

# DISADVANTAGED BUSINESS ENTERPRISE GOAL METHODOLOGY

Federal Highway Administration  
FY 2019 - 2021  
December 2018

This report is submitted in accordance to the U.S. Department of Transportation's amendments to 49 CFR Section 26.45, dated November 3, 2014.

# Disadvantaged Business Enterprise Goal Methodology

## *FHWA FY2019-2021*

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## 1.0 Introduction

The District Department of Transportation (DDOT) respectfully submits the Disadvantaged Business Enterprise Goal Methodology report for FY 2019-2021 to the United States Department of Transportation, Federal Highway Administration. The report demonstrates the efforts and challenges experienced by DDOT in implementing race conscious and race neutral programs for federally funded contracts.

## 2.0 Proposed DBE Goal

In accordance with the November 3, 2014, U.S. Department of Transportation rule amendments to 49 CFR Section 26.45, the DDOT proposes a DBE goal of **22.19%** with a race conscious goal of 21.51% and a race neutral goal of 0.68% on Federal Highway Administration (FHWA)-funded projects, effective for a period of three (3) years: FY 2019-2021.

The following describes the goal methodology used to determine this three-year goal:

### **Step 1 - Determination of Relative Availability of DBE Contractors**

The first step in determining the relative availability of DBE Contractors is to identify DDOT's local market area. The local market area is defined by the U.S. Department of Transportation's Office of Small and Disadvantaged Business Utilization's (OSDBU) website "*Tips for Goal Setting in the Disadvantaged Business Enterprise Program*" (<http://osdbu.dot.gov/dbeprogram/tips.cfm>) ("*Tips for Goal Setting*") as the area in which the substantial majority of the contractors and subcontractors with which DDOT does business are located, and the area in which DDOT spends the substantial majority of its contracting dollars.

The local area market for DDOT includes Washington, DC Metropolitan Area, hereafter referred to as "Metro Area". The Metro Area is defined by the U.S. Census Bureau Metropolitan Statistical Area as Washington-Arlington-Alexandria, DC-MD-VA-WV. This area includes the District of Columbia; the Virginia cities of Alexandria, Fairfax, Falls Church, Fredericksburg, and Manassas Park City; the Virginia counties of Arlington, Clarke, Fairfax, Fauquier, Loudon, Prince William, Spotsylvania, Stafford and Warren; the Maryland counties of Calvert, Charles, Montgomery, Prince George's and Frederick; and the West Virginia county of Jefferson (<http://censtats.census.gov/cgi-bin/msanaic/msasect.pl>). It also includes the Bethesda, Rockville-Frederick Maryland Metropolitan Division, which comprises Frederick and Montgomery Counties (<http://www.census.gov/population/metro/files/lists/2009/List1.txt>).

Data for this process was gathered by examining contract activity for the period of FY 2015-2017 (October 1, 2014-September 30, 2017). Based upon examination of the available data, DDOT's contractual dollars totaled \$356,750,041 of which \$295,950,915(83%) were awarded to prime contractors whose firms conduct business within the local market area. **Table 1** provides a summary of the contracting activity during FY 2015-2017:

### **Disadvantaged Business Enterprise Goal Methodology**

**Table 1**  
**Contracting Activity for Federal-Aid Contracts**  
**For the Period of FY 2015-2017**

Description	Total Awards and Commitments for the Period of FY 2015-2017	Amount Represented by Washington Metropolitan Statistical Area	Portion of Washington Metropolitan Statistical Area
Geographic Distribution Contract Dollars	\$356,750,041	\$295,950,915	83%
Distribution of Participating Prime Contractors	141	91	65%
Distribution of All Participating Contractors (including subcontractors)	273	232	85%

As described in Section 26.45(c)(5) of the DBE Regulations, DDOT used its DBE directory and Census Bureau data to determine the relative availability of ready, willing and able DBE firms within DDOT’s local market area. This calculation will provide the base figure for Step 1 of the goal setting process. These data sets are described below:

- DDOT’s electronic DBE Directory is comprised of all engineering and highway-related construction firms, suppliers, consultants, etc. certified by the U.S. Department of Transportation-approved Metropolitan Washington Unified Certification Program (MWUCP).
- The Census Bureau’s 2016 Country Business Pattern for the local market area described above.<sup>1</sup> This data is used to provide a more accurate account of all firms within the geographic market based upon current census data. The data is collected annually. The data used in this report reflects data which was collected in 2016 and released for public use in April 2018.

To ensure the most accurate goal possible, DDOT estimated the type of work that would be performed over the next three years and classified each type of work using North American Industry Classification System (NAICS) codes.

