

SECTION V.

Exploration of Possible Causes of Any Disparities

Three key questions emerge from disparities in MBE/WBE utilization on Airport contracts identified in Section IV:

- A. Are there disparities for certain types and sizes of Airport contracts and not for others?
- B. Did discontinuing the DBE contract goals/good faith efforts program lead to the substantial MBE/WBE disparities in the Authority's FAA-funded contracts for the study period?
- C. Is there anything in SDCRAA's bid process that would make it more difficult for MBE/WBEs to bid on Authority's contracts?

Answers to these questions may be important as the Authority considers how much of its overall annual aspirational goal for DBE participation can be met through race- and gender-neutral means and what program elements may be needed. Results may also help the Authority identify the specific race/ethnic groups for which any future race- or gender-conscious programs might apply.

A. Are there disparities for certain types and sizes of Airport contracts and not for others?

BBC examined several questions concerning the substantial MBE/WBE disparities identified for Airport contracts:

- 1. Are there differences in the disparities between types of work?
- 2. Are there different results for prime contracts and subcontracts?
- 3. Are the different results for subcontracts between FAA-funded contracts during the DBE contract goals/good faith efforts program and locally-funded contracts?
- 4. Are there different results for small prime contracts and large prime contracts?
- 5. Does the Airport award contracts to "the same large firms"?
- 6. Are there different results for FAA-funded and locally-funded contracts?

1. Are there differences in the disparities between types of work? MBE/WBE utilization and availability differed for construction, engineering and material and equipment contracts. As shown in Figure V-1, MBE/WBEs obtained 24 percent of the total material and equipment contract dollars studied; higher than the 6 percent and 12 percent, respectively, for engineering and construction contracts.

Figure V-1.
MBE/WBE and DBE share of FAA- and locally-funded construction, engineering and material and equipment prime contract/ subcontract dollars, 2003–2007

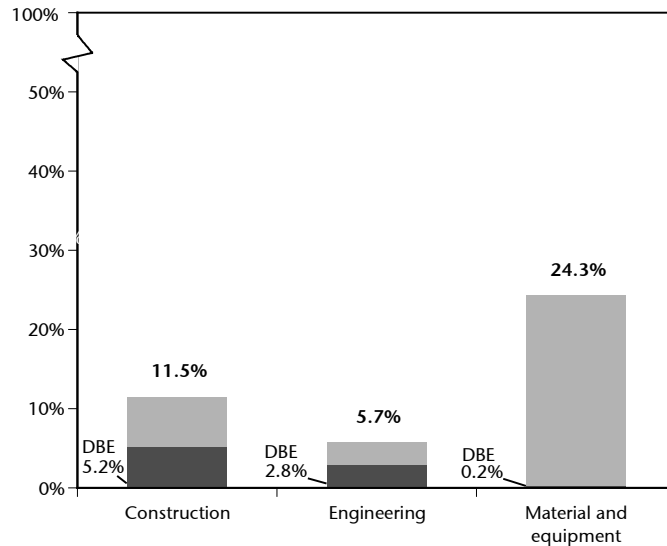
Note:

Number of contracts/subcontracts analyzed is 420 for construction, 665 for engineering and 90 for material and equipment.

For more detail and results by group see Figure C-46, C-47 and C-48 in Appendix C.

Source:

BBC Research & Consulting from Airport contract data.



Although MBE/WBE utilization was 24.3 percent, MBE/WBE availability was also higher for material and equipment contracts. The disparity index for MBE/WBEs overall was 45 for Airport material and equipment contracts. The disparity index for construction contracts was 41 and the index for engineering contracts was 23. Figure V-2 shows the disparity indices for MBE/WBE utilization on construction, engineering and material and equipment contracts.

Figure V-2.
Disparity indices for MBE/WBE utilization as prime contractors and subcontractors on FAA- and locally-funded construction, engineering and material and equipment

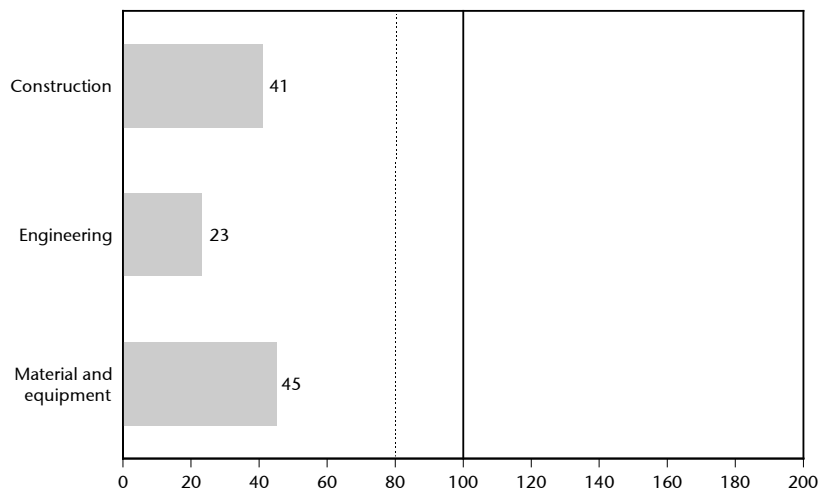
Note:

Number of contracts/subcontracts analyzed is 420 for construction, 665 for engineering and 90 for material and equipment.

For more detail and results by group see Figure C-46, C-47 and C-48 in Appendix C.

Source:

BBC Research & Consulting.



