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STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

OFFICE OF THE COMMISSIONER

SEAN PARNELL, GOVERNOR

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September 16, 2011

Patricia Wright
DBE External Program Specialist
Federal Aviation Administration
Office of Civil Rights
AWP-9
PO Box 92007
Los Angeles, CA 90009-2007

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RE: **Alaska Disadvantaged Business Enterprise Program (DBE) Overall Goal for FAA Assisted Projects for Federal Fiscal Years (FFY) 2012 through 2014**

Dear Ms. Wright:

The Alaska Department of Transportation and Public Facilities (ADOT&PF) requests an Overall DBE goal of 10.50 % to be achieved as follows

- For Construction Projects
 - 5.55% through Race Neutral means
 - 4.95% through Race Conscious means
- For Professional Service Agreements(PSAs) or Architectural and Engineering (A&E) Contracts
 - 5.00% through Race Conscious means

Step 1 Goal

In reviewing the methods for establishing a Step 1 Goal, we chose the alternate method using data we purchased data from Dun & Bradstreet as our pool of represented businesses in Alaska doing work on airport projects and providing architectural and engineering services. This data yielded a Step 1 Goal of 22%.

We also looked at using the data from our 2008 Disparity Study which was 13%. The ADOT&PF Bidder's list method was also considered which yielded a Step 1 Goal of 15.52%. To get a better idea of availability of A&E service providers we ultimately used the Alaska Business License database and cross-referenced it with the Dun & Bradstreet data, the Alaska Unified Certification Program (UCP) Directory data and the Small Business Administration (SBA) Dynamic Small Business Search (DSBS) system to get a listing of women and minority owned businesses in licensed to work in the State of Alaska for these contractors.

Advertising The Step 1 Goal

We posted notices of our Step 1 goal in the Anchorage Daily News (statewide), which ran July 10, 17, 24 & 31, 2011 (exhibit 1). We posted this notice on the State of Alaska Public Notice Website on July 7, 2011 (exhibit 2). Additionally, email notices were sent (exhibit 3). We also offered to translate this advertisement into other languages and accessible formats, but no requests were received.

Outreach

During the advertising of this Step 1 Goal, we held meetings with a variety of stakeholder groups interested in the ADOT&PF DBE Program. These groups were the American Council of Engineering Companies (ACEC) of Alaska, the Associated General Contractors (AGC) of Alaska, the National Association of Women in Construction (NAWIC) Alaska Chapter, and the National Association for the Advancement of Colored People (NAACP) Alaska Chapter. We also collected comments from groups and individuals through regional public meetings in Anchorage, Fairbanks and Juneau. We received written comments from Great Northwest, Inc., HDR Alaska, Inc., CRW Engineering Group, LLC, Shannon & Wilson, Inc., VEI Consultants, ACEC of Alaska, AGC of Alaska, Laborer's International Union of North American Local 341, and CH2M Hill (exhibit 4).

Summary of Comments Received at Meetings

During all meetings, we went through the purpose of the meeting, the process for developing the Step 1 Goal and the process to be used to adjust the Step 1 Goal to advance to the Step 2 Goal for our Overall DBE Goal submittal to the US DOT Operating Administration. Sign in sheets for these meetings are exhibit 5.

- **Regional Public Meetings in**
 - **Anchorage – 7/21/2011** - during this meeting there was a lot of discussion about how the Step 1 Goal derived and the adjustment process. One of the prime consultant representatives complained about DBE firms not having the capacity to do work in the volume proposed by the Step 1 Goal. One of the DBE representatives replied that one of the biggest challenges they faced is the opportunity to work on a project, that the capacity to do the work will follow if they are given the opportunity. We also discussed the status of our current USDOT Waiver on Central Region Highway Construction projects and the need to continue this waiver.
 - **Fairbanks – 7/25/2011** - during this meeting there was a lot of discussion about how the Step 1 Goal derived and the adjustment process. There was some discussion about setting unreasonable project goals to achieve the overall goal and the burden this places on construction project bidders to do the Good Faith Efforts (GFE) to ensure they follow our process. We received a comment from a consulting firm representative about recognizing a relationship between a prime consultant and sub-consultant that would be along the lines of a Mentor/Protégé relationship. It would also provide a vehicle for building capacity in the DBE community that may not yet exist.
 - **Juneau – 7/27/2011** - during this meeting there was a lot of discussion about how the Step 1 Goal derived and the adjustment process. There was general agreement on the

need for DBE goals but also concern express about the relatively small number of DBE firms available for work in the Southeast Region of Alaska. There was also concern expressed about setting project goals so high that it drives the other non-DBE subcontractors out of the ADOT&PF contracting business.

- **ACEC of Alaska – 7/19/2011** - during this meeting there was a lot of discussion about how the Step 1 Goal derived and the adjustment process. The group had serious reservations about the Step 1 Goal and the revision process based on what they saw as flawed data used as the base figure, as well as the capacity of DBE firms to perform on their work. They felt deriving a Step 1 goal base on the ratio of DBE firms to all firms did not adequately address the DBE firm's ability to perform a given capacity to do work. Several said their firms try to do all work in house and they have only been able to achieve 5% at the most at any one time.
- **AGC of Alaska – 7/20/2011** - during this meeting there was a lot of discussion about how the Step 1 Goal derived and the adjustment process. There was general concern that the Step 1 goal was too high, noting the poor quality of the Dun & Bradstreet data to identify active functioning businesses. There was concern the adjustment data would not be there because we'd been setting Race Conscious goals for only a short period of time (less than 6 months for Northern Region and Southeast Region and less than a month for Central Region). The Executive Director for AGC also offered to help identify better ways to set the Step 1 Goals in future efforts.
- **NAWIC Alaska Chapter – 8/10/2011** - during this meeting there was of discussion about how the Step 1 Goal derived and the adjustment process. There was general agreement that 22% was unachievable and an adjustment downward was appropriate. We also discussed the need to continue the approved waiver from USDOT for Central Region Highway Construction Project for non-minority Female contractors – our data continued to show this group performing at parity with other contractors.
- **NAACP Alaska Chapter – 8/15/2011** - during this meeting there was of discussion about how the Step 1 Goal derived and the adjustment process. There were general questions about certification for the DBE program and the eligibility standards, but not specific comments on the goal or information about discrimination in the contracting programs of ADOT&PF.

Summary of Written Comments

- **Great Northwest, Inc.** – discussed the number of firms versus the dollar volume paid to DBEs to determine the Step 1 Goal. They went on further to discuss their company participation with DBEs and concerns about non-competitive bids.
- **HDR Alaska, Inc.** – discussed the Dun & Bradstreet data used to set the Step 1 Goals as not a valid indicator of businesses ready, willing and able to work on ADOT&PF projects. They echoed previous concerns about the ratio of DBE firms to all firms not being a true reflection of the firm's ability to perform work. Capacity to perform is their concern. They said their firm has not been able to consistently get more than 5% DBE participation on projects.
- **CRW Engineering Group, LLC** – discussed the large 22% Step 1 Goal. They thought that a Step 1 Goal of 8% to 10% would be a reasonable Step 1 Goal based on the US

"Providing for the safe movement of people and goods and the delivery of state services."

Census Bureau's 2007 data. They also say 5% DBE participation is a challenge for their firm to achieve. They advocated for a revised Step 1 Goal of 8% to 10% and limit project goals to 5%.