According to the U.S. Census Bureau, NAICS Codes are the standard used by federal statistical agencies for the purpose of collecting, analyzing and publishing statistical data related to the

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<sup>1</sup> The data sets for the counties and cities identified as the market area were collected using the American Fact Finder tool. <http://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t#none>

U.S. business economy. Businesses are classified according to the primary line of business activity at various levels of specificity. Using the most detailed codes available, DDOT has determined the overall categories of active contractors available for projects planned in FY 2019-2021 from the following NAICS Codes, listed in **Tables 2 and 3**, respectively.

**Table 2**  
**Highway Design, Engineering and Professional Services NAICS Codes**

NAICS Code	Description
524210	Insurance Agencies and Brokerages
541310	Architectural Services
541320	Architectural Services (Landscaping)
541330	Engineering Services
541340	Drafting Services
541360	Geophysical Surveying and Mapping Services
541370	Surveying and Mapping (Except Geophysical Services)
541380	Testing Laboratories
541512	Computer Systems Design Services
541611	Administrative Management/General Management Consulting Services
541614	Process, Physical Distribution and Logistics Consulting Services
541618	Other Management Consulting Services
541620	Environmental Consulting Services
541690	Other Scientific and Technical Consulting Services
541820	Public Relations Agencies
541910	Marketing Research and Polling
541990	Inspection Services
561210	Facilities Support Services
561320	Temporary Help Services
561730	Landscaping Services
561990	Traffic Control

**Table 3**  
**Highway Construction (Contractors) NAICS Codes**

NAICS Code	Description
237110	Water and Sewer Line and Related Structures Construction
237130	Power and Communication Line and Related Structures Construction
237310	Highway, Street and Bridge Construction
237990	Other Heavy and Civil Engineering Construction
238110	Poured Concrete Foundation and Structure Contractors
238120	Structural Steel Erection Contractors
238140	Masonry Contractors
238210	Electrical Contractors and Other Wiring Installation Contractors
238320	Painting Contractors
238910	Site Preparation/Excavation
238990	All Other Specialty Trade Contractors
323111	Commercial Printing (Except Screen and Books)
327320	Ready-Mix Concrete Manufacturing
339950	Signage Manufacturing
423320	Brick, Stone and Related Construction Material Merchant Wholesalers
423610	Electrical Apparatus and Equipment, Wiring Supplies/Related Equipment Wholesalers
484110	General Freight Trucking, Local

**Calculation of Relative DBE Availability by NAICS Code**

After identifying the market area and the types of work to be performed over the next three years, DDOT then used our DBE Directory and the County Business Pattern Data for our local market area to calculate the relative DBE availability for each NAICS code in which DDOT expects to do work in FY 2019-2021. The result of this analysis is set forth in **Table 4** below.

**Table 4**  
**Relative Availability of DBE Firms**

NAICS Code	Description	Number of DBEs Available to Perform this Work	Number of All Firms Available (Including DBEs)	Relative Availability
237110	Water and Sewer Line and Related Structures Construction	47	125	37.60%
237130	Power and Communication Line & Related Structures Construction	19	106	17.92%
237310	Highway, Street and Bridge Construction	77	152	50.66%
237990	Other Heavy and Civil Engineering Construction	28	52	53.85%
238110	Poured Concrete Foundation and Structure Contractors	59	439	13.44%
238120	Structural Steel Erection Contractors	19	51	37.25%
238140	Masonry Contractors	41	348	11.78%
238210	Electrical Contractors and Other Wiring Installation Contractors	53	562	9.43%
238320	Painting Contractors	58	697	8.32%
238910	Site Preparation/Excavation	65	375	17.33%
238990	All Other Specialty Trade Contractors	67	602	11.13%
323111	Commercial Printing (Except Screen and Books)	12	360	3.33%
327320	Ready-Mix Concrete Manufacturing	6	63	9.52%
339950	Signage Manufacturing	3	71	4.23%
423320	Brick, Stone and Related Construction Material Wholesalers	11	34	32.35%
423610	Electrical Apparatus and Equipment, Wiring Wholesalers	12	159	7.55%
484110	General Freight Trucking, Local	21	331	6.34%
524210	Insurance Agencies and Brokerages	2	1653	0.12%
541310	Architectural Services	44	506	8.70%
541320	Architectural Services (Landscaping)	25	103	24.27%
541330	Engineering Services	141	1980	7.12%
541340	Drafting Services	15	21	71.43%
541360	Geophysical Surveying and Mapping Services	7	8	87.50%
541370	Surveying and Mapping (Except Geophysical Services)	18	87	20.69%
541380	Testing Laboratories	14	82	27.40%
541512	Computer Systems Design Services	166	5107	3.25%
541611	Administrative Management & General Management	233	4058	5.74%
541614	Process, Physical Distribution and Logistics Consulting	52	202	25.74%
541618	Other Management Consulting Services	113	417	27.10%
541620	Environmental Consulting Services	44	228	19.30%
541690	Other Scientific and Technical Consulting	70	993	7.05%
541820	Public Relations Agencies	29	804	3.61%
541910	Marketing Research and Polling	22	181	12.15%
541990	Inspection Services	37	799	4.63%
561210	Facilities Support Services	38	549	6.92%
561320	Temporary Help Services	51	706	7.22%
561730	Landscaping Services	21	1603	1.31%
561990	Traffic Control	15	230	6.52%
	<b>Combined Totals</b>	<b>1,755</b>	<b>24,844</b>	

