

FLORIDA DEPARTMENT OF TRANSPORTATION

METHODOLOGY FOR DETERMINING DBE GOAL (49 CFR 26.45) FEDERAL FISCAL YEAR 2010

OVERALL GOAL

The overall goal for the Florida Department of Transportation's (FDOT) Disadvantaged Business Enterprise (DBE) program for federal-funded highway contracts is established on an annual basis. The overall goal for federal fiscal year 2010 has been set at **8.18%** utilizing the methodologies described in 49 CFR Part 26.

METHODOLOGY

In setting the goal for the Department, it is required that the goal setting process begin with a base figure for the relative availability of DBEs. The overall goal must be based on demonstrable evidence of the availability of ready, willing, and able DBEs relative to all businesses ready, willing, and able to participate on USDOT-assisted contracts. The goal reflects the DBE participation expected absent the effect of discrimination.

The Department has reviewed the alternatives listed in 49 CFR Part 26 and selected the bidders list as the best approach for goal development. The Department has gathered information for the bidders list from the three sources below and has included those firms bidding between 2006 thru 2008 calendar years. The bidders list includes those firms that were awarded bids as a prime or a subcontractor as well as those firms that were not awarded bids, but did bid as a prime or a subcontractor on a non-awarded bid.

- Subcontractors listed on the Bidders Opportunity List (see Exhibit 1) that is provided by primes in their bids submitted to Contracts Administration Office for construction contracts and the Procurement Office for professional services contracts; this form is provided whether they were awarded the bid or not.
- Surveys of DBEs and non-DBEs were also used to supplement the information from the Bidders Opportunity List (see Exhibit 2).
- Reports from Trns*port that lists who submitted a bid and were awarded a bid and their subcontractors listed.

Most of this information was entered into our Equal Opportunity Reporting System (BizTrak) that generated the reports for the step one analysis.

Step One

In the analysis of the relative availability of DBEs, the Department reviewed the last three years to determine the median percentage of dollars expected to be available for the two major work categories: contractors and consultants. Contractors received 84.82% of

the awarded federal dollars and consultants received 15.18% of the awarded federal dollars.

CONSTRUCTION CONTRACTORS:

The Department’s Trns*port System has adequate information to identify how much dollars the Department spends on different type of construction work. The Department, however, does not prequalify or track the types of work performed by all subcontractors. Therefore, the Department cannot weight the dollars for construction by the type of work. The only information related to weighting that can be used in construction is in major and intermediate bridges where the Department has no DBEs that can perform this work. The Department estimates that 9.64% (data is captured in Trns*port) of our federal funds are used for major and intermediate bridges. After subtracting these dollars from this analysis, the Department estimates that 75.18% (84.82%-9.64%) of our dollars are available for DBEs in construction work.

The Department reviewed the bidders list and found that a total of 3,437 firms were bidding as either a prime or a subcontractor on construction projects. Of this amount 231 or 6.72% were DBEs.

Given that 75.18% of the Department’s dollars are available for DBEs in construction work and that 6.72% of the construction bidders are DBEs, the Department would expect that 5.05% of all dollars awarded would be awarded to DBEs in construction work. This is represented by the following calculation: $.0672 \times 75.18\% = 5.05\%$

CONSULTANTS:

The median dollars received by the consultant industry over the last three years was 15.18% of the federal dollars. The Department prequalifies all of our professional services’ firms by work category and also tracks the dollars spent in each of these work categories. Therefore, the Department is able to weight our calculations by each work group. The following table provides the percentage of dollars that DBEs would be expected to receive by work category:

PREQUALIFICATION AREA	DBEs &		PERCENT OF DBES BIDDING	PERCENT	
	TOTAL BIDDING	DBEs BIDDING		FEDERAL DOLLARS	PERCENT FOR DBES
PD & E Studies	85	6	7.06%	16.17%	1.14%
Minor Highway Design	227	64	28.19%	10.40%	2.93%
Major Highway Design	149	28	18.79%	7.63%	1.43%
Controlled Access Hwy Design	111	19	17.12%	7.85%	1.34%
Minor Bridge Design	93	17	18.28%	0.26%	0.05%
Major Bridge Design -	42	6	14.29%	1.46%	0.21%

