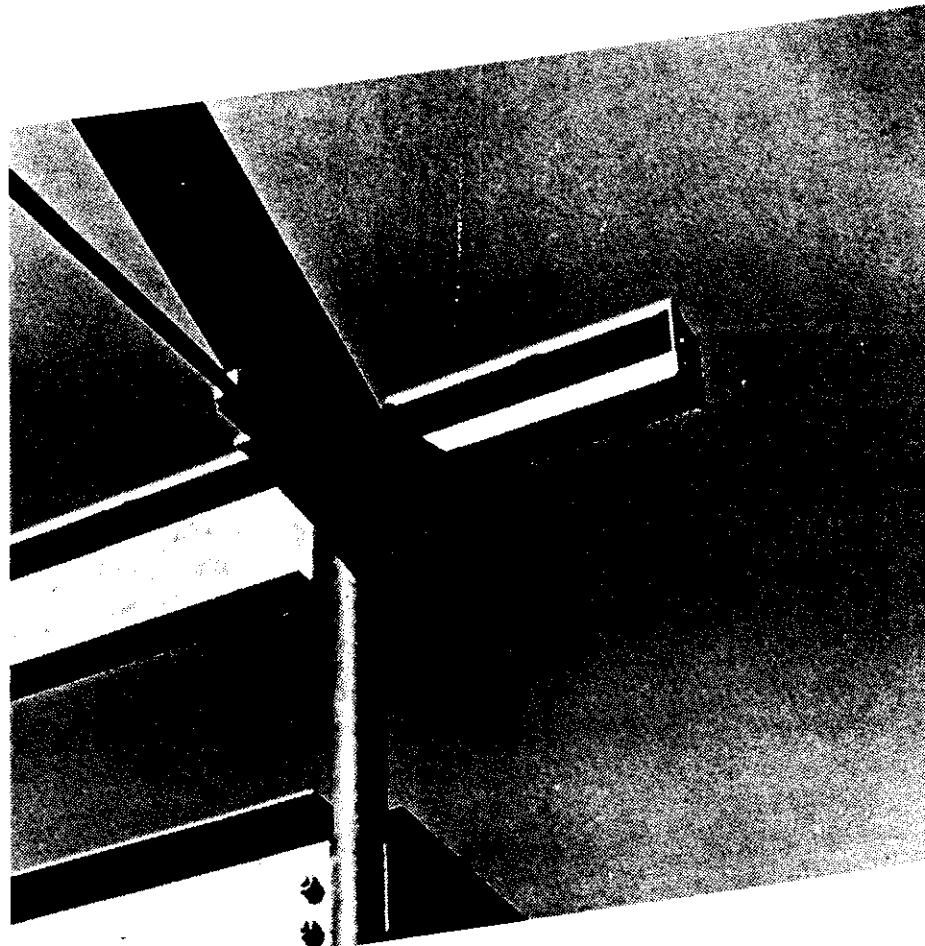


TECHNICAL PUBLICATION NO. 41

Increasing Minority Participation in the Construction Industry in Florida Phase II



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INCREASING MINORITY PARTICIPATION IN THE
CONSTRUCTION INDUSTRY IN FLORIDA - PHASE II

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EXECUTIVE SUMMARY

The objectives of "Phase II - Increasing Minority Participation in the Construction Industry in Florida" are to confirm the problem faced by minority contractors which were found in the Phase I study and to generate better ways to increase minority participation with the least side effects.

This Phase II study can be generally divided into four portions: (1) The problems, faced by minorities and found in the Phase I study, were compared with non-minority contractors' problems so that minority contractors' problems could be excluded from the comparison for special consideration. (2) A series of personal and telephone interviews with bankers, bonding agents and government agents were conducted to confirm the problems unveiled in the Phase I study, and to generate potential alternatives for increasing minority contractors' participation in the construction industry. (3) Through a state-wide questionnaire survey to non-minority contractors, the potential alternatives generated in interviews were quantified and ranked in terms of feasibility, desirability, and importance. (4) A similar state-wide questionnaire with the list of potential alternatives was mailed to a sample of minority contractors. Their opinions on those alternatives were sought, and quantified in terms of feasibility, desirability, and importance.

The results of comparison among minority and non-minority contractors as to the problems faced by them in their daily operations are summarized as follows:

- a. Both minority contractors and non-minority contractors encountered a multitude of difficulties in operating

their daily business. These difficulties are: lack of financing, bonding, and management skill, recruitment of skilled manpower, cheap competition, debt collection, and marketing.

- b. Significant differences exist among both parties in the area of finance problems. Minority contractors indicate that their most critical problem is obtaining interim working capital. Non-minority contractors collectively responded that high interest cost is their first problem.
- c. In the area of bonding problems, both agreed that inadequate working capital poses the first obstacle in obtaining bonds. Nevertheless, the survey revealed that minority contractors pointed to an "inability to post collateral" as the second obstacle, while the non-minority contractors chose "not familiar with the bonding procedure used by insurance company".
- d. Sixty-seven point one percent of non-minority contractors consider "Recruitment of Skilled Craftsmen" as the number one problem as opposed to 42.4% of minority contractors in the area of labor problems.
- e. "Lack of Skill in Estimating and Bidding" is ranked as the leading difficulty by both minority and non-minority contractors in the problem area of management skill. However, minority contractors specified "Blueprint Reading" as the second problem while non-minority contractors identified "Lack of Scheduling Skill" as their second problem.

The interviews that were conducted to confirm the problems which were uncovered in the Phase I study resulted in widespread agreement among lenders, bonding agents, and government agents as to the problems faced by minority contractors. What follows is a synopsis of some additional information.

Several of those interviewed noted that a lack of education in the area of finance, bonding and management skill contribute to the outright failure or failure to grow for minority contracting firms. The general agreement was that many minority owners had the technical construction capability, but lack the basic financial background needed to operate a successful business.

From the mail questionnaire survey, the polled non-minority contractors were united in the following opinions.

- a. Over 70% indicated that the set-aside program does not benefit the general public. The benefits are mainly enjoyed by the minority contractor and those who administer the program. They also felt the social cost of the set-aside programs were greater than the social benefits.
- b. The alternatives of "Increase Construction Training Opportunity by Using Local School and College Facilities" was chosen as the most beneficial, the most urgently needed, and the most feasible by a margin of more than two to one over the next most popular alternative which was "To Provide Incentives to Established Contractors to Set Up Internship Programs for Minorities".

The mail questionnaire survey to minority contractors had showed:

1. Minority contractors believed that set-aside programs were worthwhile; fifty six percent of minority contractors responded that the programs benefit the general public and slightly over 55% responded that the social benefits outweighed the social costs.
2. Of the 34 suggested alternatives listed, minority contractors overwhelmingly favored "Relax Bonding Requirements for Government Work". The second most beneficial, urgently needed, and feasible alternative is "Encourage Joint Ventures Among Established Successful Contractors and Fledgling Minority Contractors" which is followed by the Alternative of "Provide Incentives to Banks and Lending Institutions to Develop a Special Minority Contractor Long-Term Finance Arrangement".

Although minority contractors and non-minority contractors almost totally differ in their opinions on the set-aside programs, both did overwhelmingly agree that the set-aside program should be strictly monitored to assure adherence to requirements and to make sure of the validity of the participating firms.

The questionnaire surveys on both minority and non-minority contractors did not arrive at unanimously accepted suggested solutions, both parties agree that the following suggestions would definitely benefit minority participation. These solutions need to be implemented

urgently, and they believe that the implementation would have the least political roadblocks. The suggested solutions are:

1. Increase construction training opportunities by using local school and college facilities.
2. Relax bonding requirements for governmental work.
3. Encourage joint ventures among established, successful contractors and fledgling minority contractors.
4. Encourage banks and lending institutions to appoint officers who specialize in working with minorities.

Further studies to concentrate on developing detailed workable plans on the above suggestions are highly recommended in the Phase III study.

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Chapter 1

INTRODUCTION

Much concern has been expressed recently about the low level of minority participation in the construction industry and the side effects of government assistance programs established for helping to increase minority participation in this industry.

This research, sponsored by the Building Construction Industry Advisory Committee, State of Florida, reflects similar concern and attempts to seek better ways in which to increase minority participation in Florida's construction industry while at the same time minimizing the undesirable side effects of government assistance.

1.1 RESEARCH GOAL

This is Phase II of the research begun under contractual agreement DOE 084-127, entitled "Increasing Minority Participation in the Construction Industry in Florida". The research consists of three phases. Phase I was a pilot study which was completed in May of 1985. It provided a comprehensive profile of minority contractors and initiated a general understanding of the problems which the minority contractor faces in the operation of his business and in participating in the set-aside program. Phase II is a follow-up study, the purpose of which is to broaden the scope of Phase I. Herein, the obstacles hindering minority participation in the construction industry in Florida will be further confirmed and the possible solutions will be identified through extensive interviews and questionnaire surveys. Phase III research will concentrate on developing detailed workable solutions so that implemental plans to increase the minority contractor's participation in the construction industry in Florida can be generated.

1.2 RESEARCH OBJECTIVES

To reach the Phase II research goal, the following objectives must be achieved:

1. To determine the in-depth problems faced by minority contractors while participating in the construction industry in Florida.
2. To identify the alternatives for increasing minority contractors' participation in the construction industry in Florida.
3. To quantify and qualify the potential alternatives of increasing minority contractors' participation in terms of feasibility, desirability and importance.

Chapter 2

METHODOLOGY

The objectives of this Phase II study are to confirm the problems faced by minority contractors and to generate better ways to increase minority participation with the least amount of undesirable side effects.

The Phase II study can be generally divided into four portions. The first portion was to compare the problems that are encountered by contractors with the problems encountered by non-minority contractors. The results of this comparison will yield the problems that are encountered by both groups of contractors and can thus be excluded from special consideration as a minority problem. In order to accomplish this, a questionnaire was designed to determine the problems faced by non-minority contractors. With the exception of a few minor differences, this questionnaire is essentially the same as that used for the minority contractors in the Phase I study. The reader can refer to Appendix 1 of this report and to Appendix I of the report on the Phase I study for further details concerning the questionnaires.

A total of 2,000 questionnaires were mailed out to non-minority contractors randomly selected from a mailing list obtained from the State of Florida Licensing Board, Jacksonville, Florida. A response rate of 26.45% was achieved when 529 questionnaires were returned.

The second portion of the Phase II study consisted of conducting a literature search and a series of personal and telephone interviews with bankers, bonding company agents, government agents and regional economic development centers. The purpose behind these interviews was to confirm the difficulties that minority contractors encounter during the course of their

daily business, and to seek ideas to increase minority participation in the construction industry. A total of 57 bankers, 50 bonding agents and 11 governmental agencies were interviewed during this portion of the research.

The third portion of the Phase II study used the information gathered from the literature search, as well as that gathered from the personal and telephone interviews, to generate the list of possible alternative solutions. This list, plus the list of minority contractor problems from the Phase I study were used to make up the mail out questionnaire. The list of minority contractor problems was included in the questionnaire as a means of confirmation. One thousand one hundred twenty questionnaires were mailed to randomly selected non-minority contractors whose addresses were obtained from the State of Florida Licensing Board. By December 20, 1985, 167 useful questionnaires had been returned.

The questionnaire was designed to yield information in three areas, 1) confirmation of minority contractors problems, 2) perceptions of the government set-aside program, and 3) opinions on the feasibility, importance and desirability of the alternative strategies to increase minority participation in the construction industry.

Concurrent with the previous portion of the study, a similar questionnaire was developed for the minority contractor in the fourth portion of the Phase II study. The questionnaire sought minority contractor opinions on the set-aside program and their reactions to those alternative solutions screened from the literature search and the interviews. Three hundred eighty six questionnaires were mailed and 73 were returned with usable information. The flow diagram in Figure 1 summarizes the methodologies used in the Phase II study.

Phase II

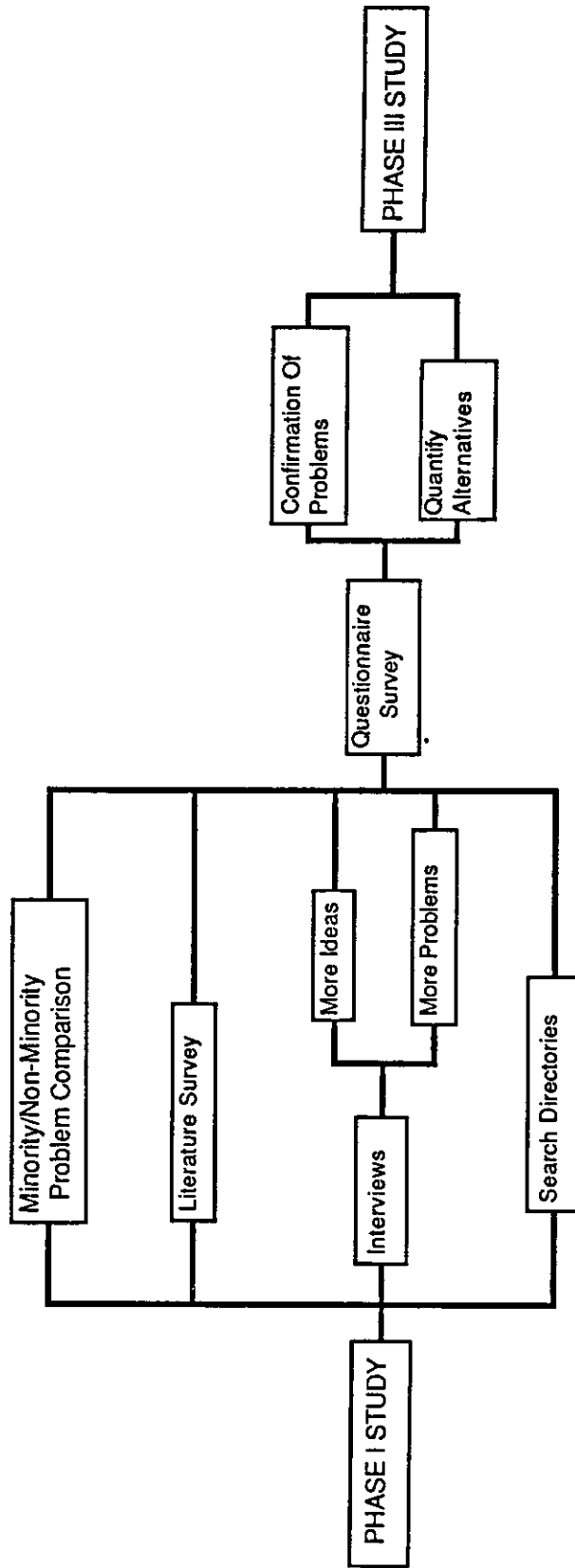


FIGURE 1: Flow Diagram of Phase II Study

Chapter 3

LITERATURE SEARCH

Minorities represented about 12.6% and 16.8% of the population of the U.S. in 1970 and 1980 respectively. The minority make up in Florida in those years was 15.9% and 16.0% respectively. However, they only owned about 4-5% of the businesses in Florida from 1960 through 1980. Statistical information for the construction industry shows a similar trend at the national level as well as in Florida during those years. Initiated by the unproportionate share of the market owned by minority versus non-minority contractors, several studies focusing on minority construction firms were made at the national as well as the state level. A discussion in chronological order of such studies at the national and state level respectively, follows.

3.1 The Department of Housing and Urban Development Study

One of the earlier studies on minority contractors was conducted by the U.S. Department of Housing and Urban Development (HUD). The objectives of the survey were three-fold; first, to identify the status of minority contractors, second, to describe accurately the operations of minority contractors and the problems that minority contractors encounter and third, to provide a guide for government and other agencies that act on their behalf¹. According to the survey, minority contractors are not likely to be able to have an equitable share in the construction industry partly because of the advancement of business skills required and the increase in competition. The study also indicates that as a result of the turbulent business environment and inherent problems, the minority contractors are usually confined to small jobs. They are also known to have limited ability in obtaining information, financing, training, management

skills and in securing contracts through competition. The survey covered 50 cities throughout the U.S. in an attempt to compile a registry of minority construction firms. It then conducted an in-depth study of minority contractors in 10 cities in the U.S., finally focusing its attention on the Mexican-American contractors in 7 cities.

Results from the challenging study made by HUD gave a general profile of the operating problems of minority construction firms. Conclusions from the study include:

- 1) The exclusion of minority workers as skilled workers has obstructed the growth of a skilled minority labor force and has thus lessened the probability of a minority becoming a contractor.
- 2) When a minority contractor has the technical skills to venture into the industry, it is most likely that he will face difficulty in obtaining financing, which often limits his chances for expansion or securing larger jobs.
- 3) In general, minority construction firms lack experience in the construction field. This has come about due to the fact that they are not exposed to larger construction job experience and that they lack the management and administrative techniques necessary in any construction firm.

The HUD study on minority contractors mainly focused on the prevailing status of minority construction firms. It does not provide detailed information on other aspects of minority contractors. In fact, the study recommended follow-up studies on "(I) some form of longitudinal analysis to provide historical perspective and, (II) study of a comparable group of white contractors."²

3.2 The Minority Firms on Local Public Works Project Study

Another interesting study on minority contractors was made in a report to the U.S. Congress. The Comptroller General was responsible for the report made in 1979. The study was made to find out about the status of minority participation in the local public works program. A provision was made to provide ten percent of Federal construction funds to minority firms for helping them. Results from the study show that minority firms obtained an increased share of federal funds which also meant an increase in minority participation. Another benefit of the provision is that it led to the establishment of new minority firms and to the gain of experience by existing firms. The provision also allowed minority contractors to secure jobs normally beyond their capacity.

However, using minority contractors in government programs is not without problems. The study indicates that among the major problems are an increase in administrative costs, an increase in construction costs, and in some instances there are no minority construction firms available to take up the job. The first problem arises due to more costs involved in implementing and monitoring the program. In the second instance, the increase in construction cost is attributed to the lack of minority construction firms. In addition, there are cases where prime contractors have to negotiate with minority contractors before the signing of a contract. According to the study, the third problem exists simply because there are not enough minority contractors in certain areas. There is a lack of minority firms which possess particular skills, there is a difficulty in determining eligibility of certain minority firms and sometimes minority firms who do qualify are over-booked.³ The study also pointed out that in some cases investigations reveal that there is a growing number of firms established by a non-minority with a minority front which undermines the whole purpose of the provision. A number of lawsuits have been filed to challenge the constitutionality of the ten percent provision for minority firms.⁴

The aforementioned study discloses both the positive and negative issues which resulted from the implementation of a set-aside provision. Due to the on-going problem future studies on the matter are essential to check the status of the minority construction firms as well as to give an insight into how the problems can be reduced as time progresses.

3.3 The Development Through Applied Science (DETAS) Study

In a study entitled New Perspective On Minority Business Development by the Development Through Applied Science (DETAS), minority businesses were found to be viable in areas of construction, manufacturing and wholesale. On the other hand, business sectors including small retail and personal services, termed as traditional line of business in the study, are found to be non-viable for minorities. The study observed construction to be a viable business for the minority to venture into, often because the entrepreneurs took advantage of "set-asides", procurement policies, and low-capital requirements.⁵ Although viable, construction and similar non-traditional businesses owned by minorities are highly leveraged. When subjected to the unsteady business climate, the firms which survive would become more experienced and stronger and can be compared with their non-minority counterparts.⁶

3.4 The Jacksonville Community Council (JCCI) Study

The Jacksonville Community Council (JCCI) study on minority business reflects the concern about the development and growth of minority businesses in Jacksonville, Florida. The study concentrated mainly on black-owned businesses because they represent about 94.5% of the minority population in Jacksonville. Although the study was conducted on the overall minority-owned businesses, some mention was made about the problems faced by minority contractors. Bonding was cited as a problem for minority contractors in the area studied. This problem often arises due to several reasons including lack of normal accounting procedures, lack of liquid assets, and lack of operating experience. The study also indicated that SBA's participation as bond guarantor for minority contractors often involves a large amount of paperwork and additional time required for processing, this also represents an obstacle.

