

Government of the District of Columbia

Department of Transportation



GOAL SETTING METHODOLOGY

GOAL SETTING METHODS

In accordance with the November 3, 2014, U.S. Department of Transportation rule amendments to 49 CFR Section 26.45, the **District Department of Transportation (DDOT)** proposes a DBE goal of **18.81%** with a race conscious goal of **7.29%** and a **race neutral goal of 11.52%** on Federal Highway Administration (FHWA)-funded projects, effective for a period of three (3) years: FY 2016-2018.

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>) as the area in which the substantial majority of the contractors and subcontractors with which DDOT does business is located, and the area in which DDOT spends the substantial majority of its contracting dollars.

The local area market for DDOT is the 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-Alexandria-Arlington-DC-MD-VA-WV. This area includes the District of Columbia; the Virginia cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas and Manassas Park; the Virginia counties of Arlington, Clarke, Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford and Warren; the Maryland counties of Calvert, Charles, 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 includes the counties of Frederick and Montgomery (<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 2012-2014 (October 1, 2011-September 30, 2014). Based upon examination of the available data, DDOT's contractual dollars totaled **\$308,692,907** of which \$271,613,091(**88%**) were awarded to prime contractors whose firms conducts business within the Metro Area. **Table 1** provides a detailed outline of the contracting activity during FY 2012-2014:

Table 1

Description	Total Awards and Commitments for the Period of FY 2012-2014	Amount Represented by Washington Metropolitan Statistical Area	Portion of Washington Metropolitan Statistical Area
Geographic Distribution Contract Dollars	\$ 308,692,907	\$271,613,091	88%
Distribution of Participating Prime Contractors	69	49	71%
Distribution of All Participating Contractors (including subcontractors)	124	104	84%

Contracting Activity for Federal-Aid Contracts
For the Period of FY 2012-2014

As specified in Section 26.45(c) of the DBE Regulations, the method was used to calculate the relative availability of DBE firms within DDOT’s local area market which are ready, willing and able. This calculation will provide the base figure for Step 1 of the goal setting process. In order to derive the base figure, DDOT used the bidders list, in addition to other supplemental information as described below:

- A list of DBEs and non-DBEs actively involved in DDOT’s contracting program over the last three (3) years, October 1, 2011-September 30, 2014 (FY 2012–FY 2014). The list was generated by DDOT’s web-based Contract Compliance Monitoring System, acquired in October 2014.
- DDOT’s and the Washington Metropolitan Area Transit Authority’s electronic DBE Directories. These directories comprise all engineering and highway-related construction firms, suppliers, consultants, etc. certified by the U.S. Department of Transportation-approved **Unified Certification Program (UCP)** between **DDOT** and the **Washington Metropolitan Area Transit Authority (WMATA)**.
- DDOT’s Architect and Engineering Prequalification Schedule (A/E Schedule). This triennial competitive list is comprised of prime and DBE professional services firms who are prequalified by DDOT to perform engineering and other professional services on DDOT’s infrastructure-related projects.
- The Census Bureau 2013 Country Business Pattern for the geographical area of Washington-Arlington, Alexandria, DC-MD-VA-WV Metropolitan Statistical Area (<http://censtats.census.gov/cgi-bin/msanaic/msadetl.pl>). 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 2013 and released for public use in April 2015.
- The Tips for Goal Setting in the Disadvantaged Business Enterprise Program recommends consideration of state/local MBE/WBE Programs for businesses which would be potential DBE firms. The District of Columbia does not have an MBE/WBE program, however the District Department of Small and Local Business Development maintains a database of locally-based firms, and designates small businesses as disadvantaged businesses based upon criteria as

established by the Small Business Administration. The database was retrieved electronically and reviewed to remove those firms which are also certified DBE firms through the MWUCP.