- **Shannon & Wilson, Inc.** - discussed the large 22% Step 1 Goal and the Dun & Bradstreet data used to set the Step 1 Goal was flawed. They performed their own evaluation and found that a Step 1 Goal could range from 17.1% to 20.8%. From that they suggested a Step 2 adjustment between 3.4% to 12.2%.
- **VEI Consultants** - they are a small consulting firm and usually work on small dollar value projects. They expressed concern about having DBE project goals on small projects, noting that 5% to 7% DBE participation is usually the best they can produce.
- **ACEC of Alaska** - discussed the large 22% Step 1 Goal. They indicated that 22% is an unrealistic expectation criticizing the capacity of DBE firms to do work; questioned the certification of 20 DBE firms; stated some firms eligible to participate in the DBE program choose not to because of the paperwork required; and the Municipality of Anchorage, using the same Disparity Study as ADOT&PF, has a 5% DBE goal. They advocated for a revised Step 1 to a more supportable value.
- **AGC of Alaska** – they objected to the flawed method used to develop the 22% Step 1 Goal. AGC indicated a preference for using the 2008 Disparity Study data, which they believe was less than perfect and three years old, represents a better data set. They indicated a preference for continuing the 13% goal until goal has been adequately tested, and there is not enough DBE performance data to determine if the present DBE goals are realistic.
- **Laborers International Union of North American, Local 341** – this organization also questioned the 22% Step 1 Goal. They believe the actual number of DBE firms available is much less. There were comments about the 2008 Disparity Study conducted by ADOT&PF, which called for a 13% goal which has only been implemented with Race Conscious goals for less than 6 months. They believe ADOT&PF should refocus its efforts and provide the industry with opportunities to achieve the 13% goal before increasing the goal. The local also questioned DBE performance based on bonding and workforce limitations. Finally, the local has serious concerns about the use of flagging as a DBE work category because they believe this will negatively impact other individual workers.
- **CH2M Hill** - discussed the large 22% Step 1 Goal being difficult to defend. They also say 5% to 7% DBE participation is a challenge for their firm to achieve.

Step 2 Goal Adjustment

During our meeting on the Step 1 Goal it was pointed out by several commenters that the Dun & Bradstreet data we used to develop the Step 1 Goal was faulty. As noted in the written comments, the data was rough even after we have rigorously narrowed down the data. Rather than using a faulty Step 1 Goal, we chose to use our Bidder's list data which yielded a Step 1 Goal of 15.52% because it is current data and provides a reasonable point to begin the Step 2 adjustment. We

noted that the most in depth comments we received on the Step 1 Goal came from Shannon & Wilson, which they calculated a Step 1 Goal range of 17.1% to 20.8%.

Addressing the concerns listed in the written and verbal comments, we believe it makes sense to adjust our Step 1 Goal to 15.52%. We also believe it is important to address information such as

- **Assumption that 22% would be the Step 2 Goal**

It was clear from at the first meeting and several of the comments that there appeared to be a concern that the Step 2 Goal would be 22% as well. We made a concerted effort to fully explain the goal setting process and what we would do to adjust the Step 1 Goal. To further assure our commenters, we committed to posting our Step 2 Goal on the Alaska Public Notice web page for two weeks to offer commenters additional time to view the Step 2 Goal and comment on the final goal. This may or may not result on later adjustments. We will be closely monitoring this goal as achievement is accounted for and may adjust it in future years.

- **Capacity of DBEs to perform work on consultant projects**

This was a comment received primarily from the A&E consultants and is understandable, given the previous method for DBE participation on A&E contracts was a point system used at time of proposal scoring. What we found with such a system in 2002 was that consultants would often get points for scoring on DBE participation and later negotiate out the DBE's participation. ADOT&PF later took action to require DBE participation if it was included in the proposal for scoring. DBE participation dropped. Our Disparity Study showed 1.4% of our DBE participation came from consultant contracts, much lower than similarly situated states. Simply put, the DBE capacity for consultant contracts may not be there because it hasn't been developed as it has been on construction contracts. ADOT&PF will be revising its method for DBE participation on consultant contracts to included a response to a DBE project goal as part of a successful consultant proposal. If a consultant does not meet the DBE goal or show a Good Faith Effort to meet the goal, ADOT&PF will not enter into negotiations with the consultant on that proposal.

- **Municipality of Anchorage's use of a 5% DBE goal using the same disparity study as used by ADOT&PF**

This comment implies that ADOT&PF is using an unreasonable standard to set its Overall DBE Goal. A close review of the Alaska Availability and Disparity Study shows the following

- ADOT&PF Overall Goal recommendation was based on statewide demographic information, not just a portion of the State of Alaska as was the recommendation for the Municipality of Anchorage. On page 9-2 of the Alaska Availability and Disparity Study, the consultant recommended ADOT&PF "...should set a DBE goal for professional services contracts of 13 percent of which 0.4 percent can be met by race neutral goals and 12.6 percent by race specific goals." This recommendation is based on the finding that ADOT&PF ...has underestimated the availability of DBE professional services firms including architectural and engineering firms. The study found a statistically significant disparity in the utilization of DBEs in architectural and engineering contracts for all DBE classifications, except Alaska Tribal Corporations which has zero availability. Twenty-two (22) percent of the professional services

firms are ready, willing and able DBEs, but only 1.4 percent of the professional services contracts were awarded to such DBEs.”

- On page 9-15 of the Alaska Availability and Disparity Study, the Study consultant recommended Municipality of Anchorage set a DBE goal for architectural and engineering contracts of 32.4% of which 13.25% should be met using race neutral goals and 19.15% should be met using race specific goals. They also recommended incrementally easing into this goal.

Looking at this information suggests that the demographic information must fit the recipient's needs and ADOT&PF delivers transportation projects on a statewide basis, not a regional basis as does the Municipality of Anchorage. The statewide demographics will generate different results than regional demographics; the DBE Overall goal is not a “one size fits all” approach. It also suggests the range of reasonable DBE goals on consultant projects is somewhat higher than alleged by the commenter.

- **Use of flagging as a DBE work category negatively impacting individual workers**
It is unclear why this comment was made other than ADOT&PF had previously found the flagging work category to be an over concentrated work category. This apparently had some type of adverse impact on apprentices completing their training with the Laborers Union in the past. Our current program addressed the old over concentration issue by creating a traffic maintenance work category which includes flagging, signage, barriers & barricades, warning lights, drums, cones, interim pavement markings, crash cushions, etc., Additionally, DBE owners must hold all appropriate certifications. There are currently only three firms certified to perform this work as currently classified in the State of Alaska. The impact by these three women owned firms is minimal at best.

- **Comments about a Mentor-Protégé approach on A&E Contracts**
One of the constructive comments we received during the meeting held on the Step 1 Goal were comments supporting the establishment of stable relationships between a prime consultant and DBE consultants. It addresses many of the concerns expressed about DBE capacity to do work by taking an approach that will enable the DBE to build capacity to do work by establishing a mentor-protégé relationship. Because there have been no goals previously set on A&E contracts at ADOT&PF, some innovation is desirable to encourage DBE participation. ADOT&PF will continue to evaluate the potential for a mentor-protégé program and make a decision by October 1, 2011.

Step 2 Adjustment

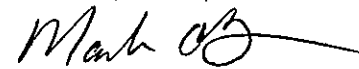
Using the 15.52% for construction projects and 6.87% for PSAs as our starting point, we propose a Step 2 adjustment to 10.50% based on the following considerations

- All comments we received from A&E representatives indicated that 5% was a reasonable level at which the DBE goals for PSAs should be set. We agree that this is a reasonable beginning goal and given the historically low DBE achievement as identified in the Alaska Disparity Study, appropriate. We will closely monitor and evaluate DBE achievement on PSAs and will recommend appropriate adjustments.

	<u>Construction</u>	<u>PSAs</u>
STEP 1 GOAL¹	15.52%	6.87%
Median Past Participation(construction only)	6.22%	
Summation of Step 1 Preliminary Goal + Median Past Participation	21.74%	
Step 2 Adjustment Overall Goal	10.87%	5.00%
Percentage Recommended Race-Conscious (RC proportion * Adjusted Step 1 Goal)	4.95%	5.00%
Percentage Recommended Race-Neutral (RN proportion * Adjusted Step 1 Goal)	5.92%	0.00%
CONSOLIDATED STEP 2 GOAL		
Consolidated New Race Conscious Goal	4.95%	
Consolidated New Race-Neutral Goal	5.55%	
Step 2 Adjustment - Overall Goal	10.50%	

We request your approval of the Overall DBE goal. Please call Jon Dunham, the Civil Rights Manager, at 907 269 0850 if you have any specific questions about this annual goal request.

Sincerely,



Mark O'Brien
DBE Liaison Officer

attachments

cc: Marc A. Luiken, Commissioner
Jon Dunham, Manager, Civil Rights Office

¹ Construction based on the Bidder's List; PSAs based on Alaska Business License data cross-referenced with Dun & Bradstreet, the Alaska UCP Directory, and the SBA's 8A DSBS system.