Insufficient management skills and lack of access to sufficient capital are mentioned in the study as primary reasons for failure of small businesses owned by minorities. Besides these, minority-owned businesses are said to have unique problems which may be linked to race. With respect to set-aside programs, the study indicated that there are not enough qualified minority-owned construction firms in Jacksonville to take advantage of the program. This according to the study, in most instances may be attributed to the lack of adequate resources and lack of fully developed contractors to handle large projects.⁷

3.5 Federal Legislation for Minority Contractors

In light of the low participation of minorities overall, and especially in the construction sector, the federal government established the minority business enterprise legislation in 1969.⁸ Under this legislation a minority business enterprise shall be defined as:

- 1) A small business that is both owned and controlled by minorities or by women. This means that minorities or women must own at least 51% of the business and that they must control the management and daily operations of the business.
- 2) Minorities include Blacks, Hispanics, American Indians, Alaskan Natives, and Asian-Americans.
- 3) Also eligible as MBE's are members of other groups, or other individuals found to be economically disadvantaged according to the small business act, as amended. For this purpose minorities are limited to persons who are citizens or lawful permanent residents of the United States.
- 4) Women are not by definition a minority. However, businesses owned and controlled by women are included under the general heading of minority business enterprise, but are not considered, and may not be utilized to comply with requirements established for businesses owned and controlled by a minority, or has been approved by the Small Business Administration under Section 8(a) of the Small Business Act, as amended.
- 5) Those firms purporting to be minority business enterprises (minority or female, or both) shall have on file a certification as a minority business enterprise as defined. Certification will be issued as a minority business enterprise (MBE) or women business enterprise (WBE) or both.

3.6 Amendments to MBE Legislation

The minority business enterprise program was superceded in 1971 by an executive order requesting the Department of Commerce to develop plans and goals in cooperation with national and state agencies.⁹ The Small Business Administration administers a major portion of the above program for minority businesses. Section 8(A) as amended by the Small Business Act authorizes the Small Business Administration (SBA) to provide qualified contractors with selected procurements of the federal agencies. The assistance rendered by the SBA under its 8(A) program was also aimed at improving minorities' management and technical skills in business. Yet, in 1976 minority business enterprise had still obtained less than 1% of the government's construction volume.¹⁰

Section 8(A) of the Small Business Act of 1953 was amended in 1968. This amendment authorizes the U.S. Small Business Administration to enter into contracts with federal agencies having procurement powers, obligating the agency to furnish articles, equipment, supplies, or materials to the government or to perform construction work for the government.¹¹ The SBA then has to arrange with small businesses owned by socially and economically disadvantaged persons to perform the contract item. In fact, the SBA acts as a prime contractor who subcontracts the whole or part of such contracts with federal agencies to the minority businesses.

The procurement authority under section 8(A) of the Small Business Act is considered as a tool used to develop business ownership and to improve the status of socially and economically disadvantaged individuals. Programs available through this act include technical and management assistance to eligible small businesses.

In section 8(D) of the Small Business Act amended, federal agencies are authorized to contract a project to non-minority contractors who are willing to

offer subcontracting possibilities to socially and economically disadvantaged individuals. These contracts shall include subcontracting plans which contain information including percentage goals for the utilization of subcontractors, the names of the contractor's employee(s) who will administer the subcontracting program, a description of the efforts to assure that the bidder has offered equitable opportunity for socially and economically disadvantaged individuals to compete and subcontract, and various other kinds of records and reports required by the act.¹²

Section 8(D) as amended by the Small Business Act defines a small business concern as "(I) which is at least 51 per centum owned by one or more socially disadvantaged individuals; or, in the case of any publicly owned business, at least 51 per centum of the stock of which is owned by one or more socially and economically disadvantaged individuals; and (II) whose management and daily business operations are controlled by one or more of such individuals."¹³

3.7 Business Loans and Bonds Assistance from the SBA

The U.S. Small Business Administration, through its field offices, offers loans to small businesses including those owned and controlled by minorities. For a minority contractor to be eligible for the SBA loan program, the firm's annual receipts should not exceed \$17 million for the three most recent fiscal years, and for the special trade construction the annual receipts must not exceed \$17 million for the three most recent years.¹⁴ The SBA may not make or guarantee a loan if a business can obtain funds on reasonable terms from a bank or other private sources.¹⁵

Loans made directly by the SBA have a maximum of \$150,000. However, the guarantee loan program allows the SBA to guarantee up to \$500,000. Before a loan is approved, the contractor has to arrange for acceptable collateral which

may be in the form of a mortgage on land, a building, equipment, chattels, or guarantees. The regular business loans have a maximum maturity of 25 years.¹⁶

Through another program, the SBA offers surety bond guarantees designed to aid small and emerging contractors, including minority-owned construction firms. The SBA, however, does not directly issue bonds. Bonds must be issued by a surety company which is registered with the SBA, and the SBA participates by guaranteeing up to 90% of losses incurred under bid, payment or performance bonds, up to \$1,000,000. For a contractor to obtain a bond in this program, his annual gross receipt must not exceed \$3.5 million average over the past three years, and a bond is a requirement in the contract.¹⁷

3.8 The Local Public Works Program

The Local Public Works Capital Improvement and Investment Act of 1976 (Title I, Public Works Employment Act of 1976) established the Local Public Works program (LPW). This program was designed to (I) create private sector employment opportunities in areas of high unemployment through the construction or renovation of useful public facilities, and (II) promote economic recovery by stimulating national and local economies. Congress appropriated \$6 billion for the above program which was funded in two phases: \$2 billion for the first round and \$4 billion for the second round. The Public Works Employment Act of 1977 contained a provision requiring that at least 10% of the \$4 billion of the federal funds authorized for the program be spent with minority firms.¹⁸

The 10% minority provision was introduced to improve economic parity. The Economic Development Administration (EDA) which administers the LPW program makes grants to state and local governments for the total cost of the LPW projects. These grantees are then responsible under the Public Works Act of 1977 for assuring that the 10% of the grant would be spent with minority contractors and

suppliers. Usually, the grantees would require their prime contractors to include assurances that 10% of the contract amount is expended on minority subcontractors or suppliers. However, when appropriate, the grantees could themselves enter into contract with minority prime contractors or suppliers to complete their projects.¹⁹ It is worth noting that sections 8(A) and 8(D) of the Small Business Act mentioned earlier, including some provisions in the act, were amended by the 95th Congress in 1978 in conjunction with the Public Works Act of 1977.²⁰

3.9 Surface Transportation Assistance Program

In section 105(F) of the Surface Transportation Act of 1982, the federal government has authorized the Secretary of Transportation to expend at least 10% of the amount appropriated under the act for federal highway and mass-transit work on small businesses owned and controlled by socially and economically disadvantaged individuals as defined by section 8(A) of the Small Business Act.²¹ To conform with this act, the Department of Transportation (DOT) has required state grant recipients to set aside a 10% goal for MBE. Unless the recipient receives a waiver, failure to comply with the law could result in the recipient being suspended from receiving further federal funds unless deficiencies are corrected. Full compliance with the federal rule would result in at least doubling minority contractors participation in most states.²²

There has been much controversy over the issue of set aside provisions. However, the Supreme Court has ruled that Congress has the power to set aside a reasonable portion of funds for minority businesses to redress past discrimination.²³ It is, therefore, up to the minority contractors to make full use of the government efforts to prepare themselves to face the open market competition. However, it may take a while for minority contractors to be at a level where government aid is no longer needed.²⁴

3.10 Minority Business Enterprise Programs in Florida

The State of Florida, besides implementing the federal government provisions on set-aside programs has enacted and implemented other similar programs. There are several provisions and acts under the Florida statutes which reflect the State's commitment to attempting to place minority contractors on par with their non-minority counterparts. The State also has its own definition of a minority business.

In Chapter 82-196 under the laws of Florida, a minority business is "any legal entity, other than a joint venture, organized to engage in commercial transactions, which is at least 51% owned and controlled by minority persons. Minority persons means a member of a socially or economically disadvantaged group which, for the purpose of this section, shall include Blacks of non-Hispanic origin, Hispanics, American Indians, Alaskan natives, Pacific Islanders, Women, and the physically or mentally disadvantaged."

3.11 Set Asides

One of the provisions for improving minority contractors' participation in the State's construction industry through the state agencies is included in Chapter 287 of the Florida statutes. In its section 287.093, any county, municipality, community college, or district school board is authorized to set aside up to 10% or more of the total amount of funds allocated for the procurement of personal property and services for the purpose of entering into a contract with a minority business enterprise. Since the funds do include some construction projects, minority contractors may take this opportunity to increase their involvement in the construction industry. Under this provision, the contracts would be competitively bid among minority business enterprises. This provision is made to redress the present effects of past discriminatory practices.

3.12 Training and Bond Guarantee Programs

An amendment made in June of 1984 relating to the State's Department of Transportation provides training and bond guarantee programs for minority businesses. This legislation authorizes the head of the department to expend at least 10% of the state transportation trust funds to aid minority businesses in conjunction with section 8(A) of the U.S. Small Business Act. The department is urged to fulfill the act by using methods such as set asides for competitive bidding among contractors certified by the department as socially and economically disadvantaged business enterprises.

Up to 6% of the fund may be used to educate minority contractors to improve their business as well as technical skills. The participation is for small contracting firms owned and controlled by socially and economically disadvantaged individuals certified by the Department of Transportation of the U.S. Small Business Administration, or firms which have annual gross receipt not exceeding two million dollars averaged over a 3-year period.

The head of the DOT is also given the authority to expend up to 4% of the trust fund for a bond guarantee program under which the state will guarantee up to 90% of a bond amount of \$250,000, or less, and 80% of a bond amount greater than \$250,000, provided by a surety registered under this program.²⁵ However, the contractor is required to place 5% of the contract amount with the department until final acceptance of the project in order for him to be considered for the bond guarantee program.

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Chapter 4

MINORITY, NON-MINORITY; PROBLEM COMPARISON

The previous literature survey in Chapter III brings general understanding of the difficulties faced by minority contractors in their daily operations, and the benefits and side effects of various governmental assistant programs in helping minority participants in the construction industry. This chapter presents the first portion of Phase II study.

A questionnaire survey was conducted in this portion of study. The main idea of the questionnaire survey was to determine the problems faced by non-minority (Caucasian White) contractors and to compare them to the minority contractors' problems which were obtained from the Phase I study. Thus, the minority contractors' problems could be singled out for special considerations through comparisons.

4.1 METHODS

The questionnaire used in this portion of study was similar to the questionnaire used in the Phase I study with the exception of a few minor differences (See appendix I). Both types of questionnaires have the same essential questions. The questionnaires were designed to gain information in four different areas. The first area covers the types of contractors according to trade, organization, health of owner/manager, sex, ethnic group and age. The second area encompasses the gross volume of work and number of employees, while the third establishes the main problems encountered by minority or non-minority contractors in Florida. Finally, the questionnaire will help provide an insight as to whether contractors are familiar with set-aside programs and if these programs do assist them in securing contracts.

A checklist type of questionnaire was chosen to avoid inconvenience on the

part of the respondents and to achieve a high response rate. Blank spaces were provided for respondents to indicate specific problems not listed in the questionnaire.

On March 14, 1985, a total of 1,800 questionnaires were mailed to non-minority contractors randomly selected from the list made available by the licensing board. A return rate of 28.9% was achieved when 521 completed questionnaires were returned. However, it was noted that no sample was received from non-minority contractors in the North-West Florida region. Questionnaires were then sent to 200 non-minority contractors in the North-West region on September 27, 1985. Twenty-eight of the 200 questionnaires were received by October 25, 1985, representing a 14% response rate.

4.2 DATA ANALYSIS AND DISCUSSIONS

Responses to the survey were coded into the statistical analysis system (SAS) package program. Two data files were created: one containing data pertaining to the non-minority respondents and the other containing data on minority contractors. Two similar programs were written; one is used for handling the minority data file and the second is used for handling the non-minority data file. Both programs were used to yield information for firms with gross income not exceeding 17 million dollars to be in line with the federal government's definition of a small construction firm. Also included in the program were instructions to produce mean gross volume, mean employee number, and collective responses to each of the individual questions in the questionnaire.

4.3 FINANCING DIFFICULTIES

A comparison of responses in the area of finance is shown in Table 4.1 56.3% of the sample of minority contractors indicate that their major problem in finance is obtaining interim working capital. Non-minority contractors, on the

TABLE 4.1

**SEVERITY OF FINANCING DIFFICULTIES AMONG MINORITY AND
NON-MINORITY CONTRACTORS**

PROBLEMS	PROBLEM RANK		% OF RESPONSE	
	MINORITY	NON MINORITY	MINORITY	NON MINORITY
Obtaining Interim Working Capital	1	3	56.3	33.9
Difficult To Collect Payments From Customers	2	2	41.1	35.1
High Interest Cost	3	1	37.1	42.3
Meeting Requirements For Loans	4	5	24.5	10.6
Obtaining Credits For Supply	5	7	19.2	3.2
Customers Having Difficulties In Obtaining Finance	6	4	11.9	26.0
Other	7	6	7.3	9.8

other hand, collectively responded that high interest costs is their main problem. The second major finance related problem faced by both groups is difficulty in collecting payments from customers. This is represented by 41.1% of the minority and 35.1% of the non-minority.

Thirty seven point one percent of the minority contractors ranked the problem of high interest rates as the third major problem in the area of finance, while the non-minority construction firm ranked the problem of obtaining interim working capital as third.

In examining answers to the other problems from the survey results, the following results are noted; 9.8% of non-minority respondents say that they have difficulty in meeting loan requirements while 24.5% of minority contractors say this is just one of their problems. When asked whether obtaining credit for supplies is a problem, 19.2% of minority contractors say it is and 3.2% of non-minority contractors gave the same response. About 26.0% of non-minority contractors surveyed indicated that their customers have difficulties in obtaining financing. In the case of minority contractors, 11.9% said their customers have the same problem.

With difficulty in getting working capital, minority contractors are limited in their capacity to expand their business and in securing more contracts. Payment collection poses a second major problem as stated by minority contractors surveyed and is also a problem for non-minority contractors. Late payments negatively affect business in several ways. For example, late payments can cause an increase in credit extended. This credit extension naturally means an increase in the amount of interest costs which the company has to bear. This, as a matter of fact, is the third major financing problem faced by minority contractors and the main problem faced by non-minority

contractors . Since the time of the HUD study on minority construction contractors until the recently conducted surveys which include the minority business development agency and the Jacksonville Community Council, Inc., studies mentioned earlier, financing has been identified as a major problem for minority contractors.

4.4 BONDING

Results from the survey show that acquiring contractual bond is more of a problem to minority contractors than to non-minority contractors. Inadequate working capital is the major obstacle in obtaining bond both for minority and non-minority contractors. Results, displayed in Table 4.2, reveal that there is a greater percentage of minority contractors who face this problem; that is, 40% as compared to 25.8% with the non-minority. The next major problem in obtaining bond for minority contractor is their inability to post collateral. Twenty seven point two percent say that this is a problem encountered in getting a bond while 10.1% of non-minority contractors responded likewise. Minority contractors also say that insufficient bank credit is another big problem in securing bond for construction purposes with a response of 25.17%. Although non-minority contractors say that insufficient bank credit is a problem, their rate at 7.4% is much lower than that of the minority contractors. Twenty two point five percent of minority contractors from the sample are unfamiliar with the procedures used by the insurance industry while 18.2% of non-minority contractors face the same problem. As illustrated in Table 10, the minority contractors face difficulties in getting a co-signer, have a lack of experience, have inadequate equipment, improper bookkeeping practices, insufficient management ability, insufficiently skilled craft personnel, have the inability to meet schedule, and other problems. All of these problems are associated with acquiring bond. Analysis of responses by both parties reveal that all the above

TABLE 4.2

**SEVERITY OF BONDING DIFFICULTIES AMONG MINORITY AND
NON-MINORITY CONTRACTORS**

PROBLEMS	PROBLEM RANK		% OF RESPONSE	
	MINORITY	NON MINORITY	MINORITY	NON MINORITY
Inadequate Working Capital	1	1	40.0	25.8
Inability To Post Collateral	2	3	27.2	10.1
Insufficient Bank Credit	3	4	25.2	7.4
Lack Of Familiarity With Procedures Used By Insurance Industry	4	2	22.5	18.2
Inability To Get A Co-signer	5	7	9.3	2.2
Lack Of Construction Experience	6	8	8.0	1.7
Inadequate Equipment	7	10	7.3	0.7
Improper Bookkeeping Practices	8	6	6.0	3.0
Insufficient Management Ability	9	9	5.3	1.7
Insufficiently Skilled Craftspersons	10	12	4.0	0.0
Other	11	5	3.3	4.7
Inability To Meet Completion Schedule	12	11	2.0	0.3

have formed barriers more with the minority contractors' daily operation than with their non-minority counterparts. In addition, most minority contractors face a serious problem in having inadequate working capital. To make matters worse, one of the conditions in bonding requires the contractor maintain about 10% of the contract amount using his own assets! The requirement of posting collateral and insufficiency of bank credit have also hindered minority contractors from securing bonds. The Jacksonville Community Council, Inc., in its study on minority firms recommended financial institutions and bonding agencies find solutions to the bonding problems affecting the minority contractors.²

4.5 LABOR

As illustrated in Table 4.3, both minority and non-minority contractors claim that recruitment of skilled craftsmen is the number one problem associated with labor. Results from the questionnaire survey show that 67.1% of non-minority contractors identified this as a problem as opposed to 42.4% of minority contractors. This may be attributed to the relatively higher number of skilled personnel employed by the non-minority than the minority contractor. Turnover also presents a major problem for both parties. Thirty point five percent of minority contractors surveyed say that turnover is one of the problems faced with labor and 22.4% of non-minority contractors responded likewise. The third major problem area with respect to labor as pointed out by minority contractors is the recruitment of supervisory personnel. Twenty two point five percent and 23.1% of minority and non-minority contractors respectively indicate that recruitment of supervisors is indeed a problem with manpower. Another area of concern is training of personnel. Fourteen point six percent of minority contractors and 16.5% of non-minority contractors observe that training is indeed a problem. However, non-minority contractors face greater training difficulties. This may be due to the fact that more employees

TABLE 4.3

**SEVERITY OF LABOR DIFFICULTIES AMONG MINORITY AND
NON-MINORITY CONTRACTORS**

PROBLEMS	PROBLEM RANK		% OF RESPONSE	
	MINORITY	NON MINORITY	MINORITY	NON MINORITY
Recruitment- Skilled Craftspersons	1	1	42.4	67.1
Turnover	2	3	30.5	23.1
Recruitment Supervisory Personnel	3	2	22.5	23.1
Training	4	4	14.6	16.5
Recruitment- Management Personnel	5	5	8.7	11.6
Difficulties With Union	6	7	7.3	3.2
Other	7	6	4.6	7.6

are being employed in non-minority construction firms than are in minority construction firms. Non-minority construction firms also face a little more difficulty in recruitment of management personnel than do minority contractors. Contributing factors include the need for more management personnel to handle the larger construction jobs undertaken and the need to have more upper level management staffs for personnel and business management.