To ensure a true and accurate goal is selected based on the amount and scope, calculations used will be based on the percentage of work anticipated by each of the major business groups listed. DDOT has determined that there are three (3) categories of scope of work that are engaged in the Agency’s procurement program: highway design and engineering consultants, highway construction contractors, and professional consultant services. The anticipated work and percentage distribution best reflects the type of work by North American Industry Classification System (NAICS) codes that would typically be performed DDOT’s federal-aid contracts. The lists were sorted using NAICS codes and compared in order to avoid double counting.

According to the U.S. Census Bureau, NAICS Codes is the standard used by federal statistical agencies for the purpose of collecting, analyzing and publishing statistical data related to the U.S. business economy. As such, businesses are classified according to the primary line of business activity. Therefore, DDOT has determined the overall categories of active contractors available for projects planned in FY 2016-2018 from the following NAICS Codes, listed in Tables 2 and 3, respectively:

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

NAICS Code	Description
524210	Insurance Agencies and Brokerages
541310	Architectural Services
541320	Architectural Services (Landscaping)
541330	Engineering 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
561210	Facilities Support Services
561320	Temporary Help Services

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

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

238140	Masonry Contractors
238210	Electrical Contractors and Other Wiring Installation Contractors
323111	Commercial Printing (Except Screen and Books)
327320	Ready-Mix Concrete 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

2. Calculation of Base Number and Actual Anticipated Work

After all of the data was collected, all lists were sorted, and all duplicates were compared and eliminated, a total of approximately **1,527 DBE** firms were deemed “ready, willing, and able” to perform on DDOT contracts, out of a universe of **21,184** firms (both DBE and non-DBE firms). The base figure is then calculated by dividing the total number of DBE firms by the total number of firms within the Washington, DC metropolitan area to reflect the percentage of estimated project cost to be completed by the DBE firms. Of the 21,184 available firms, **1,527 (7%)** are DBE-certified, ready, willing and able.

$$\text{Calculation: } \frac{\text{Total number of DBE Firms}}{\text{Total number of Firms}} = \frac{1,527}{21,184} = 0.0721$$

Therefore, the Base Figure is **7.21**.

Table 4 below illustrates the relative availability of DBE firms.

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	27	128	0.2109
237130	Power and Communication Line & Related Structures Construction	90	164	0.5488
237310	Highway, Street and Bridge Construction	21	50	0.4200
237990	Other Heavy and Civil Engineering Construction	26	68	0.3824
238110	Poured Concrete Foundation and Structure Contractors	25	35	0.7143
238140	Masonry Contractors	12	348	0.0345
238210	Electrical Contractors and Other Wiring Installation Contractors	49	1107	0.0443
323111	Commercial Printing (Except Screen and Books)	9	2150	0.0042
327320	Ready-Mix Concrete Manufacturing	2	56	0.0357
423320	Brick, Stone and Related Construction Material Wholesalers	18	35	0.5143
423610	Electrical Apparatus and Equipment, Wiring Wholesalers	30	148	0.2027
484110	General Freight Trucking, Local	40	238	0.1681
524210	Insurance Agencies and Brokerages	17	1661	0.0102
541310	Architectural Services	10	523	0.0191
541320	Architectural Services (Landscaping)	14	113	0.1239
541330	Engineering Services	306	1795	0.1705
541370	Surveying and Mapping (Except Geophysical Services)	18	106	0.1698
541380	Testing Laboratories	24	84	0.2857

541512	Computer Systems Design Services	18	4308	0.0042
541611	Administrative Management & General Management	316	4268	0.0740
541614	Process, Physical Distribution and Logistics Consulting	76	222	0.3423
541618	Other Management Consulting Services	160	310	0.5161
541620	Environmental Consulting Services	53	247	0.2146
541690	Other Scientific and Technical Consulting	27	880	0.0307
541820	Public Relations Agencies	16	841	0.0190
541910	Marketing Research and Polling	39	198	0.1970
561210	Facilities Support Services	59	331	0.1782
561320	Temporary Help Services	25	770	0.0325
	Combined Totals	1527	21,184	0.0721

In order to determine the specific contracting opportunities for FY 2016-2018, DDOT has examined projects which are to be financially aided through grants from the Federal Highway Administration (FHWA). Based on the examination of DDOT's proposed budgets, the Agency estimates that it will execute contracts totaling (in \$ millions):

FY 2016: \$142,000,000.00
FY 2017: \$142,000,000.00
FY 2018: \$142,000,000.00
\$426,000,000.00

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 engineer services, environmental consulting services, construction management, and other administrative management consulting services.

