



FINAL REPORT
TOWN OF MAMMOTH LAKES
DISPARITY STUDY
JUNE 1, 2017

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EXECUTIVE SUMMARY

Introduction

In 2017, Anderson and Associates (A&A) was retained to conduct a Disparity Study for the Town of Mammoth Lakes Airport (TML) to provide current data on TML programs. In this chapter, A&A provides findings for TML on minority, women, and disadvantaged business enterprise (M/W/DBE) utilization and availability.

The results of this study and conclusions drawn are presented in detail in Chapters II through V of this report.

1. Findings

1.1 Recent DBE Policy

TML proposed a 2016-2018 triennial DBE goal of 10.9 percent in June 2015¹. The TML DBE goal is entirely race neutral.

1.2 Overall Airport Spending and Relevant Market

The data collected was very small, with only five prime contracts and ten subcontracts in total over the study period. Overall, TML spent \$2,053,905 over the study period; \$1,827,764 in construction and \$226,141 in construction-related professional services.

The market analysis identified a three county area of Mono, California; Placer, California and Douglas, Nevada as the relevant market.

The report defined construction as Highway, Street, and Bridge Construction (237310), Electrical Contractors and Other Wiring Installation Contractors (238210) and General Freight Trucking, Local (484110), with \$1,472,268 in spending in the relevant market. Construction-related professional services were defined as Engineering Services (541330) and Environmental Consulting Services (541620), with \$226,141 in spending in the relevant market.

1.3 M/W/DBE Utilization

There was no prime utilization of M/W/DBEs on TML projects in either construction or construction-related professional services.

However, M/W/DBEs won over 80 percent of construction subcontract dollars (\$168,487) (Table 6-1) and no construction-related professional services subcontract dollars. M/W/DBEs won 9.9 percent of overall TML spending in the relevant market and 100 percent of TML spending in electrical contracting and trucking. All the M/W/DBEs that won contracts were also certified DBEs.

¹ TML, Policy Statement, Attachment 5, June 2015.

**TABLE E-1
DOLLAR UTILIZATION
BY RACE, ETHNICITY AND GENDER
PRIME CONTRACTORS AND SUBCONTRACTORS
CONSTRUCTION
2013-2016**

BUSINESS OWNERSHIP CLASSIFICATION	CONSTRUCTION PRIMES DOLLARS PAID	CONSTRUCTION SUBS DOLLARS PAID
AFRICAN AMERICAN FIRMS	\$0	\$0
ASIAN AMERICAN FIRMS	\$0	\$102,229
HISPANIC AMERICAN FIRMS	\$0	\$0
NATIVE AMERICAN FIRMS	\$0	\$0
TOTAL MBE FIRMS	\$0	\$102,229
NONMINORITY FEMALE FIRMS	\$0	\$66,258
TOTAL M/W/DBE FIRMS	\$0	\$168,487
NON-M/D/WBE FIRMS	\$1,472,268	\$41,155
TOTAL FIRMS	\$1,472,268	\$209,642
	PERCENT	PERCENT
AFRICAN AMERICAN FIRMS	0%	0%
ASIAN AMERICAN FIRMS	0%	48.8%
HISPANIC AMERICAN FIRMS	0%	0%
NATIVE AMERICAN FIRMS	0%	0%
TOTAL MBE FIRMS	0%	48.8%
NONMINORITY FEMALE FIRMS	0%	31.6%
TOTAL M/W/DBE FIRMS	0%	80.4%
NON-M/W/DBE FIRMS	0%	19.6%
TOTAL FIRMS	0%	100%

Source: Town of Mammoth Lakes

1.4 Small Business Utilization

Small businesses identified in the Hoovers data received 98.4 percent of all TML dollars, including 100 percent of construction-related-professional services dollars.

1.5 M/W/DBE Availability

M/WBEs were 8.9 percent of construction firms in the relevant market and 9.8 percent of construction-related professional services firms in the relevant market as identified in the Hoovers business database. There were no certified DBE construction firms and only three certified DBE construction-related professional services firms (all WBEs) in the relevant market. There were only two M/WBEs in construction with revenue exceeding \$5 million and no M/WBEs construction-related professional services with revenue exceeding \$5 million in the relevant market. None of the larger M/WBEs were DBEs.

1.6 M/WBE Disparity

There were disparities between the utilization and availability of African American, Hispanic American and Native American firms in construction. This is true for total utilization (primes plus subs) and subcontractor utilization. Asian American and Non-minority women-owned firms were over-utilized in construction for total utilization and subcontractor utilization. All

M/WBE groups were substantially under-utilized as prime contractors in construction. All M/WBE groups were substantially under-utilized in construction-related professional services, in total utilization, subcontractor utilization and prime contractor utilization.

2. Commendations and Recommendations

2.1 Commendation: DBE Participation

The A&A team acknowledges TML's in achieving strong DBE participation in subcontracting in a remote environment. TML should also be commended for including areas in southern California in its DBE goal projections.

TML'S proposed Capital Improvement Program is estimated to increase construction spending from \$2 million to more than \$46 million dollars over five years. Initially, TML should consider acquiring the services of a DBE compliance consultant for the airport expansion to assist with the following tasks: outreach, monitoring projects for compliance, preparing and presenting reports to Mammoth and FAA, placing more DBE-related information on the TML website, promoting SBE utilization, monitoring prompt payment and providing some limited supportive services assistance. Many of these tasks are necessarily limited by the fact that few, if any, of the business that will work on TML airport expansion are in the Town of Mammoth Lakes.

2.2 Proposed DBE Goal

This analysis results in a baseline availability estimate of 12.8 percent. TML decided not to directly adjust its Base Figure via "But For Discrimination" methods. TML elected to propose to factor in median past participation and establish an overall **DBE Goal of 11.2%**. TML proposes to achieve this DBE goal using **9.9% race neutral** and **1.3% race conscious**. The race conscious goal should be applied to groups that were under-utilized in the 2017 TML Disparity Study: African Americans, Hispanic Americans and Native Americans in construction and all DBEs in construction-related professional services.

COMPLETE REPORT AVAILABLE ON REQUEST

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