my biggest competitor has three different trucking companies, and they've got one company that is labeled as a disadvantaged women-owned business, and she's . . . the one that went from nothing to gobs of trucks in a year. You see what I'm saying? And she controls mainly everything. I go about 50 miles outside my area, right here, to work. I send my trucks out that far, because the prime contractor that does most of the road work in this area, they use this other front company.

This Caucasian woman providing construction related services has found through her regional experience vast differences in the way MBE/WBE programs are promoted and utilized. In other states, successful bidding and increased profit has characterized her experiences and those of her colleagues. The significant differences between the State of Indiana and other states is the active role the other states take to bring about MBE/WBE utilization:

> We've always tried to get our work on the basis of our qualifications and not on the basis of our certification. However, I found out in the recent year or so in working with larger consultants on projects where there's a team flown in from multiple states, that the surrounding states very aggressively push their WBE and DBE programs and Indiana doesn't seem to. I was surprised. I had no idea that it was pushed so much in other states. In other states, it seems to be almost like a free meal ticket. I don't know if it's quite that good. Maybe they just make it sound a little better than it is, but it seems like it's pushed very aggressively in the surrounding states and not so in Indiana, but since we don't try to get work on that basis I suppose it shouldn't bother me, especially since we've been in business almost 14 years, kind of late to worry about it.

B. Problematic Certification Process

One Caucasian female supplier found the State certification process so problematic that she did not apply for recertification. She relates the amount of information that was required from her, the length of time it took to verify the information, and the extensive amount of time it took to receive a certification certificate. This time-consuming procedure made obtaining a certificate, for this woman, an unappealing and prohibitive venture.

> I probably wouldn't do it again. Because it took a long time, the information they need is very detailed, which I understand. You know, they don't want to just sign up anybody, but it's really a lot of information . . . Then after I got it in, I think I turned it in in November '97, maybe September, and they said it would take 90 days, and now it's already been . . . how long? It's just a time-consuming thing, and then they would send me letters saying I didn't give them this, and I did . . . That happened three times . . . . It just has been a real pain . . . I got a pending letter saying that this pending letter's good for 90 days, and I could give it to people. So I'd give it to the casinos, so they would see I'm pending as a minority business, but only until, I think it was February. But then, when I called to get a new pending letter [and asked] if I was really certified, they said, no, it'll be a couple more months, but . . . to the casinos, it looks like I just have an expired letter . . . . I asked, 'Well, what do I do with this letter?' because if there's a quote to casinos, for example, they usually want that pending letter . . . . So it just kind of

> leaves me hanging . . . I don't think it's the people's fault that I've dealt with, but I don't know whose fault it is . . . They just say they're really overworked, and they're not enough people, and they're just really backed up.

This Caucasian female in professional services confirms the lengthy turnaround time and the excessive documentation requirements in becoming certified. In addition, she notes that the State did not facilitate her effort to secure from their files documentation required for reciprocal certification from another state:

> I think the process in Indiana, and actually with the City of Indianapolis as well, was ridiculously lengthy, and it . . . bordered on intrusive. I understand the State doesn't want to certify women-owned business entities that are truly not women-owned business entities, but I think the required documentation was absolutely excessive and ridiculous at some points. In addition . . . I was . . . applying for a WBE in another state, when we had already been certified in Indiana, and it was very difficult to get information out of Indiana, to send to the other state.

Another Caucasian female contractor reports that she has encountered considerable problems with re-certification:

> The only problem we've had afterwards [is that]…your certification is good for a year and then you have to reapply, fill out new forms, send in tax returns, shareholder information, things like that to verify that you are still woman-owned business, which I would have expected. So we filled that paperwork out, and it's been two years now. We still haven't received our recertification papers. So it has taken a while to be recertified. They have told us we have not lost our certification. We're still certified as a Woman Enterprise Business; they are just slow in getting paperwork back . . . .
>
> You have to send it in annually, so we would have sent it in last year and then [they] should just send us another letter this year to recertify as well. We've never got this year's letter, and we never got last year's recertification papers either . . . . It would be two cycles of when the paperwork would have been due . . . It's all within a year . . . . We've called several times . . . and I've got a documentation list of how many times we've called because I did not want to lose my recertification. We were told the first time that the person was on a medical leave, and then they were behind, and then this other time they were still getting around to doing it, and the fourth time they said, 'Don't worry about it, we'll get to it. You're fine, we're just really behind now.' After that, I quit calling. I figured if I'm still certified, why should I be still hung-up about this if they're not?

Many individuals observe that the certification process is cumbersome and prohibitive. This Caucasian female in professional services compares the process in the State of Indiana to the process in the other states in which she has worked and suggests that what is needed is a more streamlined process in which only essential documents are required for verification:

> I like Texas' way. You know, they believed what I said. They looked at the documentation that I provided, and they didn't make me elaborate. I mean they didn't make me get out the canceled checks . . . (keep going back to that, but it's just such a perfect example) from the initial investment. I mean my $500 canceled check from 1990 [laughs]. . . . I couldn't understand what that demonstrated, especially when I have a stock certificate that says I own X percentage of the company . . . .but it just seemed that Texas was easier. They . . . have figured out how to streamline the process, number one, and they have figured out what documents that they can rely on, in terms of being true. And Indiana hasn't figured that out yet.

On the other hand, this Caucasian woman in professional services who has been self-employed for five years believes that tighter restrictions must be placed on qualifications to become a certified MBE. She believes that by allowing large MBEs that dominate certain market areas to become certified, Indiana's programs are not really attempting to help the much smaller MBEs:

> I think the program's good. I mean, it's helping me as a small business. My concern is I just don't understand how companies can qualify for these types of programs and be such large businesses. I don't see to where they have a need to dominate . . . . They already . . . have so much that they dominate a lot already, without coming into this portion of these projects, and dominating . . . them, too. I guess I would like to see further restrictions as to what qualifies a business.

C. Exemplary Programs

A Caucasian female contractor observes that being involved in the Women's Enterprise Business Minority program has been helpful to her. She is positive about her experience and notes that it has given her access to projects on which she would otherwise not have had the opportunity to bid:

> The Women's Enterprise Business Minority program or that whole process has been beneficial because…we've had opportunities to bid on things or to

> work with other companies that would not have normally been able to get in the door with. So that's been a benefit.

An African American female contractor applauds the effectiveness of the MBE program and its responsiveness to individuals. Furthermore, she finds that these programs help people understand, or at least see, the needs of those who are less advantaged:

> I think the MBE program here in . . . the State . . . is very good. I think it's run very well. I think that they're very supportive. They will help you answer questions. They help you make contacts, just pretty much all of it. I think they're very, very good. They're very, very supportive. I don't know, I just think that . . . Indiana's a pretty conservative state. It's very conservative. People just tend to get into the grind, and want to continue in that manner, forever. You know? And that's just how it is here. So it's opening up eyes, and opening up minds . . . .

IX. INTERVIEWEE RECOMMENDATIONS

The recommendations that follow cover numerous topics and concerns. Recommendations come from both interviewees that reported specific problems with and concerns about the programs and others who believe the programs have been beneficial.

A Caucasian female in professional services notes that her needs differ from individuals working in the construction industry and that the programs that are offered are not tailored to the different industries. Because the structure of the MBE/WBE programs do not adequately address her company's needs, she recommends that these programs be more carefully tailored to the four or five contracting industries:

> I was hoping somebody would call and go more into depth because I think the woman business is important, but also the professional services makes us different . . . . You're more interested on the WBE side, but I am interested also on the professional services aspect of it. That whole selection process and information process needs to be different for a professional services firm than it does for a firm that does subcontracting, sells furniture, or whatever. If those formulate or something comes out of that, on either level, I would be happy to be involved.

An African American who has been in business since the late 1960s identified unique needs that arise within the professional industry. Because there are so few minorities in his field, he suggests that the best way to increase participation in state contracting is to create a partnering system. This would allow minority firms to gain experience from majority firms and would allow majority firms to benefit from the services of minority companies:

> It has been difficult to obtain corporate clientele . . . from the State in the professional services arena, although I have filled out several of the forms and have through the years let it be known . . . that I'm a minority [professional], but I've yet to receive [professional services] business from the State. And I think one of the reasons is the State does business with the larger or reasonably large size majority white firms, which in most cases have only a few if no minority [professionals]. I think that some effort should be put forth to allow for corporate partnering whereby when a majority firm gets the contract or gets the business from the State, that it will partner with a minority [professional] or minority firm. There are so few minority firms in this state, it would probably be better if the white firms would partner with individual minority [professional], especially those who have expertise or potentiality for doing certain types of business . . . . I think with respect to professional services . . . it's something that the State has not paid that much attention to with respect to minority [professional]. And that's the reason I said that the whole area of professional services should be looked at individually and carefully to determine what can be done to give minorities, be they engineers, architects, or any other kind of professionals, a piece of the pie.

The need identified by a Native American female in the construction industry is to monitor and verify the solicitation of subcontractors. She explains how a prime contractor could meet a goal by stating that they solicited her business for work that she does not do. She suggests that there be checks and balances to verify that those who solicit MBEs to fulfil goals do so in good faith:

> They fill out logs and they send out letters, they being prime contractors . . . but . . . it doesn't appear as if there's any kind of a match . . . like a checks and balance . . . type thing . . . . It might be very cumbersome, but it would be nice if there was a way that, for example, for every time my name appears on a report, then I also have to fill out a report saying I was solicited and then a match is made. And then I need to, as a subcontractor . . . be able to respond back to them why I didn't submit a bid . . . . Maybe I don't do that kind of work. If they're constantly pulling up [my company] as a general contractor, but I don't do painting and I'm always being solicited for painting, what good does that do? Why am I meeting someone's goal participation? You know? So, there's no checks and balances. That's a problem that I see.

As a solution to a problem often identified by the interviewees in this study, an African American business owner suggests that prime contractors be required to provide feedback to subcontractors, stating, among other information, why their bids were not accepted. This would enable MBEs to become more competitive and productive and would ensure that, for

all of the expense of submitting quotes, they are at least extended the courtesy of feedback on their bid:

> The suggestion would be that if a prime contractor contacts a minority or a small business for a quote for either services or product, that after the quote is received the prime contractor should inform the company or the firm that their services or their cost were high, higher than the market, or that the product they had . . . submitted was not acceptable to the company. That would help the minority business to do a better preparation in getting into the mainstream business.

The main concern of many interviewees is access to information. An African American contractor providing services suggests that it would be most beneficial to him to have lists of MBEs categorized by services and products sent routinely to various departments to ensure that the agencies that have MBE goals have ready access to a list of MBEs that are willing and able to work:

> I would like . . . to see more emphasis on getting out to different state agencies in terms of a letter or something acknowledging us as minority vendors. We would like to see something more in that particular area . . . . Basically, what I'd like to see . . . from State Purchasing is if they would send out a letter to different departments stating that there is a minority vendor selling this particular product.