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:

Table 5
Percentage of Work Anticipated on DDOT Contracts

NAICS Code	Description	Amount of DOT Funds on Project:	% of Total DOT Funds (Weight)
237110	Water and Sewer Line and Related Structures	\$ 620,348.47	0.00146
237130	Power and Communication Line/Related Structures	\$ 7,080,552.99	0.01662
237310	Highway, Street and Bridge Construction	\$ 153,872,784.93	0.36120
237990	Other Heavy and Civil Engineering Construction	\$ 29,403,817.69	0.06902
238110	Poured Concrete Foundation and Structure Contractors	\$ 89,302,899.74	0.20963
238140	Masonry Contractors	\$ 2,928,420.94	0.00687
238210	Electrical Contractors/ and Other Wiring Installation Contractors	\$ 4,789,933.63	0.01124
323111	Commercial Printing (Except Screen and Books)	\$ 653,441.18	0.00153
327320	Ready-Mix Concrete Manufacturing	\$ 1,300,315.99	0.00305
423320	Brick, Stone and Related Construction Material Wholesalers	\$ 249,909.58	0.00059
423610	Electrical Apparatus and Equipment, Wiring Supplies	\$ 9,771,464.60	0.02294

484110	General Freight Trucking, Long-Distance	\$ 274,954.43	0.00065
524210	Insurance Agencies and Brokerages	\$ 413,129.69	0.00097
541310	Architectural Services	\$ 545,535.22	0.00128
541320	Architectural Services (Landscaping)	\$ 4,949,170.18	0.01162
541330	Engineering Services	\$ 76,947,367.27	0.18063
541370	Surveying and Mapping (Except Geophysical Services)	\$ 876,014.25	0.00206
541380	Testing Laboratories	\$ 4,180,293.94	0.00981
541512	Computer Systems Design Services	\$ 3,256,204.12	0.00764
541611	Administrative Management/Gen. Management	\$ 19,567,883.03	0.04593
541614	Process, Physical Distribution/ Logistics Consulting	\$ 2,657,573.73	0.00624
541618	Other Management Consulting Services	\$ 4,092,657.83	0.00961
541620	Environmental Consulting Services	\$ 722,053.70	0.00169
541690	Other Scientific and Technical Consulting Services	\$ 1,302,553.00	0.00306
541820	Public Relations Agencies	\$ 2,871,100.48	0.00674
541910	Marketing Research and Polling	\$ 1,692,096.12	0.00397
561210	Facilities Support Services	\$ 758,246.49	0.00178
561320	Temporary Help Services	\$ 915,944.64	0.00215
TOTALS		\$ 426,000,000.00	1.00000

A further analysis

revealed that based upon the two categories listed in Tables 4 above, out of a three (3) year total federal-aid spending of \$426,000,000, during FY 2016-18 DDOT anticipates spending approximately **\$300,238,844 (70.48%)** of federal-assisted funds on construction, and approximately **\$125,747,823 (29.52%)** on highway design and engineering-related contracts, as demonstrated in **Tables 6 and 7** below:

**Table 6
Three-Year Anticipated Contract Totals for**

Highway

NAICS Code	Number of DBEs Available to Perform this Work	Number of All Firms Available (Including DBEs)	Amount of DOT Funds on Project:	% of Total DOT Funds (Weight)
237110	27	128	\$ 620,348.47	0.00146
237130	90	164	\$ 7,080,552.99	0.01662
237310	21	50	\$ 153,872,784.93	0.36120
237990	26	68	\$ 29,403,817.69	0.06902
238110	25	35	\$ 89,302,899.74	0.20963
238140	12	348	\$ 2,928,420.94	0.00687
238210	49	1107	\$ 4,789,933.63	0.01124