Exhibit 1

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Anchorage Daily News Affidavit of Publication

1001 Northway Drive, Anchorage, AK 99508

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Table with columns: AD#, DATE, PO, ACCOUNT, PRICE PER DAY, OTHER CHARGES, OTHER CHARGES #2, OTHER CHARGES #3, GRAND TOTAL. Rows include dates from 07/10/2011 to 07/31/2011 and a total of \$1,235.04.

STATE OF ALASKA THIRD JUDICIAL DISTRICT

Shane Drew, being first duly sworn on oath deposes and says that he is an advertising representative of the Anchorage Daily News, a daily newspaper.

That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper.

Signed Shane Drew

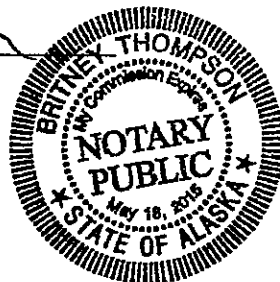
Subscribed and sworn to me before this date:

August 2, 2011

Notary Public in and for the State of Alaska. Third Division. Anchorage, Alaska

MY COMMISSION EXPIRES: 5/18/2015

Britney Thompson



Public Notice and Meetings. The Alaska Department of Transportation & Public Facilities (ADOT&PF) announces the following ADOT&PF goals for Federal Fiscal Year 2012 through 2014. Federal Highway Administration (FHWA) 22%, Federal Aviation Administration (FAA) 22%, Federal Transit Administration (FTA) 22%. The Annual Goal Setting process is a two-step process. Step 1 is the ratio of goals to all contractors on a particular transportation mode... MEETINGS on these goals will be held at the following locations and dates: Anchorage - Thursday, July 21, 3 PM - 5 PM at the Alaska DOT&PF Annex Conference Room at 2200 East 42nd Ave. Fairbanks - Monday, July 25 3 PM - 5 PM Noel Wien Library Conference Room, 1215 Cowles St. Juneau, Wednesday, July 27, 3PM - 5 PM DOT&PF Conference Room, 6540 Glacier Hwy. Non-discrimination. It is the policy of the ADOT&PF that no person will be excluded from participation in, or be denied benefits of any programs, services or activities we provide based on race, religion, color, gender, age, marital status, ability, or national origin. If any person feels that any program or service provided or action taken by ADOT&PF discriminates against them based on race, religion, color, gender, age, marital status, ability, or national origin that person may file a written complaint with the ADOT&PF Civil Rights Office. Reasonable Access. ADOT&PF will make reasonable efforts to accommodate persons with disability to facilitate their participation at our meetings, activities or use of our highways, airports, transit vehicles, ferry facilities and public buildings. Alternative language translations and accessible formats of this document will be provided upon request. Parties unable to attend one of the above mentioned meetings are encouraged to submit their comments in writing by August 19, 2011 to Alaska State Department of Transportation and Public Facilities, Civil Rights Office, Jon Dunham, Civil Rights Manager, P.O. Box 196900, Anchorage, AK 99519-6900. Published: July 10, 17, 24, 31; August 7 & 14, 2011.

Exhibit 2

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Public Notice and Meetings

The Alaska Department of Transportation & Public Facilities (ADOT&PF) proposes the following Step 1 DBE goals for Federal Fiscal Years 2012 through 2014.

- Federal Highway Administration (FHWA) 22%
- Federal Aviation Administration (FAA) 22%
- Federal Transit Administration (FTA) 22%

The Annual DBE Goal Setting process is a two-step process.

Step 1 is the ratio of DBEs to all contractors on a particular transportation mode derived from our bidder's lists collected for FHWA, FAA and FTA funded projects. Step 1 may also be a number used by another DOT recipient in the same geographic region.

Step 2 is the adjustment of the Step 1 goal based on the effects of discrimination in the public contracting program and past participation.

MEETINGS on these goals will be held in the following locations and dates:

Anchorage - Thursday, July 21, 3 PM – 5 PM at the Alaska DOT&PF Annex Conference Room at 2200 East 42nd Ave.

Fairbanks - Monday, July 25, 3 PM – 5 PM Noel Wien Library Conference Room, 1215 Cowles St.

Juneau, Wednesday, July 27, 3 PM – 5 PM DOT&PF Conference Room, 6860 Glacier Hwy.

Nondiscrimination. It is the policy of the ADOT&PF that no person will be excluded from participation in, or be denied benefits of any programs, services or activities we provide based on race, religion, color, gender, age, marital status, ability, or national origin. This policy will be implemented regardless of the funding source, including Federal Transit Administration, Federal Aviation Administration, Federal Highway Administration and State of Alaska funds.

If any person feels that any program, service provided or action taken by ADOT&PF discriminates against them based on race, religion, color, gender, age, marital status, ability, or national origin, that person may file a written complaint with the ADOT&PF Civil Rights Office Title VI Specialist at PO Box 196900, Anchorage, AK 99519-6900 or by email to edie.zukauskas@alaska.gov

Reasonable Access. ADOT&PF will make reasonable efforts to accommodate persons with a disability to facilitate their participation at our meetings, activities or use of our highway, airport, transit vehicles, ferry facilities and public buildings. If you, or someone you represent, requires alternative access or assistance to participate in our meeting or activities or to access one of our public facilities, please call **(907) 269 0851** or call Alaska Relay at **(800) 770-8973** for TTY, **(800) 770-8255** for Voice, **(800) 770-3919** for ASCII, **(866) 355-6198** for STS, or **(866) 335-6199** for Spanish and ask the communication assistant to call the telephone number listed to request alternate access or assistance.

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Alternative language translations and accessible formats of this document will be provided upon request.

Parties unable to attend one of the above mentioned meetings, are encouraged to submit their comments in writing by August 19, 2011 to

**Alaska State Department of Transportation and Public Facilities,
Civil Rights Office**

Jon Dunham, Civil Rights Manager

P.O. Box 196900, Anchorage, AK 99519-6900

Fax: (907) 269-0847 or e-mail: jon_dunham@alaska.gov

Telephone: (907) 269-0851

Exhibit 3

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Dunham, Jon W (DOT)

To:

Lucero, Norma M (DOT); info@2sistersalaskaseafood.com; markaafedt@aol.com;
a1industrial@gci.net; mzornes@aboveandbeyondcomm.com; roxanna@acmefence.net;
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cuauhtemoc@coldfootenv.com; compostalaska@alaska.net; info@concourse-usa.com;
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vrdgil@hotmail.com; frawner@frawnercorp.com; jeff@garnessengineering.com;
glacierelectric@alaska.net; amason@glacierstate.net; andi@ahs-alaska.biz; GrayCo@gci.net;
christina@greenearthalaska.com; cherry.gsi@acsalaska.net; gpa@gpai.com;
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littlesu@ak.net; candd@alaska.net; mrstearns@comcast.net; mahto@mtaonline.net;
margaretmid@msn.com; valeriya.brand@marshcreekllc.com;
smcclintock@mappingalaska.com; merit@meritengineering.com;
Michelle.Associates@gmail.com; rperry@gci.net; Straudap@yahoo.com;
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Delano@nwcarnet.net; nwkmc@msn.com; saavedra@cvinternet.net;
wendy@olsonmarine.com; lisa@paracomusa.com; ppeirsol@polarnet.com;
maurice@pdcalaska.com; pbcilc@pedrobaycorp.com; penatrknak@rocketmail.com;
store5329@theupsstore.com; becharof@gci.net; crusheen@hotmail.com; plattenv@gci.net;
jshep@pgdcorp.com; powerhouse@powerhousesigns.com; premak@mtaonline.net;
prockcorp@yahoo.com; info@progressivepii.com; ptssurveying@gmail.com;
reg@railroadindustries.com; cherylmetcalf@RVBA.com; manju@RBAengineers.com;
redoubt@alaska.net; callie@ridolfi.com; bcash@rim-design.com; Danielle@rinsler-
consulting.com; rls@rlsandassoc.com; rpka@rpka.net; traceysader@yahoo.com;
carol@saiengineering.com; hollywood@gci.net; gail.cheney@sealaska.com;
suelynn@shalaska.com; State_Local_bids@Softecinc.com; sesenvir@alaska.net;
certs@solidnetsol.com; lincoln@solsticeadvertising.com; Blackwell@alaska.net;
earthmovers.jon@att.net; southeastfence@kpunet.net; ljsnow@ak.net; spiraldesign@att.net;
kkash@stgeorgetanaq.com; statewideblasting@juno.com; info@summitcm.com;
winona.beesing@suulutaaq.com; llancaster@tatitlek.com; llancaster@tatitlek.com;
llancaster@tatitlek.com; cyndi@tecpro.com; skancompany@aol.com;