Some individuals, such as this Caucasian woman in professional service, report having benefitted especially from conferences that sought to help MBEs to network, create contacts, and distribute information:

> Just have more conferences. I like going to seminars and conferences, down in Indianapolis, anything that the State can do, to give us more information. So I like to attend conferences. They had one — think it was last spring — down in Indianapolis, where they had a lot of the State organizations down there, and that was wonderful because we were able to actually meet with a lot of different organizations all in one area. So . . . I would suggest just more seminars and more conferences.

X. A DOCUMENTARY PORTRAYAL OF THE STATE'S RECENT CONTRACTING ENVIRONMENT

The review of documentary evidence suggests that the public contracting climate in which Indiana's MBE/WBEs were attempting to develop their businesses was becoming, by the mid-1990s, increasingly politicized and, as elsewhere across the country, intensely polarized. Accordingly, contemporary press accounts also record the restructuring of the programs that had been developed to assist minority businesses.

A. Disparate Views of Affirmative Action in Indiana

A media review for the period 1994 to 1998 in the state of Indiana presents the varying and disparate views regarding affirmative action programs. A 1994 editorial in the Fort Wayne *News Sentinel* categorically denies the negative effects on local women and minority owned businesses of gender and ethnic discrimination and regards as superficial the very distinctions of ethnicity and gender. It declares "unwise, unconstitutional and destined for mayoral veto" a proposed City Council ordinance "designed to steer a portion of city business to firms owned by minorities and women." The author of this editorial bases this opinion on the assertion, "The truth is that firms owned by minorities and women are not inherently at a competitive disadvantage." The editorial goes on to argue in favor of targeting emerging business, based on "need — not assumptions of disadvantage based on superficial characteristics."[10]

At the other end of the spectrum, in a 1995 *News-Sentinel* cover story surveying public opinion about fairness in public contracting, Indiana Minority Business Program Commissioner Rae Pearson puts the need for remedial programs in broad historical context:

> It's a known fact, nationally and statewide, that there has been obvious disparity through the century. These programs have allowed us to at least have an opportunity. And to take it away would be an injustice.[11]

Meanwhile, in the same 1995 account, minority business leaders, echoing the belief that affirmative action programs are essential to leveling the field for all players, are reported to "complain [that] the city [of Fort Wayne] has not been aggressive in doing business with minority companies and that without numerical goals, it is left to its own devices." Sandra

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[10] Unattributed editorial, *News-Sentinel*, June 29, 1994.

[11] Deborah Barfield, "Minority Contracts: Is the playing field level?" *News-Sentinel*, January 16, 1995.

Shelley, Director of the Fort Wayne Women's Bureau, likewise observes, "In my experience, we still are nowhere close to equity and opportunity."[12]

The need for affirmative action was clearly outlined in 1993 by Hispanic Chamber of Commerce President Herb Hernandez, who points out that Hispanic business owners lacked the technical assistance and business acceptance necessary for them to have benefitted from affirmative action in the 1960s and that they have therefore been negatively stereotyped:

> Hispanic business owners suffer from the image of being undereducated amateurs, more suitable for local 'mom and pop' operations than for big-time corporate success. Much of this stigma stems from the failure of many Hispanic-owned businesses that received capital through Affirmative Action programs in the 1960s . . . . Because this money was going to owners without much business experience, a lot of these businesses were destined to fail. This created the impression that Hispanics didn't have the smarts or savvy to succeed.[13]

That local affirmative action programs were regarded as justified and in need of enforcement is suggested by a 1994 report that Archie Lunsey planned to direct more City of Fort Wayne construction projects to African American owned businesses to ensure that the City's subcontracting goals "become requirements instead of 'good faith goals'" by bringing to the Council agenda an affirmative action subcontracting ordinance that had been tabled twice.[14]

As affirmative action program administration across the nation began to respond to the ramifications of the *Croson* decision, attitudes toward affirmative action became more sharply defined. Upon the termination of Fort Wayne's minority business ordinance in the wake of *Croson*, Al Stovall, Jr., Chair of the Small Business Council of the Fort Wayne Chamber of Commerce explained, "Anything alarms me that takes away what would otherwise be a level playing field." (Fort Wayne had allowed its MBE/WBE program to expire in 1989, five years after it was initiated, in favor of the City's Emerging Business Enterprise Program.) Bob Navarre, operations manager of an Indianapolis construction management company, observed that "the scales are tipped against women and minority owned businesses" but that "many contractors just get a minority company to meet the federal requirements and not necessarily to help that business develop." The chief obstacle

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[12] Tanisha Washington, "Is the door closing on affirmative action?" *News-Sentinel,* June 14, 1995, cover story.

[13] Ashraf Khalil, "Corporate culture," *News-Sentinel*, October 13, 1993.

[14] Ila Adke, "Doing the Bidding/Lunsey wants more pacts for minorities," *News Sentinel*, June 27, 1994.

to affirmative action identified by minority leaders "is the perception that minorities are 'given business' and don't earn it."[15]

The United States Supreme Court decision in the 1995 *Adarand* case, in which the strict scrutiny of affirmative action programs required by *Croson* at the state and local levels was extended to the federal level, elicited substantial interest in the issues of affirmative action generally and in local minority contracting. The Indiana dailies explored the ramifications of *Adarand* on InDOT, the persistent need for affirmative action in the state, and many of the barriers that MBE/WBE programs are designed to dismantle. Like the subsequent evaluation study interviewees, the press focused on such issues as financial barriers to minority business development, the tightening of minority subcontracting networks, and such other negative impacts on MBE/WBEs as the lack of program monitoring and the national slowdown in minority business growth. On a state level, it was reported that *Adarand* had left InDOT not knowing "where that leaves it when awarding highway construction bids that include federal aid."[16]

By mid-1995, Rae Pearson was reported "never to have seen more regression in diversity in employment and training than in the past year."[17] A *News-Sentinel* cover story put the local struggle in a national perspective:

> For white men, whose anxiety has fueled the affirmative action debate, a single statistic underscores their angst: the income of white men in the United States peaked in 1973 and has been falling since . . . . White men still control more than 95 percent of senior management jobs in America's largest corporations. They hold all but 10 seats in the U.S. Senate and more than 80 percent of those in the House. They earn more than white women, blacks, and Hispanics with comparable education. Meanwhile, blacks, in particular, bear a nearly 400-year legacy of discrimination — far too much damage for 30 years of affirmative action to redress, supporters of the policy say . . . .Now there are increasing doubts about whether affirmative action has reached into the inner cities and given the truly disadvantaged a helping hand. Poverty for blacks increased from 31.4 percent in 1973 to 33.1 percent in 1993.[18]

State coverage of the range of opinions surrounding affirmative action addressed the anxiety surrounding corporate downsizing, the loss of high-wage manufacturing jobs, intensifying global competition, and the problems of affirmative action program implementation.

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[15] Barfield, op. cit.
[16] *Journal Gazette*, June 14, 1995.
[17] Washington, op. cit.
[18] Ibid.

Meanwhile, the *Indianapolis Star* recognized in 1995 that the 3.6 percent increase in federal set-asides in the previous ten years "helps explain why any change . . . in the legal machinery controlling affirmative action will bring an explosive reaction." *The Star*, characterizing *Adarand* as "a backlash against affirmative action," also weighed in in favor of strict scrutiny and narrow tailoring: "It is reasonable and fair to require specificity and proof of a wrong before the power of the government is exerted in a supposedly remedial way that does an indisputable wrong."[19] While this coverage underscores the public recognition for the need for factual predicates such as are produced by the present evaluation study, it also demonstrates that in the environment in which MBE/WBEs were attempting to do business in the mid-1990s, the issues of minority public contracting were becoming increasingly politicized.

B. Networking as a Barrier

At the same time, state media coverage during the study period has consistently suggested that minority owned firms in Indiana have been prevented from growing as a result of financial constraints and, with the exception of a very few large MBEs, exclusion from networking opportunities. Payton R. Wells, the owner of a successful automotive group that received an award for excellence by the Coalition for Minority Business Development of the Indianapolis Chamber of Commerce, observed, "Financing has always been a big problem with our industry." *The Indianapolis Star* observed that financing "has been a problem for minority businesses no matter what industry they're in. Wells said that in the past 10 to 15 years he has seen the number of minority businesses in Indianapolis drastically increase, but the size of them 'has not grown as it probably should' due to the difficulties of obtaining financing."[20]

The *Indianapolis News* editorialized in December 1994, "Money can be a big barrier for minority and women owned businesses, particularly small businesses. The biggest problem isn't so much that there isn't money, but that there isn't always access to the money." The proposed solution was a program, announced the previous week, in which the City, the Indianapolis Business Development Corp., and two banks, would offer $1 million in loans for working capital to area MBE/WBEs: "While $1 million will not meet the needs of all minority and women-owned businesses in the city, it is a start."[21]

William G. Mays, identified as the owner of Mays Chemical Co., the largest African American-owned firm in Indiana, as well as Mays Property Management, an Indianapolis Black newspaper, and a majority stake in the broadcasting company that owns WAVE-TV, WHHH, and WGGR, is reported to have said in 1996, "The biggest problem in the central

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[19] *The Indianapolis Star*, June 14, 1995.
[20] *The Indianapolis Star*, September 26, 1996
[21] *Indianapolis News*, December 20, 1994.

Indiana business community [is that] there are few very successful entrepreneurs, a lot of people with very small businesses, and virtually no one in between." Mays identified as the source of the problem the need for business development assistance and subcontracting opportunities.[22]

A local editorial by a representative of the Newspaper Enterprise Association of Indianapolis likewise revealed that minority-owned Gray Systems overcame financial barriers to become a $5 million business only through assistance from the minority community and affirmative action:

> Since his local bank would loan him no more than $1,500 to get his company off the ground, he had to turn to friends, business acquaintances, and other investors to raise operating capital. Of course, he had to pay a higher interest rate . . . . Gray Systems has been successful in winning millions of dollars worth of government contracts because of the quality of its services. But the fact is, it also has won those contracts because the company happens to be minority-owned . . . . Gray and other minority entrepreneurs operate under real-world conditions. And the reality is that if the government, the largest purchaser of goods and services in this country, makes no effort to reach out to the 5 percent of U.S. firms that are owned by Hispanics, the 4 percent that are owned by blacks, and the 4 percent that are owned by Asian Americans, then minority business owners will receive a disproportionately small share of government procurement.[23]

The need, expressed by the *News-Sentinel,* for the City of Fort Wayne Bond Guarantee Program, by which emerging businesses could obtain assistance in qualifying for City-required bid and performance bonds, likewise underscores financial obstacles to minority business success:

> New businesses can have problems obtaining bonds from insurance companies if they want to bid on a city project, said Chuck Bailey, city contract compliance administrator. Businesses can't get a bond without a track record, and they can't get a track record without working. And without a bid bond, business can't even submit a bid, let alone win a contract.[24]

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[22] Peter Key, "Minority businesses are vibrant part of small business in central Indiana/Six key people play a major role in keeping these minority businesses on the grow," *The Indianapolis Star*, October 7, 1996.