4.6 MANAGEMENT DIFFICULTIES

Both the minority and non-minority firms surveyed were asked to identify their management related problems. Table 4.4 illustrates the responses from these two parties. Thirty one point eight percent of minority contractors' indicate that estimating and bidding is a critical problem for them as compared to 28.0% of non-minority who answered the same. Another difficulty in this area is that of reading blueprints. Twenty two point five percent of minority firms claimed this to be a problem while 11.8% of their counterparts indicated likewise. Both estimating and bidding, and knowledge in reading blueprints, in addition to acceptable pricing, are the main factors which could determine the securing of a contract. In a highly competitive construction market, lack of training and experience during the early stages of seeking out a contract can severely affect a contractor's chance of being awarded the contract.

The federal and state agencies have implemented several management and technical programs for minority contractors in order to alleviate the problem faced by many minority contractors.³

4.7 OTHER DIFFICULTIES

The survey response pertaining to the other difficulties faced by contractors is illustrated in Table 4.5. Cheap competition is claimed to be the main problem for both minority and non-minority contractors. Sixty five point six percent of non-minority contractors view cheap competition as their other

TABLE 4.4

**SEVERITY OF MANAGEMENT DIFFICULTIES AMONG MINORITY AND
NON-MINORITY CONTRACTORS**

PROBLEMS	PROBLEM RANK		% OF RESPONSE	
	MINORITY	NON MINORITY	MINORITY	NON MINORITY
Estimating and Bidding	1	1	31.8	28.0
Reading Blueprints	2	5	22.5	11.8
Handling Finances	3	4	17.9	18.2
Scheduling	3	2	17.9	26.5
Bookkeeping	5	3	16.6	22.1
Personnel Management	6	3	13.9	22.1
Other	7	7	3.3	4.7

TABLE 4.5
SEVERITY OF OTHER DIFFICULTIES AMONG MINORITY AND
NON-MINORITY CONTRACTORS

PROBLEMS	PROBLEM RANK		% OF RESPONSE	
	MINORITY	NON MINORITY	MINORITY	NON MINORITY
Cheap Competition	1	1	50.3	65.6
Marketing	2	2	28.5	34.6
Obtaining Contractor's License	3	4	8.0	1.0
Other	4	3	4.0	5.2

TABLE 4.6
AREA OF IMPROVEMENT NEEDED MOST AMONG MINORITY AND
NON-MINORITY CONTRACTORS

PROBLEMS	PROBLEM RANK		% OF RESPONSE	
	MINORITY	NON MINORITY	MINORITY	NON MINORITY
Financing	1	1	55.0	28.5
Bonding	2	5	30.5	9.3
Labor	3	2	15.9	22.6
Management Skill	4	3	12.0	18.4
Other	5	4	8.6	11.8

major difficulty, while 50.3% of minority contractors are of the same opinion. The second major difficulty identified by minority and non-minority contractors is marketing, with 28.5% of the former viewing this as an area of difficulty and 34.6% of the latter stating likewise. In addition, more minority contractors have difficulty in obtaining contractors' licences (8.0%) as compared to their counterparts (1.0%). Lack of construction skill and knowledge emerges again as an attributable factor to this problem. Research has pointed out the fact that the minority contractors definitely lack these crucial elements in order to excel in the construction industry. For example, the MBDA study emphasizes the need for the enrollment of minority students in the administrative sciences and in quantitative and engineering curricula in order for programs in human resource development to be effective. In addition, the MBDA study points out the need for minorities to have effective out-reach training and retraining capabilities.⁴ The study reinforces the fact that the minority contractors' lack of construction skills and knowledge poses problems for them, one of which is obtaining a contractor's license.

4.8 AREAS IN WHICH IMPROVEMENTS ARE NEEDED MOST

Both the minority and non-minority contractors surveyed ranked financing as the most serious problem in which improvement is needed. However, the rate of response from minority needing financial improvement far surpasses that of their non-minority counterparts as illustrated in Table 4.6. This indicates that minority contractors need more financial aid than non-minority contractors. Bonding which is related to financing is ranked as the second critical area of improvement desired by the minority firms surveyed. Their non-minority counterparts do not treat bonding as a major problem and instead indicate that after financing, the next two areas of improvement needed most in order of importance are labor and management skill consecutively. As shown in Table 4.6,

the minority contractors' responses were less critical in labor and management areas during the time of the survey. Responses for the difficulty classified as "others" as indicated by some contractors do include better quality competition, marketing, and interest rate.

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4. Minority Business Development Agency Study, p. 120.

Chapter 5

INTERVIEWS

The Florida Construction Industry Advisory Committee requested that this Phase II study verify the problems minority contractors encounter that were identified in Phase I. This was to be done by gathering information from financial institutions, bonding companies, non-minority contractors and government agencies.

This chapter will present and analyze the data gathered from interviews of the lending institutions, bonding companies, and government agencies.

It was decided to use interviews since this method allows the interviewee a convenient opportunity to expound on his or her opinions as to the problems and possible solutions.

The purpose of these interviews was to confirm the opinions of the interviewees as to the degree of difficulties minorities have in their daily operations and to solicit from the interviewees suggestions for improving the situation.

The lenders were randomly chosen from the Florida Bank Directory, choosing a sample from various parts of the state.

The bonding agents to be interviewed were selected at random from a directory from the Florida Insurance Commissioner's office.

The government agents interviewed consisted of, among others, the Director of the Governors Office on Minority Business Affairs, the representative of the Florida Department of Transportation in Tallahassee, Florida, the Construction Services Representative for the Minority Business Development Center in Jacksonville, Florida, and the Education Director for the Associated Builders and Contractors, Inc., (ABC).

These interviews were conducted over a two-month period in the fall of 1985 (Questionnaire in Appendix II). When an interviewee was contacted, the interviewer was introduced as a research assistant at the University of Florida School of Building Construction. The interviewee was told that the research was funded by the Florida Building Construction Industry Advisory Committee and that the ultimate goal of the research was to increase minority participation in construction. During the interview the researcher would ask general questions to try to allow the interviewee to express his or her opinion without influence from the researcher. If this technique did not produce a meaningful response, then the researcher would ask the interviewee's opinion of specific items such as set-asides, government guaranteed loans, etc.

5.1 LENDERS' OPINIONS

Interviews were held with 56 lenders throughout the state to confirm the problems of minority contractors and to determine if the lenders could offer any suggestions for alleviating the problems.

While the lenders interviewed were generally helpful and interested in contributing to the research, they were very reluctant to discuss the percentage of their applicants or customers who are minorities and none would admit that there are any differences in the treatment of minority and non-minority applicants. Most of the lenders reported that very few minorities apply. The exception to this was in the Miami and Tampa areas. In the Miami area, some lenders said that most of their borrowers were minorities, and lenders from two banks in Tampa said that they have a substantial number of minority customers.

5.2 PROBLEM CONFIRMATION FROM LENDERS

The interviews have shown that with the exception of problem number six (discrimination), lenders generally concur that these are serious problems.

It seems that problems one, obtaining interim working capital, four,

TABLE 5.1
MOST COMMON REASONS FOR DISAPPROVING CONTRACTOR
LOAN REQUESTS

REASON	MOST COMMON		SECOND MOST COMMON	
	FREQUENCY	PERCENTAGE	FREQUENCY	PERCENTAGE
Not Enough Capital	48	85.7	7	12.5
Poor Work History	5	8.9	0	0.0
Lack Of Experience	2	3.6	26	46.4
Unable To Complete The Application	1	1.8	0	0.0
Poor Credit	0	0.0	2	3.6
Other	0	0.0	3	5.4
Cannot Answer	0	0.0	18	32.0

meeting loan requirements, and five, obtaining credit for suppliers, are very closely related. (see Figure 16 from the Phase I Study on pg. 7). If problem number four, meeting requirements for loans, could be solved then the problem of obtaining interim working capital would be solved and a credit rating would be established which would allow suppliers to extend credit and thus solve problem number five.

The reason given by 86% of the lenders interviewed as the most common reason contractors are denied loans is insufficient capital as shown in Table 5.1. The lenders use this term to mean both working capital (ready cash on hand) and owners equity (total assets less total liabilities). However, lenders seem to be specifically concerned with the latter, owners equity. Before a lender can extend a loan, a contractor must have enough marketable assets, unencumbered by other debts, to secure the lenders position.

In addition to the 86% of the lenders who listed insufficient capital as the most common reason for denial of a loan, 12% gave this as the second most common reason.

The second most common reason most lenders gave for denial of a loan was a poor work record. This means the contractor has a record of doing poor work or of not fulfilling contracts. This reason was given as most common by 8% of the lenders interviewed.

Lack of experience was third, with 4% giving this as the most common reason for denial of a loan. Lack of experience means that the contractor cannot show that he has performed work of the type proposed or that he has not completed any job of like size. While only 4% gave this as the most common reason for loan denial, 47% said that this was the second most common reason.

Most of the lenders seemed unaware of the problem listed as the second most severe by the minority contractors surveyed for Phase I--Difficulty collecting from customers. However, one lender, Mr. Dunn of the Southeast Bank, N. A. in

Bartow, said that small contractors need more training regarding the Florida Mechanics Lien Laws. He said that many contractors forfeit their right to force an owner or general contractor to pay by failing to properly follow the procedures required by this law.

Nearly all of the lenders questioned denied the existence of discrimination, which was listed as the sixth most severe problem in Phase I. While it is to be expected that each lender would deny that his or her firm discriminated unlawfully, it should be noted that in most interviews, the lenders expressed their belief that discrimination is not a problem in the lending business.

The seventh most severe financial problem identified by the Phase I Study, (Customers have difficulty obtaining financing), was mentioned by only one of the lenders interviewed. Mr. Graham of the Bank of Miami, said that he sometimes rejects loan applications because the contractor's client's proposed project was poorly planned or that the market conditions did not make the project feasible.

Several of the lenders, including Mr. Richard Hunnicutt of the Sunbank Mortgage Company, indicated that he felt quite often that a contractor's problems with lack of experience and perhaps with insufficient capital were due to lack of records and inability to adequately communicate. In other words, the contractor was probably qualified, but could not produce records and documentation to convince the "board" that he or she was a good credit risk.

5.3 POSSIBLE SOLUTIONS SUGGESTED BY LENDERS

When asked what would be the most help for contractors in regards to financing, an equal number (39% each) gave government guaranteed loans and direct loans from the government as being most beneficial. It appears that this question caused lenders to think only of ways of getting money into the hands of the applicants as opposed to thinking of ways to help the applicants qualify for

market loans. It should be pointed out that many of the lenders were unaware of the set-aside programs or did not understand how they worked. When the set-aside program was explained, only 8% thought that these programs would be feasible, desirable, or important.

Eight percent of those interviewed thought that technical training would be feasible, desirable, or important. Technical training was described as training in the mechanical aspects of construction, estimating, bidding, etc.

Sixteen percent thought the business training would be feasible, while 22% thought that such training would be desirable and important. Four percent of those questioned thought that grants were feasible, 8% thought that grants were desirable, but none thought that this would be important.

It was explained that feasible means relatively free of political, social, or economic obstacles. Desirable means that it would be useful and relatively free of adverse side effects. Important means that it is needed.

Twenty-four percent of the lenders said that they did not know what would help. Some of these indicated that it was their job to make loans based on good business criteria and that the market was strong enough so that they could lend all of the available funds to well-established substantiated customers and had little need to worry about marginal applicants.

5.4 BONDING AGENTS' OPINIONS

Another serious problem identified by the Phase I Study was difficulty becoming bonded. In order to verify this problem, 42 bonding agents or insurance company representatives were interviewed. Almost all of those agreed that securing a bond for a contractor was very difficult. The seriousness of the bonding problem was pointed out by a telephone call from a minority contractor who had received the mail-out questionnaire. This contractor from the Panhandle area of Florida said that he was able to compete in bidding work,

but that even with a set-aside "There is just no use for me to bid work out at the base because I just can't get bonded."

Of the bonding agents interviewed, 26 expressed an opinion on the most common reason that bond applications were rejected. The results of these opinions are displayed in Table 5.2. Of these, 25 said that the reason was insufficient capital. One reported that the most common reason for rejection was lack of experience in the work. The owner of All Phase Insurance and Bonding in Tampa said that "it is a Catch 22 situation--the applicant can not get a bond because he does not have experience. Since he can not get a bond, he can not get the job. Since he can not get the job, he can not get the experience."

It should be noted that several of the agents said that since they only accepted applications from well-known, long established clients, they seldom had a rejection.

Many of the agents interviewed said that they did very few construction bonds and some said that they would not process a bond application for a contractor unless they also carried a substantial amount of other insurance business for the contractor. There were a few agencies, however, who write many bonds. For example, it seems that in Tampa three agencies write a majority of all the contractor bonds issued in that area. An interview with Mr. Bruce Bozelka of Seaboard Security in Orlando confirmed that many agents, although legally qualified to write bonds, do not fully understand what a bonding company needs and why. These agents, Mr. Bozelka said, often submit inadequate applications which must be rejected. Agents who specialize in bonds have a much higher success rate. Whether this higher rate of success is due to the knowledgeable bond agent "pre-screening" applicants and not submitting those who will not qualify, or whether it is due to being able to better prepare the application is difficult to determine.

TABLE 5.2
MOST COMMON REASONS BOND APPLICATIONS ARE DISAPPROVED

REASON	MOST COMMON		SECOND MOST COMMON	
	FREQUENCY	PERCENTAGE	FREQUENCY	PERCENTAGE
Not Enough Capital	25	62.5	-	-
Lack Of Experience	1	2.5	4	1.0
Poor Job Records	-	-	-	-
Poor Financial Records	-	-	5	12.5
Poor Work History	-	-	3	7.5
Cannot Tell	14	35.0	12	30.0

In addition to the regular contractor bond market, there are a few agents and underwriters who write "substandard" bonds. This simply means that those companies are willing to take slightly higher risks than the other companies. Of course, the fees for these bonds are somewhat higher. While the fee for a well-qualified contractor would be about one percent of the bond amount, these "substandard" bonds may cost up to two percent.

5.5 SUGGESTED SOLUTIONS FROM BONDING AGENTS

When asked what could be done to help minority contractors get bonds, very few of the agents had any ideas. Almost all of the ones who did answer this question suggested more training in keeping records.

5.6 OPINIONS OF GOVERNMENT AGENTS

The personal and telephone interviews were used to confirm the problems that minority contractors face in the operation of their business, and to solicit possible alternatives to those problems. The people interviewed were government officials who deal daily with minorities and minority problems, directors of public and private minority development centers, and officers of construction related trade organizations. Appendix III contains a copy of the questionnaire format that was used for the interviews.

The questionnaire form consists of four pages, each page deals with a different problem area. The subheadings were taken from the problems that minority contractors said they faced in the Phase I research study. Page one contains questions concerning the Minority Business Enterprise set-aside program. Page two lists problems in the area of minority contractor managerial skills, while page three contains the list of problems associated with labor difficulties. The final page contains a skeleton list of possible solutions to the problems. The list of possible solutions was included to provide a starting point during the interview from which the interviewee could expound.

The interviews that were conducted served to confirm the problems that were uncovered in the Phase I study. The majority of those interviewed agreed with the minority contractors surveyed in defining the major problem areas that the typical minority contractor faces in the every day operation of his business. What follows is a synopsis of some additional information that was obtained during the interview phase of this research.

Several of those interviewed noted that the problem of a lack of education in the areas of finance and cash management contribute greatly to the outright failure, or to the failure to grow, for minority contracting firms. The consensus in this area was that the owner had the technical construction ability, but lacked the basic financial background needed to operate a successful business.

Mr. Marvin Davies, the director of the Governors Office of Minority Business Affairs for the state of Florida, indicated two major problems when minority contractors are dealing with State of Florida government bid jobs. The first problem is that a majority of the state jobs are simply too large for the typical small minority contractor to handle. Mr. Davies suggests that the jobs be broken into smaller segments to give the smaller firms a chance. The second problem that Mr. Davies noted was that the state's typical specifications package is far too technical for any small firm, much less small minority firms, to be able to understand. He cites examples where a contractor is able to perform a certain type of work for local city or county governments, but that same contractor is unable to do the same type and scope of work for the state government because of the intricate specifications package involved. Additionally he mentioned the numerous changes that often accompany the State's specifications.

Mr. Bill Brown, from the Jacksonville Minority Business Development Center, also noted, to the interviewer, the problem of jobs that are too big for the typical minority contractor. Mr. Brown is of the opinion that one of the best ways to combat this problem, and to increase minority participation, is a joint venture service that would pair qualified minority contractors with non-minority contractors. The beauty of this solution is that, if properly implemented, it would result in both parties not only learning from each other, but both would also be making money, and that after all is the name of the game.

Finally, nearly all the people interviewed mentioned the fact that a communications network, to include an up-to-date directory of minority contractors, a central information and referral service, and a technical assistance pool would be of great help in increasing the participation of minorities in the construction industry in Florida.

5.7 SUMMARY OF INTERVIEWS

These interviews have shown that, in general, there is a consensus between lenders and bonding agents as to what the problems minority contractors face. Except for one problem, discrimination, lenders agree that the top seven problems given by minorities as financing difficulties are problems, and the bonding agents agree with the contractors that small contractors have difficulty getting bonded.

The problem of record keeping, which was brought up by some lenders and bonding agents, while not listed by minorities in Phase I study as a financing problem, was reported to be a management skill difficulty by 16.56% of those contractors surveyed in Phase I study.

CHAPTER 6

SUGGESTED SOLUTIONS FROM NON-MINORITY CONTRACTORS

The subject of the current report was undertaken with the objectives of confirming the problems uncovered in Phase I and generating alternative strategies for increasing minority participation in the Florida construction industry.

This portion of the study consisted of generating a list of alternative strategies for increasing minority participation in the construction industry. The information gathered from personal and telephone interviews, as well as from the literature survey was compiled to form the list of possible alternative solutions.

Using the information gathered, the mail out questionnaire was developed. The questionnaire was designed to solicit responses from a random sampling of licensed contractors in the state of Florida. It posed a series of questions in three areas: 1) confirmation of minority contractor's problems from a non-minority point of view, 2) perceptions of the governmental set-aside programs, and 3) opinions on the feasibility, priority and benefits of the alternative strategies which can increase minority participation.

6.1 THE QUESTIONNAIRE

The questionnaire (see Appendix IV) was designed to gather information in four categories. The first category, consisting of questions I through III, was included to obtain information on the general background of the person surveyed for classification purposes.

The second category, questions IV through VIII, concern the issue of the government's use of minority set-asides in order to try to create equity within the construction industry. This series of questions, in addition to the cover

letter, serves a two-fold purpose; one, it stimulates the interest of the non-minority contractor in an attempt to increase the response rate. Secondly, it seeks the perceptions of the non-minority contractor towards the set-aside programs.

The third category, consisting of the middle section of the questionnaire, has the list of possible alternatives. The alternatives are grouped according to the following major problem classifications: FINANCE, BONDING, TRAINING & EDUCATION, and OTHER. For each alternative the respondent was asked to indicate whether they feel that it will help minority contractors, will not help minority contractors, or if they are unsure whether it will help or not. At the end of each section there is a space to indicate which of the alternatives in that section would be the most, second most and third most helpful. At the bottom of this section, there are three questions that are designed to allow the respondent to indicate which of the alternatives would be most beneficial, should be most urgently implemented, and would be most feasible.

The possible alternatives listed in these categories were developed through the personal and telephone interviews with Governmental Agencies and with Trades Organizations. Additional alternatives were developed from programs that have been found to be successful in other states and cities, and were uncovered during the literature survey that was discussed in Chapter III.