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To: Shannontisher@yahoo.com; joel.lipkin@TKCIS.com; t.lovana@hotmail.com;
Carolyn@tomsawyercompany.com; jtoole@tooledesign.com;
burban@touchdownengineering.com; karen.pepe@truestonefed.com;
affordable.contractor@live.com; trosealaska@mtaonline.net; amie@tutkallc.com;
twigs@acsalaska.net; nikki@twinpeaksconstruction.net; valley@zipcon.com; wla@alaska.net;
jvea@wfadvertising.com; worldinc@clearwire.net; yenney@xyz.net; ymww@acsalaska.net
Subject: RE: Notice of our Step I Overall DBE goals for 2012 thru 2015

From: Lucero, Norma M (DOT)
Sent: Thursday, July 07, 2011 3:31 PM
Cc: Dunham, Jon W (DOT)
Subject: Notice of our Step I Overall DBE goals for 2012 thru 2015



Please see attached document regarding DBE Goals for the upcoming years (2011-2015) your input and attendance is highly encouraged. If you have any questions or would like to provide your input directly to the Civil Rights Manager his contact information is listed below.

Best Regards,

Norma M Lucero
Statewide DBE Support Services Coordinator
907-269-0844

Jon Dunham
Civil Rights Manager
Transportation Planner II
PO Box 196900
Anchorage, AK 99519-6900
tel 907.269.0850
fax 907.269.0847
email jon.dunham@alaska.gov

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Public Notice and Meetings

The Alaska Department of Transportation & Public Facilities (ADOT&PF) proposes the following Step 1 DBE goals for Federal Fiscal Years 2012 through 2014.

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- Federal Highway Administration (FHWA) 22%
- Federal Aviation Administration (FAA) 22%
- Federal Transit Administration (FTA) 22%

The Annual DBE Goal Setting process is a two-step process.

Step 1 is the ratio of DBEs to all contractors on a particular transportation mode, derived from our bidder's lists collected for FHWA, FAA and FTA funded projects. Step 1 may also be a number used by another DOT recipient in the same geographic region.

Step 2 is the adjustment of the Step 1 goal based on the effects of discrimination in the public contracting program and past participation.

MEETINGS on these goals will be held in the following locations and dates

Anchorage - Thursday, July 21, 3 PM – 5 PM at the Alaska DOT&PF Annex Conference Room at 2200 East 42nd Ave.

Fairbanks - Tuesday, July 25, 3 PM – 5 PM Noel Wien Library Conference Room, 1215 Cowles St.

Juneau, Tuesday, July 27, 3 PM – 5 PM DOT&PF Conference Room, 6860 Glacier Hwy.

Nondiscrimination. It is the policy of the ADOT&PF that no person will be excluded from participation in, or be denied benefits of any programs, services or activities we provide based on race, religion, color, gender, age, marital status, ability, or national origin. This policy will be implemented regardless of the funding source, including Federal Transit Administration, Federal Aviation Administration, Federal Highway Administration and State of Alaska funds.

If any person feels that any program, service provided or action taken by ADOT&PF discriminates against them based on race, religion, color, gender, age, marital status, ability, or national origin, that person may file a written complaint with the ADOT&PF Civil Rights Office Title VI Specialist at PO Box 196900, Anchorage, AK 99519-6900 or by email to edie.zukauskas@alaska.gov

Reasonable Access. ADOT&PF will make reasonable efforts to accommodate persons with a disability to facilitate their participation at our meetings, activities or use of our highway, airport, transit vehicles, ferry facilities and public buildings. If you, or someone you represent, requires alternative access or assistance to participate in our meeting or activities or to access one of our public facilities, please call **(907) 269 0851** or call Alaska Relay at **(800) 770-8973** for TTY, **(800) 770-8255** for Voice, **(800) 770-3919** for ASCII, **(866) 355-6198** for STS, or **(866) 335-6199** for Spanish and ask the communication assistant to call the telephone number listed to request alternate access or assistance.

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Exhibit 4

Dunham, Jon W (DOT)

From: Randy Brand [RBrand@grtnw.com]
Sent: Monday, August 01, 2011 4:45 PM
To: Dunham, Jon W (DOT)
Cc: Tony Johansen; 'John@agcak.org'; Lori McCarter; Sozoff, Celeste M (DOT)
Subject: DBE Goals

The first one had Jon's address wrong.

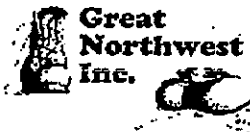
Thank you for facilitating the meeting last week regarding DBE goals and processes. Please consider the below comments:

It was noted that the Step 1 goal of 22% was developed as a numerical ratio of non-DBE/DBE business enterprises involved in similar work activities used in construction. Administration and measurement of attainment is represented by the dollar volume ratio of total contract revenue/DBE dollars earned. The number of DBE businesses has very little to do with their resources and capability to successfully earn revenue. The goals should be computed in the same manner that they will be measured.

During the 2010 construction season we expended 1.18% of funds earned on DOT projects with DBE enterprises.

Depending upon the type of project, subcontract participation can vary widely. A vertical (building) contractor will typically subcontract a majority of the work to subcontractors, while a horizontal (civil) contractor subcontracts a minority of the work.

We should also explore options to protect ourselves, and the DOT from gouging. We have, in the past, received quotes from DBE contractors that are grossly overpriced. Current specifications only permit us to declare a DBE proposal overpriced if it is more than 10% greater than the non-DBE proposal. If we are unable to obtain a non-DBE proposal, there is no way for us to compare to our own cost estimate for the work, and we are forced to award the overpriced proposal. There should be some other method to reject a DBE proposal as overpriced. One suggestion might be to allow for a 20% factor when comparing a DBE proposal to the bidders own cost estimate.



Randy Brand | Great Northwest, Inc. | www.grtnw.com
2975 Van Horn Road, Fairbanks, AK 99709
☎ (907) 452-5617 | 📠 (907) 456-7779 | 📠 (907) 322-8898 | ✉ RBrand@grtnw.com

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ONE COMPANY | *Many Solutions*

August 8, 2015
2011 AUG 12 AM 11 15

Subject: ADOT&PF DBE Goals Step 1

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2011 DEC 27 AM 11 05

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State of Alaska
Department of Transportation and Public Facilities
Civil Rights Office
P.O. Box 196900
Anchorage, AK 99519-6900

Attn: Jon Dunham – Civil Rights Manager

Dear Mr. Dunham:

We have reviewed the public notice regarding proposed Step 1 DBE goals for Federal Fiscal Years 2012 through 2014. Members of HDR Alaska's staff also attended the public meetings held in Anchorage and Juneau. Our staff had commented at these meetings and appreciated the discussions. However we feel it important to reiterate our main concerns as follows:


We believe that the draft DBE goal as based on a percentage of firms shown in the Dun and Bradstreet (D&B) spreadsheet is not a valid indicator of 49 CFR Part 26.45(b), which states that the "overall goal must be based on demonstrable evidence of availability of ready, willing and able" DBE firms. We do not believe that the draft goal shows a true measure of ability to perform the work since a one-person DBE firm would carry the same weight as a 100-person non-DBE firm. The capacity of a firm should be taken into consideration.

The D&B spreadsheet does not differentiate between minority owned businesses that could qualify for DBE status in Alaska vs. firms that are too large (such as 8A firms) or minority owned firms that opted not to pursue DBE status. Inclusion of these firms skews the goal unreasonably higher.

In putting together teams with DBE participation we have not found that DBE capacity for willing and able firms to be consistently in excess of 5%.

We believe that the Step 1 goal should be much less than the proposed 22%. A starting point of 10% would be more reasonable based on data such as the U.S. Census Bureau's 2007 Survey of Business Owners representation of the number of employees in DBE firms compared to all firms in Alaska. Thank you for the opportunity to comment.