[23] Joseph Perkins, "Giving minority firms a fair shake," *The Indianapolis Star*, February 2, 1998.

[24] "City helps businesses acquire bonds," *News Sentinel*, June 29, 1994.

To remove this obstacle, the Bond Guarantee Program, which was financed by an Urban Development Action Grant and a Community Development Block Grant, Amwest Surety Insurance Co. pre-approved bonds for certified businesses, while the contract compliance office fined companies failing to meet a 10 percent good faith goal in subcontracting to emerging businesses.

Applauding the 1997 effort of the Small Business Development Corp to bring guides to Fort Wayne to assist in certification and bidding, Emile Godfrey, president of the Indiana Small Business Development Corp, identified another problem associated with the smallness of most MBE/WBEs, observing that "often small businesses don't have the staff to chase contracts that would keep work in the pipeline."[25]

President of the Indiana Regional Minority Supplier Development Council, in an annual address in 1996, identified the obstacle to minority business success as the persistent exclusion from Indiana's subcontracting networks. Despite the heightened awareness of the state's large firms: "Large corporations are attempting to keep minority businesses in the loop by making sure their suppliers use minority contractors. But . . . the first-tier suppliers aren't used to having to actively look for minority businesses and so aren't sure how to go about it yet." At the same time, "the biggest challenge" reported by the Executive Director of the National Minority Supplier Development Council, was "that most sizable corporations are reducing the number of suppliers they use, which cuts minority businesses opportunity to sell to them directly."[26]

C. Restructuring of Affirmative Action Programs in the State

As various state agencies restructured their small, emerging, and minority business programs, local journalists recorded the shifting tide. A 1996 "textbook example of how minority business development is supposed to work" tells how Majestic Marble became Minority Entrepreneur of the Year in 1995 through advice from the Indianapolis Small Business Development Center and a loan from the Indianapolis Business Development Corp. *Star* journalist Peter Key reported that Majestic Marble founder Jose A. Alejos's praise for "the city's . . . really good network of volunteers" represented "the consensus of the people who use and run the groups and organizations available to aid minority businesses in central Indiana."[27] Those groups also included the Coalition for Minority

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[25] *Journal Gazette*, October 20, 1997.

[26] Peter Key, "Nurture role of supplier, minority firms urged," *The Indianapolis Star*, April 11, 1996.

[27] Peter Key, "Helping Hands/Minority businesses have a smorgasbord of agencies to help them in central Indiana" and "Aid programs for minority businesses," *The Indianapolis Star/Indianapolis News*, February 12, 1996

Business Development, Indiana Hispanic Chamber of Commerce, Indiana Regional Minority Supplier Development Council, Lynx Capital Corp, and the U.S. Small Business Administration Indiana District Office.

In a related article, however, Key observed, "[T]he story of central Indiana's minority business development community isn't all positive . . . [A]gencies sometimes are criticized for not working together enough . . . not backing up their words with their deeds . . . and aren't used enough by the minority businesses they're supposed to serve."[28]

By March 1997, Key announced the closing the previous month of the "third incarnation of the Indianapolis Business Development Center . . . a victim of cutbacks to the federal agency that funded it." Key notes that the program had employed only two people and had shared resources with the Indianapolis Small Business Development Corp, which had agreed to take on its clients and was then being evaluated as part of the state's overall economic development planning. Key also observes that the Indianapolis Construction Alliance "hasn't had a full-time staffer since November." Despite these limited resources, many local leaders, Key observed, "feel the area had more minority business development organizations than it needed . . . . The shake-up of the minority business development landscape in central Indiana isn't an isolated event," but was accompanied at the federal level by a reduction in funding for the U.S. Department of Commerce's Minority Business Development Agency from $28 million in 1995 to $4 million in fiscal 1997. Acknowledging that the consensus was nonetheless that minority business development should provide education and access to funding, the article points to the obvious void in services that would result from such cutbacks.[29]

By May 1997, Key was reporting that the Indianapolis Business Development Corp. was "the latest local minority business development organization to go into limbo,"[30] and in February 1998 that the Minority Business Development Network would be providing technical services to Indiana Small Business Development Corp. clients through a one-stop small business center housed with the Indianapolis Regional Small Business Development Center, with a budget of $60,000 when fully operational.[31] By this time, the emphasis of

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[28] Peter Key, "Critics say agencies fail to cooperate," *The Indianapolis Star,* February 12, 1996.

[29] Peter Key, "Shakeout rattles development agencies," *The Indianapolis Star*, March 23, 1997.

[30] Peter Key, "Lender to minority firms has ceased its operations/Indianapolis Business Development Corp. says it didn't make enough to be self-sustaining," *The Indianapolis Star*, May 24, 1997.

[31] Peter Key, "Help along the way/Entrepreneurs breathe easy, thanks to service offered by small business program," *The Indianapolis Star*, February 16, 1998.

programs appears to have shifted from direct loans to technical assistance, while program eligibility criteria shifted from MBE/WBEs to all small businesses.

XI. CONCLUSION

The experiences of MBE/WBE/DBEs, as depicted through this anecdotal analysis and documentary review, reveal common and consistent business barriers for those groups in the State of Indiana. Exclusionary acts limit the size and growth of minority and woman owned businesses. Table 10.02 summarizes those common responses, which range from limitations on financing, bonding, and insurance, to late payments of invoices and to the many exclusionary practices of prime contractors, trade organizations, and suppliers. These latter practices include giving inadequate lead time for bidding, bid shopping, holding MBE/WBE/DBEs to higher standards of review, and harassment. Such practices, evident in both the private and public sectors, are directly linked to the slow growth of the State's minority and woman owned businesses.

Some businesses praised the State's MBE/WBE/DBE programs. However, accompanying negative responses indicate a need for serious improvement. The State needs to look at reducing bureaucracy, eliminating paperwork, providing prompt payment, and training staff on programs to improve relations with MBE/WBE/DBE contractors. Routine evaluation of program officials must be performed to hold them held accountable for their performance.

Table 10.02 Summary of Barriers

	African Americans	Asians Americans	Hispanic Americans	Native Americans	Caucasian Females
General Barriers in the Market Area					
Stereotyping and Judgement	✔				✔
Harassment and Improper Pressure	✔				✔
Excessive Monitoring or Higher Standards of Review	✔				✔
Business Institutional Barriers					
Difficulty Obtaining Financing and Credit	✔			✔	✔
Difficulty Obtaining Bonding and Insurance	✔				✔
Canceled or Unfair Supplier Agreements	✔				
Barriers Created by Prime Contractors					
False Good Faith Efforts	✔			✔	✔
Inadequate Lead Time to Bid	✔				✔
Late Payment of Invoices	✔				✔
Difficulty Obtaining Bid Information	✔	✔	✔	✔	✔

Table 10.02 Summary of Barriers

	African Americans	Asians Americans	Hispanic Americans	Native Americans	Caucasian Females
Listing MBE/WBE on a Bid Without Permission or Substituting MBE/WBE After Bid Award	✔				✔
Reduction in Scope of Work or Cancellation of Contract	✔				✔
Difficulty Breaking into the Contracting Network	✔				✔
Bid Shopping or Denied Contract Despite Low Bid	✔				✔
Barriers Created by the State					
Selective Public Notice of Bids	✔				
Bias in Selection Process	✔	✔			✔
Denied Contract Despite Low Bid	✔				✔
Burdensome Administrative Requirements		✔			✔
Difficulty Obtaining Bid Information	✔	✔	✔	✔	✔
Difficulty Establishing Contact and Communication with State/InDOT	✔			✔	✔
Strict MBE/WBE Requirements					✔

Table 10.02 Summary of Barriers

	African Americans	Asians Americans	Hispanic Americans	Native Americans	Caucasian Females
Blanket Contracts with No Purchase Orders	✔				
Difficulty Getting on the Vendor's List	✔				✔
Larger Corporations are Favored				✔	✔
Unfair Treatment by Managers or Inspectors	✔				✔

11

RACE AND GENDER NEUTRAL PROGRAMS

I. EVALUATION OF THE EFFECTIVENESS OF RACE AND GENDER NEUTRAL TECHNIQUES USED BY THE STATE OF INDIANA

This report examines the race and gender neutral measures and programs used by the State of Indiana (the State). It describes strategies employed by the State which do not use race and gender classifications, such as small business programs. In addition, this report includes some practices which are targeted at women and minorities, but are not race based, such as outreach and training measures. Even though the latter are not entirely race and gender neutral, they are not subject to strict scrutiny by the judiciary because they do not unduly burden non-targeted groups.

II. IDENTIFICATION OF RACE AND GENDER NEUTRAL MEASURES

The remedial strategies pursued by public agencies to ensure inclusion of minority and woman owned businesses fall along a scale of intrusiveness to non-targeted groups. At one end of the scale are race-neutral measures and policies which, by definition, are available to all segments of the business community regardless of race. These measures are not intrusive upon non-targeted groups and do not require evidence of past discrimination prior to implementation. At the other end of the scale are race-conscious measures, such as goals and discounts, which are limited to members of certain ethnic and gender groups. These programs can therefore be intrusive upon non-targeted groups, and must be based on statistical evidence and narrowly tailored to remedy the documented discrimination against targeted groups.

In enacting any race or gender based business enterprise program, a public entity must first assess the measures that have been taken to remedy discrimination using available race-neutral measures.[1] The inclusion of race-neutral methods is essential to the legal defensibility that any subsequent minority and woman owned business program is narrowly tailored. It is therefore critical that the State identify and evaluate the race-neutral measures that it has employed as a first step in its consideration of any race- or gender-conscious program.

The non-intrusive techniques that have been identified by the judiciary include, for example, the following program components:

- training for small businesses;
- information on accessing small business programs;[2]
- simplification of bidding procedures;
- relaxation of bonding requirements;
- training and financial aid for all disadvantaged businesses;[3]
- bonding for minority-owned businesses;[4]
- certification programs that disseminate lists of minority and woman owned businesses;[5]
- reduction of contract size; and
- prompt payment.[6]

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[1] *Coral Construction Co. v. Kings County,* 941 F.2d at 923 (9th Cir. 1991) upholding MBE program where it operated in conjunction with race-neutral measures aimed at assisting all small businesses.