The alternatives presented in this section are intended to determine the feasibility of providing different opportunities for the minority contractor to improve in these areas.

Each alternative in the mailed-out questionnaire was illustrated and developed as follows:

6.2 FINANCE

Alternative number 1, "Encourage banks and lending institutions to appoint officers who specialize in working with minorities" was offered because several of the loan officers interviewed felt that minorities seemed to have a problem understanding just what was expected of them by the lending institution. This suggestion was also made in "Minority Business Study".³

Alternative number 2, "Encourage non-profit organizations to seek grants to establish revolving loan funds to provide capital for minority contractors" came from a conversation with Mr. Oscar Harris of Gainesville United, Inc., and from an Engineering News Record report⁴ that a Ford Foundation grant was used for this purpose in California.

Alternative number 3, "Encourage banks and lending institutions to streamline the loan application process", was proposed because a number of the loan officers interviewed reported that small contractors would often make preliminary inquiries about loans but would then fail to complete the application.

Alternative number 4, "Provide incentives for banks and lending institutions to develop a special minority contractor long-term financing program", was offered because the government, especially the Small Business Administration, has reportedly become more selective in making loans and guarantees. A private industry replacement for this source may be needed.

Alternative number 5, "Encourage the private sector to assist the government in providing financing for minority contractors", was proposed by a loan officer who said that private venture capitalist could be a source of capital for small contractors. Minority contractor's reaction to this question might also allow assessment of the minorities' faith in private versus government action to alleviate their problems.

Alternative number 6, "Direct loans from government: Short-term", was proposed because many lenders indicated that investor owned organizations for profit can not reasonably accept the risk associated with lending to small contractors. Minority contractor reaction to this suggestion and to suggestion 7 and 8 can be compared to the reaction to suggestions 4 and 5 to assess whether the contractors believe their aid should come from private or government sources.

Alternative number 7, "Direct loans from government: Long-term", is related to number 6 above but was offered since some lenders indicated that a long-term loan in hand which could provide operating capital for an extended period might make a contractor a better credit risk for short-term loans.

Alternative number 8, "Government guaranteed loans", was brought up by several lenders who said that increased use of programs such as the Small Business Administration's loan guarantees were the best solution for small contractors.

Alternative number 9, "Government interest subsidies", was included since Phase I shows that minorities consider high interest rates were a serious problem. Some lenders said that a subsidized interest rate must be considered by lenders in determining the probability of a contractor being able to meet his debt service obligations.

Alternative number 10, "Other", was provided to invite the respondent to include any ideas which might be useful in assisting minority contractors obtain financing. This is a blank, write-in section.

Alternative number 11, "Relax bonding requirements for governmental work", came from a bonding company representative who said that there was no practical way for a private company to accept the risk of bonding a small, inexperienced contractor, but that the government could provide the needed experience by

allowing contractors to work unbonded. This suggestion also came up in a conversation with a Florida Department of Transportation official who said that even with bonding waivers currently allowed, most jobs let by the D.O.T. are too large to be let without a bond. If bonds were not required on government jobs, then minority contractors bonding problems would be reduced without discriminating against non-minority contractors.

6.3 BONDING

Alternative number 12, "Increase government guaranteed bonds", was included since many of the bonding agents said that the risk associated with bonding small contractors was too great to be accepted by a private company without government assistance.

Alternative number 13, "Encourage insurance companies to establish special bonding agents to work with minority contractors", was developed when it was learned from the interviews that bonding agents have great difficulty securing bonds for minority contractors. However, the one agent interviewed who specialized in bonds seems to be successful.

Alternative number 14, "Encourage insurance companies to streamline the bonding procedures", was included since some of the bonding agents indicated that the amount of work they were required to do in order to get a bond for a small contractor was too great.

Alternative number 15, "Encourage private owners to reduce bonding requirements for minorities", was included because some bonding agents suggested that a contractor's customer could negotiate a reduced price if the job were not bonded and use the savings to provide sufficient inspections and supervision to reduce the risk to an acceptable level. This suggestion also might allow assessment of minority contractor's faith in private industry to help alleviate their problems.

Alternative number 16, "Encourage the private sector to assist the government in providing bonding for minority contractors", is related to suggestion 4, 5, and 15 and is designed to help determine if minority contractors believe that private industry is able to help solve the contractor's problems.

Alternative number 17, "Other", is a blank suggestion space provided to invite the respondent to offer any other suggestions for solving the problems of bonding for minority contractors.

6.4 TRAINING & EDUCATION

Alternative number 18, "Increase construction training opportunities by using local school and college facilities", was intended to help us determine if the respondents felt that the use of local educational facilities would benefit minority contractors. This alternative would be helpful in that the use of local facilities would provide the educational opportunities close to the contractor's home, and after normal business hours.

Alternative number 19, "Encourage volunteers to form a technical and managerial assistance program to help minority contractors", was contributed through many sources.^{1,3,4,6} This alternative is intended to increase the participation of the private sector in minority contractor development. This alternative will bring the technical assistance to the minority contractor in his or her place of business, thus there is a limited amount of lost work time.

Alternative number 20, "Develop, publish and distribute a schedule of training and technical assistance opportunities", is designed to provide a greater awareness to the minority contractor of the educational opportunities that are available.^{1,3,5}

Alternative number 21, "Publish and distribute a listing of public and private agencies providing technical and managerial assistance to minorities", is also designed to provide a greater awareness of the educational opportunities that are available to the minority contractor.^{1,3}

Alternative number 22, "Have government agencies conduct training programs throughout the state", is intended to determine if the respondent feels that greater governmental assistance is required to help minority contractors deal with the various governmental regulations.^{5,6} This alternative is designed to provide a program to walk the minority contractor through the government paperwork requirements, from the initial bid to the final draw.

Alternative number 23, "Encourage contractor and trade associations to provide training programs", is intended to determine if the respondent feels that contractor and trade associations should provide additional training to minority contractors.

Alternative number 24, "Provide technical and managerial consulting programs to help minority contractors".^{1,3,4,6} The purpose of this alternative is to determine if the respondent feels that a consulting program would help minority contractors.

Alternative number 25, "Encourage banks and lending institutions to conduct training sessions on financing for minorities", is intended to show whether an educational program for minorities, conducted by financial institutions, would be helpful.² Alternative 25 is designed to help the minority contractor understand the financial institution's loan process so that he or she can improve his or her chances of getting the type of loan he or she needs, when it is needed.

Alternative number 26, "Other", is intended to solicit any other ideas that the respondent may have.

6.5 OTHER

The alternatives in this category were also developed through interviews, both personal and over the phone, and through the literature search. This category is intended to present the alternatives that were uncovered, but that do not fit into any of the previous categories.

Alternative number 27, "Develop active, up-to-date local and state directories of minority contractors".^{1,2,3,6} This alternative is designed to provide a listing of minority contractors for use by governmental agencies, prime contractors working on government jobs, and for minority contractors as an open exchange for information. This will provide an open forum that will work in two ways. First, it will provide the prime contractor with a listing of qualified minority contractors. Secondly it will provide the minority contractor with a method to make contacts he or she might normally never have the opportunity to make.

Alternative number 28, "Require greater cooperation and less overlap of minority assistance services among government agencies", is designed to test the perception of the respondent toward the myriad of services that are provided by various governmental agencies.⁵ This alternative will help by centralizing the assistance programs that are run by the government, thus reducing the amount of contacts within the government that the minority contractor has to be familiar with.

Alternative number 29, "Establish more minority business centers", was included to determine whether an increase in the number of facilities available would be helpful to the minority contractor.

Alternative number 30, "Encourage joint ventures among established, successful contractors and fledgling minority contractors".^{3,5,6} This alternative is intended to measure the respondent's attitude toward joint ventures. Alternative 30 is an especially attractive solution in that the major focus of the joint venture is to be successful and to make money. It provides the minority contractor with first hand experience in all aspects of project management. If successful, it also provides him or her with the start of an established track record and the opportunity to work on a job that he or she wouldn't have been able to get on his or her own.

Alternative number 31, "Solicit pledges from private firms to actively seek to increase their purchase of construction services from minority contractors", was included to measure whether the respondents felt that an increased awareness of minority services to the community at large would be of benefit to the minority contractor.¹

Alternative number 32, "Seek the commitment of established, successful contracting firms to minority contractor development".¹ This alternative is similar to alternative 31, except that it is specifically directed at the construction industry as opposed to the community at large. It is designed to measure the acceptability, to the non-minority contractor, of lending technical assistance to the minority contracting firm.

Alternative number 33, "Provide incentives to established contractors to set up internship programs for minority contractors".^{2,3} This alternative is also similar to numbers 31 and 32. It is designed to measure whether assistance would be freely given, as in alternatives 31 and 32, or whether it will require some sort of benefit to the

non-minority contractor before assistance will be offered to the minority contractor.

Alternative number 34, "Other", is provided to allow the respondent to include any ideas that he or she feels would be helpful, but that were not listed as an alternative in this survey.

6.6 THE MOST BENEFICIAL, URGENTLY IMPLEMENTED, AND FEASIBLE

At the bottom of the section of the questionnaire is a grouping of three additional questions related to the list of alternatives. These questions are related to the entire list of alternatives. The first question asks the respondent to indicate which alternative he or she feels would be the first, second, and third most beneficial to minority contractors. In other words, which of the alternatives would provide the greatest benefit to the minority contractor over the long run.

The second question in this section is designed to determine which of the alternatives listed are the most urgently needed to improve the participation of the minority contractor in the construction industry in the immediate future.

The third question of this section is designed to poll the respondents on their opinion as to which of the alternatives would be the first, second, and third most feasibly implemented. In this question the respondent is asked to assume that there will be no hindrance to implementation, no political roadblocks, and that it will be acceptable to the public. By making this assumption, all of the alternatives can be judged on an equal basis.

CONFIRMATION OF PROBLEMS

The fourth and final category, on the back page of the questionnaire, consists of questions X through XV. The first question

in this section, question X, is designed to provide confirmation of the problems of minority contractors that were uncovered in Phase I. The problems are grouped by categories, and listed so that the respondent can mark the areas that he or she feels are problem areas for minority contractors.

The final series of questions on the questionnaire are to find out the percentage of respondents that have worked with minority contractors in the past, and how often they have worked together. There is also a place for any additional comments that the respondent may have.

6.7 PROFILE ON NON-MINORITY CONTRACTORS RESPONDING TO MAIL OUT QUESTIONNAIRE

Tables 1 through 6 show the general background, including sex, race, type of license, health and organization of firm. for the contractors who responded to the mail out questionnaire. These questions were included in the questionnaire in order to classify the respondents to better understand the results obtained from the opinion section of the questionnaire.

Table 6.1 is a breakdown of the type of certified license, or licenses, that the respondent has obtained. The vast majority of the respondents, 68.39%, had obtained their Florida General Contractors license. The next two most popular type of certified licenses obtained by the respondents were the Building Contractor license, with 14.94%, and the Residential Contractor license, with 9.20%. The other types of licenses were obtained by less than 20% of the respondents.

Table 6.2 represents the type of construction that the respondents' firm primarily performs. The respondents were fairly evenly divided between Residential and Commercial building, with 44.12% claiming Residential building as the major type of construction that their firm performs, and 40% claiming Commercial building. Repairs and Alterations was the third most widely chosen response to this question, with 9.14% of the respondents performing this type of construction.

The organization of the respondents' firm is represented in Table 6.3. The majority of the respondents, 68.07%, work for a corporation. The single owner represented 28.31%, and the partnership represented 3.62%.

TABLE 6.1: TYPES OF CERTIFIED LICENSES

TYPES OF LICENSES	FREQUENCY	PERCENTAGE
GENERAL CONTRACTOR	127	70.17
BUILDING CONTRACTOR	24	13.26
RESIDENTIAL CONTRACTOR	15	8.29
MECHANICAL CONTRACTOR	7	3.87
OTHER	6	3.31
AIR CONDITIONING CONTRACTOR	6	3.31
PLUMBING CONTRACTOR	5	2.76
ROOFING CONTRACTOR	3	1.66
UNDERGROUND UTILITY CONTRACTOR	2	1.10
POOL CONTRACTOR	1	0.55
SHEET METAL CONTRACTOR	1	0.55

TABLE 6.2: TYPES OF CONSTRUCTION

TYPES OF CONSTRUCTION	FREQUENCY	PERCENTAGE
RESIDENTIAL BUILDING	83	46.89
COMMERCIAL BUILDING	65	36.72
REPAIRS AND ALTERATIONS	15	8.48
MUNICIPAL UTILITIES	7	3.96
HEAVY-INDUSTRIAL	6	3.39
HIGHWAY	1	0.56

Tables 6.4 and 6.5 represent the health and sex of the respondents respectively. The overwhelming majority of the respondents were male and indicated that they were of good health.

The final table for this background section is the breakdown of the ethnic group of the respondents. The majority of the respondents in this randomly selected group of contractors were caucasian (white), making up 91.74% of total respondents. Table 6.6 shows the breakdown of the final 8.26% of the respondents' ethnic make-up.

TABLE 6.3: ORGANIZATION OF RESPONDENTS FIRM

ORGANIZATION	FREQUENCY	PERCENTAGE
CORPORATION	118	68.21
SINGLE OWNER	50	28.90
PARTNERSHIP	5	2.89

TABLE 6.4: HEALTH

HEALTH	FREQUENCY	PERCENTAGE
GOOD	168	97.19
DISABLED	3	2.81

TABLE 6.5: SEX

SEX	FREQUENCY	PERCENTAGE
MALE	178	98.34
NO ANSWER	3	1.66

TABLE 6.6: ETHNIC GROUP

ETHNIC GROUP	FREQUENCY	PERCENTAGE
CAUCASIAN (WHITE)	177	97.79
NO ANSWER	4	2.21

6.8 NON-MINORITY CONTRACTORS' PERCEPTIONS OF THE SET-ASIDE PROGRAM

Tables 6.7 through 6.11 show the results from questions IV through VIII of the questionnaire. This series of questions was included in the questionnaire to gain the non-minority contractors perceptions of the set-aside program.

Table 6.7 depicts the results of question IV, which asked the respondents' opinion on who benefits from the current set-aside program. As the table shows, the majority of the non-minority contractors polled were of the opinion that the set-aside program benefits the minority contractor and the people who administer the program. Seventy seven percent of the respondents said that the set-aside program benefits the minority contractor, and 56.86% said that it benefits those who administer the program.

The majority of the respondents also indicated that the set-aside program does not benefit the general public, the non-minority contractor, or the non-minority worker. Additionally the respondents indicated, by a margin of 44.87% to 37.18%, that the minority worker was not receiving the benefits of the set-aside program.

Table 6.8 represents the results from the question asking the respondents' opinion on the effect of the set-aside program. Over 70% of the non-minority contractors felt that the social costs of the set-aside program outweighed the social benefits, while less than 20% were of the opinion that the benefits are greater than the costs.

The results from tables 6.7 and 6.8 confirm the attitudes of the non-minority contractors toward set-aside programs. These questions were included in the questionnaire for two reasons, 1) to confirm the attitudes of the non-minority contractors towards the set-aside program, and 2) to allow the non-minority contractor a forum to express their

opinion on the set-aside program, thereby creating an interest in the questionnaire and increasing the number of responses that were returned.

Table 6.9 shows the respondents' opinions on what should happen to the set-aside program. Most of the respondents felt that the set-aside program should not be expanded, made mandatory, or be continuously encouraged. They also felt, although by less of a margin, that the set-aside program should be eliminated or modified.

The final two tables in this section, Tables 6.10 and 6.11, show the response to questions VII and VIII of the questionnaire. Question VII, Table 10, asked whether the set-aside requirements should be waived for contractors with approved minority internship programs. The majority of the contractors polled responded affirmatively to this question. Table 11 shows that the majority of respondents also feel that there is an alternative to the set-aside program.

TABLE 6.7: RESPONDENTS OPINION ON WHO THE SET-ASIDE PROGRAM BENEFITS

THE SET-ASIDE PROGRAM BENEFITS	YES	NO	UNSURE
A.) THE GENERAL PUBLIC	16	121	21
	18.13%	76.58%	13.29%
B.) THE MINORITY CONTRACTOR	128	21	16
	77.57%	12.73%	9.70%
C.) THE NON MINORITY CONTRACTOR	4	131	17
	2.63%	86.19%	11.18%
D.) THE MINORITY WORKER	58	70	28
	37.18%	44.87%	17.95%
E.) THE NON MINORITY WORKER	10	111	26
	6.80%	75.51%	17.69%
F.) THOSE WHO ADMINISTER THEM	87	30	36
	56.86%	19.61%	23.53%

TABLE 6.8: RESPONDENTS OPINION ON THE EFFECT OF THE SET-ASIDE PROGRAM

THE EFFECT OF THE SET ASIDE PROGRAM	FREQUENCY	PERCENTAGE
1. SOCIAL COSTS FAR OUTWEIGH SOCIAL BENEFITS	69	38.55
2. SOCIAL COSTS ARE GREATER THAN SOCIAL BENEFITS	62	34.64
3. UNSURE	27	15.08
4. SOCIAL BENEFITS ARE GREATER THAN SOCIAL COSTS	14	7.82
5. SOCIAL BENEFITS FAR OUTWEIGH THE SOCIAL COSTS	7	3.91

TABLE 6.9: RESPONDENTS OPINIONS ON THE SET-ASIDE PROGRAM

THE SET-ASIDE PROGRAM SHOULD BE	YES	NO	UNSURE
A.) EXPANDED	8	120	27
	5.16%	77.42%	17.42%
B.) MANDATORY	7	129	15
	4.64%	85.43%	9.93%
C.) MONITORED	94	42	14
	62.67%	28.00%	9.33%
D.) CONTINUOUSLY ENCOURAGED	26	102	21
	17.45%	68.46%	14.09%
E.) MODIFIED	64	33	37
	47.76%	21.61%	24.63%
F.) ELIMINATED	95	36	29
	59.38%	22.50%	18.12%

TABLE 6.10: SHOULD SET-ASIDE REQUIREMENTS BE WAIVED FOR CONTRACTORS WITH APPROVED MINORITY INTERNSHIP PROGRAMS

SHOULD SET-ASIDE REQUIREMENTS BE WAIVED FOR CONTRACTORS W/ APPROVED INTERNSHIP PROGRAMS	FREQUENCY	PERCENTAGE
YES	79	45.14
NO	56	32.00
UNSURE	40	22.86

TABLE 6.11: ARE THERE ANY ALTERNATIVES TO THE SET-ASIDE PROGRAM

	FREQUENCY	PERCENTAGE
YES	72	42.35
NO	35	20.59
UNSURE	63	37.06

6.9 ALTERNATIVE RANKING

Tables 6.12, 6.13, 6.14, and 6.15 show the response breakdown for the portion of the questionnaire where the respondent was asked to indicate which alternatives would increase minority participation in the construction industry in Florida. As in the questionnaire the tables are divided into four groupings; FINANCE, BONDING, TRAINING & EDUCATION, and OTHER. Each of the tables is set up in the same way, the first column contains the alternative and alternative number (corresponding to the numbers used on the questionnaire in the appendix). The second, third, and fourth columns, labeled WOULD HELP, WOULD NOT HELP, and UNSURE, contain the raw data for the responses for each of the alternatives. The upper portion of the box for each alternative is the total number of respondents that choose that particular option, the lower portion is the percentage breakdown for that option. The final three columns contain the ranking of the alternatives in each section as determined from the question at the end of each section which asked the following: Which of the alternatives presented above would be most, second most, and third most helpful?