Very truly yours,


Duane Hippe, PE
Senior Vice President
HDR Alaska



Alaska State Department of Transportation and Public Facilities
Civil Rights Office
P.O. Box 196900
Anchorage, AK 99519-6900

Attn: Jon Dunham, Civil Rights Manager

Re: Public Notice Step 1 DBE Goals – Federal Fiscal Years 2012 – 2014

Dear Mr. Dunham and Members of the Civil Rights Office:

We have reviewed the public notice regarding proposed Step 1 DBE goals for Federal Fiscal Years 2012 through 2014. Members of CRW's staff also attended meetings in Anchorage about this subject and participated in the dialog. As expressed at the meetings and in discussions with CRO staff, we have major concerns about the basis of the Step 1 DBE goals and the ability to reasonably meet goals in our work environment.

The establishment of 22% as the Step 1 DBE goal is not supported by readily available data. The CRO's use of Dunn and Bradstreet data is very limiting, especially when the results are based on firm count without any measure of capacity. In the firm count analysis, a company with one employee would be equal to a firm with 100 employees although their capacity is vastly different. Most certified DBE firms are small companies. The U.S. Census Bureau's 2007 Survey of Business Owners would support a starting point for a Step 1 DBE goal of 8 to 10%. Such a value would meet the intent of 49 CFR Part 26.45(b) which states that the "overall goal must be based on demonstrable evidence of availability of ready willing and able" DBE firms.

The DBE goals must be realistic and attainable. In putting together teams with DBE participation, it is a challenge to achieve 5% participation for our firm. In most cases we are having to subcontract out work that we have the capability to do in house. We have also found discrepancies in the Certified DBE Directory put out by ADOT&PF with firms listing work (e.g. engineering) for which they are not licensed or are not certified as a DBE. There is currently a lack of DBE subconsultants both in number and capacity. The Municipality of Anchorage recognized this when they established their DBE goal at 5%.

No matter what the reasoning and justification, the establishment of a non-defendable and poorly derived goal is not in the public's best interest. We urge you to establish the Step 1 DBE goal at 8% to 10% and limit project goals to no more than 5% for the 2012 to 2014 time frame.

Thank you again for allowing us to provide feedback on the DBE goal setting and we look forward to your response. Should you have any questions don't hesitate to contact us.

Sincerely,
CRW Engineering Group, LLC

D. Michael Rabe
for D. Michael Rabe, Member Manager

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August 10, 2011

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August 12, 2011

Alaska Department of Transportation & Public Facilities
Civil Rights Manager
Transportation Planner II
PO Box 196900
Anchorage, AK 99519-6900

Attn: Mr. Jon Dunham

RE: **COMMENTS ON STEP 1 DISADVANTAGED BUSINESS ENTERPRISE GOALS**

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First I wish to express my thanks for meeting with me both as a member of Shannon & Wilson and as a committee member of the Alaska Council of Engineering Companies (ACEC). The comments included in this letter are the views of Shannon & Wilson. As discussed in our July 19, 2011 meeting, I had several concerns about the Step 1 DBE goal of 22 percent for professional services agreements (PSAs):

- The 22-percent goal appeared to be extremely high based on the prior disparity study and my experience in the marketplace.
- The data used to develop the goal (a pared down Dun & Bradstreet database merged with local proposers) did not include any of the three ACEC member firms attending our meeting.
- The 22-percent goal is based completely on number of firms; no adjustment was made for capacity of firms.

After our meeting I conducted some additional, although limited, research on the subject. I used the Dunn & Bradstreet data that you provided as well as a list of Alaska business licenses. I made the following observations:

- The number of firms to include in any evaluation is very subjective due to overlapping North American Industry Classification System (NAICS) codes.
- Dunn & Bradstreet lists many firms as WBE's and DBE's; it is unclear if the Step 1 goals counted these firms in both categories.
- Many of the firms listed as WBE's and DBE's are not small businesses, so any evaluation based on only firm numbers will generate a biased result.
- Many of the firms listed as WBE's and DBE's do not meet the Alaska requirement that the principal owner hold licensure in the field of practice.

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John Dunham
Step 1 DBE Goals
August 12, 2011
Page 2 of 2

2011 DEC 27 AM 11 05

SHANNON & WILSON, INC.

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To conduct my evaluation I pared the Dunn & Bradstreet list of NAICS 54 firms down based on line of business and my knowledge of firms. I ended up with a list of 2,625 firms representing roughly 12,000 employees. I included the number of employees as a relative measure of capacity for professional services. I then also reviewed the list of WBE's and DBE's that based on revenue and number of employees appeared to potentially not fit into the small business program. If the firm's website clearly indicated that the firm was not eligible I moved these firms to the large business list.

Based on this evaluation I identified 546 WBE/DBE firms which represent 20.8-percent of the available firms. Of the roughly 12,000 employees listed for the total firms, only about 1,500 (12.2-percent) are employed by WBE/DBE firms.

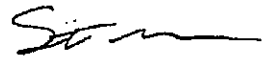
The 2007 Survey of Business Owners, published by the U.S. Census Bureau in June 2011, reports that 17.1-percent of all businesses in Alaska are owned by minorities (based on race, gender, ethnicity, or veteran status). According to this same survey, while minority owned business accounted for 21.3 percent of the number of companies in the U.S., they accounted for only 5.0 percent of the employees and 3.4 percent of the revenues. This data does not separate minority owned companies based on business size.

Based my evaluation I recommend that a Step 2 DBE goal should be established between 3.4 and 12.2 percent. This range of goals is due to the Step 1 goal that appears to be biased high and taking into account of capacity based on either employee numbers (12.2 percent) or revenue (3.4 percent).

It is my opinion that these adjustments to the Step 1 DBE Goal are consistent with 49 CFR 26.45(d)(1). If you have any questions or comments, please contact the undersigned.

Sincerely,

SHANNON & WILSON, INC.



Stafford Glashan, P.E.
Vice President

VEI Consultants

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*Civil Engineering and Surveying Consultants
Serving All of Alaska*

2011 AUG 15 345 RUDAKOFF Circle, Suite 201
Anchorage, Alaska 99508
CIVIL RIGHTS FAX: (907) 338-5386
Phone: (907) 337-3330

August 12, 2011

Alaska Department of Transportation
Civil Rights Office – John Dunham, Manager
P.O. Box 196900
Anchorage AK 99519-6900

Re: Public Notice Step 1 DBE Goals

Dear Mr. Dunham,

Our comments on the proposed DBE Step 1 computation are submitted from the perspective of a private consulting civil engineering firm that has to "live with" the established DBE goals. VEI is licensed to provide civil engineering and land surveying and has been in business since 1981. Our firm consists of 3 licensed professional civil engineers, a licensed surveyor, an EIT, and supporting technical staff. We are a small design firm that has completed government contracts ranging from \$100,000 to \$1 million—most often in the \$200,000 range. These contracts are smaller than many subcontracts on a more typically sized government contract.

We often team with subconsultant firms of similar size to provide other disciplines (e.g. electrical, mechanical, etc.). We have used WBE/DBE firms for public involvement, land surveying and landscape architecture. For other disciplines, such as electrical or mechanical engineering, we have found that there are no qualified DBE firms available to us. Although there may be a few listed in ADOT's DBE Directory, they are either outside of our area of operation or they are more oriented to construction and design-build services. Many times they are not interested in the small amount of work that we have to offer.

Again, because of our size, the contracts that we are awarded are generally smaller. Parceling out the small work tasks to meet DBE goals is a management burden for everyone involved and it becomes quite inefficient. A 5% DBE goal is often achievable and sometimes we can stretch to meet a 7% goal. Many times we find that, in order to make the DBE goal, we have to subcontract services that we could ourselves provide in-house—such as surveying

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Alaska DOT Civil Rights Office
August 12, 2011
Page 2 of 2

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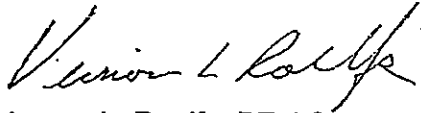
and public involvement. In these cases, we are in essence "giving away" work and this becomes a bit of a hardship for our company.

We submit that there are probably fewer qualified small DBE firms in Alaska than in the Lower 48 and we are afraid that the government efforts to help the disadvantaged businesses will have an adverse impact on the small businesses that are not women- or minority-owned. We ask that any changes to help DBE firms be carefully evaluated for their secondary impacts to non-DBE small businesses.

Thank you for this opportunity to comment. If you wish to speak to me directly, I can be reached at the letterhead address or phone.