Across the three procurement areas, each race/ethnic group of MBEs exhibited disparities. This was also true for WBEs for construction and engineering contracts. WBE utilization exceeded availability on Airport material and equipment contracts. The relatively high WBE utilization for material and

equipment contracts was in part due to one \$3 million contract for security systems services that went to Network Security Electronics, Inc., a women-owned firm.

2. Are there different results for prime contracts and subcontracts? As shown in Figure V-3 MBE/WBE utilization was much higher for subcontracts (31%) on SDCRAA projects compared with utilization on prime contracts (7%).

Figure V-3.
MBE/WBE and DBE share of FAA-
and locally-funded prime contract
and subcontract dollars,
2003–2007

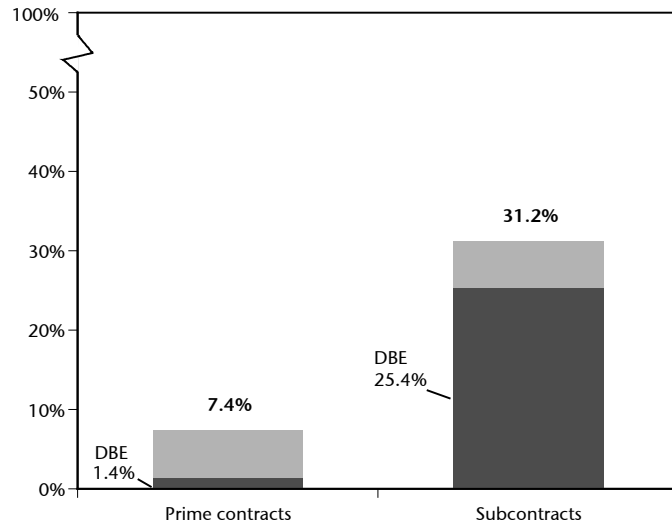
Note:

Number of contracts/subcontracts analyzed is 431 for prime contracts and 744 for subcontracts.

For more detail and results by group see Figures C-49 and C-50 in Appendix C.

Source:

BBC Research & Consulting.



Relative MBE/WBE availability is somewhat higher for Authority subcontracts when compared with prime contracts. The substantial difference in utilization shown in Figure V-3 results in greater disparities in MBE/WBE utilization on prime contracts. The overall MBE/WBE disparity index was 86 for subcontracts, compared to an index of 27 for prime contract elements. Figure V-4 shows the disparity index for each race/ethnicity and for WBEs.

Figure V-4.
Disparity indices for
MBE/WBE utilization as
prime contractors and
subcontractors on FAA-
and locally-funded
contracts, 2003–2007

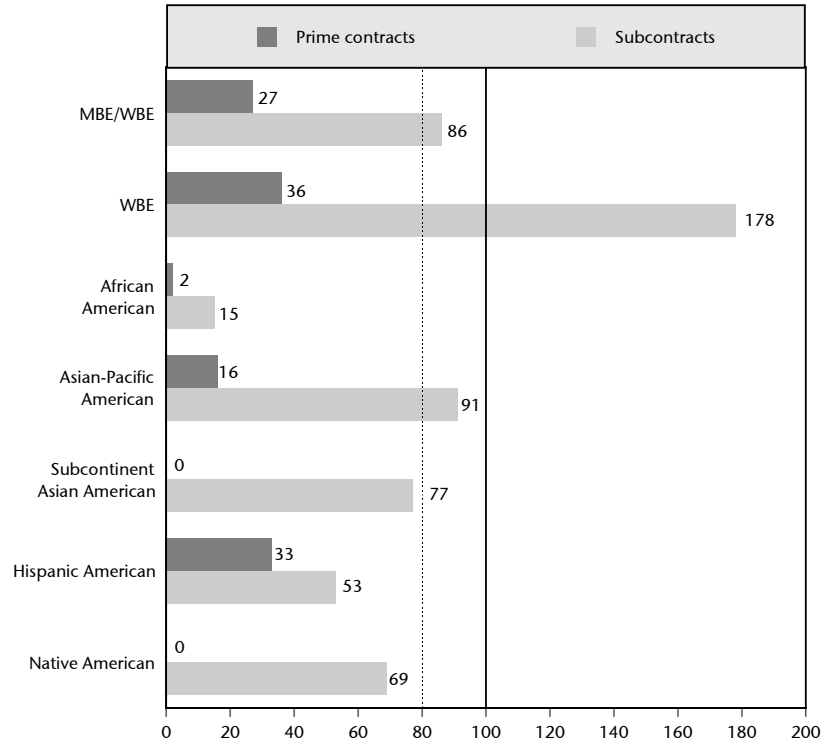
Note:

Number of contracts/subcontracts analyzed is 431 for prime contracts and 744 for subcontracts.

For more detail see Figures C-49 and C-50 in Appendix C.

Source:

BBC Research & Consulting.