Construction-Related Contracts

323111	9	2150	\$ 653,441.18	0.00153
327320	2	56	\$ 1,300,315.99	0.00305
423320	18	35	\$ 249,909.58	0.00059
423610	30	148	\$ 9,771,464.60	0.02294
484110	40	238	\$ 274,954.43	0.00065
Total	349	4527	\$ 300,248,844.17	0.70481

The percentage of anticipated work for DBE firms among the Highway Construction firms is calculated as:

$$\frac{\$300,248,844.17}{\$426,000,000.00} = .7048 \times 100 = 70.48\%$$

Table 7
Three-Year Anticipated Contract Totals for
Highway Design, Engineering and Professional Services-related Contracts

NAICS Code	Number of DBEs Available to Perform this Work	Number of All Firms Available (Including DBEs)	Amount of DOT Funds on Project:	% of Total DOT Funds (Weight)
524210	17	1661	\$ 413,129.69	0.00097
541310	10	523	\$ 545,535.22	0.00128
541320	14	113	\$ 4,949,170.18	0.01162
541330	306	1795	\$ 76,947,367.27	0.18063
541370	18	106	\$ 876,014.25	0.00206
541380	24	84	\$ 4,180,293.94	0.00981
541512	18	4308	\$ 3,256,204.12	0.00764
541611	316	4268	\$ 19,567,883.03	0.04593
541614	76	222	\$ 2,657,573.73	0.00624
541618	160	310	\$ 4,092,657.83	0.00961
541620	53	247	\$ 722,053.70	0.00169
541690	27	880	\$ 1,302,553.00	0.00306
541820	16	841	\$ 2,871,100.48	0.00674
541910	39	198	\$ 1,692,096.12	0.00397
561210	59	331	\$ 758,246.49	0.00178
561320	25	770	\$ 915,944.64	0.00215
Total	1178	16657	\$ 125,747,823.70	0.29518

The percentage of anticipated work for DBE firms in the Highway Design, Engineering and Professional Services was calculated as such:

$$\frac{\$125,747,823.70}{\$426,000,000.00} = 0.2952 \times 100 = 29.52\%$$

Weighted Calculation of the Step 1 Base Figure:

To ensure the accuracy of the Step 1 Base Figure, the base figure was weighted and calculated using the percent of the total contract dollars for each anticipated contract from Table 6 and 7, and the figures for relative availability of DBEs for each contract from Table 4. This calculation allots funds according to the percentage of work each type of business would perform in the execution of upcoming projects involving the delivery of goods, design, consulting, and construction, as illustrated in **Table 8**.

The calculation is as follows:

$$\begin{aligned}
 & .7048 \left[\frac{\text{Total Number of DBE Heavy Construction Firms}}{\text{Total Number of Heavy Construction Firms}} \right] \\
 & \quad + \\
 & .2952 \left[\frac{\text{Total Number of DBE Highway Design and Engineering Firms}}{\text{Total Number of Highway Design and Engineering Firms}} \right] \\
 & = .7048 \left[\frac{349}{4527} \right] + .2952 \left[\frac{1178}{16657} \right] \\
 & = .7048 * .0770 + .2952 * 0.07072 \\
 & = .0543 + .0208 = .0751 * 100 = 7.51 \\
 \\
 & \text{Construction} \qquad \qquad \qquad 0543 * 100 = 5.43 \\
 & \text{Highway Design, Engineering} \\
 & \text{\& Professional Services} \qquad \qquad \qquad .0751 * 100 = 7.51 \\
 \\
 & \text{Weighted Base Figure} = 7.51
 \end{aligned}$$

Table 8
Weighted Base Figure Calculation

Category	WEIGHTED AVAILABILITY	Forecasted % Budget	Weighted Step 1 Base Figure
Highway Construction	7.7	70.48	5.39
Highway Design and Engineering	7.1	29.52	2.12

FY 2016-2018 Overall DBE Goal 7.51

Step 2 – Adjustment to Base Figure

1. Consideration of Previous Years’ Performance

49 CFR Section 26.45(d) and the goal setting and methodology guidelines set forth on the OSDBU website are data that can be analyzed and taken into consideration in order to adjust the Step 1 Base figure, in order

to narrowly tailor the goals to the precise local market. The idea is to determine a reasonable level of DBE participation that can be achieved absent discriminatory practices. This adjustment process begins by reviewing DDOT’s Median Past Performance.