The ranking of each alternative was determined by using the following method. The total number of respondees choosing a particular alternative as the most helpful was multiplied by three, then the total number of respondees choosing that alternative as second most helpful was multiplied by two, and finally the total number of respondees choosing that alternative as the third most helpful was not multiplied by a factor. The three figures were then added together using this formula:

$$3a + 2b + c = \text{Ranking Number} \quad \text{FORMULA 1}$$

where:

- a = Number of respondees choosing the alternative as the most helpful
- b = Number of respondees choosing the alternative as the second most helpful
- c = Number of respondees choosing the alternative as the third most helpful

This method was used in order to equitably judge the responses for each alternative. It gives the response chosen as the most helpful the most weight.

Within the FINANCE section, the non-minority contractors polled overwhelmingly choose Alternative 1, "Encourage banks and lending institutions to appoint officers who specialize in working with minorities", and Alternative 3, "Encourage banks and lending institutions to streamline the loan application process", as the most helpful to increase minority participation in Florida's construction industry (see Table 6.12). An examination of the other alternatives within this section reveals that these two alternatives are the only ones in this section that do not involve additional government intervention, and are also voluntary on the part of the lending institution. Additionally these two alternatives, if implemented, would not result in direct monetary aid to the minority contractor.

Alternative 4, "Provide incentives to banks and lending institutions to develop a special minority contractor long-term financing program", was the choice as the third most helpful, and was ranked far below the first two alternatives. This alternative is suggesting some sort of government assistance, but it is not aimed at giving direct financial aid to the minority contractor, rather it

TABLE 6.12: FINANCE RESPONSE TABLE

ALTERNATIVES	WOULD HELP	WOULD NOT HELP	UNSURE	MOST HELPFUL: WEIGHTED AVERAGE		
				a + b + c	3a + 2b + c	RANK
1 Encourage banks & lending inst. to appoint officers who specialize in working with minorities	72	56	18	36 + 8 + 12	136	1
	49.31%	38.36%	12.33%			
2 Encourage non-profit organizations to seek grants to establish revolving loan funds for minorities	55	66	22	12 + 14 + 10	75	4
	38.46%	46.15%	15.39%			
3 Encourage banks and lending inst. to streamline the loan application process	71	58	12	22 + 22 + 16	126	2
	48.93%	40%	11.03%			
4 Provide incentives to banks & lending inst. to develop a special long term financing program	49	72	21	11 + 16 + 13	78	3
	34.51%	50.70%	14.79%			
5 Encourage the private sector to assist gov. in providing financing for minorities	47	76	19	8 + 14 + 8	60	5
	33.10%	53.52%	13.38%			
6 Direct loans from government: Short Term	39	83	22	4 + 13 + 10	48	7
	27.08%	57.64%	15.28%			
7 Direct loans from government: Long Term	36	82	21	8 + 5 + 9	43	8
	25.90%	58.99%	15.11%			
8 Government guaranteed loans	50	71	18	8 + 10 + 8	52	6
	35.97%	51.08%	12.95%			
9 Government interest subsidies	33	81	22	4 + 1 + 6	20	9
	24.26%	59.56%	16.18%			

suggests providing aid to minority contractors by giving the incentive to the banks and lending institutions.

The other alternatives in this section involved providing direct financial aid to minority contractors, either in the form of long or short-term government loans, government guaranteed loans, government interest subsidies, or governmental assistance to the private sector with direct financing of minority contractors. These alternatives were clearly not very acceptable to the non-minority contractors surveyed.

The next section of the questionnaire, the BONDING section contains similar results as were uncovered in the FINANCE section. Table 6.13 shows the results of the data gathered from the questionnaire on the issue of bonding for minority contractors. As in the previous section, the alternative chosen as the most helpful was Alternative 13, "Encourage insurance companies to establish special bonding agents to work with minority contractors". The second most helpful alternative was Alternative 14, "Encourage insurance companies to streamline bonding procedures,".

In this section the non-minority contractors polled once again chose, as most helpful and second most helpful the alternatives that 1) do not require direct government assistance, and 2) do not give immediate and financial aid directly to the minority contractor, rather the aid is given indirectly through the lending institutions.

The third most helpful alternative in this section, Alternative 11, "Relax bonding requirements for government work", is closely related to the first two in that it is not proposing any "direct gifts" for minority contractors. This alternative states that the government should relax the bonding requirements for minority contractors, but should not do away with them altogether.

TABLE 6.13: BONDING RESPONSE TABLE

ALTERNATIVES	WOULD HELP	WOULD NOT HELP	UNSURE	MOST HELPFUL: WEIGHTED AVERAGE		
				a + b + c	3a + 2b + c	RANK
11 Relax bonding requirements for governmental work	57	66	18	30 + 7 + 7	111	3
	40.43%	46.81%	12.76%			
12 Increase government guaranteed bonds	44	66	28	12 + 8 + 7	59	5
	31.88%	47.83%	20.29%			
13 Encourage insurance co. to establish special bonding agents to work w/ minorities	74	49	20	36 + 23 + 8	162	1
	51.75%	34.27%	13.98%			
14 Encourage insurance co. to streamline bonding procedures	81	46	16	14 + 40 + 18	140	2
	56.64%	32.17%	11.19%			
15 Encourage private owners to reduce bonding requirements for minorities	40	76	23	6 + 7 + 20	52	6
	28.78%	54.67%	16.55%			
16 Encourage the private sector to assist gov. in providing bonding for minorities	42	72	23	11 + 10 + 13	66	4
	30.66%	52.56%	16.78%			

The third section of this portion of the questionnaire, dealt with TRAINING & EDUCATION (see Table 6.14). Within this section Alternative 18, "Increase construction training opportunities by using local school and college facilities", was far and away the one chosen by the respondees as the most helpful. This alternative received 184 ranking points, the second most helpful alternative, Alternative 23, "Encourage trade and contractor associations to provide training programs", received only 98 ranking points. The 86 ranking point difference is by far the largest between any first and second place choice in the entire survey. This points dramatically to the fact that the non-minority contractors agree on one point, education is the key to increasing minority participation in the construction industry in Florida.

The second and third most helpful alternatives are Alternative 23 mentioned above and Alternative 20, "Develop, publish and distribute a schedule of training and technical assistance opportunities. These two alternatives, in addition to Alternative 18 are all suggesting that increasing the training opportunities that are available to minority contractors is the way to increase minority participation in the construction industry.

The final section of alternatives, OTHER, considers the alternatives that do not fit into any of the previous categories. Table 6.15 contains the data breakdown for the responses in this section. Alternative 30, "Encourage joint ventures among established, successful contractors and fledgling minority contractors," was chosen as the most helpful. The second most helpful was Alternative 33, "Provide incentives to established contractors to set up internship programs for minority contractors".

TABLE 6.14: TRAINING & EDUCATION RESPONSE TABLE

ALTERNATIVES	WOULD HELP	WOULD NOT HELP	UNSURE	MOST HELPFUL: WEIGHTED AVERAGE		
				a + b + c	3a + 2b + c	RANK
18 Increase construction training opportunities by using local school and college facilities	137	12	5	75 + 17 + 13	272	1
	88.96%	7.79%	3.25%			
19 Encourage volunteers to form a technical & managerial assistance program for minorities	100	36	10	10 + 21 + 12	84	4
	68.49%	24.66%	6.85%			
20 Develop, publish & distribute a schedule of training & technical assistance opportunities	118	21	9	9 + 23 + 14	87	3
	79.73%	14.19%	6.08%			
21 Publish & distribute a listing of public & private agencies providing assistance to minorities	108	31	7	6 + 8 + 12	46	7
	73.97%	21.23%	4.80%			
22 Have government agencies conduct training throughout the state	54	69	23	3 + 9 + 6	33	8
	36.99%	47.26%	15.75%			
23 Encourage trade & contractor associations to provide training programs	114	22	14	13 + 16 + 23	94	2
	76%	14.67%	9.33%			
24 Provide technical & managerial consulting program to help minorities	96	34	14	9 + 17 + 14	75	5
	66.67%	23.61%	9.72%			
25 Encourage banks & lending institutions to conduct training sessions	104	32	10	5 + 17 + 25	74	6
	71.23%	21.92%	6.85%			

TABLE 6.15: OTHER RESPONSE TABLE

ALTERNATIVES	WOULD HELP	WOULD NOT HELP	UNSURE	MOST HELPFUL: WEIGHTED AVERAGE		
				a + b + c	3a + 2b + c	RANK
27 Develop active, up-to-date local & state directories of minority contractors	62	56	24	15 + 4 + 12	65	5
	43.66%	39.40%	16.90%			
28 Require greater cooperation and less overlap of minority assistance services in government	85	33	23	21 + 12 + 12	99	3
	60.28%	23.40%	16.31%			
29 Establish more minority business centers	25	73	39	3 + 4 + 1	18	7
	18.25%	53.28%	28.47%			
30 Encourage joint ventures among established, successful contractors and minorities	83	38	22	29 + 22 + 19	150	2
	58.04%	26.59%	15.39%			
31 Solicit pledges from private firms to increase their purchase of services from minorities	37	68	32	4 + 14 + 7	47	6
	27.01%	49.63%	23.36%			
32 Seek the commitment of established, successful contracting firms to minority development	59	51	29	7 + 21 + 15	78	4
	42.45%	36.69%	20.86%			
33 Provide incentives to established contractors to set up internship programs for minorities	84	36	19	31 + 22 + 18	155	1
	60.43%	25.90%	13.67%			

Both Alternative 30 and Alternative 33 are similar in that they are suggesting the establishment of a program whereby an established contractor provides help to a minority contractor. In Alternative 30 the help is provided by a joint venture where the minority contractor gets the opportunity to work alongside the established contractor. In this alternative, the minority contractor would also have the opportunity to work on jobs that would probably be too big for him/her to bid on his/her own. Alternative 33 provides help by giving minority contractors the opportunity to intern with an established, successful contracting firm.

Following the 34 alternatives in the questionnaire was a series of three questions that asked the respondents to rank the alternatives as to the most, second and third most Beneficial, Urgently Implemented, and Feasible. Table 6.16 shows the results of these questions. Once again, Formula 1 was used to rank the alternatives.

Of all of the alternatives presented, Alternative 18, "Increase construction training opportunities by using local school and college facilities", was chosen overwhelmingly as the Most Beneficial, Most Urgently Implemented, and Most Feasible. From the non-minority point of view, increasing the educational background of the minority contractor seems to be the best way to increase his/her participation in the construction industry in Florida. As can be seen in Table 6.16, Alternative 18 accumulated more than twice as many ranking points as the nearest alternative for each of the three questions.

Alternative 30, "Encourage joint ventures among established, successful contractors and fledgling minority contractors", was chosen as the second most beneficial alternative. This alternative was also

TABLE 6.16: NON-MINORITY COMPARISON OF THE 34 ALTERNATIVES

BENEFICIAL			URGENTLY IMPLEMENTED			FEASIBLE		
NO.	a + b + c	3a+2b+c	NO.	a + b + c	3a+2b+c	NO.	a + b + c	3a+2b+c
18	32+17+12	140	18	30+9+12	120	18	35+8+13	134
30	12+7+8	58	24	4+9+11	41	19	7+10+4	45
33	7+9+6	45	33	4+10+6	38	23	6+9+8	44
23	8+5+7	41	11	8+5+1	35	30	5+5+11	36
1	5+6+7	34	20	3+9+2	29	33	4+9+5	35
19	5+7+4	33	1	5+5+3	28	24	5+6+3	30
24	4+6+8	32	25	1+9+6	27	20	3+8+3	28
11	3+6+6	30	23	4+5+4	26	25	1+9+5	26
4	6+2+3	25	30	2+3+13	25	27	5+3+2	23
20	3+7+2	25	19	5+3+3	24	11	3+4+1	18
28	3+3+6	24	28	5+1+5	22	13	2+5+2	18
3	5+3+2	23	3	5+2+2	21	28	3+1+7	18
25	1+6+6	21	27	3+4+3	20	1	3+2+4	17
13	3+4+2	19	4	3+2+5	18	32	3+2+4	17
5	3+3+0	15	13	2+3+4	16	3	3+2+3	16
8	3+1+3	14	2	4+1+1	15	4	3+2+2	15
32	2+1+3	11	5	2+4+0	14	21	2+1+3	11
14	1+3+1	10	32	1+4+2	13	22	1+1+3	8
22	1+2+3	10	22	2+1+2	10	5	1+1+2	7
21	0+2+5	9	21	1+2+2	9	14	1+2+0	7
2	1+0+4	7	14	0+4+0	8	2	0+2+2	6
7	0+2+3	7	16	2+0+1	7	8	1+1+1	6
9	2+0+0	6	6	1+1+1	6	7	0+2+1	5
29	1+1+1	6	31	1+1+1	6	12	1+0+1	4
6	0+1+2	4	8	0+1+3	5	16	1+0+1	4
31	0+1+1	3	12	1+0+2	5	29	0+1+2	4
16	0+1+1	3	15	1+0+1	4	31	0+1+2	4
15	0+1+1	3	29	1+0+1	4	6	1+0+0	3

chosen as the most helpful of the OTHER category. The non-minority contractors polled viewed this alternative as not only helpful, but also as a beneficial way to increase the minority contractor's participation in the construction industry.

The alternative that was chosen as the third most beneficial was Alternative 23, "Encourage trade and contractor associations to provide training programs". This alternative was also chosen as the third most feasible. Two of the alternatives, 18 and 23, that the non-minority contractors polled chose as the most beneficial to the minority contractor are suggesting that more education is needed. The other alternative chosen as most beneficial, Alternative 30, is also a form of education, in that a successful joint venture situation can provide on the job training to the minority contractor.

Alternative 24, "Provide a technical and managerial consulting program to help minority contractors", was chosen as the second most urgently implemented. It is interesting to note that this alternative was chosen as the sixth most helpful alternative in the TRAINING & EDUCATION section (see Table 6.14) of the questionnaire. This leads one to believe that this alternative is looked at as an interim, "quick fix", by the non-minority contractor, until the education level of the minority contractor can be raised.

The third most urgently implemented alternative was Alternative 11, "Relax bonding requirements for governmental work". The range of alternatives that were chosen as those that should be most urgently implemented was varied, indicating that the respondents are divided on what actions should be taken immediately to increase minority participation in the construction industry. The first, Alternative 18,

was for increased educational opportunities. The second, Alternative 24, was to set up a technical consulting service to help minority contractors, and the third, Alternative 11, was for relaxed bonding requirements on government work.

Alternative 33, "Provide incentives to established contractors to set up internship programs for minority contractors" was chosen as the second most feasible. This alternative was also chosen as the second most helpful in the OTHER section of the questionnaire. Alternative 23, "Encourage trade and contractor associations to provide training programs", was chosen as the third most feasible alternative. These responses are similar to the responses for the most beneficial, in that two (alternatives 18 and 23) are directly aimed at increasing educational opportunities for minorities, while the third (Alternative 33) is indirectly aimed at the same thing. Additionally all three of these opportunities can be relatively easily implemented.

6.10 NON-MINORITY CONTRACTOR'S OPINIONS
ON THE PROBLEMS MINORITIES FACE IN THE
CONSTRUCTION INDUSTRY IN FLORIDA

The final portion of the questionnaire was included in order to confirm the problems that minorities said that they faced in the operation of their business from a non-minority point of view. Tables 6.20 through 6.24 show the listing of minority problems that were polled from the results of the Phase I study, "Increasing Minority Participation in the Construction Industry in Florida". The problems are grouped by the major category headings of Finance, Bonding, Labor, Management and Other. Within each table they are listed according to how many of the respondents choose them as a problem that they felt the minority contractor faces in the conduct of his/her business on a day to day basis. Those problems that received the most responses by the non-minority contractors polled are listed first in the tables, those receiving the least are last.

Table 6.17 contains the response of the non-minority contractors to the Financing problems that they perceive the minority contractor has. The problem of obtaining interim working capital was chosen by 50.83% of those polled, and leads the group of financing problems. This particular problem was also chosen by the majority of minority contractors polled in Phase I as the major obstacle in the area of financing. The non-minority contractors chose the problems of meeting requirements for loans, and obtaining credit for supplies as the second and third major problem areas in this section.

Table 6.18 contains the results of the non-minority contractor's response to the problem area of bonding for a minority contractor. The major obstacle in this area, from a non-minority point of view, is that

TABLE 6.17: NON-MINORITY OPINIONS ON MINORITY FINANCING PROBLEMS

FINANCING PROBLEMS	NON-MINORITY		MINORITY	
	PERCENTAGE	RANK	PERCENTAGE	RANK
Obtaining Interim working capital	50.83	1	56.29	1
Meeting requirements for loans	45.30	2	24.50	4
Obtaining credit for supplies	38.67	3	19.21	5
Difficult to collect payments from customers	11.60	4	41.06	2
High interest rates	11.05	5	37.09	3
Customers having difficulty obtaining financing	8.84	6	11.92	6
Other	4.97	7	7.28	7

TABLE 6.18: NON-MINORITY OPINIONS ON MINORITY BONDING PROBLEMS

BONDING PROBLEMS	NON-MINORITY		MINORITY	
	PERCENTAGE	RANK	PERCENTAGE	RANK
Inadequate working capital	46.96	1	40.40	1
Lack of familiarity with procedures	42.54	2	22.52	4
Insufficient management ability	41.44	3	5.30	9
Insufficient bank credit	37.57	4	25.17	3
Inability to post collateral	36.46	5	27.15	2
Lack of construction experience	34.81	6	7.95	6
Improper bookkeeping practices	30.39	7	5.96	8
Insufficiently skilled craftspersons	23.76	8	3.97	10
Inability to meet completion schedule	20.44	9	1.99	12
Inability to get a cosigner	17.68	10	9.27	5
Inadequate equipment	15.47	11	7.28	7
Other	1.66	12	3.31	11

of inadequate working capital. Once again, the minority contractors polled in Phase I also chose this as the major problem in this area. Also once again, the minority and non-minority contractors disagree on the second and third most serious problems in this area. The non-minority contractors felt that the problems of lack of familiarity with procedures used by the insurance industry and insufficient management ability were the second and third most serious Bonding problems, respectively. Their minority counterparts, from the Phase I study, felt that the problems of inability to post collateral and insufficient bank credit were the second and third most serious problems of this section.

Recruitment, as can be seen in Table 6.19, was the Labor problem that the non-minority contractors chose as the three most serious. They chose recruitment of skilled craftpersons, management personnel and supervisory personnel in that order. In contrast, the minority contractors in Phase I chose recruitment of skilled craftpersons as the number one Labor problem, but then they chose turnover as the number two Labor problem. They came back to recruitment again with the number three Labor problem, recruitment of supervisory personnel.