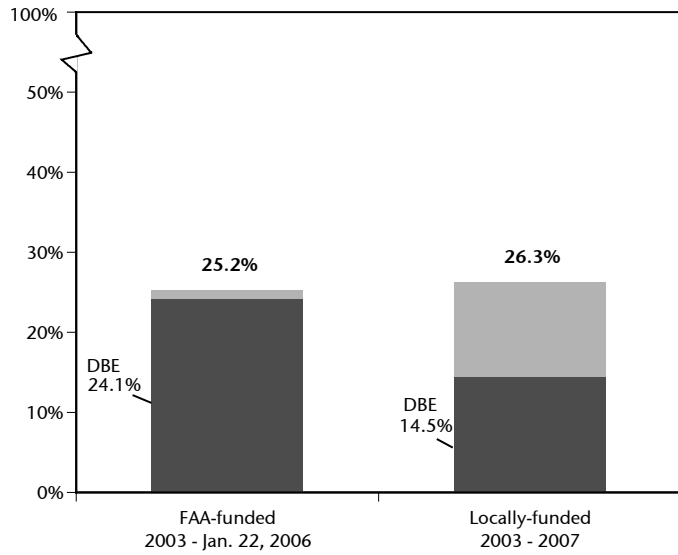
The disparities on SDCRAA prime contracts were larger than those found on subcontracts for every MBE/WBE subgroup examined in the study. Even at the subcontractor level, disparities exist in SDCRAA subcontracting for MBEs overall (with an index of 50) as well as for African American-, Subcontinent Asian-, Hispanic American- and Native American-owned firms. One large subcontract for a WBE (Synergy Electric of San Diego) accounts for nearly half of WBE utilization on Airport subcontracts. While substantial disparities in utilization for subcontracts are present for some MBE/WBE groups, BBC's analysis shows utilization disparities for all groups for prime contracts.

3. Are there different results for subcontracts between FAA-funded contracts during the DBE contract goals/good faith efforts program and locally-funded contracts? As shown in Figure V-5, MBE/WBE utilization on subcontracts was similar for locally-funded contracts and FAA-funded contracts between January 2003 and January 22, 2006. During both periods MBE/WBEs received slightly more than one-quarter of the subcontract dollars.

Figure V-5.
MBE/WBE and DBE share of locally-funded subcontract dollars, 2003-2007 and FAA-funded subcontracts, 2003-Jan. 22, 2006

Note:
 Number of subcontracts analyzed is 238 for the FAA-funded contracts, Jan. 2003-Jan 22, 2006 and 488 for locally-funded contracts.
 For more detail and results by group see Figures C-8 and C-10 in Appendix C.

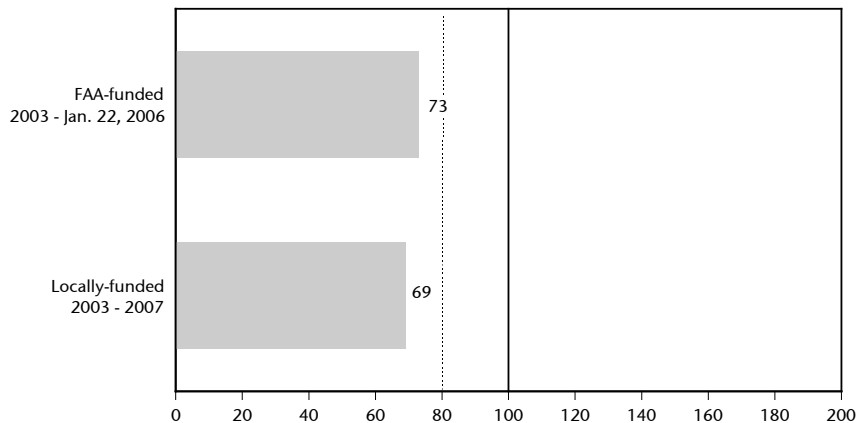
Source:
 BBC Research & Consulting from SDCRAA contracting data.



BBC found disparities in MBE/WBE utilization on locally-funded subcontracts (no goals program) and FAA-funded subcontracts during the DBE contract goals/good faith efforts program.

Figure V-6.
Disparity indices for MBE/WBE utilization as subcontractors on locally-funded contracts, 2003-2007 and FAA-funded contracts, 2003-Jan. 22, 2006

Note:
 Number of subcontracts analyzed is 238 for the FAA-funded contracts, Jan. 2003-Jan 22, 2006 and 488 for locally-funded contracts.
 For more detail and results by group see Figures C-8 and C-10 in Appendix C.



Source:
 BBC Research & Consulting.

4. Are there different results for small prime contracts and large prime contracts?

Many local business owners and managers the study team interviewed complained that the Airport's contracts are too large for small firms — including MBE/WBE firms — to be able to bid on them. For example, an interviewee representing a white male-owned firm reported that breaking up contracts would be helpful to small firms (including MBE/WBEs) but perceived the Airport recently moving toward larger contracts. He said, “The Airport has gone just the opposite way [recently]. They’ve been lumping [contracts] together.”

For a more in-depth look at how contract size affects MBE/WBE utilization, the study team analyzed MBE/WBE utilization as prime contractors on contracts with a total value above and below \$100,000 and contracts above and below \$1 million.

MBE/WBE utilization on large and small contracts. Utilization of MBE/WBEs as prime contractors was substantially lower on large contracts than small contracts (see Figure V-7).