In order to determine past participation performance, DDOT has collected contracting data over a period of six (6) years. The adjustment process begins by calculating DDOT’s “median” past participation percentages. DBE participation for the past three (3) years is shown in **Table 9** below. The median percentage is determined by the middle percentage for the past three (3) years.

**Table 9
Median for Six Year
Contract Period (FY 2012–2014)**

Contract Period	Contracting Volume	% DBE
FY 2012	\$ 58,895,742.00	52.96%
FY 2013	\$114,262,650.00	30.04%
FY 2014	\$135,534,515.00	30.13%

To determine the median percentage of the past three(3) years, we have to arrange the goal attainment from lowest to highest (30.04, 30.13, 52.96). In this case, the middle value is 30.13. The calculation is below:

The median participation for the past three (3) years is 30.13.

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*” state: “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 30.13. The median figure is added to the weighted base figure and divided by 2 to determine the median, as outlined below:

Median Past Participation	30.13
Weighted Base Figure	+ 7.51
	37.62/2= 18.81

Based upon the calculations above, the overall three-year goal is **18.81%**.

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 this instance, it was recommended that we NOT consider these factors based upon the OSDBU’s *Tips for Goal Setting in the Disadvantaged Business Enterprise Program* in consideration of the

amount by which DDOT exceeded its race neutral DBE goals. It is helpful to note that in the past we have considered the following factors:

i. The current capacity of DBEs to perform work in your DOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years.”

Due to the increased interest of DBE firms from other areas entering into DDOT’s market, and the increased number of small businesses which participate in the District government’s local small and local disadvantaged business program applying for DBE certification, DDOT expects an increase in the capacity of DBE firms to perform work in our DOT-assisted contracting program.

ii. “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 conducted a disparity study.

iii. The base figure is the goal of another recipient

The base figure that was calculated was not that of another recipient.

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. These include:

i. 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.

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

According to the District Department of Employment Services Preliminary Ward Labor Force, Employment, Unemployment and Rate statistics, as of June 2015, the unemployment rate for the Washington-Alexandria-Arlington-DC-MD-VA Metropolitan Statistical Area is 4.8% (http://does.dc.gov/sites/default/files/dc/sites/does/publication/attachments/Apr_2015_DC_Area_Monthly.pdf). However, the unemployment rate for the District of Columbia is 7.3%.

While the unemployment rate for the District is lower than the previous year’s rate of 8.3%, 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 8.4%, 11.2% and 13.4% respectively. The District has initiated a number of incentives for businesses to employ District residents, specifically in the construction industry. Additionally, there are a number of 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.

3. Adjustment to Base Figure to Account for the Continuing Effects of Past Discrimination

At this time, DDOT does not have evidence that would warrant an adjustment to the base figure to account for continuing effects of past discrimination. As a result of the lack of evidence of past discrimination and our success in DBE goal attainment (**See Table 9**), the Agency is commencing a period of race-neutral goal setting.

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 2012-14 supports DDOT’s ability to achieve **18.81 with a race/gender/conscious goal of 7.29% and a race neutral goal of 11.52%** DBE participation.

