

FLORIDA DEPARTMENT OF TRANSPORTATION

METHODOLOGY FOR DETERMINING DBE GOAL (49 CFR 26.45) FEDERAL TRANSIT ADMINISTRATION FEDERAL FISCAL YEARS 2024-2026

OVERALL GOAL

Pursuant to the U.S. Department of Transportation (DOT) rules and regulations provided in 49 CFR Part 26 (DBE Regulations), the FDOT proposes an overall DBE goal that is applicable to the DOT-assisted contracting opportunities for Federal Fiscal Year (FFY) 2024 through 2026. The proposed overall goal for DBE participation is **3.59%** of the projected FTA funds that will be subject to DBE participation requirements as demonstrated by the calculation shown below.

METHODOLOGY

Pursuant to Section 26.45(b), the overall goal must be based upon demonstrable evidence of relative availability of DBEs in the FDOT's geographic market. Accordingly, the FDOT proposes an overall goal for DBE participation that is consistent with the FDOT's historical spending patterns and with the amount of DBE participation the FDOT expects to achieve. The following sections, and the accompanying tables, explain the process that was followed to calculate the **3.59%** proposed overall DBE goal for FFY 2024-2026.

Step One: Relative Availability

Section 26.45(c) requires the measurement of ready, willing and able DBE businesses in the FDOT's local market, using the best available evidence to derive a fair and accurate base figure.

To establish this base figure, the total DBE's by NAICS code were collected using the FDOT DBE Directory¹. These totals were then compared to the total number of businesses by NAICS code as reported in the 2020 SUSB Annual Data Tables by Establishment². The number representing all DBEs and the number representing all firms (both DBE and non-DBE) were then used to determine the percentage of ready, willing and able "DBE firms to all firms" ratio for each NAICS code category (Table 1).

¹ [DBE Directory \(state.fl.us\)](https://state.fl.us/dbedirectory)

² [2020 SUSB Annual Data Tables by Establishment Industry \(census.gov\)](https://census.gov/susb)

Table 1: Base Figure Calculations

Contracting Opportunity	NAICS Code	NAICS Description	# of DBE's	Total Firms	Availability
Advertising/Marketing	541810	Advertising Agencies	47	1,125	
	541850	Outdoor Advertising	19	175	
			66	1,300	0.05076
Building Maintenance	561720	Janitorial Services	197	6,074	
	561730	Landscaping	199	9,626	
	561790	Services to Buildings and Dwellings	51	2,754	
			447	18,454	0.02422
Construction	236220	Commercial and Institutional Building Construction	411	2,656	
	237110	Water and Sewer Line and Related Structures Construction	178	715	
	237120	Oil and Gas Pipeline Construction	20	53	
	237130	Power Line Construction	41	356	
	238110	Poured Concrete Foundation and Structure Contractors	198	1,575	
	238120	Structural Steel Contractors	183	226	
	238160	Roofing Contractors	50	1,765	
	238190	Other Foundation, Structure, and Building Exterior Contractors	51	548	
	238210	Electrical Contractors and Other Wiring Installation Contractors	179	5,675	
	238220	Plumbing, Heating, and Air Conditioning Contractors	76	8,334	
	238290	Other Building Equipment Contractors	26	482	
	238310	Drywall and Insulation Contractors	65	1,656	
	238320	Painting and wall covering contractors	117	3,999	
	238330	Flooring Contractors	32	1,764	
	238910	Site Preparation Contractors	311	1,655	
	238990	All Other Specialty Trade Contractors	383	3,705	
	339950	Sign Manufacturing	19	420	
	541360	Surveying and Mapping	12	51	
			2352	35,635	0.06600
Consultant/Contracted Services	541330	Engineering Services	483	3,871	
	541620	Environmental Consulting	165	622	
	541690	Other Scientific and Technical Consulting	230	1,903	
	488410	Motor Vehicle Towing	8	551	
	541511	Computer Programming (IT)	146	4,150	
	561611	Background Check Services	22	500	
	621999	Drug and Alcohol Testing	6	425	
			1060	12,022	0.08817
Fuel	454310	Fuel Dealers	2	92	
			2	92	0.02173
Insurance	524210	Insurance Agencies and Brokerages	4	9,132	