Figure V-7.
MBE/WBE and DBE share of FAA- and locally-funded prime contract dollars by contract size, 2003-2007

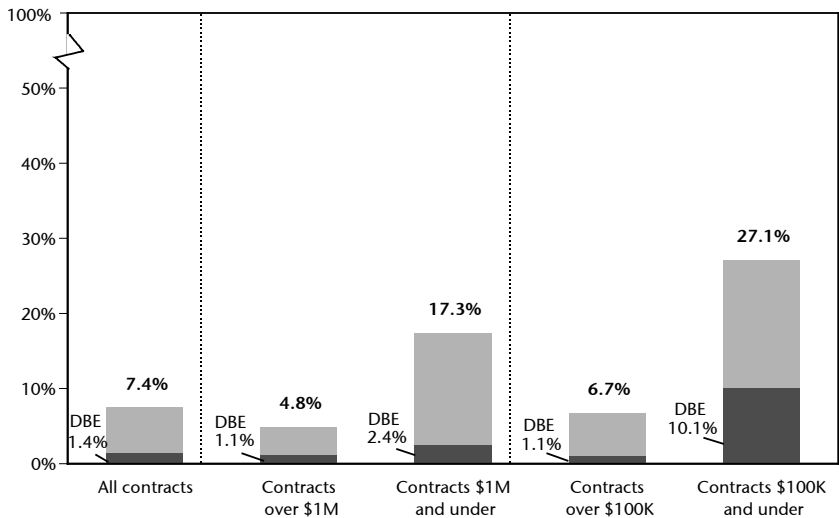
Note:

Number of all contracts analyzed is 431 for all contracts, 377 for contracts \$1M and under, 54 for contracts over \$1M, 282 for contracts \$100K and under and 149 for contracts over \$100K.

For more detail and results by group see Figures C-36, C-49, C-53, C-54 and C-55 in Appendix C.

Source:

BBC Research & Consulting from SDCRAA contracting data.



Disparity analysis for large and small contracts. Because MBE/WBE availability was higher for small prime contracts than for large prime contracts, there were still disparities in MBE/WBE utilization for small prime contracts. For MBE/WBEs overall, the disparity index was 50 for prime contracts of \$1 million or less and 78 for prime contracts of \$100,000 or less.

Figure V-8.
Disparity indices for MBE/WBE utilization as prime contractors on FAA-and locally-funded contracts by contract size, 2003-2007

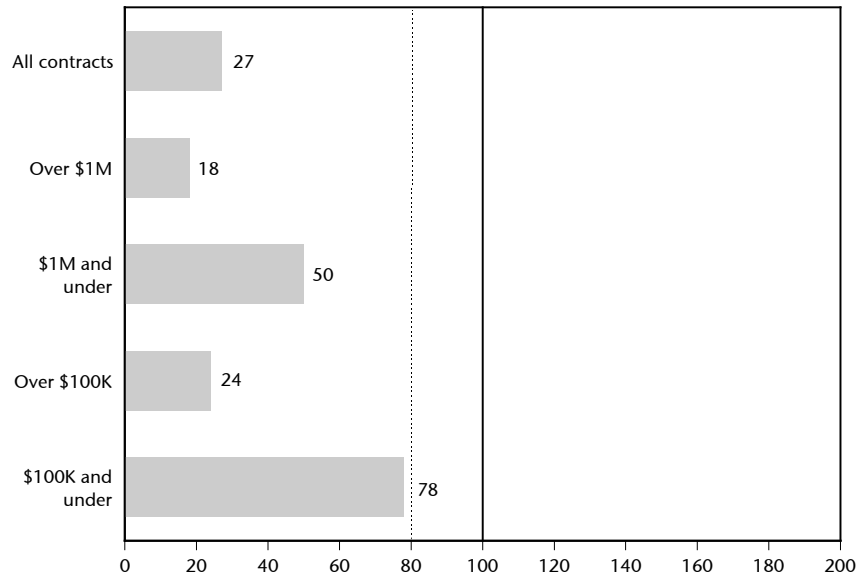
Note:

Number of all contracts analyzed is 431 for all contracts, 377 for contracts \$1M and under, 54 for contracts over \$1M, 282 for contracts \$100K and under and 149 for contracts over \$100K.

For more detail and results by group see Figures C-36, C-49, C-53, C-54 and C-55 in Appendix C.

Source:

BBC Research & Consulting.



Bidding on large and small contracts. BBC collected bidding information on a sample of Airport purchases made during the study period (see Appendix A). BBC was able to examine 38 bids on 12 contracts where the winning bid was \$1 million or less. Of these bids, 24 percent were submitted by MBE/WBEs. For the 23 contracts analyzed with a winning bid over \$1 million, 6 percent of the 84 bids were submitted by MBE/WBEs. From the case study analysis, MBE/WBEs appear less likely to bid on larger contracts.

5. Does the Airport award contracts to “the same large firms”? A number of firm owners and managers the study team interviewed perceived that the Airport tends to award contracts to the same small group of firms. One interviewee, representing an African American male-owned firm, complained about the problem as it relates specifically to the Quieter Home Program: “I think it’s not a fair and equitable [process]. But I mean you really can’t say that because if it’s the low bidder who has been fortunate enough to have won six bids in a row ... [but] it doesn’t give [small firms] the opportunity ... to get in there edgewise and try to submit something.”

With the exception of contracts in the FAA-funded Quieter Home Program, the Authority does not appear to award contracts to “the same large firms.” Within the Quieter Home Program, however, 13 contracts during the study period were awarded to S&L Specialty Contracting Inc., totaling about \$18 million.