[2] *Id.*

[3] *City of Richmond v. J.A. Croson Co.* 488 U.S. 469, 509-510 (1989).

[4] *Associated General Contractors of California v. City and County of San Francisco*, 950 F.2d 1401, 1417 (9th Cir. 1991).

[5] *Contractors Assn of Eastern Pennsylvania v. City of Philadelphia*, 6 F.3d 990 (3rd Cir.1993), *on remand*, 893 F.Supp. 419 (E.D.Penn.1995), *aff'd*, 91 F..3d 586 (3rd Cir. 1996).

[6] *Concrete Works v. City of Denver*, 823 F.Supp. 821, 841 (D.Colo. 1993), *rev'd on other grounds* 36 F.3d 1520.

The State has a comprehensive race-neutral program which is used to increase participation of woman and minority owned businesses in contracting with the State. For the purpose of the present evaluation, the strategies used by the State have been categorized in the following seven general areas: Outreach and Training, Monitoring and Reporting, Small Business Assistance, Anti-Discrimination Requirements, and Financial Assistance. The tables on the next pages lists the specific types of race-neutral techniques that fall under each category and indicates which techniques are utilized by the State.

Table 11.01 State of Indiana Disparity Study Race Neutral Techniques

	IDOA	InDOT	Public Works	IOSBC	Indiana Lottery Commission	Indiana's Riverboat Casinos
Outreach & Training						
Participation in Trade Shows	✓	✓	✓	✓	✓	✓
Bid Lists and Vendor Directories	✓		✓	✓	✓	✓
Pre-bid Conferences		✓[7]	✓			
Training Sessions	✓	✓	✓	✓	✓	✓
Low Cost Business Counseling	✱	✓	✱	✱	✱	✱
Technical Assistance		✓				
Monitoring and Reporting						
Contract Monitoring	✓	✓	✓	✓	✓	✓
Utilization Reporting	✓	✓	✓	✓	✓	✓

[7]Pre-bid conferences held only for unusual contracts.

Table 11.01 State of Indiana Disparity Study Race Neutral Techniques

	IDOA	InDOT	Public Works	IOSBC	Indiana Lottery Commission	Indiana's Riverboat Casinos
Small Business Assistance						
Divide Contracts into Smaller Units				✓		
Encourage MBE/WBE Participation	✓	✓	✓	✓	✓	✓
No "Brand Name Requirements"	**	✓[8]	**	**	**	**
Prompt Payment Legislation	✓	✓	✓	✓	✓	✓
Small Business Goals and Preferences	✓		✓	✓	✓	✓
Simplify Contractual Language	✓		✓	✓	✓	✓
Anti-Discrimination Requirements						
State and Federal Law	✓	✓	✓	✓	✓	✓
Non-Discrimination Contract Clauses	✓	✓	✓	✓	✓	✓

[8]Brand names not required in contracts.

Table 11.01 State of Indiana Disparity Study Race Neutral Techniques

	IDOA	InDOT	Public Works	IOSBC	Indiana Lottery Commission	Indiana's Riverboat Casinos
Financial Assistance						
Reduce Retainage	✓	✓	✓	✓	✓	✓

✱ Informal counseling provided.

✱✱ Substitutions allowed for brand names.

III. EXAMINATION OF THE RACE AND GENDER NEUTRAL MEASURES

The following sections examine the race-neutral techniques used by the State of Indiana Department of Administration (IDOA), the State of Indiana Department of Transportation (InDOT). The discussion regarding IDOA also represents the activities of the Indiana State Office and Building Commission (ISOBC), the Indiana Gaming Commission, and the Indiana Lottery Commission, unless otherwise indicated.

A. Outreach

1. IDOA

IDOA participates in a variety of outreach activities that seek to familiarize MBE/WBEs with its contracting process in order to aid MBE/WBE participation as prime contractors on IDOA contracts. IDOA outreach efforts also assist MBE/WBEs in connecting with prime contractors bidding on IDOA contracts to increase MBE/WBE subcontractor utilization. When resources provide, IDOA reviews contracting opportunities and matches MBE/WBEs in the database with contracting opportunities in the appropriate trades. It also advertizes opportunities on the Internet.

During the study period, IDOA published a newsletter, *The Minority Business Report* which provided information about opportunities for vendors and other MBE resources. The newsletter reported that the Indianapolis Construction Alliance has a plan and resource room that displays current project opportunities, and provides staff to review construction managers' plans.

IDOA also organizes road shows. It has done 20 road shows since July of '97, and has tentative plans to do another seven in 1999. IDOA also participates in trade shows such as the Indiana Block Exposition, the Metro Fair in Maryville, South Bend, Evansville, and the Regional Minority Development Councils. It also participates in other community events. IDOA anticipates participating in 34 events in 1999.

IDOA publicizes professional, scientific, artistic, and other personal services bid opportunities over $25,000. Broad Agency Announcements (BAAs) are sent to potential vendors, and copies of bids are posted on the bid board of the Indiana Government Center. BAAs are also advertized in the *Indianapolis Star* and the *Indianapolis Recorder*. In addition, for complex and/or costly projects, requests for proposals (RFPs) are used. RFPs are advertized for two weeks and mailed to vendors suggested by the agency requesting the RFP. They are also mailed to vendors registered with the Procurement Division which have been placed on the vendors list, and are posted on the reception bulletin board. In addition, the State Minority Business Development (MBD) Program assists businesses in bid research and preparation as well as procurement procedures and bid submission.

IDOA maintains a directory of DBEs, MBEs, and WBEs. It contains all State certified companies, and is organized to be searched by a variety of categories. The list is available on the Internet.

2. Public Works

Public Works is a division of IDOA. In addition, IDOA does purchasing for Public Works, including advertizing bid opportunities and representing them at road shows. Public Works bid information is issued 30 days prior to the due date.

3. InDOT

InDOT bids are advertised four weeks prior to the opening bid due date. The advertisement period may be shorter for emergency or relet contracts. Advertisements are placed in the *Indianapolis Star* four weeks and two weeks before bid opening. They are also published in a trade magazine, such as *Construction Digest* or *CompuServe*. Bid information is also available on the Internet at http://www.state.in.us/dot/TS/contract/. In an effort to aid MBEs/WBEs, InDOT lets its contracts at the same time each month. The date of the letting is determined annually.

InDOT also participates in road shows, including the Indiana Blak Exposition, the Metro Fair in Maryville, the regional Minority Development Council fairs, and fairs in South Bend and Evansville.

IDOA is responsible for compiling and mailing a DBE directory for InDOT.

B. Training

1. IDOA

IDOA provides occasional MBE training. For example, it has held workshops to provide MBEs with an overview on what is expected in the bidding process. Business counseling is provided as-needed by the office. One person is assigned to provide these services, but all staff are available to aid businesses in this capacity.

2. Public Works

Public Works provides pre-bid conferences for every project over $25,000. Attendance is encouraged, but not required.

3. InDOT

InDOT does not hold pre-bid conferences, except for unusual projects. However, after the award it does provide pre-construction conferences which subcontractors are encouraged to attend. InDOT also provides training and technical assistance to MBEs. It is provided both in-house and through consultants who are hired to perform certain aspects of the training. Recently, W.C. Benton & Associates provided a series of workshops for nine days for DBE's. In addition, InDOT maintains a Supportive Service program and workshops through the Minority Business Program.

C. Monitoring and Reporting

1. IDOA

The Deputy Commissioner is responsible for monitoring progress in achieving the statutory 5 percent MBE goal. The Commissioner is to report twice a year on progress toward the goals, including the minimum 5 percent goal for MBEs. State agencies are required to report to the Deputy Commissioner on the planned and actual participation of certified MBEs in contracts awarded by state agencies.

The Contract Compliance Section of the State Procurement Division is responsible for investigating complaints for all agencies and vendors. This section works with the Division's inspectors to expedite complaint resolution. A formal Complaint Report form is used, and the Contract Compliance Section maintains vendor performance files. Primarily, two types of complaints are addressed by this department; timeliness and quality, and protests and disputes.

2. InDOT

InDOT's Civil Rights Division (ICRD) is responsible for the State of Indiana Department of Transportation's (InDOT's) DBE contractor compliance. It maintains statistics of prime contractor awards and DBE commitments on a monthly and annual basis. These records include, for each contract, project number, prime contractor, total award amount, DBE subcontractor commitments, dollar amount of DBE commitments and DBE prime contractors. The ICRD generates Federal Highway Administration (FHWA) monthly reports, including monthly and annual figures on DBE goal progress.

InDOT must approve all subcontractors working on federal projects. When prime contractors bid, they are required to list DBEs who will work on the contract. InDOT then calls all of the DBEs to ensure that they are actually working on the project before the contract is awarded. InDOT will not approve any subcontractor for the project other than the listed DBE. Once a project is underway, InDOT monitors the DBEs. At the end of the project, an affidavit must be signed by the prime contractor and the DBE verifying that the

DBE was paid the amount agreed to in the approved subcontract. If the amount is less than the approved amount, the project is investigated.
InDOT also maintains a 5 percent MBE goal for procurement.

D. Small Business Assistance

1. MBE/WBE Encouragement

a. IDOA

In 1983, the Governor's Commission on Minority Business Development was created by Public Law 34. It recognized the importance of Minority Business Enterprise (MBE) participation in state purchases. The mandate of the Commission was to explore and implement ways in which MBEs could more fully participate in the procurement system. Many of these objectives are race-neutral. The Commission was charged with the following race-neutral responsibilities[9]:

- Identify the State's minority businesses.
- Evaluate the needs of the State's minority businesses.
- Create programs that help minority businesses gain contracts with the State.
- Publicize State procurement opportunities.
- Ensure that minority businesses are included in bid solicitation lists.
- Submit a semiannual report to the governor and the legislative council evaluating the Commission's progress.

The goals of the Commission and the duties of the Deputy Commissioner include initiating "aggressive" programs to assist MBEs in obtaining State contracts and ensuring that all State agencies comply with both state and federal laws and policies. In 1993, House Enrolled Act 1377 expanded the Commission's Deputy Commissioner's duties to include certification of MBEs. It also required that State agencies submit reports to the Commission on their planned and actual utilization of MBEs.

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[9]The Commission's charge also includes the implementation of a 5 percent goal and assuring IDOA's compliance with state and federal legislation regarding contract awards to MBE/WBEs.

The Minority Business Development Division (MBD) of the Indiana Department of Administration (IDOA) is headed by a Deputy Commissioner, whose responsibility is to implement the program. MBD provides certification, contracting opportunities and resources for management and technical assistance, training, networking, and other opportunities.

