



DBE Program Triennial Goal Methodology

April 2, 2019

Overview

- Business Outreach Committee
- DBE Program Background
- Recipient Role
- Triennial Goal Setting Methodology
- Open Forum

Business Outreach Committee (BOC)

- A consortium of Bay Area transit and transportation agencies whose goal is to assist small and disadvantaged companies in doing business with Bay Area Transportation Agencies.



DBE Program Background

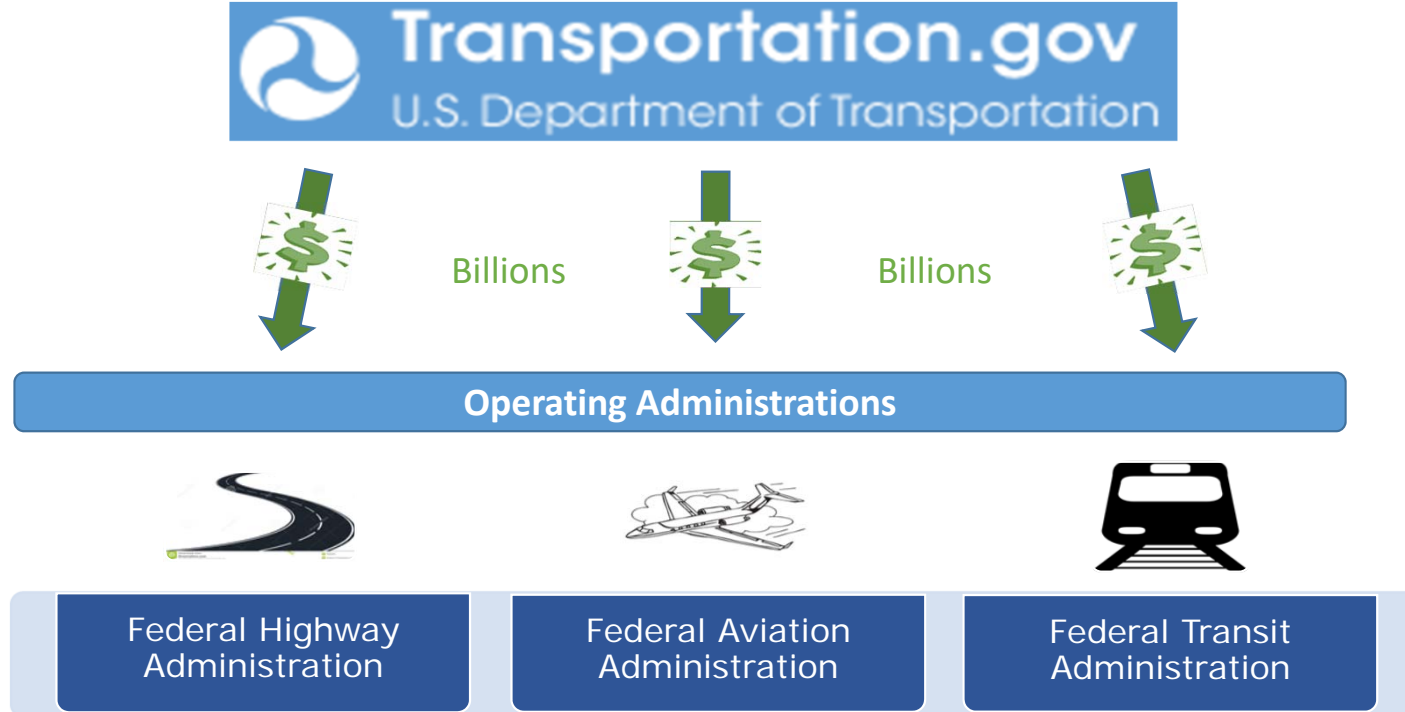


Create a Level Playing Field and Foster Equal Opportunity in DOT-assisted Contracts

DBE Program (Civil Rights Act of 1964)

1983 Final Rule	1987 Final Rule	1999 Final Rule	2003 Final Rule	2009 Final Rule	2011 Final Rule	2014 Final Rule
1 st DBE Statutory Provision	Reauthorized & amended DBE Statutory Provision	Introduced Part 26	Introduced NAICS Codes (replaced SIC)	Size limit or gross revenue caps adjusted for inflation	Expedited Interstate Certification & other	Uniform Certification Application & Reporting Forms
At least 10% of funds are to be expended with DBES	Added Women	DBE Program Plan	Implemented a MOU with SBA			Suspensions under certain circumstances
	Established a Single DBE goal	Unified Certification Programs				Goal Setting, GFE, TVMs, & Counting for Trucking