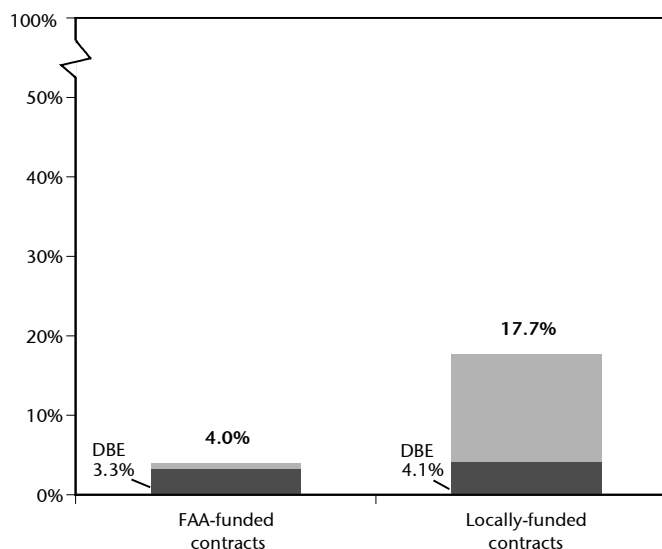
Overall, the single largest contract (\$30 million) and the most total contract dollars (\$32 million from two contracts) went to DMJM Harris (now known as AECOM, the name of its parent company). This amounts to about 15 percent of the contract dollars studied. Of the \$32 million, approximately \$6 million was paid to subcontractors on these two contracts.

6. Are there different results for FAA-funded and locally-funded contracts? As discussed in Section IV, MBE/WBE utilization on FAA-funded contracts was 4 percent of the total amount awarded compared with 18 percent for locally-funded contracts.

Figure V-9.
MBE/WBE and DBE share of prime contract/subcontract dollars, FAA-funded vs. locally-funded contracts, 2003–2007

Note:
 Number of contracts/subcontracts is 323 for FAA-funded contracts and 852 for locally-funded contracts.
 For more detail and results by group see Figures C-4 and C-38 in Appendix C.

Source:
 BBC Research & Consulting.



Overall, disparities in MBE/WBE utilization are more severe on FAA-funded contracts (disparity index of 15) than on locally-funded contracts (disparity index of 54) even with the DBE contract goals/good faith efforts program in place for most FAA-funded contracts examined.

Is there anything in the SDCRAA bid process that would make it more difficult for MBE/WBEs in FAA-funded vs. non-federally funded contracts? The Authority generally uses the same bid and proposal processes for FAA-funded and locally-funded contracts, as described later in Section V under question B.

Could the types and sizes of contracts explain the larger disparities on FAA-funded contracts? As previously noted, MBE/WBE utilization tends to be higher for smaller contracts. Mean contract size is larger for the Airport’s FAA-funded contracts (\$399,000) than for locally-funded contracts (\$108,000). This could explain why MBE/WBE utilization is lower for FAA-funded contracts (4.0%) than for non-FAA funded contracts (17.7%). Because the disparity analysis controls for types and sizes of contracts, contract size is not an explanation for why disparities occur.

Additionally, the study team analyzed FAA- and locally-funded contracts below \$10 million. MBE/WBE utilization was higher for locally-funded contracts \$10 million and smaller when compared with FAA-funded contracts of \$10 million or less (see Figure V-10).

Figure V-10.
MBE/WBE and DBE share of FAA-
and locally funded prime and
subcontract dollars, contracts
\$10 million or less, 2003–2007

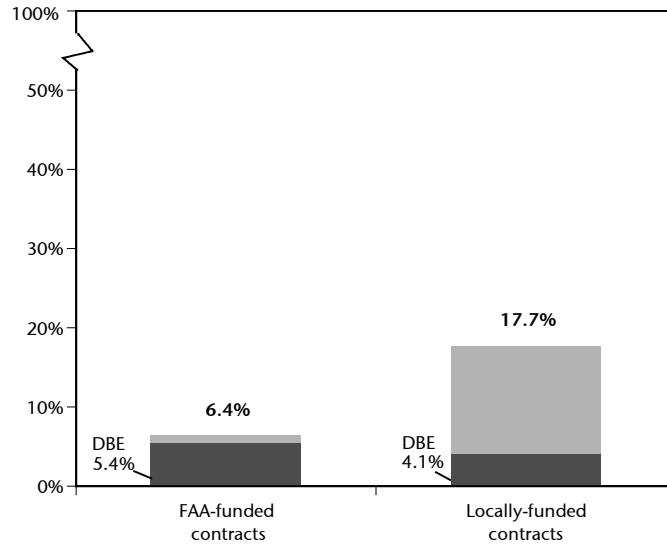
Note:

Number of contracts/subcontracts analyzed for FAA-funded contracts is 320 and 852 for locally-funded contracts.

For more detail and information by group see Figures C-51 and C-52 in Appendix C.

Source:

BBC Research & Consulting.



The study team found greater disparities for small FAA-funded contracts than small locally-funded contracts, as shown in Figure V-11. There may be factors other than contract size that lead to greater disparities on FAA-funded contracts.

Figure V-11.
Disparity indices for
MBE/WBE utilization as
prime contractors or
subcontractors on FAA-
and locally-funded
contracts \$10 million
or less, 2003–2007

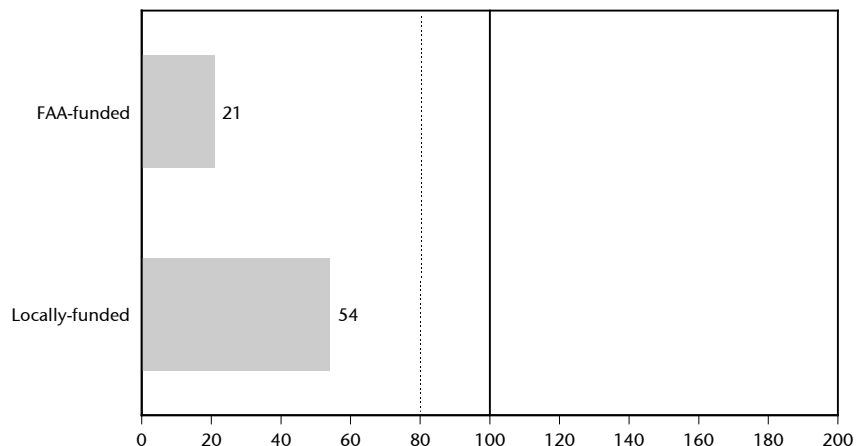
Note:

Number of contracts/subcontracts analyzed for FAA-funded contracts is 320 and 852 for locally-funded contracts.