**Estimating the Dollar Value of Federal Work to be Performed in FY2019-2021**

In order to obtain the best estimate of dollars to be expended in the specific contracting opportunities and NAICS codes for FY 2019-2021, DDOT has examined projects which are to be funded by the Federal Highway Administration (FHWA). The estimated contract dollars for the South Capitol Street Corridor project was excluded from this estimation. Based on the examination of DDOT’s proposed budgets, the Agency estimates that it will execute contracts totaling:

FY 2019:	\$345,338,341
FY 2020:	\$278,281,995
FY 2021:	<u>\$262,941,801</u>
	<b>\$886,562,137</b>

These dollars are to be utilized for highway, bridge and street construction, including excavation, demolition, backfill, PCC pavement base, resurfacing, sidewalks, and alleys. These dollars will also be used for highway, bridge and street design, civil engineering services, environmental consulting services, construction management, and other administrative and management consulting services.

**Estimating the Percentage of Federal Work to be Performed by NAICS Code in FY 2019-2021**

**Table 5** below shows the percentage of anticipated work that DBE firms are expected to perform on DDOT contracts according to the relevant NAICS Codes from Tables 2 and 3 above. This percentage was estimated by using historical contracting data on DBE performance.



**Table 5  
Percentage of Work Anticipated on DDOT Contracts**

<b>NAICS Code</b>	<b>Description</b>	<b>Amount of DOT Funds on Project:</b>	<b>% of Total DOT Funds (Weight)</b>
237110	Water and Sewer Line and Related Structures Construction	\$21,826,394.30	0.02462
237130	Power and Communication Line & Related Structures Construction	\$35,517,605.55	0.04006
237310	Highway, Street and Bridge Construction	\$184,794,000.64	0.20844
237990	Other Heavy and Civil Engineering Construction	\$61,193,141.00	0.06902
238110	Poured Concrete Foundation and Structure Contractors	\$27,649,198.07	0.03119
238120	Structural Steel Erection Contractors	\$40,421,980.31	0.04559
238140	Masonry Contractors	\$18,206,000.00	0.02054
238210	Electrical Contractors and Other Wiring Installation Contractors	\$55,665,847.39	0.06279
238320	Painting Contractors	\$11,999,999.90	0.01354
238910	Site Preparation/Excavation	\$18,008,000.17	0.02031
238990	All Other Specialty Trade Contractors	\$2,305,000.00	0.00260
323111	Commercial Printing (Except Screen and Books)	\$1,520,198.00	0.00171
327320	Ready-Mix Concrete Manufacturing	\$24,838,222.78	0.02802
339950	Signage Manufacturing	\$1,376,844.00	0.00155
423320	Brick, Stone and Related Construction Material Wholesalers	\$1,055,797.00	0.00119
423610	Electrical Apparatus and Equipment, Wiring Wholesalers	\$8,623,156.00	0.00973
484110	General Freight Trucking, Local	\$22,895,414.00	0.02582
524210	Insurance Agencies and Brokerages	\$1,128,936.00	0.00127
541310	Architectural Services	\$14,906,656.95	0.01681
541320	Architectural Services (Landscaping)	\$4,943,699.46	0.00558
541330	Engineering Services	\$117,524,097.35	0.13256
541340	Drafting Services	\$5,000,000.00	0.00564
541360	Geophysical Surveying and Mapping Services	\$937,350.43	0.00106
541370	Surveying and Mapping (Except Geophysical Services)	\$1,040,740.00	0.00117
541380	Testing Laboratories	\$4,344,446.00	0.00490
541512	Computer Systems Design Services	\$150,000.00	0.00017
541611	Administrative Management & General Management	\$25,000,000.34	0.02820
541614	Process, Physical Distribution and Logistics Consulting	\$2,917,500.00	0.00329
541618	Other Management Consulting Services	\$71,686,939.51	0.08086
541620	Environmental Consulting Services	\$11,942,056.95	0.01347
541690	Other Scientific and Technical Consulting	\$16,000,000.00	0.01805
541820	Public Relations Agencies	\$250,000.00	0.00028
541910	Marketing Research and Polling	\$1,740,368.00	0.00196
541990	Inspection Services	\$23,256,000.00	0.02623
561210	Facilities Support Services	\$1,259,632.00	0.00142
561320	Temporary Help Services	\$963,168.00	0.00109
561730	Landscaping Services	\$28,994,798.74	0.03270
561990	Traffic Control	\$14,678,948.16	0.01656
	<b>TOTAL</b>	<b>\$886,562,137.00</b>	