U.S. DOT DBE Program – 49 C.F.R. Part 26



Recipient Role

DBE Regulations: 49 C.F.R. Part 26 (Airport Concessions, Part 23)

Federal Highway
Administration



Federal Aviation
Administration



Federal Transit
Administration



State and Local Transportation Agencies (Recipients)

Recipients are required to establish a Triennial DBE Overall goal every 3 years

Establish contract-specific DBE or SBE subcontracting goals to meet DBE overall goal

Conduct disparity studies to support use of race conscious goals, per the 2005 Ninth Circuit Court of Appeals – Western States Paving v. State of Washington Department of Transportation

Recipients are required to ensure the eligibility of DBE firms

Triennial Goal Methodology

- Gather the data
- Express the goal as a percentage of recipient's federal funding
- Determine the **availability** of **ready, willing, and able DBEs** relative to **ALL businesses** ready, willing and able to participate on DOT-assisted contracts 26 CFR §26.45(b)
- Recipients are expected to follow USDOT's "Tips for Goal-Setting in the DBE Program"

Step One – Base Figure

- **Base Figure** represents the **relative availability** of DBEs in **relevant geographic market area (GMA)**

Number of Ready, Willing
and Able DBEs

_____ = Base Figure %

Number of **All** Firms
Ready, Willing & Able

Step One – Base Figure Cont.

Bidders List Example:

10 DBEs bid or quoted
as prime or
subcontractor

= 10.00 % Base Figure

100 Total Firms bid
or quoted as prime
or subcontractor

Step One – Base Figure Cont.

- Weighting by Work Category
 - Ensures that Step One base figure is as accurate as possible
 - Provides a more narrowly-tailored model of availability
 - Weights used are allocation of dollars spent within each work category
 - Resulting percentage shows where dollars are allocated to each work category
 - Work category may be NAICS, internal work codes, etc.

Step One – Base Figure Cont.

Industry	% of Dollars (weighted)	DBEs	All Firms	Weighted %
Trucking	5.00%	1	18	0.28%
Engineering/Design	5.00%	1	17	0.29%
Construction	90.00%	8	65	11.08%
Total	100.00%	10	100	11.65%

Step Two - Adjustment

Examine all available evidence and determine what adjustments, if any, are necessary

- Capacity of DBEs to perform work
- Statistical disparities (utilization, financing, bonding)
- Barriers to DBEs to form, grow and compete
- Past participation
- Input from interested parties

Step Two – Adjustment Cont.

EXAMPLE: Using Past Participation Method

1. Tally total DBE achievement percentage for 5 years
2. Find Median

	Total DBE Achieved (RC+RN)	Total Contract Amt	Total DBE %
2011	\$750	\$5,000	15.00%
2012	480	4,000	12.00%
2013	200	1,000	20.00%
2014	240	6,000	4.00%
2015	360	6,000	6.00%

Step Two – Adjustment Cont.

Use median (not average) percentage:

2014	4.00%
2015	6.00%
2012	12.00%
2011	15.00%
2013	20.00%

The base figure (Step One) of 11.65% and the median base figure of 12% are close -- no adjustment needed

Step Two – Adjustment Cont.

Race Neutral Projections

Tally total RN DBE achievement percentage for 5 years

	Race-Neutral DBE Amt	Total Contract Amt	RN DBE %
2010	\$100	\$5,000	2.00%
2011	200	4,000	5.00%
2012	30	1,000	3.00%
2013	420	6,000	7.00%
2014	300	6,000	5.00%

Race-Neutral Projection Cont.

Choose median race neutral percentage:

2010	2.00%
2012	3.00%
2011	5.00%
2014	5.00%
2013	7.00%

3. Apply to Adjusted Base Figure for final Goal:

$$\text{Adj. BF: 11.65\%} = \begin{array}{l} 6.65\% \text{ Race-Conscious} \\ 5.00\% \text{ Race-Neutral} \end{array}$$

Triennial DBE Goals

California Department of Transportation (Caltrans) 17.6% (4.2% Race-Neutral, 13.4% Race-Conscious)
FFY 2019-2021

AGENCY	PROPOSED GOAL
AC TRANSIT	10%
BART	
CALTRAIN	
COUNTY CONNECTION	
GGBHTD	
MARIN TRANSIT	
MTC	
NVTA	
SAMTRANS	
SANTA ROSA CITY BUS	
SFMTA	
SOLTRANS	
TRI DELTA TRANSIT	
VTA	20% (7% Race-Neutral, 13% Race-Conscious)
WESTCAT	
WETA	

Open Forum

Thank you!