Table 10
Overall DBE Participation for FY 2012-2014

Fiscal Year	2012	2013	2014	Three-Year Total
Total Contracts	\$58,895,742.00	\$114,262,650.00	\$135,534,515.00	\$308,692,907.00
Total DBE Participation	\$31,197,542.00	\$ 34,336,835.00	\$ 40,848,697.00	\$106,381,074.00
Race/Gender Conscious	\$ 8,941,964.00	\$ 14,884,818.00	\$ 14,337,411.00	\$38,164,193.00
Race/Gender Neutral (DBE prime contractors + DBE subcontractors)	\$ 22,255,578.00	\$ 19,449,817.00	\$ 26,511,286.00	\$68,216,681.00
% R/N Participation	37.78	17.02	19.56	22.10
% R/C Participation	15.18	13.02	10.57	12.36
% of Total DBE Participation	52.97	30.05	30.13	34.46

Table 10 reflects a difference in DBE attainment from 52.96 percent in FY 2012 to 30.13 percent in FY 2014. Of note, for FY12-14 DDOT exceeded the established overall goal of 18%, of which 12% was race conscious; the 6 percent race neutral goal was exceeded. It must be noted that the race neutral goal for FY12 was 9%. However, for the purpose of this reporting period, the DBE goal attainment was measured against the FY2013-2015 established goal due to the fact that at the time of this report, the FY15 goal attainment data was not complete and had not yet been analyzed. Upon further analysis, the increase in race-neutral goal attainment was the result of two (2) factors: the number of A/E firms that are on the A/E schedule that are competing and winning federal aid contracts as prime contractors; and two (2) DBE prime construction contractors who competed in a race-neutral environment and won federal-aid contracts. In many cases, if it is economically feasible, DBE firms may provide subcontracting opportunities to other DBE firms. This was particularly evident where two (2) DBE prime construction firms subcontracted a portion of their work to other construction or professional services DBE firms. Other DBE firms, particularly the A/E firms, competed and successfully won federal-aid contracts, then subsequently self-performed the contract as prime contractors and received credit for race-neutral DBE participation.

While it appears from the data that DBE firms are competing on a level playing field with prime contractors, OCR has observed that there are instances where DBE firms are experiencing difficulty in entering the market to compete for opportunities as either primes or subcontractors. The Agency recognizes that there is still a need to monitor prime contractors’ good-faith efforts in the areas of prompt payment, change orders and return of retainage for accepted work and operating in a race neutral environment overall. Based upon these experiences, OCR believes that prime contractors who operate in our market require closer monitoring to ensure that there is no discrimination in their subcontracting practices.

For the next step in calculating the Race/Gender-Neutral participation, DDOT examined the existing available data from fiscal years FY 2012 through FY 2014 to determine the median past participation of DBE prime contractors. **Table 11** below provides the following data:

**Table 11
DBE Prime Contractor Awards for FY 2012-2014
(Race-Neutral)**

Fiscal Year	Total Awards	DBE Prime Contract Awards (Race Neutral)	% of Total Awards	Goal Achieved in Excess of 6% R/N Goal
FY 2012	\$ 58,895,742.00	\$22,255,578.00	37.78%	31.78%*
FY 2013	\$114,262,650.00	\$13,216,692.00	11.57%	5.57%
FY 2014	\$135,534,515.00	\$23,752,221.00	17.52%	11.52%
		Historical Median	17.52%	11.52%

In consideration of the Agency exceeding its race-neutral goal over the past three (3) years, according to the Tips for DBE Goal Methodology, it is recommended that an adjustment based on past participation will be more accurate. The calculation for the adjustment is as follows: identify the median past performance, (5.57, 11.52, 31.78). The median number is determined by the middle number, which according to **Table 11** above is **11.52%**.

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

Median Past Participation (MPP) in excess of the goal by DBE Prime Contractors: **11.52**
 Overall DBE Goal: **18.81**
 Race Neutral Goal: **11.52**
 Race Conscious Goal: **7.29**

*The race neutral goal for FY12 was 9%.

During FY 2013-2015, DDOT reduced the number of DBE goals placed on federal-aid contracts. Statistically, the Agency exceeded the race-neutral goal during the FY 12-14 period, so it is reasonable to believe a DBE goal of **18.81%** with a race conscious goal of **7.29** and race-neutral goal of **11.52** is achievable, in light of DDOT's past performance.