The MBD is a certification clearinghouse for all State agencies, including the Indiana Department of Transportation's Federal Highway Program, the Hoosier Lottery, the Indiana Gaming Commission, and the State Office Building Commission. In addition, the State of Indiana participates in a regional certification process, of which the other participating states are Illinois, Michigan, Minnesota, Ohio, and Wisconsin. Information required for certification concerns the basics of the financial infrastructure, including financial information, lease agreements, and management and control of the firm.

b. Public Works

All projects bid by Public Works with an estimated value between $25,000 and $150,000 are set aside for small business unless the nature of the work precludes small businesses.

c. INDOT

InDOT does not have a small business program at this time. However, InDOT does assist small businesses through its Civil Rights Division, and provides a mentor-protege program.

2. Additional Small Business Assistance

a. IDOA and INDOT

Both InDOT and IDOA refer small businesses seeking assistance to the State's Small Business Development Centers such as the Small Business Development Corporation and the Small Business Administration.

Procurement has also made a concerted effort to reduce the paperwork requirements to complete a bid.

b. Public Works

The typical size of a Public Works contract is $500,000. They are not broken into units, but there is an attempt to keep bid packages small.

Public Works has also attempted to standardize its contractual language with IOSBC.

c. The Office of the State Building Commission

The Indiana Office of the State Building Commission (IOSBC) lets very large contracts. However, in prison construction, an attempt has been made to break up the project bid packages for earth-moving, the cells, the recreational area, the administration area, and security system to name a few. It also provides separate line items in procurement for the prisons so that these items may be bid separately.

ISOBC has also made an effort to standardize its contractual language with Public Works.

3. No "Brand Name Requirements" in Contracts

a. IDOA

There is no prohibition against brand names in State contracts, however Procurement allows for substitution of an item equal to the brand name item.

b. Public Works and IOSBC

Public Works and the Indiana Office of State Building Commission provide a list of brands which may be utilized on a bid.

c. InDOT

InDOT contracts do not require particular brands to be used.

4. Prompt Payment Legislation

IDOA and InDOT may impose sanctions on a contractor for failure to make undisputed payments to a subcontractor. Per Title 25, if a prime contractor fails to make prompt payment to a minority business for services, materials, or labor on an undisputed present or previous contract, the IDOA may exercise sanctions.

E. Anti-Discrimination Legislation

1. Public Contracting Legislation

Federal and State laws prohibit discrimination in contracting in Indiana. The Equal Protection Clause of the Fourteenth Amendment of the U.S. Constitution provides that "[N]o State shall . . . deny to any person within its jurisdiction the equal protection of the laws." In other words, it is unconstitutional to discriminate against individuals because of their race or gender. This amendment operates as a prohibition against discrimination by state and local jurisdictions. The Equal Protection Clause has given rise to a number of

federal statutes, notably Title VI of the Civil Rights Act of 1964, which prohibits discriminatory practices in the awarding of contracts by any entity receiving federal funds.[10]

Section 601 of Title VI provides that "[n]o person in the United States shall, on the ground of race, color or national origin, be excluded from participation, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."[11] The provisions of Title VI itself are coextensive with liability under the Equal Protection Clause of the Fourteenth Amendment.[12]

Section 602 directs each federal agency that is empowered to distribute federal funds to effectuate the anti-discrimination mandate of Title VI by issuing "rules and regulations" consistent with Title VI.[13] Federal agencies also have the discretion to promulgate regulations that require affirmative action where facially neutral policies have disparate impact on women or minorities, even in the absence of intentional discrimination. State and local agencies that fail to make affirmative efforts to address or prevent discrimination risk losing federal funding.

Indiana State Code section 22-9-1-10 prohibits discrimination in public contracting.

2. Lending Legislation

The Federal Equal Credit Opportunity Act[14] prohibits discrimination in the allocation of credit on the basis of sex, marital status, race, color, and other factors. The Act applies to all types of credit extended by creditors. The Act is enforced by nine federal agencies as well as by the United States Attorney General. The Federal Trade Commission enforces the Act against all creditors not otherwise regulated by a federal agency.

Civil actions based on violations of the Act may be brought by credit applicants acting either as individuals or as members of a class. The United States Attorney General may also file civil actions under the Act. Aggrieved persons can recover actual damages and punitive damages. They can also obtain equitable and declaratory relief plus court costs and reasonable attorney's fees.

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[10]42 U.S.C.A. Section 2000D, et. seq.

[11]See 42 U.S.C. Section 2000(d).

[12]See Guardian Ass'n v. Civil Service Comm'n, 463 U.S. 582, 610-611 (Powell, J. Concurring in the Judgement)(1983).

[13]See 42 U.S.C. Section 2000(d)(1).

[14]Pub. L. No. 90-321, Title VII, Section 701, 82 Stat., 146 et seq. (1968), amended by Pub. L. 93-495, Section 501, 88 Stat., 1521 (1974), amended by Pub. L. No. 94-239, Section 2 et seq., 90 Stat. 251 (1976), and amended by Women's Business Ownership Act of 1988, Pub. L. No. 100-53, 102 Stat. 2689; 15 U.S.C. Section 1691 et seq.

The Community Reinvestment Act (CRA)[15] was enacted by Congress to eliminate "redlining" by financial institutions.[16] Federal regulatory agencies assess compliance with the Act by examining a financial institution's record of meeting community credit needs; geographic distribution of credit applications, extensions and denials; participation in community development programs; and other factors. Regulatory agencies take an institution's CRA record into account when considering applications for branches, office relocations, mergers, and purchase and assumption transactions. A poor record may result in the denial of these applications.

Financial institutions must maintain a CRA file that contains comments from the public on the institution's lending practices and numerous other specified items, and must make the files available to the public. The information in these files is one of the sources of information for regulatory agencies' evaluation of institutions.

3. Contractual Language

All Indiana State contracts include non-discrimination provisions which prohibit employment discrimination on the part of vendors or their agents.

F. Financial Assistance

1. IDOA

IDOA has attempted to aid MBEs/WBEs by reducing the retainage held by IDOA to four percent of the project. In addition, IDOA releases the retainage amount held for work that is subcontracted once that work has been satisfactorily completed. IDOA created this policy in an effort to encourage prime contractors to release retainage to subcontractors once the subcontracted work is completed and accepted. However, subcontracted items which cannot be demonstrated to have met the requirements are excepted from this policy. For example, performance on a landscaping contract extends at least 12 months after planting, thus the retainage for landscaping is not released until the end of the term.

2. InDOT

InDOT does not require performance bonds for contracts of $100,000 or less for the following projects:

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[15] 15 U.S.C. Sections 1601-1692o.

[16] An area is redlined when credit for homes or businesses in an area is denied or restricted through the imposition of onerous lending terms and conditions.

- Roadside Mowing;
- Vegetation Control;
- Demolition;
- Landscaping;
- Fencing;
- Seeding and Sodding;
- Bridge Painting; and
- Guardrail Installation.

12

PROGRAM RECOMMENDATIONS

Recommendations have been developed for enhancements to State of Indiana's (the State) contracting procedures generally and, more specifically, to its efforts to include minority business enterprises, women business enterprises, and disadvantaged business enterprises (MBE/WBE/DBEs) in its State contracting opportunities. Recommendations are made based on barriers to business development identified during interviews with MBE/WBE/DBEs and the consultant's experience collecting State contracting and bidding records. Recommendations are both race neutral and race conscious.

I. RACE NEUTRAL PROGRAMMATIC ELEMENTS

A. Prime Contractor Participation

The anecdotal analysis and the prime contractor survey indicate that MBE/WBE/DBEs encounter barriers associated with subcontracting, such as late payment from prime contractors and bid shopping, that could be alleviated if they were to participate at the prime contractor level rather than the subcontractor level. Therefore, the following recommendations are made to increase MBE/WBE/DBE participation as prime contractors.

1. Reduce Size of Contracts

Because large contracts inhibit the participation of MBE/WBE/DBEs who are smaller and not as able to participate as primes on large contracts, the State should make efforts to reduce contract size. Where multiple items are to be purchased with a single bid announcement, the State should accept bids for one or more items, and select the lowest bidder for each item, rather than one bidder for all the items.

Proposers for **architectural and engineering** contracts should be required to specify their approach to reducing the size of bid packages. Proposers should demonstrate their experience breaking out smaller bid packages. There should be an evaluation criterion for capability and experience on architectural and engineering requests for proposals/bids.

2. Direct Contracting

The State should contract services directly for services like reprographics, surveying, trucking, landscaping, and elevator services which are normally within a construction contract. Firms could be prequalified and selected on a rotational basis

3. Non-Advertised Contracts

MBE/WBE/DBEs experience statistically significant underutilization on informal contracts under $25,000. Due to their size and relaxed bonding requirements, non-advertised contracts are accessible to MBE/WBE/DBEs who have experienced the barriers to business development discussed in the Anecdotal Analysis Chapter. These contracts offer a unique opportunity for the development of MBE/WBE/DBEs' capacity, and provide an opportunity to work directly with agency staff.

Measures should be taken to ensure that at least one MBE and one WBE is solicited for each non-advertised contract. When contracts are bid discounts should be given to MBE/WBE/DBEs.

The State should publicize its non-advertised contract opportunities to MBE/WBE/DBEs. Certified vendors should receive a list of informal contracts scheduled for bid and the list of contracts awarded.

The State should also take the following steps to track and monitor the non-advertised contract procurement process to ensure that all qualified companies are given an opportunity to participate:

- *Establish a standard method to record solicitation*

  Non-advertised procurement processes should be monitored to ensure that MBE/WBE/DBEs are given a fair opportunity to bid on this work. The State should develop a standard form for its personnel to report the results of their informal solicitations. Personnel responsible for soliciting non-advertised procurements should prepare a bid tab for each informal contracting opportunity that is awarded. The form should identify all contractors contacted, along with their ethnicity and gender.

- *Rotate the contractors who are solicited for non-advertised procurement*

  To ensure that the opportunities to work with the State are distributed throughout the business community, the State should rotate the contractors solicited for this work. The rotational list should include certified and firms and at least one contact with a MBE and one with a WBE.

- *Monitor the lists of firms bidding*

  Bidding activity should be tracked by computer and include the bidder's ethnicity and gender. The records that are maintained should include the reasons that companies have chosen not to bid. This will assist the State in developing strategies to increase the number of bidders if necessary.

B. Outreach

MBE/WBE/DBEs report difficulty obtaining notice of bid opportunities and exclusion from networking circles. The State should enhance its outreach methods and procedures to affect greater access to bid information. Outreach should work well if coordinated with the other State agencies.