**Calculation of Weighted DBE Availability for Each NAICS Code and Step One Base Figure**

Once we obtained the relative availability for each NAICS code and the percentage of funds anticipated to be spent in each code we are ready to obtain the weighted availability for each NAICS code and then calculate the Step One Base Figure. This is the method of Step One Base Figure calculation favored by the Tips for Goal Setting. We accomplish this by multiplying the percentage of total funds to be spent in each NAICS code by the relative DBE availability for each NAICS code. This calculation provides the weighted availability for each code. We then sum the weighted availabilities for all relevant codes to obtain the weighted Step One Base Figure. **Table 6** sets forth the relative availability, the weights and the resulting weighted DBE availability for each relevant NAICS code and sums the weighted availability to arrive at the Step One Base Figure.

**Table 6  
Weighted DBE Availability**

NAICS Code	Relative Availability	Amount of DOT Funds on Project:	% of Total DOT Funds	Weighted Availability
			(Weight)	
237110	37.60%	\$21,826,394.30	2.46%	0.93%
237130	17.92%	\$35,517,605.55	4.01%	0.72%
237310	50.66%	\$184,794,000.64	20.84%	10.56%
237990	53.85%	\$61,193,141.00	6.90%	3.72%
238110	13.44%	\$27,649,198.07	3.12%	0.42%
238120	37.25%	\$40,421,980.31	4.56%	1.70%
238140	11.78%	\$18,206,000.00	2.05%	0.24%
238210	9.43%	\$55,665,847.39	6.28%	0.59%
238320	8.32%	\$11,999,999.90	1.35%	0.11%
238910	17.33%	\$18,008,000.17	2.03%	0.35%
238990	11.13%	\$2,305,000.00	0.26%	0.03%
323111	3.33%	\$1,520,198.00	0.17%	0.01%
327320	9.52%	\$24,838,222.78	2.80%	0.27%
423320	4.23%	\$1,376,844.00	0.16%	0.01%
339950	32.35%	\$1,055,797.00	0.12%	0.04%
423610	7.55%	\$8,623,156.00	0.97%	0.07%
484110	6.34%	\$22,895,414.00	2.58%	0.16%
524210	0.12%	\$1,128,936.00	0.13%	0.00%
541310	8.70%	\$14,906,656.95	1.68%	0.15%
541320	24.27%	\$4,943,699.46	0.56%	0.14%
541330	7.12%	\$117,524,097.35	13.26%	0.94%
541340	71.43%	\$5,000,000.00	0.56%	0.40%
541360	87.50%	\$937,350.43	0.11%	0.09%
541370	20.69%	\$1,040,740.00	0.12%	0.02%
541380	17.07%	\$4,344,446.00	0.49%	0.08%
541512	3.25%	\$150,000.00	0.02%	0.00%
541611	5.74%	\$25,000,000.34	2.82%	0.16%
541614	25.74%	\$2,917,500.00	0.33%	0.08%
541618	27.10%	\$71,686,939.51	8.09%	2.19%

541620	19.30%	\$11,942,056.95	1.35%	0.26%
541690	7.05%	\$16,000,000.00	1.80%	0.13%
541820	3.61%	\$250,000.00	0.03%	0.00%
541910	12.15%	\$1,740,368.00	0.20%	0.02%
541990	4.63%	\$23,256,000.00	2.62%	0.12%
561210	6.92%	\$1,259,632.00	0.14%	0.01%
561320	7.22%	\$963,168.00	0.11%	0.01%
561730	1.31%	\$28,994,798.74	3.27%	0.04%
561990	6.52%	\$14,678,948.16	1.66%	0.11%
<b>TOTAL</b>		<b>\$886,562,137.00</b>		<b>24.88%</b>

**Weighted Base Figure= 24.88%**

**FY 2019-2021 Step One Base Figure: 24.88%**

## **Step 2 – Adjustment to Step One Base Figure**

### **1. Consideration of Previous Years’ Performance**

49 CFR Section 26.45(d) and the Tips for Goal Setting set forth examples of data that must be analyzed and taken into consideration in determining whether adjustments to the Step 1 Base figure are necessary. The purpose of the rules and the guidance is to ensure that the final overall goal is both narrowly tailored and effective in helping to remedy discrimination. This adjustment process begins by reviewing DDOT’s Past Performance.