			4	9,132	0.00043
Materials/Supplies	424120	Stationery and Office Supplies	11	179	
	423430	Computers and Software	21	580	
			32	759	0.04216
Training	611430	Professional Development	145	508	
	611519	Bus Driver Training	9	339	
			154	847	0.18181
Transit Services	485113	Bus and Other Motor Vehicle Transit Systems	10	25	
	485210	Interurban and Rural Bus Service	1	18	
	485991	Special Needs Transportation	39	229	
	485999	Other Ground Transportation	37	208	
			87	480	0.18125
Vehicle/Vehicle Maintenance	423110	Automobile and Other Motor Vehicle Merchant Wholesalers	3	436	
	423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	6	717	
	811111	General Automotive Repair	1	4,752	
	811113	Automotive Transmission Repair	0	285	
	811121	Body Shops and Repair	0	259	
			10	6,449	0.00155
Total			4214	85170	4.95%

Step Two: Historic Trend Analysis

Once the base figure of 4.95% was calculated, the FDOT reviewed historic data to determine whether the base figure is consistent with the market within the geographic area. Table 2 shows past reporting data for the total awards and commitments made from the previous three federal fiscal years. This data was collected from the FDOT statewide semi-annual DBE reports submitted to FTA. The median historic DBE awards and commitments is 2.23%.

Table 2: Past Participation

Semi-Annual Report Date	Total Awards and Commitments (8A)	DBE Awards and Commitments (8C and 9C)	% of Payments to DBE (Ongoing and Complete)
6/1/2021	\$11,191,052	\$192,790	1.72%
12/1/2021	\$8,204,859	\$395,589	4.82%
6/1/2022	\$46,000,511	\$1,026,474	2.23%
11/21/2022	\$49,641,521	\$640,628	1.29%
5/23/2023	\$21,170,282	\$5,892,466	27.83%

Step Three: Forecasted Weight

Although it is a best practice to assign a forecasted weight to contracting opportunities, FDOT does not currently track the NAICS code on invoices for FTA reimbursement at either the District or Central Office level. Due to this fact, it was determined that forecasted weighting is not an appropriate method for determining a statewide goal at this time. FDOT is in the process of developing a corrective action plan that will include updated processes and procedures. This corrective action plan will be completed by December 31st, 2023.

Step Four: Establishing a Statewide Goal

Pursuant to DOT guidance, the FDOT is adjusting the base figure derived in Step 1 by using the median DBE participation of 2.23% derived in Step 2. The base figure in Step 1 was averaged with the median DBE participation figure in Step 2 resulting in a final overall annual DBE goal of **3.59%** for FFY2024-FFY2026. This goal will be re-evaluated on an annual basis to further align with current trends and conditions.

RACE NEUTRAL METHODS

FDOT shall meet the overall goal of **3.59%** through the use of race neutral methods. The DBE Liaison Officer will work closely with the Transit Office to monitor DBE participation in order to determine if mid-course corrections are needed.

Race neutral methods will include:

1. Providing technical assistance and other services to DBEs with special emphasis on marketing.
2. Providing assistance in overcoming limitations such as inability to obtain bonding or financing.
3. Providing the name, phone number and email address for additional information concerning a contract.
4. Continuing DBE supportive services program to develop and improve business management, record keeping, and financial and accounting capability for DBEs.
5. Working very closely with new start-up firms, particularly in fields in which DBE participation has been historically low.
6. Assisting DBEs to develop their capability to utilize emerging technology and conduct business through electronic media.
7. Working with prime contractors, consultants, the Florida Transportation Builders Association, and the Florida Institute of Consulting Engineers to encourage the use of DBEs.

PUBLIC PARTICIPATION

TBD