Before an outreach program is instituted, the State should survey the MBE/WBE/DBE community to determine where and when workshops should be held to reach the greatest number of firms. The project managers or project engineers should be included in outreach efforts. They have critical information about particular projects and will be able to provide critical information to MBE/WBE/DBEs.

The State should consider the following efforts as part of its outreach efforts:

- *Dissemination of information*

  The State should ensure that notices of bid and contract opportunities are current and are disseminated to MBE/WBE/DBEs in a timely manner. Printed notices, electronic (on-line) services, and official bulletin boards are several methods that should continue to be employed to disseminate bid and contract information to MBE/WBE/DBEs.

- *Develop an integrated bid information system*

  The State could also implement a state-wide integrated information system where vendors could, on a subscription basis, obtain bid information via the e-mail, fax or mail. Subscribers would select the commodity codes for which they receive listings.

- *Identify potential prime contractors*

The State should also consider measures that could help subcontractors identify the prime contractors they could market to if they want to work on the State projects. For example, the U.S. Small Business Administration (SBA) has printed the SBA small business subcontracting directory, which is published every two years and includes major prime contractors that offer the greatest potential for subcontracting to small businesses on federal projects.

The names of prime contractors that pick up Request for Proposals, Request for Quotations, construction plans or specifications should be published on the Internet. It should be made available in hard copy upon request.

- *Develop a telephone hotline*

  The State could develop and maintain a contract opportunities telephone hotline. The hotline should be maintained with the most current information so that businesses may learn of new contracts listed within the last 48 hours. Emergency contracts should also be listed on the hotline. It should be regularly updated weekly on a specific day and time.

- *Debrief bidders*

  The State should also expand efforts to give feedback to vendors that do not win State contracts. Staff currently respond to proposers who inquire, and bid tabulations are available for review. The State could also try to work specifically with MBE/WBE/DBE proposers or small firms in general to ensure that they received feedback and are aware of the availability of information. Unsuccessful proposers could also be counseled on how to strengthen their proposals in the future and to ensure that they understand the State's requirements.

II. FINANCIAL AND BONDING ASSISTANCE

The Anecdotal Chapter of the evaluation study presents a pattern of economic barriers against MBE/WBE/DBEs. Historically, minorities and women were not allowed to accumulate capital at a rate comparable to their majority counterparts. During interviews, MBE/WBE/DBEs reported considerable difficulty with financial institutions. Bonding continues to be a barrier to larger contracts and the State should consider implementing the following measures.

A. Bonding Assistance

- *Implement a bonding program*

  For the preceding reasons, the State should implement a program to assist MBE/WBE/DBEs in obtaining competitive bonding. Such a program may include working with surety companies willing to work with MBE/WBE/DBEs to secure bonding at a competitive rate. The program could also assist MBE/WBE/DBEs to identify and set up the appropriate required paperwork.

  This bonding assistance program could be implemented in conjunction with comprehensive technical assistance program, including management assistance, scheduling/estimating, and financial training. Companies would be required to participate in the technical assistance program in order to receive bonding assistance in these other programs in addition to the bonding program. Once companies had acquired a specific amount of experience and are eligible to be bonded at a competitive rate outside of the program, they would graduate.

- *Compile list of sureties*

  The State should compile and disseminate a list of surety companies which provide competitive pricing to MBE/WBE/DBEs. In addition, the State should provide information on loan packaging programs.

- *Negotiate guarantees*

  The State might negotiate guarantee agreements with a pool of local bonding and lending companies.

B. Financial Assistance

- *Offer guaranteed loans for qualifying MBE/WBE/DBEs*

  A certain percentage of State-guaranteed loans should be available to MBE/WBE/DBEs meeting specific qualifications. The State could also help establish mentor relationships between project managers and target groups where loans support a contract.

- *Forge partnerships with institutions*

  The State could request that banks at which it maintains accounts create comprehensive financing programs for small local firms, especially MBE/WBE/DBEs. The State should forge partnerships with lending institutions to offer commercial loans and business lines of credit.

- *Provide business assistance*

  The State should continue its business assistance program and provide assistance in creating business plans, preparing financial statements, and other information required by lending institutions. Such a program could be implemented in conjunction with the bonding program and the recommended small business/sheltered market program discussed above.

  The State should also contract with one of the technical assistance firms in the area to provide these services.

III. COMPLIANCE

The State should take steps to ensure that contractors comply with its procedures and MBE/WBE/DBE program policy and procedures. MBE/WBE/DBEs report being substituted after being listed by the prime contractors..

A. Compliance in Bidding

- *Time for contacting subcontractors*

  Prime contractors should be required to contact MBE/WBE/DBEs at least 14 calendar days before bid opening to ensure subcontractors have adequate time to prepare a bid. The State should also ensure that it advertises upcoming opportunities with sufficient advance notice for prime bidders to give sufficient advance notice to subcontractors and small contractors to prepare their response.

- *Verification of prime contractors' reports*

  Prior to contract award, information regarding the subcontractors who were contacted and the date that contact was made should be verified by contacting the subcontractors.

B. Pre-Project Meetings

Pre-project meetings with all subcontractors and prime contractors should be mandatory for projects valued over $300,000. During these meetings, subcontractors can learn when their services are likely to be needed, about the State's prompt payment program, and any MBE/WBE/DBE program requirements of which they may not have previously been aware.

C. Compliance After Award

1. Amendments and change orders

It is important that the State continue to notify subcontractors when contracts are revised upward through amendments or change order. Without procedures in place to inform subcontractors, they are not able to ensure that they receive an appropriate portion of the contract. When subcontractors are provided this information, they can help the State determine that an appropriate amount is being spent with MBE/WBE/DBEs.

In addition, the State should require that prime contractors include an explanation for how MBE/WBE/DBEs will be used with all change orders and amendment requests a percentage above the contract threshold. The Compliance Office should sign-off on such requests before they are approved. All subcontractors should be notified of amendments or change orders by the State project manager.

2. Prompt Payment

Contractors commented on the difficulties suffered when agencies do not pay promptly in the Anecdotal Analysis Chapter and the interviews with prime contractors. Slow payment of invoices by a governmental agency or prime contractor can create working capital problems for many small firms, and this can also lead to difficulty in obtaining bonding and financing. MBE/WBE/DBEs may be forced to turn away projects that require them to be "out of pocket" for extended periods of time. The State should carefully monitor payments to ensure that the requirements of this provisions are being met.

- *Streamline invoice processing*

  The State should consider streamlining the processing of invoices so that it pays its prime contractors within 15 days of receiving an approved invoice. Timely notice should be provided to the contractor when the State has a problem with the invoice.

- *Verify payments with subcontractors*

  The State should contact subcontractors periodically throughout the life of a contract to ensure that they are being paid on a timely basis as reported.

- *Require proof of subcontractor payment*

  Prime contractors that fail to pay their subcontractors timely should be required to submit proof of having made subcontractor payments before their invoices are paid.

- *Develop dispute resolution process for payments*

The State should develop a policy to expedite resolution of payment disputes. Payment disputes may be arbitrated along with other issues between prime contractors and subcontractors in order to expedite a resolution of the issues.

3. Penalties

In order to enforce compliance with the program, the State should continue its policy of progressive discipline for violations. The severity of the penalty should be raised or lowered in proportion to the severity and frequency of the offense/breach.

- *Penalize contractors if MBE/WBE/DBE subcontractors are underutilized*

  The State should continue to penalize prime contractors if subcontractors are underutilized without the State's approval. Standard contract language should continue to include provisions requiring prime contractors to maintain the level of MBE/WBE/DBE participation as represented at the start of a contract.

- *Penalize for failure to comply with contract terms and conditions*

  The State should fine prime contractors for non-compliance with contract terms and conditions. The State and the MBE program are injured when a contract or a portion of the contract designated for a MBE/WBE/DBE is not actually performed by a MBE/WBE/DBE. To deter unauthorized substitutions (and program non-compliance in general), the State should include provisions in the contract stipulating that in the event of a breach of contract relating to MBE/WBE/DBE requirements, the contractor shall be responsible for liquidated damages, including the additional administrative and investigative costs of remedying such a breach.

D. Nondiscrimination Policies

The State currently includes nondiscrimination policies in bid documents and in contracts. Because policies help The State inform the business community that discriminatory activity will not be tolerated, the State should continue to include language prohibiting discrimination in contracting in all bid solicitations, RFQs, RFPs and contracts. Violation of these provisions should be a material breach of contract. The State should also take the following measure to:

- *Monitor compliance with policy*

  Staff should be designated to address complaints regarding this nondiscrimination policy.

- *Institute penalties for policy violations*

  Enforcement procedures should be implemented to ensure that the policies are being followed. Race and gender discrimination should be regarded as a material violation of the contract.

IV. IMPROVE DATA COLLECTION SYSTEMS

State agencies were responsible for collecting and compiling the State's records of contracting with MBE/WBE/DBEs. During the data collection process, the consultant identified a number of State record keeping problems. Problems related to the State are listed below. Recommended solutions are also provided.

A. Data Collection Coordination

The State does not have an efficient process in place for coordinating data collection, data entry, and submittal of records to the MBE. A large percentage of the State records did not include prime contractor addresses and award amounts. In addition, subcontractor records were incomplete.

To improve this situation, MBE should determine and communicate to State agencies the resources and reporting responsibility required to satisfy the State's need to collect utilization data on a regular basis.

B. Creating/Updating Availability List

The State's records lacked a unique identification for each vendor. For example, vendor numbers, made it difficult to create a unique list of available companies. Government Tax Identification Numbers (TINs) or the social security numbers of a business owner would assist in this process. These numbers would be useful for identifying unique companies for the availability list. The State should be required to collect TINs at contract award.

V. TRACKING AND REPORTING UTILIZATION

The State currently tracks the utilization of MBE/WBE/DBE contractors. It should continue to monitor the utilization and report actual MBE/WBE/DBE utilization by the prime contractors and subcontractors. However, it should institute a policy to collect both MBE/WBE/DBE and non- MBE/WBE/DBE, on all State contracts.

In order to streamline the task of tracking utilization, all contracts, regardless of size, should be maintained in a centralized database. This database should include both prime

contractors and subcontractors, and in order to capture true utilization, it should include actual payments. The database should be user-friendly and designed in a widely-used program such as Microsoft Access.

A. Subcontractor Tracking Procedures

While the State appears to have captured MBE/WBE/DBE subcontractor utilization data at least at the time of contract award, it did not capture complete non-MBE/WBE/DBE data. This information is critical for developing a complete picture of subcontractor utilization and for this reason the subcontractor utilization analysis presented in this report does not present a comprehensive assessment of subcontracting.