In order to determine whether past performance should be used to make a Step Two adjustment, DDOT has collected contracting data over a period of three years (3) years. We then calculated DDOT’s “median” past participation. DBE participation for the past three (3) years is shown in **Table 7** below. The median percentage is determined by the middle percentage for the past three (3) years.

**Table 7  
Median for Three Year  
Contract Period (FY 2015–2017)**

<b>Contract Period</b>	<b>Contracting Volume</b>	<b>% DBE</b>
FY 2015	\$ 78,232,678	17.84%
FY 2016	\$203,799,644	19.50%
FY 2017	\$74,717,719	30.78%

To determine the median percentage of the past three (3) years, we must arrange the goal attainment from lowest to highest (17.84%, 19.50%, and 30.78%). In this case, the middle value is 19.50%. The calculation is below.

The median participation for the past three (3) years is **19.50%**.

## 2. Adjusting the Step 1 Base Figure with the Median Past Performance

The USDOT OSDBU *“Tips for Goal Setting in the Disadvantaged Business Enterprise Program”* states: “If your records suggest levels of past participation very similar to the number you calculated in Step 1, then it is not necessary to make any adjustment for past participation.” DDOT determined that the goal with the Step 2 adjustment better reflects the capacity in DDOT’s geographic market. The calculation for the adjustment is as follows: identify the median past performance, which according to **Table 9** above is 19.50. The median figure is added to the weighted base figure and divided by 2 to determine the adjusted Step Two goal, as outlined below:

Median Past Participation	19.50
Weighted Step One Base Figure	+ <u>24.88</u>
	<b>44.38/2 = 22.19</b>

Based upon the calculations above, the overall adjusted three-year goal for FY 2019-2021 is **22.19%**.

49 CFR Section 26.45.5(d)(1) states that “there are many types of evidence that must be considered when adjusting the base figure.” In addition, 49 CFR Section 26.45.5(d)(2) states that “If available, you must consider evidence from related fields that affect the opportunities for DBEs to form, grow and compete. In this instance, we determined that our goals would be more accurate if we did not make adjustments for these factors. In most cases, the data referenced in the rule was not available and even where it was we were unable to determine a logical mathematical way to adjust our goal based on the evidence. Still, we considered each of the factors outlined below:

i. **“Evidence from disparity studies conducted anywhere within your jurisdiction, to the extent it is not already accounted for in your base figure.”**

The OSDBU’s *Tips for Goal Setting in the Disadvantaged Business Enterprise Program’s* website suggests that data should be collected and analyzed to consider the current market dynamics as a means to determine whether or not an adjustment to the goal is necessary. One suggested method is to analyze the results of a disparity study. DDOT has not yet conducted a disparity study, but the District may consider conducting a disparity study within the near future.

ii. **“Statistical disparities in the ability of DBEs to get the financing, bonding, and insurance required to participate in your program”**

DDOT has not performed a disparity study to determine the extent of the difficulty of DBE firms to obtain bonding and insurance to participate in the DBE program.

iii. **Data on employment, self-employment, education, training and union apprenticeship programs” as it relates to the opportunities for DBEs to perform in DDOT’s DOT-assisted contracts.**

According to the District Department of Employment Services Preliminary Ward Labor Force, Employment, Unemployment and Rate statistics, as of August 2018, the unemployment rate for the Washington-Alexandria-Arlington-DC-MD-VA Metropolitan Statistical Area is 3.5% ([https://does.dc.gov/sites/default/files/dc/sites/does/page\\_content/attachments/Aug\\_2018\\_DCarea\\_EmplStatus.pdf](https://does.dc.gov/sites/default/files/dc/sites/does/page_content/attachments/Aug_2018_DCarea_EmplStatus.pdf)). However, the unemployment rate for the District of Columbia is 6.1%.

While the unemployment rate for the District is lower than the previous year’s rate of 6.4%, there are three (3) wards within the District of Columbia that continue to lag behind other wards of the city. Wards 5, 7 and 8 have unemployment rates of 7.3%, 10.2% and 13.2%, respectively. The District has initiated several incentives for businesses to employ District residents, specifically in the construction industry. Additionally, there are several pre-apprenticeships, apprenticeships and other training opportunities to prepare individuals within the region for the construction industry. These programs are available to assist DBE firms to increase their workforce capacity on DOT-assisted projects. None of this data provides us with a reliable way to adjust our goals at this time.

iv. **Adjustments to the Goal for the Continuing Effects of Past Discrimination**

At this time, DDOT does not have data that would permit a reliable adjustment to the goal based on the continuing effects of past discrimination.