The non-minority contractors surveyed chose handling finances as the most serious Management problem faced by minority contractors, see Table 6.20. The second and third most serious were estimating and bidding and bookkeeping. The minority contractors surveyed in Phase I chose estimating and bidding, reading blueprints and handling finances as the three top management problems they face. This shows that the non-minority contractors feel that, in the area of management, minority contractors have the biggest problem in managing finances and bookkeeping. On the other hand, the minority contractors feel that

TABLE 6.19: NON-MINORITY OPINIONS ON MINORITY LABOR PROBLEMS

LABOR PROBLEMS	NON-MINORITY		MINORITY	
	PERCENTAGE	RANK	PERCENTAGE	RANK
Recruitment: skilled craftspersons	38.12	1	42.38	1
Recruitment: management personnel	38.12	2	8.61	5
Recruitment: supervisory personnel	35.91	3	22.52	3
Training	29.83	4	14.57	4
Turnover	27.07	5	30.46	2
Difficulties with union	9.39	6	7.28	6
Other	3.87	7	4.64	7
Aged work force	2.21	8		

TABLE 6.20: NON-MINORITY OPINIONS ON MINORITY MANAGEMENT PROBLEMS

MANAGEMENT PROBLEMS	NON-MINORITY		MINORITY	
	PERCENTAGE	RANK	PERCENTAGE	RANK
Handling finances	46.96	1	17.88	3
Estimating and bidding	40.88	2	31.79	1
Bookkeeping	37.02	3	16.56	5
Personnel management	29.28	4	13.91	6
Reading blueprints	27.07	5	22.52	2
Scheduling	25.97	6	17.88	3
Other	2.76	7	3.31	7

TABLE 6.21: NON-MINORITY OPINIONS ON OTHER MINORITY PROBLEMS

OTHER PROBLEMS	NON-MINORITY		MINORITY	
	PERCENTAGE	RANK	PERCENTAGE	RANK
Marketing (finding work)	29.28	1	28.46	2
Obtaining a license	20.44	2	7.95	3
Cheap competition	18.47	3	50.33	1
Other	1.66	4	3.97	4

their biggest management problem is more along the lines of basic construction techniques.

The Other table, Table 6.21, shows that the non-minority contractors feel that marketing, or finding work, is the major problem in the Other category that minorities face. The second most serious problem in this category, from a non-minority point of view, was obtaining a license. The minority contractors in the Phase I study listed cheap competition as the major problem in this category, and marketing as the second most serious.

The last two tables, 6.22 and 6.23, represent the non-minority contractor's answer to the last two questions on the questionnaire concerning the frequency with which they work with minority contractors. Table 6.25 shows that the vast majority of the non-minority contractors have had experience working with a minority contractor. Table 6.26 shows the frequency of that experience.

TABLE 6.22: NON-MINORITY EXPERIENCE WORKING WITH MINORITIES

EXPERIENCE WORKING WITH MINORITY CONTRACTORS	FREQUENCY	PERCENTAGE
YES	126	82.90
NO	26	17.10

TABLE 6.23: HOW OFTEN RESPONDENTS HAVE WORKED WITH MINORITIES

HOW OFTEN	FREQUENCY	PERCENTAGE
SOMETIMES	58	46.03
VERY OFTEN	35	27.78
RARELY	20	15.87
ALWAYS	13	10.32

6.11 SUMMARY OF FINDINGS

This research was conducted in order to gather information in the following areas: 1) non-minority contractors' perceptions of the government set-aside program, 2) non-minority contractors' opinions on the priority and benefits of the alternative strategies and 3) confirmation of minority contractor problems from a non-minority point of view.

The non-minority contractors polled did not favor the set-aside program as it now stands. Over 70% indicated that the set-aside program does not benefit the general public, instead they were of the opinion that the benefits are enjoyed by the minority contractor and those government employees who administer the program. Additionally, over 70% of those polled felt that the social costs of the set-aside program were greater than the social benefits. When questioned about the future of the set-aside program the majority of the non-minority contractors felt that it should be strictly monitored to assure adherence to requirements. Finally, when asked if they thought there were alternatives to the set-aside program, 43% responded in the affirmative and 37% were unsure.

The portion of the questionnaire dealing with alternatives to the set-aside program was divided into four sections: Finance, Bonding, Training and Other. The alternative chosen as most helpful in the Finance section was to encourage banks and lending institutions to appoint officers who specialize in working with minorities. This alternative received 136 ranking points. Closely following the top alternative in this section, with 126 ranking points was to encourage banks and lending institutions to streamline the loan application process. In the

Bonding section, the top two alternatives were essentially identical; encourage insurance companies to establish special bonding agents to work with minorities had 162 ranking points, while encourage insurance companies to streamline bonding procedures followed with 140 points. Under the Training and Education section, far and away the most popular alternative was to increase construction training opportunities by using local school and college facilities with 272 ranking points. The second most helpful alternative in this section was to encourage trade and contractor associations to provide training programs which received 94 ranking points. It is important to note that the difference between the first and the second most helpful alternatives in this section represents the widest margin of any in the survey. Finally, the top alternative of the Other section was to provide incentives to established contractors to set up internship programs for minorities which received 155 ranking points. The second most helpful alternative in this section, encourage joint ventures among established, successful contractors and fledgling minority contractors was chosen as only slightly less helpful, receiving 150 ranking points.

After the alternatives were ranked within each section, the non-minority contractors were asked to rank them overall. The alternative increase construction training opportunities by using local school and college facilities was chosen as the most beneficial, most urgently implemented and most feasible by a margin of more than two to one over the next most popular alternative in any of the three categories. There was only one other alternative to make it in the top five in all three categories, it was to provide incentives to established contractors to set up internship programs for minorities.

The final area of study for this research dealt with the confirmation of minority contractor problems from the non-minority point of view. The problem areas were divided into five sections; Financing, Bonding, Labor, Management and Other. In general, the non-minority contractors polled agreed with the minority contractors from Phase I on the problems encountered by minorities in the construction industry. There were, however, some differences between the two groups in the ranking of the problems within each section. In the Financing and Bonding sections, the respondents chose obtaining interim working capital (50.83%) and inadequate working capital (46.96%) as the most serious minority problems. In the Bonding section, lack of familiarity with procedures (42.54%) was chosen as the second most serious problem. In the Labor section, the three most serious problems dealt with recruitment. Recruitment of skilled craftsmen and recruitment of management personnel were chosen as the most serious, each being selected by 38.12% of the respondents. Recruitment of supervisory personnel followed with 35.91% of the respondents choosing it as a problem. Under the area of Management, the problems of handling finances (46.96%) and estimating and bidding (40.88%) were considered most serious by the non-minority contractors. Finally, the problem of marketing (finding work) was chosen by just under 30% of the respondents as the most serious problem in the Other category.

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CHAPTER 7
SUGGESTED SOLUTIONS FROM MINORITY CONTRACTORS

7.1 INTRODUCTION

The previous chapter gives an indication of how non-minority contractors view the set-aside programs and other suggested aids for improving the minority contractor's participation in Florida's construction industry. In this chapter, these same issues will be examined from the minority contractor's point of view.

Concurrent with the interview process that was described in the Chapter II, a literature search was conducted to determine what programs have been suggested or tried in order to help alleviate minority problems, and to determine how successful these programs have been.

From the interviews and the literature search, a list of thirty alternatives for helping to increase minority contractor participation in the construction industry was developed. A questionnaire, similar to the one used for the non-minority contractors, was designed to allow the minority contractors surveyed to express their opinions on the thirty alternatives and to offer any other possible solutions that they might have (see Appendix V for detail).

7.2 METHODS AND QUESTIONNAIRE

The questionnaire was mailed to 386 minority contractors chosen at random from the DBE/WBE directory, updated by the Florida Department of Transportation, and supplemented by the names and addresses of the minority contractors who participated in the Phase I study. Of these, 74 questionnaires were returned with usable information.

The questionnaire used in this portion of the study was essentially identical to the questionnaire described in Chapter VI, and sent to non-minority contractors. It was divided into five major categories,

the first, consisting of questions I through III, was designed to allow classification of the respondents according to type of business, type of work, ownership of firm, and minority group and gender of respondent. The second section of the questionnaire, questions IV through VI, was designed to allow the quantification of the minority contractor's reaction to the government's set-aside program.

The fourth section consists of the thirty alternatives which may be beneficial to the minority contractor. Also in this section are four blank spaces, one for each major subheading, where the respondent may include additional comments if he/she so desires. This section will allow quantification of the alternatives that the minority contractors choose as most beneficial.

The fifth and final section is provided for the respondent to make any additional comments, and also asks for his/her name, address and telephone number, in order that he/she may be contacted again. The only difference between this questionnaire and the questionnaire used in Chapter VI, is that this questionnaire does not contain the section included to confirm minority problems in daily operations.

7.3 PROFILE OF RESPONDENTS

The classification of the respondents, from the first section of the questionnaire, are shown in Tables 7.1 through 7.5. Table 7.1 shows that 40% of the respondents are general contractors, 49.23% are subcontractors, 1.54% are builder/developers, and 9.23% are other types of contractors.

7.4 PERCEPTIONS TOWARDS SET-ASIDE PROGRAMS FROM MINORITY

Tables 7.6, 7.7, and 7.8 show the results from questions IV, V, and VI of the questionnaire, and measure the respondent's attitude towards

TABLE 7.1 RESPONDENTS BY CONTRACTOR TYPE

CLASSIFICATION	FREQUENCY	PERCENTAGE
SUBCONTRACTOR	32	49.23
GENERAL CONTRACTOR	26	40.00
OTHER	6	9.23
BUILDER/DEVELOPER	1	1.54

TABLE 7.2: RESPONDENT BY TYPE OF WORK ENGAGED IN

TYPE OF CONSTRUCTION	FREQUENCY	PERCENTAGE
COMMERCIAL BUILDING	22	29.73
HIGHWAY	16	21.62
RESIDENTIAL BUILDING	16	21.62
MUNICIPAL UTILITY	7	9.46
HEAVY INDUSTRIAL	6	8.11
REPAIRS AND ALTERATIONS	6	8.11
OTHER	1	1.35

TABLE 7.3: ORGANIZATION TYPE

ORGANIZATION	FREQUENCY	PERCENTAGE
CORPORATION	57	77.03
SINGLE OWNER	13	17.57
PARTNERSHIP	4	5.40

TABLE 7.4: RESPONDENTS BY SEX

SEX	FREQUENCY	PERCENTAGE
FEMALE	17	22.97
MALE	57	77.03

TABLE 7.5: RESPONDENTS BY ETHNIC GROUP

ETHNIC GROUP	FREQUENCY	PERCENTAGE
BLACK	29	39.73
FEMALE	13	17.81
SPANISH-AMERICAN	13	17.81
AMERICAN INDIAN	7	9.59
ASIAN-AMERICAN	5	6.85
OTHER	4	5.47

the set-aside program. Although the results of these questions do not show overwhelming support for the set-aside program, most of the minority contractors responding believe that these programs are worthwhile.

Table 7.6 shows that 55.65% of the respondents feel that these programs are of benefit to the general public, while 26.98% feel that they are not. Additionally, 86.36% believe that the minority contractor does benefit from the set-aside program.

As Table 7.7 illustrates, 33.33% of the responding minority contractors believe that the social benefits of the set-aside program far outweigh the social costs, while 21.74% believe that the social benefits simply outweigh the costs. Almost 30% (28.99%) of the respondents were not sure whether the benefits outweighed the costs or not. Finally, 15.94% believed that the costs outweigh the benefits.

Table 7.8 shows the results from question VI (The set-aside program should be: expanded, monitored, eliminated . . .), 74.24% of the minority contractors surveyed believe that the set-aside program should be expanded. Approximately 56% of respondents believe that the set-aside program does benefit the general public. However, as Table 10 indicates and overwhelming 91.43% believe that the program should be more closely monitored to ensure strict adherence to the requirements and to assure validity of the participating firm. It should be pointed out here, that several notes expressing concern over the issue of adherence to the guidelines were found in the space provided for comments on the questionnaire.

There has been some concern expressed by the minority contractors,

TABLE 7.6: WHO BENEFITS FROM SET-ASIDE PROGRAMS

GROUP	YES		NO		UNSURE	
	FREQ	%	FREQ	%	FREQ	%
A. GENERAL PUBLIC	35	55.56	17	26.98	11	17.46
B. MINORITY CONTRACTOR	57	86.36	3	4.55	6	9.01
C. NON MINORITY CONTRACTOR	12	21.05	29	50.88	16	28.07
D. MINORITY WORKERS	41	67.21	14	22.95	6	9.84
E. NON MINORITY WORKERS	19	33.33	23	40.35	15	26.32
F. PROGRAM ADMINISTRATORS ONLY	21	42.86	14	28.57	14	28.57

TABLE 7.7: EFFECTS OF SET-ASIDE PROGRAMS

EFFECT	FREQUENCY	PERCENTAGE
SOCIAL BENEFITS FAR OUTWEIGH THE SOCIAL COSTS	23	33.33
UNSURE	20	28.99
SOCIAL BENEFITS ARE GREATER THAN SOCIAL COSTS	15	21.74
SOCIAL COSTS FAR OUTWEIGH ANY SOCIAL BENEFITS	9	13.04
SOCIAL COSTS ARE GREATER THAN SOCIAL BENEFITS	2	2.90

TABLE 7.8: SET-ASIDE PROGRAM

SUGGESTION	YES		NO		UNSURE	
	FREQ	%	FREQ	%	FREQ	%
A. THE SET-ASIDE PROGRAM SHOULD BE EXPANDED	49	74.24	11	16.67	6	9.09
B. THE SET-ASIDE PROGRAM SHOULD BE MANDATORY	44	69.84	12	19.05	9	11.11
C. THE SET-ASIDE PROGRAM SHOULD BE MONITORED	64	91.43	1	1.43	5	7.14
D. THE SET-ASIDE PROGRAM SHOULD BE CONTINUOUSLY ENCOURAGED	51	83.61	6	9.53	4	6.56
E. THE SET-ASIDE PROGRAM SHOULD BE MODIFIED	28	51.85	11	20.37	15	27.78
F. THE SET-ASIDE PROGRAM SHOULD BE ELIMINATED	7	13.46	42	80.77	3	5.77

that general contractors sometimes report that minority subcontractors are being used, when in fact they are not. There is also concern over the use of "sham" or minority-front operations to circumvent the set-aside requirements.

Questions VII and VIII, the third section of the questionnaire, was designed to determine the minority contractor's reaction towards replacing the set-aside program with some other program. Question VII asks whether the set-aside requirements should be waived for general contractors who establish minority internship programs. The results, displayed in Table 7.9, show that only 20.83% of the respondents indicated that the set-aside requirements should be waived for generals with minority internship programs. However, the majority, 56.93%, indicated that they felt that the requirements should not be waived for general contractors with minority internship programs, and 22.22% were unsure.

As can be seen in Table 7.10, 29.41% of the minority contractors surveyed felt that there are alternatives to the current set-aside program, 33.82% do not believe that there are any alternatives, and 36.77% were unsure.

In the space provided for contractor comments to this series of questions, there was very little input. The comments that were received usually indicated that a program designed to increase training opportunities or bonding ability would be most helpful.

7.5 ALTERNATIVE RANKING

The fourth section of the questionnaire was broken into groups of suggested alternatives designed to help increase minority participation in the construction industry in Florida. Each of the 30 alternatives

TABLE 7.9: SHOULD SET-ASIDE PERCENTAGE REQUIREMENTS BE WAIVED FOR CONTRACTORS WHO HAVE A MINORITY INTERNSHIP PROGRAM

RESPONSE	FREQUENCY	PERCENTAGE
YES	15	20.83
NO	41	56.95
UNSURE	16	22.22

table 7.10: OTHER ALTERNATIVES TO THE SET-ASIDE PROGRAM

RESPONSE	FREQUENCY	PERCENTAGE
YES	20	29.41
NO	23	33.82
UNSURE	25	36.77

has already been described in more detail in Chapter VI. The groups, and the corresponding tables are divided into four categories, FINANCE, BONDING, TRAINING AND EDUCATION, and OTHER. Each of the tables is set up in the same way, the first column contains the alternative, and alternative number (corresponding to the numbers used on the questionnaire in Appendix V). The second, third and fourth columns, labeled WOULD HELP, WOULD NOT HELP, and UNSURE, contain the raw data for the responses for each of the alternatives. The upper portion of the box for each alternative is the total number of respondents that choose that particular option, the lower portion is the percentage breakdown for that option. The final three columns contain the ranking of the alternatives in each section as determined from the question at the end of each section which asked the following: Which of the alternatives presented above would be most, second most, and third most helpful?

The ranking of each alternative was determined by using the same method as was used in Chapter VI, and is described below. The total number of respondees choosing a particular alternative as the most helpful was multiplied by three, then the total number of respondees choosing that alternative as second most helpful was multiplied by two, and finally the total number of respondees choosing that alternative as the third most helpful was not multiplied by a factor. The three figures were then added together using the following formula:

$$3a + 2b + c = \text{Ranking Number} \quad \text{FORMULA 1}$$

where:

a = Number of respondees choosing the alternative as the most helpful

b = Number of respondees choosing the alternative as the second most helpful

c = Number of respondees choosing the alternative as the third most helpful

This method was used in order to equitable judge the responses for each alternative. It gives the responses chosen as the most helpful the most weight.

7.6 FINANCE

Table 7.11 shows the results of the responses for the FINANCE section of the questionnaire. The minority contractors polled chose alternative 4, "Provide incentives to banks and lending institutions to develop a special minority contractor long-term financing program", as the alternative that would be the most helpful in increasing their participation in the construction industry. Alternative 1, "Encourage banks and lending institutions to appoint officers who specialize in working with minorities", was chosen as the second most helpful alternative in this section. These two alternatives are similar in that they are indicating a need for banks and lending institutions to acknowledge that minorities confront a different set of obstacles when applying for a loan than do non-minorities. The minority contractors polled feel that the best way to help them in the area of Finance is to establish programs whereby banks and lending institutions recognize these special needs and requirements.

7.7 BONDING

Table 7.12, the results of the BONDING section of the questionnaire, shows that the minority contractors chose alternative 11, "Relax bonding requirements for government work", as the most helpful. The choice of this alternative indicates that the minority contractors

TABLE 7.11: FINANCE RESPONSE TABLE

ALTERNATIVES	WOULD HELP	WOULD NOT HELP	UNSURE	MOST HELPFUL WEIGHTED AVERAGE		
				a + b + c	3a + 2b + c	RANK
1 Encourage banks & lending inst. to appoint officers who specialize in working with minorities	58	6	4	18 + 7 + 9	77	2
	85.30%	8.82%	5.88%			
2 Encourage non-profit org. to seek grants to establish revolving loan funds for minorities	41	13	11	6 + 6 + 2	32	5
	63.08%	20.00%	20.93%			
3 Encourage banks and lending inst. to streamline the loan application process	46	11	8	5 + 4 + 7	30	7
	70.77%	16.92%	12.31%			
4 Provide incentives to banks & lending inst. to develop a special long term financing program	57	10	2	15 + 15 + 9	84	1
	82.61%	14.49%	2.90%			
5 Encourage the private sector to assist gov. in providing financing for minorities	51	9	7	2 + 10 + 7	33	4
	76.12%	13.43%	10.45%			
6 Direct loans from government: Short Term	38	18	9	4 + 4 + 5	25	8
	58.46%	27.69%	13.85%			
7 Direct loans from government: Long Term	42	15	9	2 + 10 + 6	32	5
	63.64%	22.73%	13.63%			
8 Government guaranteed loans	46	12	7	7 + 2 + 11	36	3
	70.77%	18.46%	10.77%			
9 Government interest subsidies	37	14	12	1 + 1 + 3	8	9
	58.73%	22.22%	19.05%			

TABLE 7.12: BONDING RESPONSE TABLE

ALTERNATIVES	WOULD HELP	WOULD NOT HELP	UNSURE	MOST HELPFUL: WEIGHTED AVERAGE		
				a + b + c	3a + 2b + c	RANK
11 Relax bonding requirements for governmental work	50	13	6	30 + 8 + 5	111	1
	72.46%	18.84%	8.70%			
12 Increase government guaranteed bonds	31	17	19	5 + 11 + 6	43	4
	46.27%	25.37%	28.36%			
13 Encourage insurance co. to establish special bonding agents to work w/ minorities	63	5	2	13 + 22 + 10	93	2
	90.00%	7.15%	2.85%			
14 Encourage insurance co. to streamline bonding procedures	53	9	7	9 + 10 + 12	59	3
	76.81%	13.04%	10.15%			
15 Encourage private owners to reduce bonding requirements for minorities	48	13	8	2 + 7 + 16	36	5
	69.57%	18.84%	11.59%			
16 Encourage the private sector to assist gov. in providing bonding for minorities	53	8	8	3 + 5 + 12	31	6
	76.82%	11.59%	11.59%			

surveyed feel that by relaxing governmental bonding requirements, they will be better able to compete in the construction industry.