Sources for the subcontractor data should include:

- prime contractors' bids and proposals
- certified payroll records
- prime contractors' invoices
- project managers records
- project engineers records
- construction inspectors' records

The requirement to supply complete subcontractor information should be included in all contracts with prime contractors and penalties should be levied against prime contractors who fail to furnish such information.

B. Prime Contractor Tracking Procedures

Prime contractors should be required to keep detailed records of both awards and payments to subcontractors to verify program compliance and *actual* utilization. Subcontractors should be contacted periodically to verify the information primes provide to the State. At the close of the contract, projects prime contractors should be required to submit a report showing the final payment amounts to all subcontractors. This information should be tracked and monitored by the State.

C. Reporting Contractor Utilization

The State should continue to report on the results of its tracking process. This helps the agency measure the success of its efforts and helps it determine whether these efforts should

be modified. Therefore, on at least a quarterly basis, the State needs to report awards and actual utilization of all prime contractors and subcontractors in order to assess the effectiveness of its programs. The State's reports should include payment data, in addition to award data. In order to be most beneficial, these reports should include categories by method of contract award, size of contract, and the awarding department or buyer.

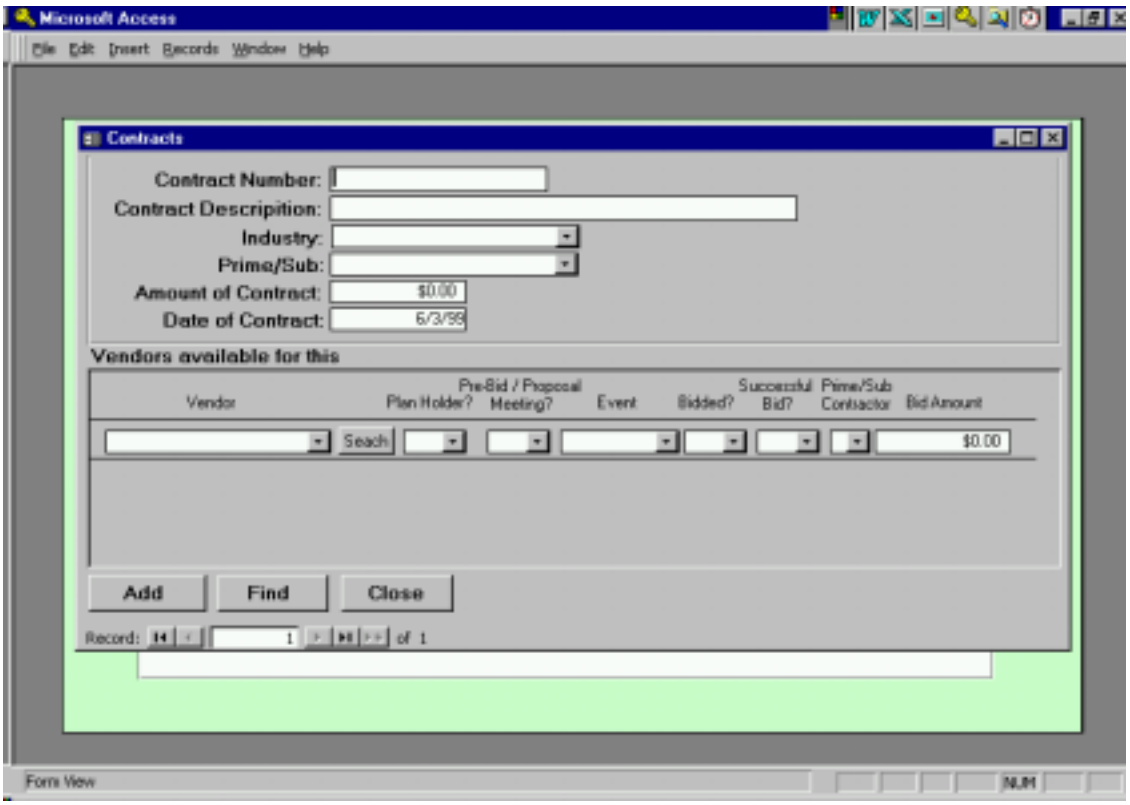
All change orders, amendments, and substitution of firms should be incorporated into the utilization reports.

D. Example of a Tracking System

MBE should use a statewide data collection system to collect and track contracting records. This will allow the State departments to enter data into the same format. Files from the departments can be attached to form the MBE database. The system should include a main menu or switchboard with at least five buttons that will open five forms in this database application. The five forms should be (1) contract records/purchasing records, (2) bidding records, (3) vendor information, (4) vendor changes, and (5) instructions. An example is provided below.

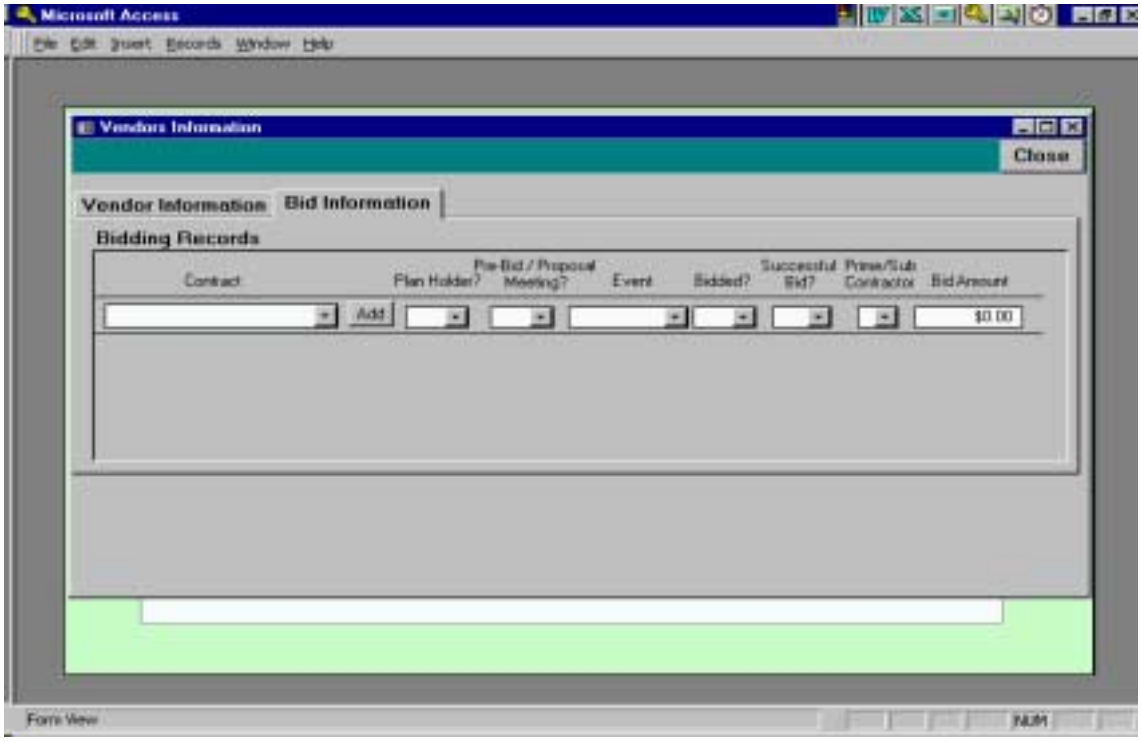
E. Contract Records/Purchasing Records Form

Variables related to contract and purchasing records information should be included in this form. This includes contract/purchase order number, project name, federal tax identification number (primary key), vendor number, type of work, and dollar amount of the contract/purchase order.



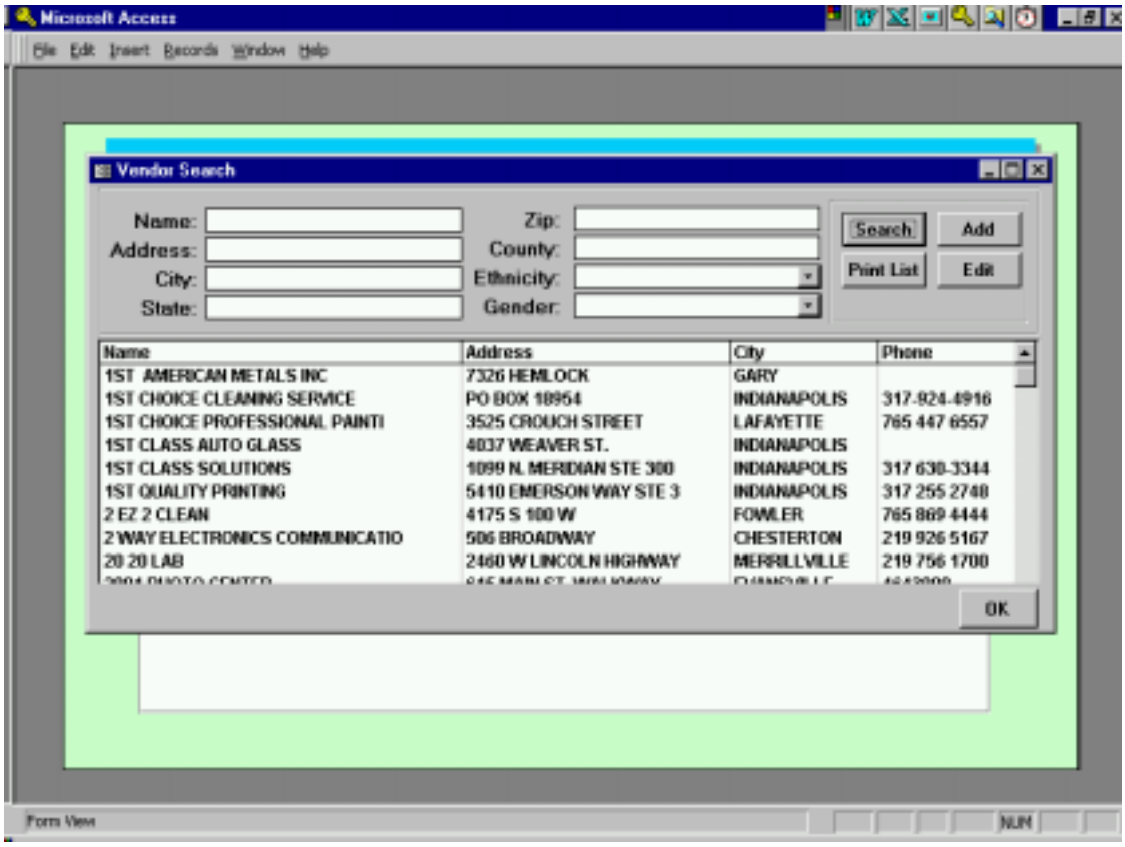
F. Bid Record Form

The variables related to contract and purchasing records information should be included in this form. This includes contract/purchase order number, project name, federal tax identification number (primary key), vendor number, type of work, and dollar amount of the contract/purchase order.