### 3.0 Race/Gender-Neutral and Race/Gender-Conscious Measures

DDOT will continue its efforts to meet the maximum feasible portion of its overall goal using Race/Gender-Neutral (R/G-N) means. Historical contracting data for the period FY 2015-17 supports DDOT’s ability to achieve **22.19% with a race/gender/conscious goal of 21.51% and a race neutral goal of 0.68% DBE participation.**

**Table 8  
DBE Participation in Excess of Goal for FY 2015-2017  
(Race-Neutral)**

Fiscal Year	% of Total DBE Participation	% Exceeded Overall Goal*
FY 2015	17.84%	0.24%
FY 2016	19.50%	0.68%
FY 2017	30.78%	3.11%
<b>Historical Median</b>		<b>0.68%</b>

\*FY15 Overall DBE Goal was 17.56%, FY16 Overall DBE Goal was 18.82%, FY17 Overall DBE Goal was 27.67%

According to the *Tips for DBE Goal Methodology*, it is recommended that estimates of race neutral participation in the future be based on past experience with race neutral participation. The calculation is as follows: identify the median past performance, (0.24%, 0.68%, 3.11%). The median number is determined by the middle number, which according to **Table 8** above is **0.68%**.

The data collected is then used to perform the following calculations:

- Median Past Participation (MPP) in excess of the goal: **0.68%**
- Overall DBE Goal: **22.19%**
- Race Neutral Goal: **0.68%**
- Race Conscious Goal: **21.51%**

DDOT’s recent decline in race neutral achievements were the result of many factors. The District of Columbia has implemented stringent requirements for risk management purposes (explained under the Table 9). These changes have greatly impacted the Architectural and Engineering (A/E) schedule which has been a source for the majority of DBE Prime contract awards. As a result, DBE firms did not seek inclusion on the A/E Schedule creating a shortfall in certified firms that are available for contract awards. However, will continue to explore strategies and opportunities to increase participation of DBE Prime firms in federally funded projects with the Office of Contracting and Procurement and leadership in the Project Delivery Administration. **Table 9** illustrates that the decrease in race neutral participation comes from DBE primes that have won contracts on a low bid basis over the previously report outcomes.

**Table 9**  
**DBE Prime Contractor Awards for FY 2015-2017**  
**(Race-Neutral)**

Fiscal Year	Total Awards	DBE Prime Contract Awards (Race Neutral)	% of Total Awards
FY 2015	\$78,232,678.00	\$8,173,932.00	10.45%
FY 2016	\$203,799,644.00	\$21,552,200.00	10.57%
FY 2017	\$74,717,719.00	\$17,063,356.00	22.84%

Additionally, during the past year, DDOT’s OCR office has experienced considerable staff transitions impacting the DBE Program, including the compliance monitoring function. The office was operating without its full staff for approximately six months until of mid-September 2018. Currently, the office is functioning at an 80% capacity and will seek to fill positions with consultants in early 2019. As the current staff began the task of reviewing processes and acclimating to DDOT, it was determined that during the transition critical data was not loaded into the compliance monitoring system as required by our vendors so that DDOT can fully analyze its progress. Given this circumstance, the Agency has surveyed the data and compiled the report based on the availability of information in the system.

After examining the DBE Prime spend figures and gathering feedback from decision makers throughout the agency our team discovered several issues that may be credited to the decline in DBE Prime Contractor awards as compared to previous years. The key concern is the District of Columbia’s changes to its risk **Disadvantaged Business Enterprise Goal Methodology**

management requirements for all vendors. These changes include carrying costly insurance to cover data breaches and other insurances as to decrease the risk to the Agency. We believe these requirements prohibited DBE firms from seeking Prime opportunities with DDOT. Unfortunately, the requirements are unable to be revised at this time, however, our DBE team will engage in further discussions with the Office of Risk Management to share the impediments presented to the firms that fall under the DBE and SBE programs and explore ways to eliminate these barriers.

To this end, DDOT will maintain its ability to use Race/Gender-Conscious (R/G-C) measures, because it is our belief that when properly applied through a “narrowly tailored” program, R/G-C measures are necessary to ensure equitable DBE participation and provide meaningful opportunities to DBE firms seeking to evolve into prime contractors. With the submission of this report, the Agency understands that it is at a pivotal stage in its DBE Program and is unwavering in its commitment to exceed the goals. The agency is striving to achieve the highest levels of DBE participation through race and gender-neutral means.

In summary:

Overall DBE Goal: **22.19%**  
Race Neutral Goal: **0.68%**  
Race Conscious Goal: **21.51%**

### **3.1. Race Gender-Neutral and Race-Conscious Activities**

During FY 2016-18, DDOT engaged in several race-neutral activities targeted to support the small business community. Additionally, the DBE Supportive Services Program collaborated with its regional small business development partners to offer a variety of business development services and activities.

DDOT will continue to engage our stakeholder groups about how OCR can support their efforts to gain meaningful work on upcoming projects.