Sincerely,

VEI CONSULTANTS



Vernon L. Roelfs, PE, LS
President

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ACEC
2011 AUG 17 AM 8 54
AMERICAN COUNCIL OF ENGINEERING COMPANIES
of Alaska **CIVIL RIGHTS**

August 16, 2011

Submitted via E-mail

Alaska State Department of Transportation and Public Facilities
Civil Rights Office
P.O. Box 196900
Anchorage, AK 99519-6900

Attn: Jon Dunham, Civil Rights Manager

Re: Public Notice Step 1 DBE Goals – Federal Fiscal Years 2012 – 2014

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Dear Mr. Dunham and Member of the Civil Rights Office:

Thank you for giving us the opportunity to provide input and comments into the DBE goal setting for the Alaska Department of Transportation and Public Facilities (ADOT&PF) as made available to us on July 8, 2011. We would also like to thank the Civil Rights Office (CRO) for taking the time to meet with members of our organization on several occasions on this topic. For the record, the American Council of Engineering Companies of Alaska (ACEC – AK), is an organization of engineering and surveying companies that represents over 30 Alaskan firms, many of whom do business with ADOT&PF.

Based on the Public Notice, the proposed Step 1 DBE goal for the next three years is 22%. This applies to FHWA, FAA and FTA so we will address all three agencies as one group and our comments are applicable to all three agencies.

We have serious concerns about the methodology, accuracy and resultant determination of the Step 1 goal. These concerns also parlay into the ultimate Step 2 DBE determination. We cannot, however, comment on the Step 2 goals as they have not been announced and the CRO has indicated that they will not be publically announced until the comment period is closed. Our concerns can be summarized in several key bullets.

- DATA UTILIZED FOR ANALYSIS IS LIMITED– The CRO opted to use an Alternative Method based on Market Conditions. The data source used for this was information provided by Dunn and Bradstreet. To our knowledge, no other

American Council of Engineering Companies
Of Alaska

data sources were used to verify, substantiate or fine tune the data. We note that the Dunn and Bradstreet data is limited because:

- Company supplied information is voluntary and not checked for accuracy. (In our meeting with CRO it was noted that 4 of the larger engineering firms doing work for the Department on a regular basis were not even listed in the data base.)
- There is no definition of DBE status and no attempt was made to account for firms that don't meet the ADOT&PF requirements or are ineligible to participate due to size or other limitation.
- The most glaring omission is the **lack of capacity by any measure** in the determination of goals. Statistics from the United States Census Bureau provide striking evidence that capacity as measured by revenue; employee count and payroll result in a much different picture as compared to a simple firm count.
- **ALASKA DATA SOURCES NOT USED** - The CRO chose to ignore other data points from Alaska in determining their Step 1 Goal.
 - A detailed Disparity Study for Alaska was completed in 2008. The Disparity Study used Dunn and Bradstreet data as only one of many sources of information. The Disparity Study called for a 13% Step 1 DBE Goal.
 - The United States Census Bureau 2007 Survey of Business Owners lists Alaska as having 17.1% minority owned firms (based on firm count).
 - The DBE bidders list (based just on number of bidders without regard to capacity) shows an average of 17.1% DBE firms listed. (CRO presentation)
- **UNITED STATES CENSUS BUREAU DATA RELECTING CAPACITY IMPACT NOT USED** – The recently released 2007 Survey of Business Owners provides data on DBE firms as compared to all firms in several categories. The CRO did not attempt to incorporate this data in goal setting.
 - Number of DBE Firms compared to all firms – 20.3%
 - Employer Receipts of DBE firms compared to all firms – 8.7%
 - Number of employees in DBE firms compared to all firms – 10.4%
 - Payroll of DBE firms compared to all firms – 8.6%
- **UNREALISTIC EXPECTATIONS** – The implementation of race-conscience project DBE goals has been in place for just a year for the construction industry. The professional design community has yet to see race-conscience project DBE Goals. The 22% goal is a massive increase over previous goals and is unrealistic and not achievable.
 - Capacity of certified DBEs does not support high percentage DBE goals. Many firms are one or two people operations and a number of these firms are at capacity.
 - Certified DBE List had up to 20 questionable DBE professional services firms from a quick review by our members (most were not properly licensed in a professional discipline). This presents a misleading representation of available DBE capacity for professional services.
 - Some firms who are eligible to participate in the DBE program don't so because of the paperwork and the fact they have plenty of work.
 - The Municipality of Anchorage, using the same 2008 Disparity Study, set their DBE goal at 5%.

We understand that the CRO has a significant challenge in setting DBE goals, with conflicting interests. However, we feel there has been a disconnect in the exchange of information relative to goal setting and public input. Even now there is conflicting information as to whether the Step 1 Goal can be modified or if comments and significant modifications can be made to the Step 2 Goal. From a public involvement due diligence standpoint, we would hope that our comments will be taken into consideration to modify the Step 1 Goal to a more supportable value. No matter what the reasoning and justification, the establishment of a non-defendable and poorly derived goal is not in the public's best interest.

Thank you again for allowing us to provide feedback on the DBE goal setting and we look forward to your response. Should you have any questions don't hesitate to contact us as we will be happy to meet with you.

Sincerely,

American Council of Engineering Companies of Alaska



Jeff Baker, P.E.,
President ACEC of Alaska



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ASSOCIATED GENERAL CONTRACTORS of ALASKA

8005 Schoon Street • Anchorage, Alaska 99518
Telephone (907) 561-5354 • Fax (907) 562-6118

3750 Bonita Street • Fairbanks, Alaska 99706
Telephone (907) 452-1809 • Fax (907) 456-8599

CIVIL RIGHTS

August 17, 2011

Alaska State Department of Transportation and Public Facilities
Civil Rights Office
P.O. Box 196900
Anchorage, AK 99519-6900

Attn: Jon Dunham, Civil Rights Manager

Re: Public Notice Step 1 DBE Goals – Federal Fiscal Years 2012 – 2014

Dear Mr. Dunham:

Thank you for the opportunity to provide input and comments into the DBE goal setting for the Alaska Department of Transportation and Public Facilities (DOT). The Associated General Contractors of Alaska (AGC) is a trade association representing over 650 contractors, sub-contractors and associate members who often bid on Alaska Department of Transportation and Public Facilities (DOT) contracts. On behalf of the members of the AGC, and the construction industry in Alaska, I wish to express concern about the proposed Step 1, DBE goals of 22 percent, and make a recommendation for the Step 2 and final goal.

This is an important issue for AGC members. AGC has had a DBE "tab" in our membership roster since 2008, which is an additional listing of our 60 disadvantaged members. AGC members have actively participated in the program as DBE firms, as graduates of the DBE program, as contractors meeting the contract goals or as contractors putting forth Good Faith Efforts (GFE) in an attempt to do so.

AGC comments are not in objection to the DBE program - that has been clearly stated by Congress as a compelling interest and is the law of the land. My comments are directed at DBE utilization goals in construction contracts and performing construction services, however they are equally valid for goals in professional services.

I object to the flawed methodology and the unrealistic and extraordinarily high Step 1 goals proposed. By your own admission you agree they are flawed. Unrealistic goals affect the credibility of the program, and that is in no one's best interest. To use erroneous values in Step 1 only results in questionable values for Step 2 goals. Further comments to the poor methodology in this letter is not conducive to a productive outcome, so any further discussion will be AGC recommendation for DBE goals.

The present set of goals under which we operate are the result of the 2008 study "Alaska Disadvantaged Business Enterprise Study – Availability and Disparity" (The Disparity Study) by D. Wilson Consulting Group. This exhaustive analysis, though far from perfect and three years old is the most accurate information we have. What has changed in the data base since 2008 that might change the outcome should a similar study be done today?

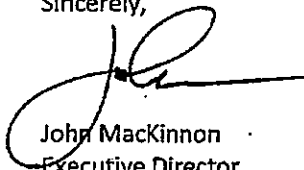
In 2008 when the Disparity Study was done, the DBE Directory listed a total of 192 DBE firms for Alaska. At that time, there were 91 that performed "construction" of various types that would make them usable as subcontractors on a construction project. Today the Directory lists 209 total firms and only 94 that claim to perform subcontractable work on a construction project. The Directory has remained as flat as the construction economy for the last three years. It is this directory or inventory of DBE firms that contractors have to use to meet any required goals. To use other sources for much higher numbers (D&B, US Census, etc) of potential DBE firms to justify an increase from the present goals does not follow logic. Those numbers of potential DBE firms may be available to the CRO to become part of the Directory, but they are not available to contractors to meet any required goals.

