

## **APPENDIX C.**

### **Contract Data Collection**

Keen Independent compiled data about MDT and local agency transportation contracts and the firms used as prime contractors and subcontractors on those contracts. Keen Independent sought sources of data that consistently included information about prime contractors and subcontractors on FHWA- and state-funded contracts, regardless of firm ownership or DBE status. The study team compiled data on construction, engineering and other transportation-related contracts. Data collection included contracts awarded by local agencies receiving funds through the Community Transportation Enhancement Program (CTEP).

Appendix C describes the study team's utilization data collection processes in six parts:

- A. MDT contract and agreement data;
- B. Community Transportation Enhancement Program (CTEP) contract data;
- C. MDT bid and proposal data;
- D. Characteristics of utilized firms and bidders;
- E. MDT review; and
- F. Data limitations.

#### **A. MDT Contract and Agreement Data**

Keen Independent collected data on transportation-related construction and engineering contracts that MDT awarded during the study period.

The study team examined:

- 600 MDT-awarded contracts totaling \$1.7 billion from Construction;
- 295 Consultant Design contracts or task orders for \$182 million; and
- 246 relevant contracts from Purchasing for \$126 million.

**MDT construction projects.** Keen Independent collected data on transportation-related construction prime contracts and associated subcontracts that MDT awarded from October 2009 through September 2014. Throughout, the data collection focused on transportation-related contracts such as highway construction, road maintenance and related activities.

The primary information sources for construction contracts were MDT Construction Excel spreadsheets identifying dollars going to prime contractors and subcontractors for each project. MDT created these spreadsheets by running reports from its contract database (Site Manager) to provide information such as:

- Project and contract number;
- Description of work;
- Award date;
- Award amount;
- Amendment or change order amounts (when applicable);
- Location of work (i.e., district);
- Whether the contract included FHWA funding;
- Prime contractor name;
- Whether DBE goals were applied, and if so, level of goal; and
- For subcontractors, firm names, dollar amounts and type of work performed.

**Engineering-related contracts.** The study team also collected data on transportation-related engineering contracts. MDT administers consulting work through consultant contracts and “task orders.” Keen Independent identified engineering-related contracts from the Consultant Design Excel spreadsheets provided by MDT’s Consultant Design Bureau (CDB). CDB created a spreadsheet for consulting and other contracts that had activity (awards, amendments or task orders) during the October 2009 through September 2014 study period from its CIS database. Keen Independent reviewed these data to develop a refined list of contracts.

- MDT administered some on-call contracts during the study period. Consultants received work through task orders issued under those contracts. Keen Independent analysis focused on task orders issued during the study period. This included task orders executed during the study period for on-call contracts awarded prior to October 2009. Keen Independent treated each task order as a stand-alone contract element.
- When MDT augmented pre-October 2009 contracts through contract amendments, the dollar amounts for these amendments were included in the utilization analysis.
- Many engineering-related contracts in the utilization analysis were not on-call and were awarded within the October 2009 through September 2014 time period. In the utilization analysis, Keen Independent counted total dollars for these contracts including any contract amendments.

The final data for engineering contracts included the following information about the agreement or task order:

- Agreement number (and task order or amendment number);
- Description of work;
- Award date;
- Award amounts;
- Project location;
- Whether the contract involved federal funding;
- Prime consultant name and address; and
- For each subconsultant (if any), name, address, work type and dollar amount.

After collecting the necessary data about transportation-related engineering prime contracts and subcontracts, the study team created electronic prime contract and subcontract tables for use in the utilization and other analyses.

**MDT Purchasing Services Section projects.** The study team also collected information on transportation-related Purchasing contracts. MDT's Purchasing Services Section uses purchase orders for maintenance services. Keen Independent identified these contracts from a contracts database provided by MDT's Purchasing Services Section. Purchasing provided a spreadsheet that had activity (awards, amendments or task orders) during the October 2009 through September 2014 study period. Keen Independent worked with MDT to review and refine these data.

## **B. Community Transportation Enhancement Program (CTEP) Contract Data**

CTEP activities are a subcomponent of the Surface Transportation Program (STP). During the study period, MDT elected to sub-allocate the enhancement funds to local governments for selection of local CTEP projects. MDT distributes funds to the eligible local governments based on population figures provided by the U.S. Bureau of the Census. MDT established the CTEP Section to administer these local agency contracts.

All CTEP projects received federal funding. There were no CTEP projects receiving only state funding. When federal funds are involved, USDOT requires local agencies to comply with federal requirements including implementation of the Federal DBE Program. In addition to any federal requirements, Montana state law governs local government public works contracting.

**Local entities.** There were 86 local entities that self-advertised, awarded and managed their own engineering and construction contracts awarded using CTEP money from MDT.

**Data collection.** MDT's CTEP Section provided a list of CTEP contracts with activity during the October 2009 through September 2014 study period. These CTEP data identified the local entity and provided a project description, prime contractor, project type, funding source and agreement date.

The CTEP data totaled 1,540 contracts totaling \$44 million. After compiling the data available from MDT records and the local entities, Keen Independent reviewed project descriptions to ensure that the type of work involved was consistent with the transportation-related engineering and construction contracts examined in the study.

### **C. MDT Bid and Proposal Data**

To complete case studies of MDT's contracting processes, Keen Independent also collected data on firms bidding and proposing on a sample of MDT construction contracts and engineering-related agreements.

- MDT provided bidder information for construction contracts, including maintenance contracts from the Purchasing Services Section, from October 2009 through September 2014.
- Keen Independent also collected information concerning proposers on a sample of MDT engineering-related contracts from October 2009 through September 2014.

### **D. Characteristics of Utilized Firms and Bidders**

For each firm identified as working on an MDT or local agency contract, Keen Independent is collecting business characteristics including the race, ethnicity and gender of the business owner. Keen Independent is collecting similar information for a sample of bidders and proposers (including those not receiving work). Firm-level data will include company name, address, race/ethnicity and gender ownership, and whether the firm was DBE certified.

Keen Independent is compiling company information from multiple sources. MDT and local agencies provided contact and other information on businesses that they utilized as prime contractors and subcontractors. The study team has obtained additional information about utilized firms from Dun & Bradstreet and other sources.

Collecting data on the race, ethnicity and gender ownership of utilized firms is key to building the database on firm characteristics.

Sources of information to determine whether firms were owned by minorities or women (including race/ethnicity) and whether companies were DBE-certified include:

- Study team telephone interviews with firm owners and managers (attempted with each utilized firm with a contract over \$5,000);
- Current and past MDT data on firms certified as DBEs;
- Other review of firm information (i.e., information about ownership on firm websites);
- Information from Dun & Bradstreet; and
- MDT staff review.

## **E. MDT Review**

MDT will continue to review Keen Independent contract data during several stages of the study process. The study team will meet with MDT staff multiple times to review data collection, information the study team gathered, sample data for specific contracts and preliminary results.

MDT will also review the race, ethnicity and gender coding of firm ownership for utilized firms as Keen Independent prepares the utilization and disparity analyses.

Keen Independent will continue to review and incorporate MDT and Technical Panel feedback throughout the study process.

## **F. Data Limitation**

As discussed in Chapter 3, MDT contracting rules do not require prime contractors to formally subcontract for supplies and trucking; therefore, subcontracting data for supplies and trucking is limited. In addition, the information for CTEP contracts included in this Disparity Study was not as comprehensive as for MDT contracts. However, when compared with the overall contract data MDT does have, these limitations would not appear to have a meaningful effect on overall study results.