#### **3.1.1. SMALL BUSINESS ENTERPRISE (SBE) PROGRAM**

DDOT is committed to furthering small businesses through meeting the requirements established in the U.S. Department of Transportation’s 49 Code of Regulation (CFR) Part 26.39, as mandated in the Final Rule dated November 1, 2014.

DDOT has established a Small Business Enterprise (SBE) Program, in accordance with 49 CFR Part 26, and with the U.S. Small Business Administration (SBA) at 13 CFR Part 121. DDOT receives federal financial assistance from the U.S. Department of Transportation, and as a condition of receiving this financial assistance, DDOT has signed an assurance that it will comply with 49 CFR Part 26.

In 2016, the SBE Program, launched an online certification portal which allow potential SBEs to submit documents for certification via DDOT’s website. There were 103 accounts opened for SBE certification. Further, to encourage participation, the DBE team has worked with DDOT leadership to begin discussions on identifying projects to target for SBE participation. A list of potential projects was tentatively identified for the program and OCR staff is working with project managers to strategize on

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how to best implement this approach across the agency. The agency evaluated 40 firms that had the capacity and experience to work on targeted projects at DDOT. To this end, several SBE firms were awarded contracts and the results of DDOT’s SBE spending are as follows:

**Table 10**  
**DDOT SBE Spending**  
**FY 2015 - 2017**

Contract Period	Total Spend	# SBE Firms
FY 2015	\$3,119,667.89	10
FY 2016	\$7,330,552.45	15
FY 2017	\$12,164,272.00	11

DDOT staff will continue to look for creative ways to utilize SBE firms in our federal procurement contracting process, build the capacity of those firms to do business with DDOT and promote the SBE program on a wider scale to increase involvement.

**Small Business Capacity-Building Activities**

DDOT has continued its efforts to nurture small businesses through ongoing outreach, training and resource sharing. We hosted several construction training workshops for DBEs to include: cost estimating, construction plans reading and construction math. All small business capacity-building activities were conducted through the DBE/Supportive Services office. Additionally, the following workshops were offered and attended by our targeted population of firms:

- DDOT 101 Orientation
- Marketing: The Next Level
- FAR 31 Compliance
- How to Prepare a Winning Bid Proposal
- Certified Business Enterprise Program Overview
- Contract Basics Part I
- Contract Basics Part II
- Debriefing 101 Webinar
- Developing a Pipeline
- Tools for Assessing Procurement Opportunities
- Davis Bacon Compliance Workshop

DDOT will continue to explore and provide meaningful training opportunities for SBE/DBE firms to increase their chances of being successful in the marketplace.

**Procurement Opportunities**

Throughout FY 2016-2018, the DBE Supportive Services office distributed regular procurement notices and training updates to DBE firms listed in DDOT’s and WMATA’s directory. Additionally, the staff shared the announcements with DDOT’s regional partners in Maryland and Virginia, and with other partners that serve the small business community throughout the Metropolitan Washington Region.

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## **Doing Business with DDOT Networking Series**

DDOT's popular doing Business with DDOT Networking Series launched in FY 2012 with the engineering firm of Parsons Brinckerhoff. In FY 2016, DDOT continued in this tradition by hosting networking sessions to connect smaller firms with Parsons Brinckerhoff, CH2M Hill and HNTB. These intimate gatherings provided small businesses an opportunity to obtain information on the companies' procurement processes, learn about their prequalification requirements, and meet with the firms' business development staff.

In the Fall of 2018 DDOT hosted its Annual DBE Summit and Networking Symposium which provided certified firms with the occasion to network with Agency decision makers, prime contractors and technical assistance providers. A summary of the event is provided later in this report.

During FY 2019-2021, DDOT will continue to host networking sessions linking prime contractors with potential subcontractors to facilitate communications and awareness of the capabilities of DBE certified firms and other small business. The Agency will also continue to engage our stakeholder groups about how OCR can support their efforts to gain meaningful work on upcoming projects.

## **Bonding Education Program**

DDOT did not conduct a Bonding Education Program in FY 2016-2018. However, it is anticipated that DDOT will identify partners to plan and implement a program during FY 2019-2021.