The recommended goals of 13% have only been in place since April, 2010 for FAA and FTA projects, only since April, 2011 for FHWA projects outside of Central Region, and not yet in place for FHWA Central Region Projects. These goals have not been used for a significant portion of the DOT construction program - Central Region. These goals have not been adequately tested. With little experience in achieving 13%, we have no way of knowing if that utilization is even achievable. There is not a large enough statistical sample to know if the present goals are realistic.

While not perfect, the 2008 Disparity Study is the best determination we presently have for setting the goals for the next three years. There is no rational justification for an increase, nor does the number of potential subcontractors in the Directory provide any significant increased opportunity to subcontract. We need to keep the goal at no higher than the present 13% for the next three years, and test that number.

Thank you for the opportunity to comment. Should you have any questions, please don't hesitate to contact me.

Sincerely,



John MacKinnon
Executive Director
Associated General Contractors of Alaska

CC:
Marc Luiken, Commissioner DOT
Pat Kemp, Deputy Commissioner, DOT
Mark O'Brien, Chief of Contracts, DOT
Dave Miller, District Administrator, FHWA



**LABORERS' INTERNATIONAL
UNION OF NORTH AMERICA
LOCAL 341**

2501 Commercial Drive, Anchorage, AK 99501
Phone (907) 272-4571 Fax (907) 274-0570
www.local341.com



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August 18, 2011

Jon Dunham, Coordinator
Alaska Department of Transportation and
Public Facilities
Civil Rights Office
P.O. Box 196900
Anchorage, AK 99519-6900

RE: Public Notice Step 1 DBE Goals - Federal Fiscal Years 2012-2014

Dear Mr. Dunham:

Thank you for the opportunity to comment on the Alaska Department of Transportation and Public Facilities' DBE goal setting process. Laborers' Local 341 recognizes the importance of equal opportunity in construction contracting. However, Local 341 is extremely concerned about the methodology used to achieve the Step 1 DBE goal of 22%. Based on our review of the data, and knowledge of DBE contractors in the construction industry, this number falls well short when accurately reflecting the percentage of DBE contractors to all construction firms working in Alaska.

I am aware that the Civil Rights Office (CRO) spent a significant amount of time, money and resources procuring the 2008 study: "Alaska Disadvantaged Business Enterprise Study-Availability and Disparity." That study, which has been considered flawed by many, reflects the most accurate data we have on available DBE construction contractors. Further, the recommended goal from that study of 13% has only been in place a short amount of time. We should refocus our efforts and provide the industry the opportunities to achieve the current goal before significantly increasing it. To deviate from this percentage so soon is illogical and may significantly affect the performance of the construction industry in the near future.

Currently, there are approximately 94 DBE firms that claim the ability to perform subcontract work on construction projects. There are two primary concerns with this relatively low number of DBE contractors; their inability to secure bonding for numerous construction projects, as well as the sheer size of their skilled workforce. While Local 341 recognizes the importance of providing an opportunity for such firms to grow, such growth should occur at a realistic and manageable rate.

JOEY MERRICK
BUSINESS MANAGER
SECRETARY-TREASURER

RON MCPHETERS
PRESIDENT

RON AXTELL
VICE-PRESIDENT

LARRY MOONEY
BUSINESS REPRESENTATIVE

STACY ALLEN
HEALTHCARE UNIT
REPRESENTATIVE



**LABORERS' INTERNATIONAL
UNION OF NORTH AMERICA
LOCAL 341**

2501 Commercial Drive, Anchorage, AK 99501
Phone (907) 272-4571 Fax (907) 274-0570
www.local341.com



I would also like to express my concerns for individual workers who will be impacted by the implementation of the new DBE goals. The purpose of the DBE program is to provide opportunities to minority and women-owned businesses to remedy past discrimination in the construction field. Ironically, however, when the state implemented a DBE program in the flagging industry in the early 1990s, the program had a severe and significant affect on minority workers whose hours were often cut in half due to DBE bid competition. Let's not return to that point in time and instead work to improve DBE participation through steady and manageable goals.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A.J. "Joey" Merrick II
Business Manager/Secretary-Treasurer
Laborers' Local 341

JOEY MERRICK
BUSINESS MANAGER
SECRETARY-TREASURER

RON MCPHETERS
PRESIDENT

RON AXTELL
VICE-PRESIDENT

LARRY MOONEY
BUSINESS REPRESENTATIVE

STACY ALLEN
HEALTHCARE UNIT
REPRESENTATIVE



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CH2M HILL
949 East 36th Ave
Suite 500
Anchorage, AK 99508
Tel 907.762.1500
Fax 907.257.2017



CH2MHILL

2011 DEC 27 AM 11 05

August 19, 2011

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State of Alaska
Department of Transportation and Public Facilities
Civil Rights Office
P.O. Box 196900
Anchorage, AK 99519-6900

Subject: ADOT&PF DBE Goals - Federal Fiscal Years 2012 - 2014

Attention: Jon Dunham, Civil Rights Manager

Dear Mr. Dunham:

Having reviewed several documents and pieces of correspondence regarding the setting of Step 1 DBE goals at 22%, I am compelled to write in support of the American Council of Engineering Companies of Alaska (ACEC-AK) position as described in their letter of August 9, 2011. I fully agree with their assertion that a goal of this magnitude would be most difficult to defend and, as much to the point, is absolutely not achievable.

We routinely propose work to the Department and in building our teams in the past have had considerable difficulty in achieving even a 5% to 7% rate of participation. To suggest that a goal of 22% is realistic is unsupported and will result, in my opinion, in poor public policy.

I encourage you to revisit the methodology that results in this goal of 22%. While many of us support the DBE program, we also believe that without realistic, achievable goals the program cannot be successful.

Thank you for the opportunity to comment.

Sincerely,

for Dan Stanley, P.E.

Vice President, CH2M HILL

Exhibit 5

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ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES
 PUBLIC MEETING
 SIGN IN SHEET



PROJECT NAME DRE OVERALL GOALS - ANCHORAGE DATE 7/21/2011

NAME (PLEASE PRINT)	ADDRESS or EMAIL	PHONE	*GENDER (M/F)	*RACE (W, AN, N, B, H, A, P, O)
Karen Bretz	MOA IPDR 196650 A/A 99519	343-4897	F	W
Lynn R Clarke	QUUSU 3000 Arctic Blvd, Anch Anchorage 99508	786-5589	F	A
Jerad Mertens	3000 Arctic Blvd Anch 99508	786-5520	M	W
TERRANCE ROSS	EPW1 Consumers 9101 Vanalmeida DR. 2525 C. Street	522-1707	M	W
John McPherson	Anchorage AK 99503	644-2013	M	W
Willy VanStemert	3000 Arctic St 300 A.A. 99503		M	W

*RACE CATEGORIES: WHITE (W), ALASKA NATIVE (AN), NATIVE AMERICAN (N), BLACK (B), HISPANIC (H), ASIAN (A), PACIFIC ISLANDER (P), and OTHER (O)
 1 of 2
 revised: March 2005

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PROJECT NAME _____

DATE _____

NAME (PLEASE PRINT)	ADDRESS or EMAIL	PHONE	*GENDER (M/F)	*RACE (W, AN, N, B, H, A, P, O)
Tom Artel	artel@local341.com	292-459	M	W
Mac Foltz	mfolz@usfk.com	276-4245	M	W
Nancy Knapman	earthsternine@sci.net	223-7780	F	W
Jean Corn	aaddo@ak.net	333-6160	F	AN.

