John R. Kasich, Governor

Jerry Wray, Director

## SUMMARY: 2015-16 Ohio Public Authorities Disparity Study

- The Ohio Department of Transportation has received the results of its disparity study.
- ODOT requested the study in order to identify and understand the barriers that separate qualified small and disadvantaged businesses from highway construction and engineering contracting opportunities.
- The study was conducted by <u>BBC Research & Consulting</u> and <u>Exstare Federal Services</u> <u>Group.</u>
- Focusing on ODOT contracts awarded between January 1, 2010, and December 31, 2014, the study confirms a *disparity of utilization*. In other words, the percentage of contracting dollars received by minority and woman-owned businesses is disproportionate to their availability in the current marketplace.
- In comparing utilization to availability, the study team established a scale of 100, in which any score below 100 would indicate disparity, and any score below 80 represents disparity to negative impact. Across six categories of woman- and minority-owned businesses, Ohio averaged a disparity index of 79, with the following individual category scores:

White Woman: 118 Black American: 31

Asian Pacific American: 41 Subcontinent Asian American: 200+

Hispanic American: 21 Native American: 105

- The Ohio Department of Transportation regrets the unfortunate realities of the study's findings, and is committed to understanding the factors of utilization and availability, and doing everything within our control to correct unfair disparities. We will strive for reasonable, rapid change with an understanding that some adjustments will take time to fully realize.
- The study's findings will be a critical reference as ODOT establishes Disadvantaged Business Enterprise goals for fiscal years 2017 through 2019. Currently in the early stages of development, the DBE plan will be available for public comment later in 2016.
- The study offers insights to many tools that ODOT currently employs or will employ to correct disparity, including "unbundled" contract opportunities; prequalification procedures; outreach and education among the prime and subcontractor communities; and capacity building programs for small and disadvantaged businesses.