## **Outreach Activities**

DDOT has a vast array of relevant contracting opportunities for small firms, thereby, OCR remains proactive in ensuring these firms have access to information. As such, the DBE Supportive Services Team, expanded its reach by participating in the following events during FY 2016-2018:

- Exhibitor at the U. S. DOT Small Business Opportunity Day
- Exhibitor at the PTAC Conference
- Exhibitor at the Meet the Generals Small Business Networking Conference in partnership with the National Association of Minority Contractors, Washington Metropolitan Area Chapter
- Exhibitor at the Metropolitan Washington Airports Authority Annual Business Opportunity Day
- Exhibitor at the U.S. Department of Transportation OSDBU Veterans Event
- Exhibitor at the U.S. Department of Transportation OSDBU Networking Event
- Presenter at Office of the Deputy Mayor – Conference on Planning and Development – Great Streets Conference
- Held DDOT/DSLBD – CBE/DBE Certification Clinics

In FY 2019-2021, DDOT will continue its efforts throughout the Washington Metropolitan Area to recruit DBEs and other small business concerns, focusing on agencies performing similar transportation-related contracting, i.e., the Departments of Transportation for Maryland and Virginia, the Metropolitan Washington Airports Authority (MWAA), and WMATA.

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## **Work Zone Safety Workshops**

In FY 2016, the DDOT DBE/SS Program in collaboration with the American Road and Transportation Builders Association (ARTBA) held an OSHA 30 and 2 OSHA 10 safety classes in English and Spanish. Approximately 46 individuals participated in the OSHA 30 certification training to ensure that staff had the required safety certifications to perform on DDOT's federal-aid or other construction projects. In addition, a Fall Safety Protection for Bridge Workers training was conducted. This free training offers certification as a fall safety and prevention operative on construction sites and was attended by 18 participants.

## **Contractors Training**

In FY 2016, the DBE/Supportive Services Program partnered with DDOT's Davis Bacon Compliance Team to present a contractor's training session. The session covered the OJT program manual, rules, regulations, supportive services, compliance, program changes and the Davis Bacon Act. Approximately, 18 firms participated in the training.

### **3.1.2. EXPANSION OF SMALL BUSINESS DEVELOPMENT ASSISTANCE**

#### **Collaboration with the District Department of Small and Local Business Development**

To expand our DBE directory with certified DBE firms who are ready, willing and able to perform on DDOT's federal-aid highway construction projects, the DDOT OCR elevated its partnership with the District Department of Small and Local Business Development (DLSBD) by participating in its pre-certification information sessions. Additionally, OCR serve as a workshop presenter at the DSLBD District Connect: Business Contracting Conference covering the DBE certification process.

#### **The Business Assistance Program (BAP)**

During FY 2016-2018, the activity in the program decreased because of personnel transitions and the closure of the office housing the BOWDC. Program staff members were relocated to DDOT's headquarters in February 2016. However, DDOT remained committed to offering quality training to its targeted firms under the BAP, in addition to offering additional technical and capacity building training to the small business community. The assistance served as the beginning of a roadmap for the agency as it began to develop a stronger race-neutral small business program, and to facilitate new firms which are seeking to participate in DDOT's highway and road construction procurement program.

During FY 2016, DDOT DBE Supportive Services office continued to provide technical assistance to 15 participants in the BAP. These services include one-on-one technical assistance around capability statement review, upcoming opportunities, introductory meetings with DDOT's program managers and other consulting services.

The BAP has newly hired, experienced staff that will provide continuity of services to firms desiring to participate in the program in FY2019-2021.

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## **Disadvantaged Business Enterprise Summit and Networking Symposium**

In 2017 and 2018, DDOT co-hosted the annual DBE Summit & Networking Symposium in collaboration with the FHWA DC Division to highlight upcoming procurement opportunities and facilitate networking opportunities with the Agency's prime construction contractors and A/E project managers.

In 2018, approximately 403 participants were in attendance with 218 small business firms represented. Participants completed an evaluation of the summit and the following is a random sampling of questions and responses from the Summit which rated each question as excellent, good, adequate, poor or needs improvement:

<b>Question</b>	<b>Response/Percentage</b>
The <i>DDOT Partnership Tools</i> plenary session was useful and informative.	Excellent/58.5%
The <i>DDOT Projects and Opportunities</i> plenary session was useful and informative.	Excellent/66.1%
The event enabled me to network successfully.	Excellent/79%
The overall event was well organized.	Excellent/82.5%

DDOT will continue to ensure DBE firms have real opportunities for contracting through collaborative efforts with our partners at FHWA and various stakeholders. We expect to build more partnerships with prime contractors and resource providers by means of our annual Summit and Networking Symposium. This event has become a much-anticipated networking opportunity for DBE firms, Prime Contractors and the business community at large. We look forward to hosting this conference in the coming years.

## **4.0 Conclusion**

DDOT is unequivocally committed to fostering race conscious and race-gender neutral participation in our federally funded contracting opportunities. While our program has experienced some challenges, we are confident, moving forward that we can achieve all programmatic goals. Currently, our staff is diligently working to strengthen the protocols and practices governing DDOT's activities under this program. Our DBE Summit & Networking Symposium has grown to become one of the premier must Despite staffing transitions, DDOT remained steadfast in delivering quality technical assistance and training for our constituents. We believe our program will produce favorable results in the coming years.