Alternative 13, "Encourage insurance companies to establish special bonding agents to work with minorities", was chosen as the second most helpful alternative in the BONDING section. The choice of alternative 13, combined with the similar choice of alternative 1 in the FINANCE section, clearly shows that minority contractors do not feel comfortable with the bonding and lending agents with whom they deal. They feel that the appointment of a special agent who is more familiar with their needs and requirements would be helpful in increasing their participation within the construction industry.

7.8 TRAINING AND EDUCATION

Of the alternatives listed in the TRAINING AND EDUCATION section, Table 7.13, alternative 18, "Increase construction training opportunities by using local school and college facilities", was chosen as the most helpful. The second most helpful alternative in this section was alternative 24, "Provide a technical and managerial consulting program to help minorities". The two alternatives chosen as the most helpful show that although the minority contractors surveyed feel that increased training is important, they also place value on the type of training that does not interfere with their time on the job. For instance, alternative 18 suggests the use of local school and college facilities for additional training. Since these facilities would naturally have to be used after normal school hours, and would be located near the contractor's home and/or place of business (hence "local"), they are ideally suited to be used for this purpose.

TABLE 7.13: TRAINING & EDUCATION RESPONSE TABLE

ALTERNATIVES	WOULD HELP	WOULD NOT HELP	UNSURE	MOST HELPFUL: WEIGHTED AVERAGE		
				a+b+c	3a+2b+c	RANK
18 Increase construction training opportunities by using local school and college facilities	61	2	4	22+9+9	93	1
	91.04%	2.99%	5.97%			
19 Encourage volunteers to form a technical & managerial assistance program for minorities	50	8	7	6+8+4	38	5
	76.92%	12.31%	10.77%			
20 Develop, publish & distribute a schedule of training & technical assistance opportunities	50	5	9	2+2+6	24	8
	78.13%	7.81%	14.06%			
21 Publish & distribute a listing of public & private agencies providing assistance to minorities	54	5	6	5+5+4	29	7
	83.08%	7.69%	9.23%			
22 Have government agencies conduct training throughout the state	44	12	10	5+9+5	48	4
	66.67%	18.18%	15.15%			
23 Encourage trade & contractor associations to provide training programs	60	4	4	4+8+9	37	6
	88.14%	7.24%	4.35%			
24 Provide Technical & managerial consulting program to help minorities	61	5	3	9+10+12	59	2
	82.18%	9.38%	7.81%			
25 Encourage banks & lending institutions to conduct training sessions	58	6	2	10+7+9	53	3
	87.88%	9.09%	3.03%			

The alternative chosen as the third most helpful, alternative 25 "Encourage banks and lending institutions to conduct training programs", can be related back to the Finance and Bonding sections. It reveals that the minority contractors surveyed do not feel comfortable with the procedures and the personnel that are associated with applying for loans and bonds.

7.9 OTHER

The final portion of this section of the questionnaire is the OTHER section, and the results are displayed in Table 7.14. As the table shows, alternative 30, "Encourage joint ventures among established, successful contractors and minorities", was chosen as the most helpful in this section. This alternative, as was explained in Chapter VI, is attractive for two reasons; first because it provides the minority contractor with a chance to gain first hand experience in all aspects of project management, and secondly, it allows the minority contractor to bid jobs that might normally be out of the scope of his/her company's capabilities.

The second most helpful alternative in this section was alternative 33, "Provide incentives to established contractors to set up internship programs for minorities". This alternative is very similar to alternative 32, except that in order for the minority contractor to take advantage of such a program, he/she would be required to give up all or part of the time spent on his/her existing job.

Alternative 31, "Solicit pledges from private firms to increase their purchase of services from minorities", and alternative 32, "Seek the commitment of established, successful contracting firms to minority development" were both tied as the third most helpful alternative in

TABLE 7.14: OTHER RESPONSE TABLE

ALTERNATIVES	WOULD HELP	WOULD NOT HELP	UNSURE	MOST HELPFUL: WEIGHTED AVERAGE		
				a + b + c	3a + 2b + c	RANK
27 Develop active, up-to-date local & state directories of minority contractors	52	5	10	9 + 5 + 7	44	6
	77.61%	7.46%	14.93%			
28 Require greater cooperation and less overlap of minority assistance services in government	44	7	15	8 + 9 + 4	46	5
	66.67%	10.60%	22.73%			
29 Establish more minority business centers	33	19	16	5 + 7 + 3	32	7
	68.53%	27.44%	33.53%			
30 Encourage joint ventures among established, successful contractors and minorities	52	9	7	18 + 13 + 3	83	1
	76.47%	13.24%	10.29%			
31 Solicit pledges from private firms to increase their purchase of services from minorities	45	10	11	8 + 11 + 5	51	3
	68.18%	15.15%	16.67%			
32 Seek the commitment of established, successful contracting firms to minority development	49	10	8	5 + 10 + 16	51	3
	73.13%	14.93%	11.94%			
33 Provide incentives to established contractors to set up internship programs for minorities	52	7	9	9 + 5 + 15	52	2
	76.47%	10.29%	13.24%			

this section of the questionnaire. Both of these alternatives are similar in that they are suggesting greater support from the private sector. Alternative 31 is aimed at the private sector as a whole, while alternative 32 is aimed specifically at the construction industry.

7.10 THE MOST BENEFICIAL, URGENTLY NEEDED, AND FEASIBLE ALTERNATIVE

Following the 34 alternatives in the questionnaire was a series of three questions that asked the respondents to rank the alternatives as most, second most, and third most Beneficial, Urgently Implemented, and Feasible.

Table 7.15 shows the respondents' choices for first, second, and third beneficial. As can be seen, suggestion 11, "Relax bonding requirements for governmental work", is ranked as the number 1 beneficial suggestion. Suggestion number 4, "Provide incentives for banks and lending institutions to develop a special contractor long-term financing program", was second and number 30, "Encourage joint ventures among established successful contractors and fledgling minority contractors" was third.

Table 7.16 shows the suggestions the minority contractors consider to be most urgently needed and should be implemented as soon as possible. Again, suggestion number 11 is ranked number one. However, number 30 is considered second most urgent and number 12, "Provide incentives to banks and lending institutions to develop special minority contractor long-term financing program", is third.

Table 7.17 shows which suggestion the respondents believe are most feasible to implement. Feasible was defined as meaning there will be no hindrance to implementation, no political roadblocks, and will be acceptable to the public. Number 11 is again ranked first and number 30

TABLE 7.15: MOST BENEFICIAL ALTERNATIVES

ALTERNATIVES	MOST BENEFICIAL (A)	SECOND MOST BENEFICIAL (B)	THIRD MOST BENEFICIAL (C)	WEIGHTED POINTS (D)*
11) Relax bonding requirements	9	8	6	49
4) Provide incentives to banks and lending institutions to develop a special minority contractor long term financing program	8	4	2	34
30) Encourage joint ventures among established, successful contractors and minorities	7	4	3	32
1) Encourage banks and lending institutions to appoint officers who specialize in working with minorities	3	5	2	21
14) Encourage insurance companies to streamline bonding procedures	1	6	3	18
18) Increase construction training opportunities by using school and college facilities.	3	2	4	17
13) Encourage insurance companies to establish special bonding agents to work with minority contractors	1	5	2	15

* $D = 3A + 2B + C$

TABLE 7.16: MOST URGENTLY IMPLEMENTED ALTERNATIVES

ALTERNATIVES	MOST BENEFICIAL (A)	SECOND MOST BENEFICIAL (B)	THIRD MOST BENEFICIAL (C)	WEIGHTED POINTS (D)*
11) Relax bonding requirements for governmental work	10	6	5	47
30) Encourage joint ventures among established, successful contractors and minorities	8	4	3	35
4) Provide incentives to banks and lending institutions to develop a special minority contractor long-term financing program	6	4	3	29
8) Government guaranteed loans	4	4	0	20
1) Encourage banks and lending institutions to appoint officers who specialize in working with minorities	3	4	2	19
13) Encourage insurance companies to establish bonding agents to work with minority contractors	0	8	3	19
3) Encourage banks and lending institutions to streamline the loan application process	0	8	3	19

* $D = 3A + 2B + C$

TABLE 7.17: MOST FEASIBLE ALTERNATIVES

ALTERNATIVES	MOST BENEFICIAL (A)	SECOND MOST BENEFICIAL (B)	THIRD MOST BENEFICIAL (C)	WEIGHTED POINTS (D)*
11) Relax bonding requirements for governmental work	8	7	2	40
30) Encourage joint ventures among established, successful contractors and fledgling minority contractors	8	2	2	30
18) Increase construction training opportunities by using school and college facilities.	6	3	2	26
1) Encourage banks and lending institutions to appoint officers who specialize in working with minorities	7	2	0	25
32) Seek the commitment of established, successful contracting firms to minority contractor development	3	3	3	18
4) Provide incentives to banks and lending institutions to develop a special minority contractor long-term financing program	4	2	0	16
13) Encourage insurance companies to establish special bonding agents to work with minority contractors	1	3	4	13

* $D = 3A + 2B + C$

is ranked second. The suggestion ranked third in feasibility is number 18, "Increase construction training opportunities by using local schools and colleges". The seven suggestions chosen most often in this section were:

Number 1--Encourage banks and lending institutions to appoint officers who specialize in working with minorities.

Number 4--Provide incentives to banks and lending institutions to develop a special minority contractor long-term financing program.

Number 11--Relax bonding requirements for governmental work.

Number 14--Encourage insurance companies to streamline bonding companies.

Number 18--Increase construction training opportunities by using local school and college facilities.

Number 30--Encourage joint ventures among established, successful contractors and fledgling minority contractors.

Number 32--Seek the commitment of established, successful contracting firms to minority contractor development.

Table 7.18 summarizes the results of this section of the Questionnaire. Once again, Formula 1 was used to rank the alternatives.

Alternative 11, "Relax bonding requirements for government work" was chosen as the Most Beneficial, Most Urgently Implemented and Most Feasible by the minority contractors polled. From their point of view, this alternative represents the best way in which minority participation in the construction industry can be increased. This alternative was also suggested by several of the bonding company representatives interviewed because they feel that the government can provide needed experience for small, inexperienced minority contractors without placing an undue burden on the private sector.

TABLE 7.18: MINORITY COMPARISON OF THE 34 ALTERNATIVES

BENEFICIAL			URGENTLY IMPLEMENTED			FEASIBLE		
NO.	a + b + c	3a+2b+c	NO.	a + b + c	3a+2b+c	NO.	a + b + c	3a+2b+c
11	9+8+6	49	11	10+6+5	47	11	8+7+2	40
4	8+4+2	34	30	8+4+3	35	30	8+7+2	40
30	7+4+3	32	4	6+4+3	29	18	6+3+2	26
1	3+5+2	21	3	4+4+0	20	1	7+2+0	25
14	1+6+3	18	1	3+4+2	19	32	3+3+3	18
18	3+2+4	17	13	0+8+3	19	4	4+2+0	16
13	1+5+2	15	3	4+3+0	18	13	1+3+4	13
3	3+2+1	14	14	3+3+2	17	3	4+0+0	12
31	4+0+2	14	13	3+2+3	16	16	0+3+4	10
32	3+2+1	14	32	2+2+5	15	28	1+2+3	10
8	1+4+2	13	2	2+3+0	12	14	0+3+3	9
2	2+2+1	11	29	3+0+2	11	23	0+3+3	9
24	2+1+3	11	3	3+1+0	11	25	0+3+3	9
5	2+1+2	10	25	0+3+4	10	31	2+1+0	8
16	1+3+0	9	7	2+1+1	9	6	1+2+0	7
8	0+3+2	8	28	0+2+5	9	8	1+2+0	7
25	0+2+4	8	15	1+1+2	7	12	0+3+1	7
6	1+1+2	7	6	1+1+1	6	29	2+0+1	7
15	2+0+1	7	16	1+1+0	5	2	0+3+0	6
27	1+1+2	7	2	1+0+2	5	19	0+3+0	6
29	2+0+1	7	9	0+2+0	4	24	1+0+3	6
7	1+0+3	6	23	1+0+1	4	7	1+1+0	5
28	0+1+4	6	24	0+1+2	4	27	0+0+5	5
33	1+0+3	6	33	0+0+4	4	33	1+0+3	5
19	1+1+0	5	5	0+1+1	3	15	1+0+1	4
23	1+0+1	4	29	0+1+1	3	21	1+0+1	4
9	0+1+0	2	19	0+1+0	2	20	0+0+2	2
21	0+0+2	2	12	0+0+1	1	5	0+0+1	1

Alternative number 4, "Provide incentives to banks and lending institutions to develop special minority contractor long term financing programs" was chosen as the second most Beneficial and third most Urgently Implemented alternative. In addition, this alternative was chosen as the most helpful of the Finance alternatives. The minority contractors polled feel that this alternative would not only be beneficial, but is also one that is needed to be implemented as soon as possible.

Alternative 30, "Encourage joint ventures among established, successful contractors and fledgling minority contractors" was chosen as the third most Beneficial, second most Urgently Implemented, and second most Feasible by the minority contractors. This alternative was also chosen as the most helpful of the other alternatives. Clearly the minority contractors are partial to this alternative because it will allow them to gain valuable construction experience, start a track record that can be used to obtain credit on later jobs, gain contacts in the construction industry and at the same time continue to operate their business with no lost time attending formal training sessions.

It is interesting to note that alternative 18, "Increase construction training opportunities by using local school and college facilities", which was favorably the top choice in all categories of the non-minority contractors was only chosen as the third most Feasible alternative by the minority contractor in this survey. While the non-minority contractor feels that this alternative is the best way to increase minority participation, the minority contractors feel that the relaxation of government bonding requirements (alternative 11) is the best way to increase their participation, suggesting that this alternative is merely one feasible way to achieve the same results.

CHAPTER 8
OVERALL COMPARISON BETWEEN MINORITY AND NON-MINORITY ON
SUGGESTED SOLUTIONS

This section compares the minority ranking of the suggested solutions as to most beneficial, most urgently implemented, and most feasible to the same ranking of the non-minority contractors. Table 7.19 shows the side by side results of these rankings, the suggested solution numbers correspond to the suggested solution numbers used in the questionnaire.

The non-minority contractors chose suggested solution 18, "Increase Construction Training Opportunities By Using Local School and College Facilities" as the most beneficial suggested solution presented. They also chose this suggested solution as the most Urgently Implemented, and the most Feasible suggested solution. From the non-minority point of view, increasing the educational background of the minority contractor seems to be the best way to increase their participation in the construction industry in Florida.

In contrast, the minority contractors polled chose suggested solution 11, "Relax Bonding Requirements For Governmental Work", as the most Beneficial, most Urgently Implemented and most Feasible. From the minority point of view, a relaxation of the governmental bonding requirements would be the best way to increase their participation in the construction industry in Florida.

There are four suggested solutions that appear on both the minority and the non-minority top ten lists, they are suggested solutions 18, 11, 30, and 1. Suggested solutions 18 and 11 were mentioned above, suggested solution 30 is to "Encourage Joint Ventures Among Established, Successful Contractors and Fledgling Minority Contractors", suggested

TABLE 7.19: OVERALL ALTERNATIVE COMPARISON BETWEEN MINORITY AND NON-MINORITY CONTRACTORS

BENEFICIAL				
RANK	NON MINORITY		MINORITY	
	SUGGESTION NO.	INDEX	SUGGESTION NO.	INDEX
1	✓ 18	142	○ 11	49
2	△ 30	58	4	34
3	33	45	△ 30	32
4	23	41	□ 1	21
5	□ 1	34	14	18
6	19	33	✓ 18	17
7	24	32	13	15
8	○ 11	30	3	14
9	4	25	31	14
10	20	25	32	14

URGENTLY IMPLEMENTED				
RANK	NON MINORITY		MINORITY	
	SUGGESTION NO.	INDEX	SUGGESTION NO.	INDEX
1	✓ 18	120	○ 11	47
2	24	41	△ 30	35
3	33	38	4	29
4	○ 11	35	8	20
5	20	29	□ 1	19
6	□ 1	28	13	19
7	25	27	3	18
8	23	26	14	17
9	△ 30	25	✓ 18	16
10	19	24	32	15

FEASIBLE				
RANK	NON MINORITY		MINORITY	
	SUGGESTION NO.	INDEX	SUGGESTION NO.	INDEX
1	✓ 18	134	○ 11	40
2	19	45	△ 30	30
3	23	44	✓ 18	26
4	△ 30	36	□ 1	25
5	33	35	32	18
6	24	30	4	16
7	20	28	13	13
8	25	26	3	12
9	27	23	16	10
10	○ 11, 13, 28	18	28	10

KEY: □ ○ △ ✓ = Suggested Solutions that Minority & Non Minority have in common

solution 1 is to "Encourage Banks and Lending Institutions to Appoint Officers who Specialize in Working with Minorities".

These four suggested solutions, highlighted in the table, were the suggested solutions that both the minority and the non-minority contractors polled generally agreed on to increase minority participation in the construction industry in Florida. Since these four were ranked high by both the minority and non-minority contractors, they should be the suggested solutions that receive the most attention by subsequent studies in this area of research.

Suggested solution 4, "Provide Incentives to Banks and Lending Institutions to Develop a Special Long-Term Financing Program", was also mentioned in the top ten of each of the minority ranking tables. This particular solution was not considered as important from the non-minority point of view, as it was mentioned only once, under the most Beneficial section of the table.

Three other suggested solutions were noted on the minority side of the table, that do not show up on the non-minority side. They are suggested solution 13, "Encourage Insurance Companies to Establish Special Bonding Agents to Work with Minority Contractors"; suggested solution 3, "Encourage Banks and Lending Institutions to Streamline the Loan Application Process"; and suggested solution 32, "Seek the Commitment of Established, Successful Contracting Firms to Minority Contractor Development".

In addition, one other suggested solution was chosen by the minority contractors polled in two of the categories, most Beneficial and most Urgently Implemented. This suggested solution is 14, "Encourage Insurance Companies to Streamline Bonding Procedures". This suggested solutions is similar to number 3, mentioned above.

CHAPTER 9
CONCLUSION AND RECOMMENDATION

The primary purpose of Phase II study is to confirm the problems faced by minority contractors in their daily operations found in the Phase I study, and to generate strategical solutions on increasing minorities' participation in the construction industry in Florida. This Phase II study has confirmed that minority contractors do encounter numerous problems in the areas of Finance, Bonding, Lack of Management Skill, Labor Requirements and Marketing.

In addition, those bankers, bonding agents, government agents, and non-minority contractors which were surveyed in this study, expressed their strong concern that more education, training, and efficient state-wide minority networks are needed to help their participation.