For more detail and information by group see Figures C-51 and C-52 in Appendix C.

Source:

BBC Research & Consulting.



Are MBE/WBEs less likely to bid on FAA-funded contracts? BBC analyzed bids submitted for a sample of FAA and non-FAA funded contracts for 2003 through 2007. (Appendix A provides more detail on the sampling of contracts and analysis of bids.)

- BBC examined 11 FAA-funded contracts, for a total of 31 bids. MBE/WBEs were 10 percent of bidders.
- On non-FAA funded contracts, MBE/WBEs were 14 percent of bidders (analysis of 91 bids on 24 randomly-sampled locally-funded contracts).

There is no substantial difference in these case studies on relative bidding of MBE/WBEs on FAA-funded versus locally-funded contracts.

B. Did discontinuing the DBE contract goals/good faith efforts program lead to the substantial MBE/WBE disparities in the Airport’s FAA-funded contracts for the study period?

As discussed in Section IV, there were substantial MBE/WBE disparities in the Airport’s FAA-funded contracts for the study period (disparity index of 15 for MBE/WBEs).

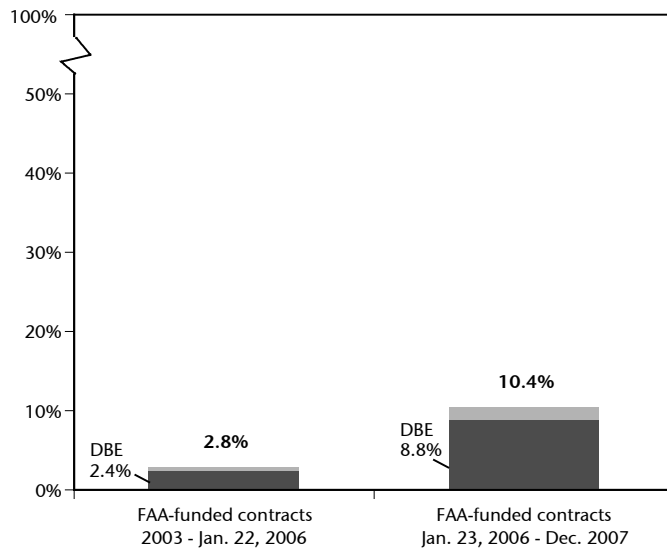
Prior to January 23, 2006, the Authority set DBE contract goals and required prime contractors to meet the goals or show good faith efforts to do so on FAA-funded contracts. Beginning January 23, 2006, the Authority no longer required prime contractors to meet the goals or show good faith efforts. BBC examined whether discontinuing the DBE contract goals led to the substantial MBE/WBE disparities.¹

Prior to discontinuing the DBE contract goals/good faith efforts program, MBE/WBE utilization for the \$110 million in FAA-funded contracts was 3 percent. After discontinuing the program MBE/WBE utilization was 10 percent, as shown in Figure V-12. It is important to note that the SDCRAA only identified 25 FAA-funded contracts (with 43 total prime contracts and subcontracts) that were not covered by the contract goals/good faith efforts program. Additionally, the comparison shown in Figure V-11 does not control for different sizes, roles and types of contracts and subcontracts.

Figure V-12.
MBE/WBE and DBE share of
FAA-funded prime/subcontract
dollars, before and after
January 23, 2006

Note:
 Number of contracts/subcontracts is 280 for 2003 – Jan. 22, 2006 and 43 for Jan. 23, 2006 – Dec. 2007.
 For more detail and results by group see Figures C-2 and C-3 in Appendix C.

Source:
 BBC Research & Consulting.



¹ The study team determined which contracts were bid with goals using information compiled by SDCRAA staff.

As shown in Figure V-13, FAA-funded contracts in the period prior to January 22, 2006 (when the Authority set DBE contract goals on FAA-funded contracts) also have substantial MBE/WBE disparities. The MBE/WBE disparity index is 12 for FAA-funded contracts during the study period when a DBE contract goals/good faith efforts program was in place and 31 for FAA-funded contracts in the post-program period. There is no indication that discontinuing the DBE contract goals/good faith efforts contributed to the substantial MBE/WBE disparities in FAA-funded contracts.