*RACE CATEGORIES: WHITE (W), ALASKA NATIVE (AN), NATIVE AMERICAN (N), BLACK (B), HISPANIC (H), ASIAN (A), PACIFIC ISLANDER (P), and OTHER (O)
2 of 2
revised: March 2005

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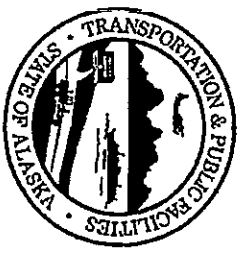
ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

2011 DEC 27 AM 11 06

PUBLIC MEETING

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PROJECT NAME Prte good mtg - Fairbanks DATE 7/25/2011

NAME (PLEASE PRINT)	ADDRESS or EMAIL	PHONE	*GENDER (M/F)	*RACE (W, AN, N, B, H, A, P, O)
VON DUNHAM	von.dunham@alaska.gov	269-0850	M	W
Cherry Patterson	cherry.asi@alaska.net	455-0208	F	W
Bobbie Coghill	bcoghil@getnet.com	452-5017	F	W
Loei McCarter	lmcarter@ertus.com	450-5007	F	W
Matt Stone	mattstone@pdce.org.us	452-1414	M	W
Rachel Carlson	Rcarlson@afafoundation.net	768-2008	F	NA/AK

*RACE CATEGORIES: WHITE (W), ALASKA NATIVE (AN), NATIVE AMERICAN (N), BLACK (B), HISPANIC (H), ASIAN (A), PACIFIC ISLANDER (P), and OTHER (O) 1 of 2 Revised: March 2005

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PROJECT NAME _____

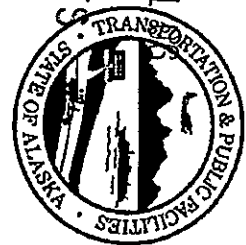
DATE _____

NAME (PLEASE PRINT)	ADDRESS or EMAIL	PHONE	*GENDER (M/F)	*RACE (W, AN, N, B, H, A, P, O)
Sarah LeFebvre	slefebvre@colaska.com	488-8833	F	W
Randy Brand	RBRAND@SIERRA.W.COM	452-5617	M	N
Kelly Steginsky	Planners@goi.net	457-2400	F	N
Royce L. Conlon	royceconlon@pdceug.us	452-1414	F	W
Patrick Cotter	patrickcotter@pdceug.us	452-1414	M	W

*RACE CATEGORIES: WHITE (W), ALASKA NATIVE (AN), NATIVE AMERICAN (N), BLACK (B), HISPANIC (H), ASIAN (A), PACIFIC ISLANDER (P), and OTHER (O)
2 of 2
revised: March 2005

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ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES 2011 DEC 27 AM 11



PUBLIC MEETING
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PROJECT NAME PRE OVERALL C&AL RTG - JUNEAU DATE 1/27/2011

NAME (PLEASE PRINT)	ADDRESS or EMAIL	PHONE	*GENDER (M/F)	*RACE (W, AN, N, B, H, A, P, O)
John DUNHAM	jdunham@alaska.gov	907 0850	M	N
PAUL WITT	Paul.Witt@hdvinc.com	644-2020	M	W
Chris Gilberto	Chris@West Pacific Erectors.com	364-3288	M	W
Mike Sturrock	msturrock@northpacificerectors.com	364-5288	M	W
TERRY MILLER	mcs1@legisline.net	789-0514	M	W
Jenny Huntley	jhuntley@alaska.csm	780-1234	F	H

*RACE CATEGORIES: WHITE (W), ALASKA NATIVE (AN), NATIVE AMERICAN (N), BLACK (B), HISPANIC (H), ASIAN (A), PACIFIC ISLANDER (P), and OTHER (O)
revised: March 2005

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PROJECT NAME _____ DATE 7/27/2011

NAME (PLEASE PRINT)	ADDRESS or EMAIL	PHONE	*GENDER (M/F)	*RACE (W, AN, N, B, H, A, P, O)
Vanda Randolph	Vanda.Randolph@alaska.gov	465-4489	F	W
Manuel Rose	Manuel.Rose@alaska.ca	465-9488	M	W
Doris Hanna	ALASKA CONSUMER COUNCIL	760-41235	M	W
RALPH KIBBY / CHATHAM ELECTRIC	ralph@chathamelectric.com	789-9899	M	W
Carla Word	Carla.Word@alaska.gov	465-1811	F	AN

*RACE CATEGORIES: WHITE (W), ALASKA NATIVE (AN), NATIVE AMERICAN (N), BLACK (B), HISPANIC (H), ASIAN (A), PACIFIC ISLANDER (P), and OTHER (O)
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ALASKA DEPARTMENT OF TRANSPORTATION
AND PUBLIC FACILITIES

PUBLIC MEETING

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PROJECT NAME DPE Annual Mtg. A&EC DATE 7/19/2011

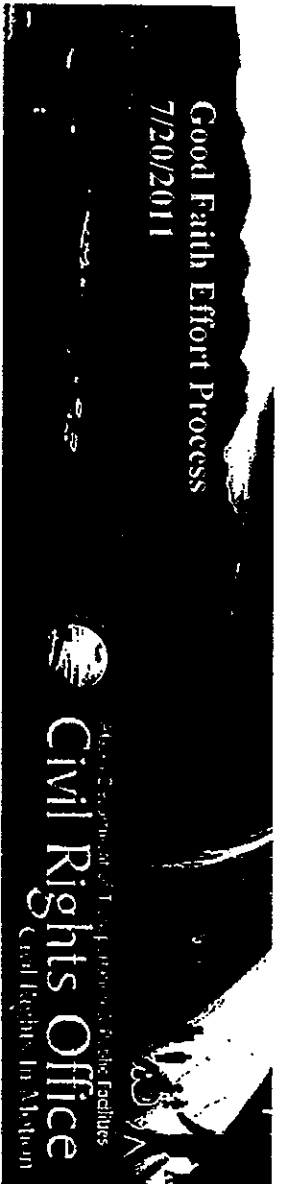
NAME (PLEASE PRINT)	ADDRESS or EMAIL	PHONE	*GENDER (M/F)	*RACE (W, AN, N, B, H, A, P, O)
Jon Duvhman	jon.duvhman@alaska.gov	907 0850	W	W
William Van Benemt	WilliamBenemt@craving.com	562-3252	M	W
Shafiqul Glesher	Shafiqul@i.com	561/4483	M	W
Paul Witt	PAUL.WITT@alaska.gov	647-2025	M	W

*RACE CATEGORIES: WHITE (W), ALASKA NATIVE (AN), NATIVE AMERICAN (N), BLACK (B), HISPANIC (H), ASIAN (A), PACIFIC ISLANDER (P), and OTHER (O)
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AGENCY ON GFES + OVERALL GOALS
7/20/2011

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FOYI Construction	William Shalberg	248-3666	dshalberg@foyi.com
UNIT COMPANY	Rene Bekymer	349-6666	rbekymer@unitcompany.com
MIKE DOT	MIKE CLAY	269-0433	MIKE.CLAY@ALASKA.GOV
DOT	Sharon Smith	2690414	sharon.smith@alaska.gov
GRAVITE CONST CO.	Kathryn Ungarhart	267-5267	kathryn.ungarhart@gcinc.com
WEST CONST.	Bill Rando	561-9811	BILL@BUDC.US
'	BRYCE RIVERA	51-9811	BRYCE@BUCC.YI
Secom (Alaska)	Jenny Huntley	780.1234	jhuntley@alaska.com
* Local 341	Ren Artell	292-4591	RArtell@local341.com
Granite Const.	Debbie Kerkowski	267-5274	debbie.kerkowski@gcinc.com
Granite Const.	Dawn Fisher	267-5257	dawn.fisher@gcinc.com
	Wendy Dahlman	269-0850	wm.dunbar@alaska.gov

2011 DEC

Good Faith Effort Process
7/20/2011



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Brecken Enterprises	Shanna Ferguson	486-3215	stfg@bracken.net
Pruks Construction	Misty Dawn Ginn	279-1020	mishygin@prukscorp.com
Ferne Fener	Rayna Herschel	522-1155	foranad@acomefener.net
Roger Hinkel	Tou Ojala	279-1400	tojala@togetherthickcontracting.com
UNIT	Maureen Myers	433-9350	mmyers@unitcompany.com
Bride	Beverly Bride		
Exclusive	Sarah		
QAD	Christine OMSA	522-2211	

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CONTRACTOR	REPRESENTATIVE NAME	PHONE NUMBER	E-MAIL ADDRESS
<i>FRANZ</i>	<i>Mike Miller</i>	<i>344-2593</i>	<i>MIKE.MILLER@gcinc.com</i>

PRE GENERAL EMAILS
NAWIC AUGUST 10, 2011
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