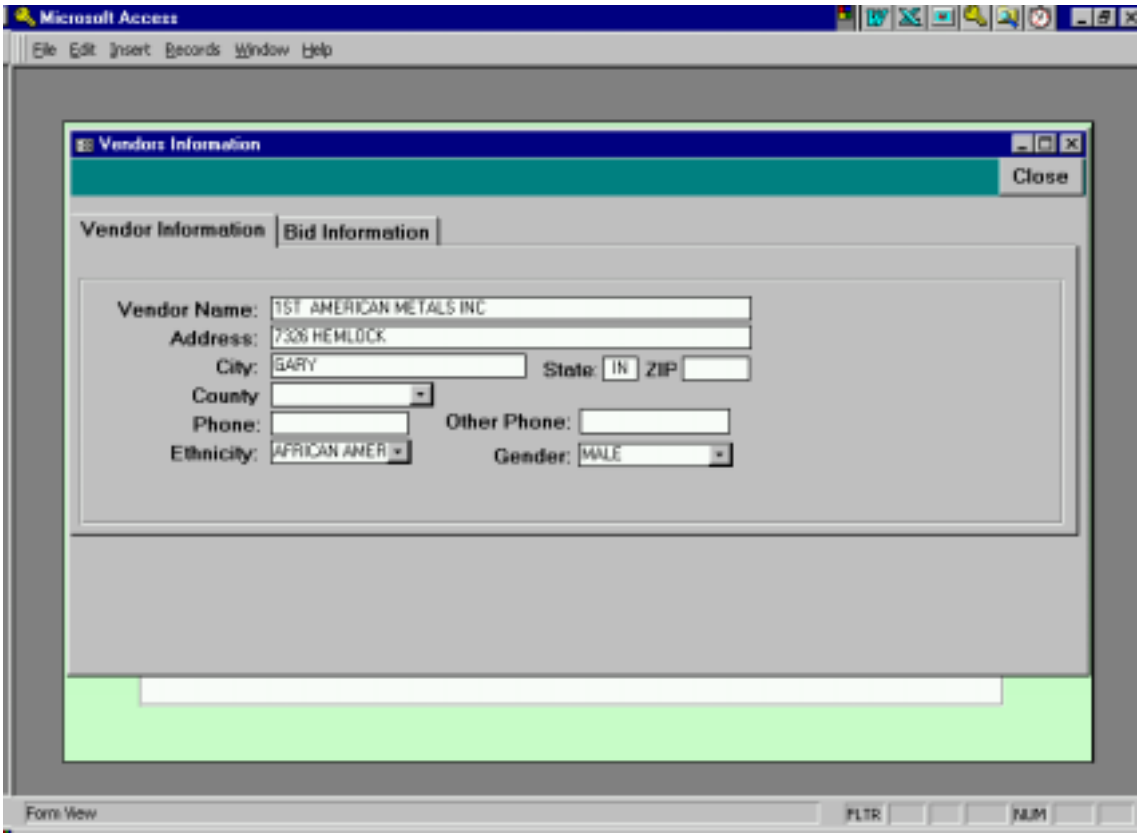
G. Vendor Records Form

The variables in Table 10.03 related to vendor records should be included in this form. This includes company name, address, federal tax identification number, (primary key), vendor number, owner ethnicity and gender, certification status, type of work and commodity codes.



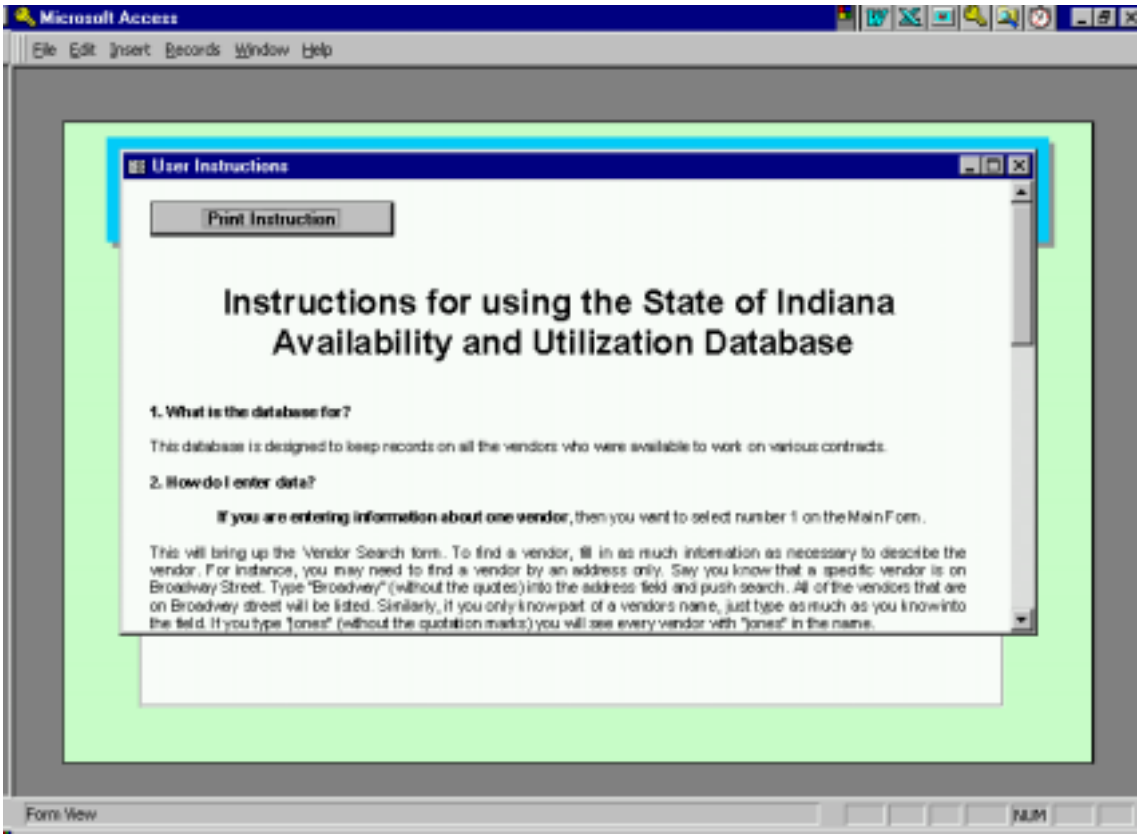
H. Vendor Changes Form

In the State's records, a substantial number of the company addresses and telephone numbers were outdated. A vendor record change form should be designed to capture new vendor information while maintaining the old record.



I. Instructions

Instructions on how to use the forms should be included with an easy access button in the switchboard. Instructions should detail how to use the forms and whom to contact for technical assistance.



VI. STAFFING AND ADMINISTRATIVE RESOURCES

A. MDB Program Management

- *Allocation of resources*

  There should be adequate staff and resources to implement MBE/WBE/DBE policy and procedures. Increased staff and adequate systems will be necessary to implement the recommendations.

- *Compliance staff authority*

  Personnel responsible for administering the State's MBE program should be given more authority to ensure that the MBE program provisions are complied with by the State departments.

  The compliance staff should be vested with the authority to enforce program compliance and to investigate bid packages and recommendations for award. The staff should be involved in all phases of the contracting process. In this way, they can ensure that the program is being enforced throughout the contracting process.

- *Contract Review Committee*

  The State should establish a Contract Review Committee to evaluate contracts proposed by departments. The Committee should be responsible for assessing whether the project can be designed in smaller units for greater MBE/WBE/DBE participation. The Committee can also periodically review a random sample of contracts to evaluate whether specifications are unnecessarily restrictive.

- *Verification of bid and contract information*

  The State's forms requesting approval of contracts should be modified to include the MBE office's confirmation that bid and contract information have been disseminated to target groups.

B. Staff Development and Training

During State manager interviews, some managers indicated they were not clear on their MBE program responsibilities. Staff training is critical to ensure the success of the MBE program. Trained staff, including inspectors and managers, will understand the components of the program and become aware of the resources to help them implement the program.

Moreover, there are reports that MBE/WBE/DBEs are subjected to higher standards than other companies and that their work is being excessively monitored. The State should provide diversity training to address theses issues.

- *Staff orientation*

  All staff with contracting authority and contract management responsibility should be educated on MBE/WBE/DBE program elements, objectives, and procedures. This training should be a part of new staff's orientation.

- *Small contract design*

  Staff should be trained to design smaller contracts in discrete segments so that contracts can be reduced in size.

- *Evaluation criteria*

  Program compliance should be a criterion for evaluating the work performance of any State staff involved in the MBE program. Program compliance should also be included in construction management staff performance evaluation standards.

- *Periodic reviews*

  Inspectors' and project managers' performance reviews should be performed annually, and compliance with MBE program standards should be included in the evaluation criteria.

VII. PROGRAM DEVELOPMENT

The State should develop a program to address the barriers experienced by MBE/WBE/DBEs. The program should be submitted for approval by the State's governing body within 180 days following the adoption of the Study findings.

All facets of the business community should be allowed to participate in the development of specific components of the MBE program. A working group should be assembled that includes representatives of trade associations, agency staff, and elected officials. The group's specific task will be to develop components of the program based upon relevant criteria such as likelihood of success, cost of implementation, and legality.

VIII. RACE CONSCIOUS PROGRAMMATIC ELEMENTS

The study found statistically significant underutilization for several MBE/WBE/DBE groups in various industries evidencing discrimination against these groups. Where the study findings document discrimination, race conscious remedies should be employed.

In light of the evidence presented in this study which supports the conclusion that MBE/WBE participation in the State's contracts is limited by active and passive discriminatory business practices, the State should establish race and gender preferences for prime contracts and goals for subcontracts.

The State should also consider establishing a prime contractor discount program to address the documented underutilization. Discount points could also be given to a prime bidder who is a MBE/WBE/DBEs eligible for the race based program or a firm that has such a business as a joint venture partner. Consultants responding to a RFP or RFQ could be given evaluation points if they are a MBE or WBE or a joint venture with a MBE or WBE.

Program goals should be updated periodically in accordance with current utilization and availability, and the goals should have a sunset provision. The goals should apply to change orders, amendments, and other modifications to the contract which increase contract value. The State should develop a plan to track subcontracting for the next six months and perform a statistical analysis with complete subcontractor data once the data is collected. The State should require that prime contractors identify all subcontractors, both MBE/WBE/DBE and non MBE/WBE/DBE.
Goals and preferences established to remedy identified discrimination should be prescribed for a fixed term, since, they are a remedy for statistically significant evidence of discrimination. The findings should be updated periodically to determine if the race-conscious remedy eradicated the documented discrimination. Four to five years should be considered a reasonable time for the sunset provision.