Although, the questionnaire surveys on both minority contractors and non-minority contractors do not arrive at unanimously accepted suggestions, both parties favorably support the following suggestions which would definitely benefit minority participation. These suggestions need to be implemented urgently, and they believe that the implementation would have the least political roadblocks. These suggestions are:

- 1) Increase construction training opportunities by using local school and college facilities.
- 2) Relax bonding requirements for governmental work.
- 3) Encourage joint ventures among established, successful contractors and fledgling minority contractors.
- 4) Encourage banks and lending institutions to appoint officers who specialize in working with minorities.

Further studies to develop detailed workable plans on the above suggestions are recommended in Phase III study.

APPENDIX I

QUESTIONNAIRE

TYPE OF FIRM

1. What type of certified license do you have in Florida?

- General Contractor
- Residential Contractor
- Building Contractor
- Air Conditioning Contractor
- Roofing Contractor
- Sheet Metal Contractor
- Solar Water Contractor
- Underground Utility Contractor
- Mechanical Contractor
- Specialties Contractor
- Pool Contractor
- Plumbing Contractor
- Other (specify) _____

2. What type of construction does your firm primarily perform? (specify one only)

- Residential Building
- Commercial Building
- Highway
- Heavy-Industrial
- Municipal-Utilities
- Repairs and Alternations

WNERSHIP

3. The organization of your firm is:

- Single owner Partnership
 Corporation

Of which group does the owner or manager of the firm consider himself/herself a member.

- Health
 good
 disabled
 mentally disabled

- Sex
 male
 female

- Ethnic Group
 American Indians
 Asian-American
 Black
 Caucasian (white)
 Spanish American
 Other (specify) _____

- Age
 20-29
 30-39
 40-49
 50-59
 60 or above

5. Number of regular payroll employees:
_____ (specify number)

6. Annual gross dollar volume of work performed by your firm.
_____ (specify in dollar)

DIFFICULTIES ENCOUNTERED IN OPERATION OF YOUR FIRM (Check all that apply)

7. Financing

- Obtaining interim working capital
- Meeting requirements for loan
- Obtaining credit for supplies
- Customers have difficulties obtainin financing
- High interest rates
- Difficult to collect payments from customers
- Other (specify) _____

8. Bonding (reasons behind difficulties in securing a bond)

- Lack of familiarity with procedures used by insurance industry
- Lack of construction experience
- Insufficiently skilled crafts person
- Insufficient management ability
- Improper bookkeeping practices
- Inadequate working capital
- Inadequate equipment
- Insufficient bank credit
- Inability to post collateral
- Inability to meet completion schedul
- Inability to get a co-signer
- Other (specify) _____

9. Labor

- Recruitment-skilled craft persons
- Recruitment-supervisory personnel
- Recruitment-management personnel
- Turnover
- Training
- Difficulties with union
- Aged work force
- Other (specify) _____

APPENDIX II

LENDERS TELEPHONE INTERVIEW

Lending Institution:

Institution _____

Location _____

Phone Number _____

Date _____ Time Started _____ Ended _____

Person Interviewed _____

1. Do you make working capital or interim loans to contractors?

Yes _____ No _____

Comments

2. What percentage of the applicants for these loans are minority?

Percentage _____ Can not tell _____ Do not know _____

Comments

3. What are the most common reasons for disapproval?

	Minorities	Other	No Difference
Not enough capital	_____	_____	_____
Poor work history	_____	_____	_____
Lack of experience	_____	_____	_____
Poor records:			
Financial	_____	_____	_____
Job	_____	_____	_____
Poor credit	_____	_____	_____
Unable to complete application	_____	_____	_____
Other	_____	_____	_____

4. What can be done that will most help small minority businesses?

	Feasible	Desirable	Important
A. Set asides	_____	_____	_____
B. Training/Education			
Technical	_____	_____	_____
Business	_____	_____	_____
C. Make people aware of existing programs	_____	_____	_____
How? _____			

D. Guaranteed loans	_____	_____	_____
How much guaranteed? _____			
E. Direct government loans	_____	_____	_____
F. Grants	_____	_____	_____
G. Venture capital groups	_____	_____	_____
H. Other Suggestions			

Institution: _____

Location: _____

Phone Number: _____

Time Started: _____ Time Ended: _____ Date _____

Person Interviewed: _____

1. Do you arrange performance bonds for contractors?

Yes _____ No _____

Comments:

2. What percentage of the applicants for bonds are minorities?

minority _____ cannot tell _____ do not know _____

Comments:

3. What are the most common reasons applicants for bonds are disapproved?

not enough capital _____ poor work history _____

lack of experience _____ poor credit _____

poor records: job _____ unable to complete application _____

financial _____ other _____

4. What do you think could be done so that minority contractors could get bonds?

APPENDIX III

NAME OF AGENCY: _____
PERSON INTERVIEWED: _____
POSITION OF PERSON INTERVIEWED: _____
DATE/TIME: _____

1. MBE Set Aside Program

- a. Cannot meet high bonding requirements

- b. Not aware of Set Aside programs

- c. Not invited to bid MBE jobs

- d. Unclear on MBE qualification regulations

- e. Too much competition

- f. Not a registered minority business as per regulations

- g. Not aware of MBE jobs

2. Increase managerial skills of minority contractors

a. Cost estimating

b. Bidding

c. Reading blueprints

d. Handling finances

e. Personnel management

f. Scheduling

SOLUTIONS LIST:

EDUCATION

Publish and distribute a listing of public and private agencies that provide technical and managerial assistance to minorities

Develop, publish and distribute a monthly schedule of training and development opportunities

Workshops **Minority Business Seminars**

Business Assistance Program

Business Internship Program

On the job training

NETWORKING

Directory of Minority Contractors

Drive to register all minority contractors

Central Information & Referral Sources

Technical Assistance Pool

JOINT VENTURE

Between Minority Firms

Between Minority and Non-Minority Firm

MINORITY CONTRACTOR ASSOCIATION

APPENDIX IV

I. What classification best describes your company?

- General Contractor
- Builder/Developer
- Subcontractor
- Other (specify) _____

II. What type of construction does your firm primarily perform? (Specify one only)

- Residential building
- Commercial building
- Heavy-Industrial
- Municipal-Utilities
- Highway
- Repairs and Alterations

The organization of your firm is:

- Single owner
- Corporation
- Partnership

III. Which group does the owner or manager of the firm consider himself/herself a member?

- Health
- Good
 - Disabled
 - Mentally disabled
- Sex
- Male
 - Female

Ethnic Group

- American Indian
- Asian-American
- Black
- Caucasian (white)
- Spanish American
- Other (specify) _____

IV. The government and numerous local governing bodies in Florida have enacted various statutes and/or ordinances to set aside a certain percentage of construction funds for Minority Owned firms to help minorities participate in the construction industry in Florida (Minorities include Blacks, American Indians, Alaskan Native, Asian-Americans, women and the disabled). Please check any of the applicable responses to the following statements which are related to the set aside program.

In your opinion, the set-aside program benefits

	YES	NO	UNSURE
a. The general public	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. The Minority contractor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. The Non-minority contractor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. The Minority worker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. The Non-minority worker	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Those who administer them only	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Other (please specify) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

V. The effect of the set-aside program is that the: (Please choose one)

- Social benefits far outweigh the social costs
- Social benefits are greater than the social costs
- Social costs are greater than the social benefits
- Social costs far outweigh any social benefits
- Unsure

VI. Please check any of the applicable responses to the statements below.

	YES	NO	UNSURE
a. The set-aside program should be expanded	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. The set-aside program should be mandatory	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. The set-aside program should be monitored to assure strict adherence to requirements, and to assure validity of participating firms	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. The set-aside program should be continuously encouraged	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. The set-aside program should be modified	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. The set-aside program should be eliminated	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

VII. Some non-minority contractors have instituted internship programs designed to provide technical and managerial training to minority contractors. Do you think that the set-aside percentage requirements should be waived for contractors who have a state approved minority internship program in effect?

- YES
- NO
- UNSURE

VIII. Do you feel that there are any other alternatives to the set-aside program that would increase minority participation in the construction industry?

- YES
- NO
- UNSURE

If yes, please state your alternative below.

In addition to the set-aside program, some of the following programs have been suggested as state or local policy. Please indicate which of the programs will help your participation in the construction industry.

<u>FINANCE</u> Alternative Number	Alternative Number	WOULD HELP	NOT HELP	UNSURE
1. Encourage banks and lending institutions to appoint officers who specialize in working with minorities	[]	[]	[]	[]
2. Encourage non-profit organizations to seek grants to establish revolving loan funds to provide capital for minority contractors	[]	[]	[]	[]
3. Encourage banks and lending institutions to streamline the loan application process	[]	[]	[]	[]
4. Provide incentives to banks and lending institutions to develop a special minority contractor long term financing program	[]	[]	[]	[]
5. Encourage the private sector to assist government in providing financing for minority contractors.	[]	[]	[]	[]
6. Direct loans from government: Short Term	[]	[]	[]	[]
7. Direct loans from government: Long Term	[]	[]	[]	[]
8. Government guaranteed loans	[]	[]	[]	[]
9. Government interest subsidies	[]	[]	[]	[]
10. OTHER:	[]	[]	[]	[]

Which of the Finance alternatives presented above would be: (Please put the alternative number in the appropriate box)

Number [] Most Helpful [] Second Most Helpful [] Third Most Helpful

BONDING

11. Relax bonding requirements for governmental work	[]	[]	[]	[]
12. Increase government guaranteed bonds	[]	[]	[]	[]
13. Encourage insurance companies to establish special bonding agents to work with minority contractors	[]	[]	[]	[]
14. Encourage insurance companies to streamline bonding procedures	[]	[]	[]	[]
15. Encourage private owners to reduce bonding requirements for minorities	[]	[]	[]	[]
16. Encourage the private sector to assist government in providing bonding for minority contractors.	[]	[]	[]	[]
17. OTHER:	[]	[]	[]	[]

Which of the Bonding alternatives presented above would be: (Please put the alternative number in the appropriate box)

Number [] Most Helpful [] Second Most Helpful [] Third Most Helpful

TRAINING & EDUCATION

18. Increase construction training opportunities by using local school and college facilities.	[]	[]	[]	[]
19. Encourage volunteers to form a technical & managerial assistance program to help minority contractors.	[]	[]	[]	[]
20. Develop, publish and distribute a schedule of training and technical assistance opportunities.	[]	[]	[]	[]
21. Publish and distribute a listing of public and private agencies providing technical and managerial assistance to minorities.	[]	[]	[]	[]
22. Have government agencies conduct training programs throughout the state	[]	[]	[]	[]
23. Encourage trade and contractor associations to provide training programs	[]	[]	[]	[]
24. Provide technical & managerial consulting program to help minority contractors.	[]	[]	[]	[]
25. Encourage banks and lending institutions to conduct training sessions on financing for minorities	[]	[]	[]	[]
26. OTHER:	[]	[]	[]	[]

25. Encourage banks and lending institutions to conduct training sessions on financing for minorities

26. OTHER:

Which of the Training & Education alternatives presented above would be: (Please put the alternative number in the appropriate box)

Number [] Most Helpful [] Second Most Helpful [] Third Most Helpful

OTHER

- 27. Develop active, up-to-date local and state directories of minority contractors.
- 28. Require greater cooperation and less overlap of minority assistance services among governmental agencies.
- 29. Establish more Minority Business Centers
- 30. Encourage joint ventures among established, successful contractors and fledgling minority contractors.
- 31. Solicit pledges from private firms to actively seek to increase their purchase of construction services from minority contractors
- 32. Seek the commitment of established, successful contracting firms to minority contractor development.
- 33. Provide incentives to established contractors to set up internship programs for minority contractors
- 34. OTHER:

Which of the Other alternatives presented above would be: (Please put the alternative number in the appropriate box)

Number [] Most Helpful [] Second Most Helpful [] Third Most Helpful

Which of the 34 alternatives presented above would be most, second and third beneficial to minority contractors? (Please put the alternative number in the appropriate box.)

Number [] Most Beneficial [] Second Most Beneficial [] Third Most Beneficial

Which of the 34 alternatives presented above should be most, second and third urgently implemented?

Number [] Most Urgently Implemented [] Second Most Urgently Implemented [] Third Most Urgently Implemented

Which of the 34 alternatives presented above would be the most feasibly implemented? "Feasible" means that there will be no hindrance to implementation, no political roadblocks, and will be acceptable to the public. Please put the alternative number in the appropriate box.

Number [] Most Feasible [] Second Most Feasible [] Third Most Feasible

X.
Any additional comments you may have will be appreciated.

XI.
We would like to obtain further input from you. If you would not mind being contacted, please put your name, address, and phone number below.

NAME

ADDRESS

PHONE

XII.
Thank you for your cooperation.

APPENDIX V

What type of certified license do you have in Florida?

- General contractor
- Residential contractor
- Building contractor
- Air Conditioning contractor
- Roofing contractor
- Sheet Metal contractor
- Solar Water contractor
- Underground Utility contractor
- Mechanical contractor
- Specialties contractor
- Pool contractor
- Plumbing contractor
- Other (specify) _____

II. What type of construction does your firm primarily perform? (Specify one only)

- Residential building
- Commercial building
- Heavy-Industrial
- Municipal-Utilities
- Highway
- Repairs and Alterations

The organization of your firm is:

- Single owner
- Corporation
- Partnership

Which group does the owner or manager of the firm consider himself/herself a member.

- Good
- Disabled
- Mentally disabled

- Male
- Female

- Group
- American Indian
- Asian-American
- Black
- Caucasian (white)
- Spanish American
- Other (specify) _____

IV.

The government and numerous local governing bodies in Florida have enacted various statutes and/or ordinances to set aside a certain percentage of construction funds for Minority Owned firms to help minorities participate in the construction industry in Florida (Minorities include Blacks, American Indians, Alaskan Native, Asian-Americans, women and the disabled). Please check any of the applicable responses to the following statements which are related to the set aside program.

In your opinion, the set-aside program benefits

	YES	NO	UNSURE
a. The general public	___	___	___
b. The Minority contractor	___	___	___
c. The Non-minority contractor	___	___	___
d. The Minority worker	___	___	___
e. The Non-minority worker	___	___	___
f. Those who administer them only	___	___	___
g. Other (please specify) _____	___	___	___

V.

The effect of the set-aside program is that the: (Please choose one)

- Social benefits far outweigh the social costs
- Social benefits are greater than the social costs
- Social costs are greater than the social benefits
- Social costs far outweigh any social benefits
- Unsure

VI.

Please check any of the applicable responses to the statements below.

	YES	NO	UNSURE
a. The set-aside program should be expanded	___	___	___
b. The set-aside program should be mandatory	___	___	___
c. The set-aside program should be monitored to assure strict adherence to requirements, and to assure validity of participating firms	___	___	___
d. The set-aside program should be continuously encouraged	___	___	___
e. The set-aside program should be modified	___	___	___
f. The set-aside program should be eliminated	___	___	___

VII.

Some non-minority contractors have instituted internship programs designed to provide technical and managerial training to minority contractors. Do you think that the set-aside percentage requirements should be waived for contractors who have a state approved minority internship program in effect?

- YES
- NO
- UNSURE

VIII.

Do you feel that there are any other alternatives to the set-aside program that would increase minority participation in the construction industry?

- YES
- NO
- UNSURE

If yes, please state your alternative below.

Assuring that the set-aside program could be replaced by one or more of the below alternatives, which should be suggested as state or local policies. Please indicate which of the alternatives you think would increase minority participation in the construction industry in Florida.

FINANCE

- | Alternative
Number | WOULD
HELP | NOT
HELP | UNSURE |
|--|---------------|-------------|--------|
| 1. Encourage banks and lending institutions to appoint officers who specialize in working with minorities | [] | [] | [] |
| 2. Encourage non-profit organizations to seek grants to establish revolving loan funds to provide capital for minority contractors | [] | [] | [] |
| 3. Encourage banks and lending institutions to streamline the loan application process | [] | [] | [] |
| 4. Provide incentives to banks and lending institutions to develop a special minority contractor long term financing program | [] | [] | [] |
| 5. Encourage the private sector to assist government in providing financing for minority contractors. | [] | [] | [] |
| 6. Direct loans from government: Short Term | [] | [] | [] |
| 7. Direct loans from government: Long Term | [] | [] | [] |
| 8. Government guaranteed loans | [] | [] | [] |
| 9. Government interest subsidies | [] | [] | [] |
| 10. OTHER: | [] | [] | [] |

Which of the Finance alternatives presented above would be: (Please put the alternative number in the appropriate box)

Number [] Most Helpful [] Second Most Helpful [] Third Most Helpful

BONDING

- | | | | |
|---|-----|-----|-----|
| 11. Relax bonding requirements for governmental work | [] | [] | [] |
| 12. Increase government guaranteed bonds | [] | [] | [] |
| 13. Encourage Insurance Companies to establish special bonding agents to work with minority contractors | [] | [] | [] |
| 14. Encourage Insurance Companies to streamline bonding procedures | [] | [] | [] |
| 15. Encourage private owners to reduce bonding requirements for minorities | [] | [] | [] |
| 16. Encourage the private sector to assist government in providing bonding for minority contractors. | [] | [] | [] |
| 17. OTHER: | [] | [] | [] |

Which of the Bonding alternatives presented above would be: (Please put the alternative number in the appropriate box)

Number [] Most Helpful [] Second Most Helpful [] Third Most Helpful

TRAINING & EDUCATION

- | | | | |
|--|-----|-----|-----|
| 18. Increase construction training opportunities by using local school and college facilities. | [] | [] | [] |
| 19. Encourage volunteers to form a technical & managerial assistance program to help minority contractors. | [] | [] | [] |
| 20. Develop, publish and distribute a schedule of training and technical assistance opportunities. | [] | [] | [] |
| 21. Publish and distribute a listing of public and private agencies providing technical and managerial assistance to minorities. | [] | [] | [] |
| 22. Have government agencies conduct training programs throughout the state | [] | [] | [] |
| 23. Encourage trade and contractor associations to provide training programs | [] | [] | [] |
| 24. Provide technical & managerial consulting program to help minority contractors. | [] | [] | [] |
| 25. Encourage banks and lending institutions to conduct training sessions on financing for minorities | [] | [] | [] |
| 26. OTHER: | [] | [] | [] |

Which of the Training & Education alternatives presented above would be: (Please put the alternative number in the appropriate box)

Number	Number	Number	Number
[] Most Helpful	[] Second Most Helpful	[] Third Most Helpful	
<u>OTHER</u>			
27. Develop active, up-to-date local and state directories of minority contractors.			
28. Require greater cooperation and less overlap of minority assistance services among governmental agencies.			
29. Establish more Minority Business Centers			
30. Encourage joint ventures among established, successful contractors and fledgling minority contractors.			
31. Solicit pledges from private firms to actively seek to increase their purchase of construction services from minority contractors			
32. Seek the commitment of established, successful contracting firms to minority contractor development.			
33. Provide incentives to established contractors to set up internship programs for minority contractors			
34. OTHER:			

Which of the Other alternatives presented above would be: (Please put the alternative number in the appropriate box)

Number	Number	Number
[] Most Helpful	[] Second Most Helpful	[] Third Most Helpful

Which of the 34 alternatives presented above would be most, second and third beneficial to minority contractors? (Please put the alternative number in the appropriate box.)

Number	Number	Number
[] Most Beneficial	[] Second Most Beneficial	[] Third Most Beneficial

Which of the 34 alternatives presented above should be most, second and third urgently implemented?

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Which of the 34 alternatives presented above would be the most feasibly implemented? "Feasible" means that there will be no hindrance to implementation, no political roadblocks, and will be acceptable to the public. Please put the alternative number in the appropriate box.

Number	Number	Number
[] Most Feasible	[] Second Most Feasible	[] Third Most Feasible