Figure V-13.
Disparity indices for
MBE/WBE utilization as
prime contractors/
subcontractors on FAA-
funded contracts,
before and after
Jan. 23, 2006

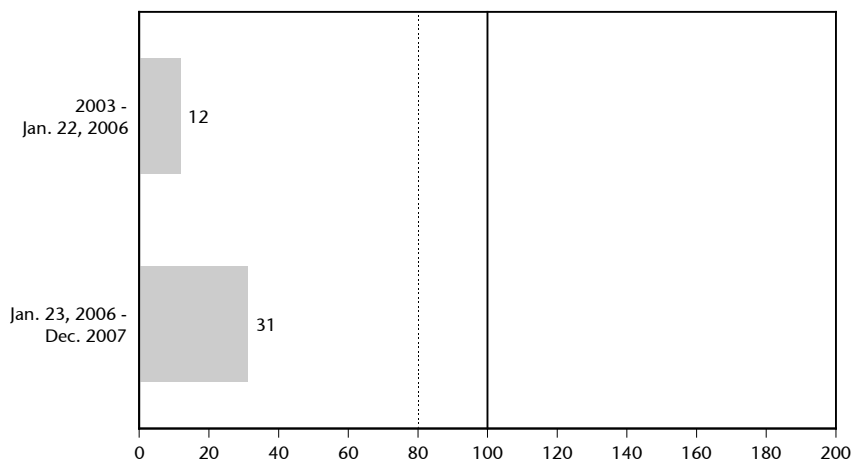
Note:

Number of contracts/subcontracts is 280 for 2003 – Jan. 22, 2006 and 43 for Jan. 23, 2006 – Dec. 2007.

For more detail and results by group see Figures C-2 and C-3 in Appendix C.

Source:

BBC Research & Consulting.



C. Is there anything in SDCRAA’s bid process that would make it more difficult for MBE/WBEs to bid on Authority contracts?

BBC examined MBE/WBE participation in the bid process where data were available and analyzed Authority bidding procedures in order to determine if the bidding process presents particular barriers for MBE/WBEs.

1. What are the outcomes of the bidding process for MBE/WBEs? The study team collected bids from a sample of contracts during the study period as described in Appendix A.

Are MBE/WBEs less likely to bid on Airport contracts? BBC was able to examine 122 bids for a sample of 35 contracts from 2003 through 2007. MBE/WBEs were 11 percent of bidders and 6 percent of winning vendors. In the disparity analysis, 2,020 qualified available firms were identified. MBE/WBEs were 38 percent of the qualified available firms, much higher than 11 percent of actual bidders.

Are MBE/WBEs less likely to be competitive when bidding on Airport contracts? Although MBE/WBEs submitted a relatively small number of bids compared with majority-owned firms, bids of MBE/WBEs and majority-owned firms were equally likely to win. About 29 percent of bids from MBE/WBEs and 29 percent of bids from majority-owned firms were selected as the winner. There is no evidence from these case studies that MBE/WBEs are less competitive when bidding on Airport contracts.

2. Do Authority bidding procedures make it more difficult for MBE/WBEs to bid on Authority contracts?

The Authority uses different types of procurement procedures depending on the commodity, service or public works project as well as the anticipated dollar amount of the award.

a. Professional services. Professional services include agreements with firms that provide professional and consulting services to the Airport. For contracts of this type that are worth more than \$50,000, the Airport may use a request for proposals (RFP) or a request for qualifications (RFQ) process.

Requests for qualifications. Requests for qualifications (RFQ) are similar to RFPs, except that price is not considered during the evaluation. RFQs use a two-step process, in which the Airport considers each firm's qualifications first before soliciting a full proposal with price information from short list firms. The SDCRAA uses RFQs for contracts that are related to one of the following procurement areas:

- Architecture;
- Landscape architecture;
- Engineering;
- Environmental;
- Land surveying and mapping;
- Construction management;
- Surveying and mapping; and
- Other services as directed.

Request for proposals (RFP). For areas not listed above, SDCRAA usually issues a request for proposals (RFP). Typically, the Authority evaluates multiple criteria, including price. Criteria may vary depending on the service that is the subject of the RFP process.

\$100,000 and less. SDCRAA requires an informal competitive RFP process for professional services agreements of \$100,000 or less. The Authority uses the following informal RFP process:

- The RFP is advertised on the Authority website and is also sent to firms that are included on outreach lists that the Airport maintains. The RFP describes the project, where and when to submit proposals and how to obtain more detailed information about the work.
- Respondents submit responses to the Authority. Responses typically include the firm's qualifications, fees/compensation, a project schedule and a work scope outlining how the firm will complete the requested services.
- After the deadline to submit proposals expires, an evaluation panel, which generally consists of Authority staff, uses a scoring system to evaluate proposals. The evaluation panel determines the scoring criteria on a project-by-project basis, but it is usually based on a firm's experience and skills, primary staff and work plan and fees. After evaluating proposals, the evaluation panel makes an award recommendation to the Procurement Department and to the Authority Executive Director who ultimately awards the contract.

Greater than \$100,000. The Authority requires a formal RFP process for professional services agreements exceeding \$100,000². The formal RFP process includes all of the components of an informal RFP process plus the following:

- During a formal RFP process, the Authority advertises the RFP in a newspaper of daily circulation and may also advertise in industry-specific trade magazines and newspapers.
- Prior to the submission deadline, the Authority holds a pre-submittal conference to allow respondents to discuss the project with authority staff and ask questions.
- The evaluation panel selects three to five firms to be short-listed and interviews each firm. Each firm is evaluated on the assigned criteria. The evaluation panel then makes an award recommendation to the Procurement Department and the Authority Executive Director.

b. Material and equipment. Material and equipment contracts are purchase order agreements typically made with firms that provide materials or equipment to the Airport. The Authority awards purchase orders for material and equipment purchases to the lowest responsive bidder.

\$5,000 and less. For bids on material and equipment contracts worth less than \$5,000, the Authority requires that the department making the purchase collects three bids from firms that provide the requested materials and equipment. The buyer can use existing supplier lists that the Authority maintains or internet searches to find firms from which to collect bids. The bids can be collected by phone, fax or email. The department making the purchase then makes an award recommendation to the Procurement Department.