Concrete					
Moveable Span Bridge Design	6	0	0.00%	0.88%	0.00%
Conventional Bridge					
Inspection	76	14	18.42%	2.77%	0.51%
Traffic Engineering Studies	134	30	22.39%	0.40%	0.09%
Traffic Eng. Systems Implemetation	52	9	17.31%	0.06%	0.01%
Control Surveying	85	16	18.82%	0.01%	0.00%
Design, Right of Way & Const. Survey	87	17	19.54%	0.03%	0.01%
Photogrammetric Mapping	12	2	16.67%	0.55%	0.09%
Highway Materials Testing	30	8	26.67%	0.72%	0.19%
Roadway CEI	153	46	30.07%	39.57%	11.90%
Minor Bridge & Misc. Structures CEI	57	9	15.79%	0.56%	0.09%
Policy Planning	68	9	13.24%	3.94%	0.52%
Systems Planning	84	15	17.86%	3.79%	0.68%
Subarea/Corridor Planning	116	23	19.83%	0.22%	0.04%
Transportation Statistics	59	16	27.12%	2.74%	0.74%
Weighted Availability of DBEs				100.01%	21.98%

The weighted DBE consultant availability is 21.98%. Given that consultants would get 15.18% of the total federal dollars awarded, the Department would expect that 3.34% of all dollars awarded would be awarded to DBE consultants. This is represented by the following calculation: $.2198 \times 15.18 = 3.34\%$

Step One Result:

Contractor Availability	5.05%
Consultant Availability	3.34%

Baseline Goal

8.39% relative DBE availability

The results of step one indicate that 8.38% is a valid base figure under current rules and processes for the determination of availability. This has been determined based on the most accurate information available.

Step Two

According to 49 CFR Part 26, step two of the calculation process should examine the evidence available to determine if adjustments are needed in the base figure to arrive at an overall goal. The last Disparity Study conducted for the Department was dated January 1999 and reviewed data from July 1991 through December 1997. This study conducted by MGT of America recommended “the suspension of current race and gender preference programs” and “the establishment of race and gender neutral programs which assist all small businesses.” The only other evidence that was available to be considered

to determine if an adjustment was warranted was the capacity of DBEs measured by the past volume of work performed between 2005 and 2007.

PAST PARTICIPATION

To analyze past performance, the Department narrowly tailored our review by reviewing the performance of contractors and consultants separately over the past 7 years.

In the past seven fiscal years from 2001/2002 thru 2007/2008, DBE contractors performed 3.85%, 4.66%, 6.13%, 6.71%, 5.98%, 6.16%, and 5.01% respectively of the Federal-aid work, in dollars. The median past participation over these seven years is 5.98% and the relative availability of DBE contractors as determined in step one is 5.20%. To incorporate past performance, the Department believes the appropriate adjustment is to average the median past participation (5.98%) and the relative availability (5.05%). This average is 5.51%, which results in an upward adjustment to the relative availability of .46% for contractors.

In the same fiscal years, DBE consultants performed 1.25%, 3.17%, 1.42%, 1.32%, 2.17%, 1.99%, and 2.74% respectively, of the Federal-aid work, in dollars. The median past participation over these seven years is 1.99%. The relative availability of DBE consultants as determined in step one is 3.34%. To incorporate past performance, the Department believes the appropriate adjustment is to average the median past participation (1.99%) and the relative availability (3.34%). This average is 2.66%, which results in a downward adjustment to the relative availability of .67% for consultants.

PAST PARTICIPATION

<u>Fed Fiscal Year</u>	<u>% work by DBE</u>	<u>% DBE Contractors</u>	<u>% DBE Consultants</u>
<u>2001/02</u>	<u>5.10</u>	<u>3.85</u>	<u>1.25</u>
<u>2002/03</u>	<u>7.83</u>	<u>4.66</u>	<u>3.17</u>
<u>2003/04</u>	<u>7.55</u>	<u>6.13</u>	<u>1.42</u>
<u>2004/05</u>	<u>8.03</u>	<u>6.71</u>	<u>1.32</u>
<u>2005/06</u>	<u>8.15</u>	<u>5.98</u>	<u>2.17</u>
<u>2006/07</u>	<u>8.15</u>	<u>6.16</u>	<u>1.99</u>
<u>2007/08</u>	<u>7.75</u>	<u>5.01</u>	<u>2.74</u>
<u>Median</u>		<u>5.98</u>	<u>1.99</u>

Therefore, the proposed DBE goal is represented by the following calculation:

Baseline Goal:	8.39%
Adjustment for Contractors:	+ .46%
Adjustment for Consultants:	- .67%
Proposed DBE Goal:	8.18% (rounded to 8.2%)