Between \$5,001 and \$100,000. For material and equipment agreements between \$5,001 and \$100,000, the Airport uses a competitive bid process in which it solicits written bids from firms that can provide the requested materials and equipment. Bid opportunities are advertised on the Airport website and may be sent to outreach lists that the department making the purchase maintains.

An evaluation panel made up of Authority staff reviews each submitted bid. The evaluation panel considers cost and each firm's qualifications and determines which firm is the lowest responsive bidder.

Greater than \$100,000. Material and equipment purchases exceeding \$100,000 are required to go through a sealed competitive bid process that, in addition to the competitive bid process outlined above, includes advertising an Invitation for Bids (IFB) in local publications. IFBs are published in a newspaper of daily circulation and may be published in trade-specific magazines and newspapers for a minimum of ten business days.

c. Construction (public works). Public works contracts include agreements with firms that provide construction services to the Airport. The Authority requires bid and performance bonds for many construction projects. As with material and equipment bids, public works contracts are typically awarded to the lowest responsive bidder.

² The Authority typically uses a formal RFP process over \$70,000 even though SDCRAA policy does not require it. For procurements ranging from \$70,000 to \$99,999, the option to conduct an informal RFP process is at the discretion of the department making the purchase and the Procurement Department.

\$25,000 or less. For projects worth \$25,000 or less, the Authority may use an employee to perform the work or commission an outside firm. In the cases that the Authority does an informal IFB process:

- An IFB is advertised on the Authority’s website and is also sent to outreach lists maintained by the department making the purchase.
- The Authority sometimes holds a voluntary pre-bid conference to allow contractors to discuss the project with the staff and ask questions. The decision of whether to hold a pre-bid conference for contracts under \$25,000 is at the discretion of the department making the purchase.
- After the bid closing, the Airport publicly opens the bids. The Airport reads the following information from each bid:
 - Bidder name;
 - Bid amount; and
 - Subcontractor names, roles and expected subcontract amounts.

After the public bid opening, the Airport awards the contract to the firm that is deemed to be the lowest responsive bidder.

Between \$25,001 and \$100,000. The Authority uses the same informal IFB process with construction contracts between \$25,001 and \$100,000 as it does with contracts \$25,000 or less. The only difference is that the Airport cannot use an employee to perform the work for contracts of this size (an option for smaller contracts).

Greater than \$100,000. The Airport uses a formal IFB process for construction contracts worth more than \$100,000. A formal IFB process includes all of the components of an informal IFB process plus the following:

- The Airport publishes the IFB in local publications, including newspapers and trade magazines, for a minimum of ten business days.
- The Airport holds a mandatory pre-bid conference to allow contractors to discuss the project with staff and ask questions.
- The Board of Directors makes the ultimate decision about contract awards that exceed \$100,000 based on an award recommendation that it receives from the department making the purchase and the Procurement Department.

d. Non-competitive procurements. The Airport uses a non-competitive bid process to make certain purchases.

- **Emergency purchases.** The Authority Executive Director can use a non-competitive bid process when the Authority needs to make a purchase to address or prevent a threat to the public’s health, welfare or safety. Emergency purchases worth more than \$100,000 must be reported to the Board.

- **Sole-source purchases.** A sole-source purchase can be executed using a non-competitive bid process when the Authority Executive Director determines that:
 - There is only one known source for the required material or equipment; or
 - Complying with the procedures of a competitive procurement process is not in the best interests of the Authority.

The Authority Executive Director must justify his or her decision in writing.

- **“Piggy-back” contracts.** The Authority may award a contract using a non-competitive bid process if another government agency has already used a competitive bid process to award the contract (the Authority “piggy-backs” on the existing agreement).

Results from in-depth interviews suggest that some bidders find the Airport’s bidding process too cumbersome. BBC interviewed a number of firms in the San Diego area and a number of the firms interviewed – both MBE/WBE and majority-owned – indicated that there are aspects of the Airport’s bid process that makes it more difficult for minority- and female-owned firms to bid on contracts.

RFQ/RFPs are too complex. Some of the firms that the study team interviewed said that RFQ/RFPs are not written very clearly and that the language that they use makes it difficult for MBE/WBE firms to respond. For example, a local trade association commented that: “The language [used in the RFQ/RFPs] is too technical. . .RFPs are written to deter applications from people like us [i.e., minority- and female-owned firms].”

Requirements are too stringent. A number of firms that the study team interviewed reported that the Airport’s contract requirements are too stringent for small firms – including MBE/WBE firms – to meet. For example, an interviewee representing an African American male-owned firm said, “I have had conversations with others in the industry. They say that before they start work [with the Airport] they have to buy the materials, including windows. As a result, the contractors are spending \$250,000 before they have even begun work on the project.”

Other firms complained that security restrictions are too stifling. For example, an interviewee representing a white male-owned firm said the following regarding the Airport’s security restrictions: “We have to go through TSA to get a badge, etc. We have seven men who are authorized to go in restricted access areas like behind counters, baggage areas, etc., but if those seven guys are on a pre-existing job, then we can’t bid on the work.”

Too much paperwork. Many firms the study team interviewed indicated that there is too much paperwork involved with bidding on Airport work. For example, an interviewee representing a white female-owned firm stated, “The amount of paperwork in [the Airport’s] bid package is over 100 pages, in addition to the security check. It takes a lot [of work].”