Historically, The Office of Civil Rights has looked to the Agency's annual forecast to determine the types of firms that will be needed to perform specialized work areas. Specifically, over the last three (3) years, the need for small construction firms to have the capacity to construct federally-mandated ADA sidewalk ramps that meet federal standards has increased exponentially. DDOT's prime contractor experienced difficulty in locating DBE firms that have the requisite experience in the area of this specialized masonry work. To assist prime contractors, DDOT, in partnership with its ADA Coordinator, held two (2) workshops targeted for small businesses on how to properly construct and inspect ADA sidewalk ramps. The first workshop targeted the construction management firms, the second targeted small construction firms. This is also an area where small construction firms that are in the vertical construction business can transfer skills to the horizontal/roadway if they have the capability to properly construct curbs, sidewalk and wheelchair ramps. Additional workshops are planned for the next three years in order to assist our small businesses to increase their capability to perform in this area of work. Furthermore, DDOT's On-the-Job Training Program has assigned cement masonry, form setter and concrete finisher training classifications on its federal-aid projects that will increase the eligible pool of skilled masonry individuals for DBE firms and prime contractors.

OCR is always mindful of our DBE firms and their ability to obtain bonding and insurance in order to be competitive in this market. Due to the stringent credit markets and the DBE firms' lack of assets, especially for newly-established firms, there is a need to seek alternative financing strategies to assist with the DBE firms' sustainability while performing on federal-aid contracts. This is particularly important as DDOT forecasts a pending mega project that will require DBE firms to have the financial capacity to mitigate risk and to be ready, willing and able to compete and perform on the project. The DBE Supportive Services Program will partner with the U.S. Department of Transportation's Small Business Transportation Resource Center to sponsor bonding

education workshops for our small business community. This is a critical component of our supportive services, which will enable the Agency to continue to meet its DBE goals through race-neutral means.

In keeping with the mission of OCR, DDOT plans to maintain its ability to continue exercising its authority, when necessary, to impose Race/Gender-Conscious (R/G-C) measures, because DDOT believes that when used appropriately in a “narrowly tailored” program, R/G-C measures are necessary to ensure equitable DBE participation at the subcontract level, and to level the playing field for smaller DBEs struggling to compete in this highly competitive market.

DDOT’S RACE NEUTRAL ACTIVITIES

During FY 2013-15, DDOT engaged in a number of 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.

SMALL BUSINESS ENTERPRISE (SBE) PROGRAM

The District of Columbia Department of Transportation (DDOT) is committed to fostering 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.

The Small Business Enterprise Program will include race-neutral contracting requirements in an effort to facilitate competition by all small businesses to achieve the objectives of the program. For the purposes of implementing this program a Small Business is defined (13 CFR 121) as a firm that:

- is organized for profit;
- has a place of business in the United States;
- makes a significant contribution to the United States economy by paying taxes or using American products, services, materials and/or labor; and
- does not exceed the numerical Size Standard (Table 1) for its industry as established by the U.S. Small Business Administration (SBA).

A small business may be a sole proprietorship, partnership, corporation, Limited Liability Corporation or any other legally formed entity.

Eligible firms are those small business concerns that have been certified by the SBA or by the Metropolitan Washington Unified Certification Program, which includes the District Department of Transportation and the Washington Metropolitan Area Transit Authority (WMATA) and can provide to DDOT a copy of their current SBA letter of certification attesting to their eligibility. The letter will act as an official document for participation in the Program. Additionally, this information will be verified by utilizing SBA’s on-line directory, the Contractor’s Central Registration System and federal tax returns.

Small Business Capacity-Building Activities

DDOT has continued its efforts to assess its business capacities through ongoing outreach and small business development.

Procurement Opportunities

Throughout FY 2013-15, the BOWDC distributed regular bi-weekly procurement notices and training updates to DBE firms listed in DDOT's and WMATA's directory. Additionally, the DBE Supportive Services Coordinator 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.

Understanding the DDOT Organization

In FY 2014, DDOT launched the Understanding the DDOT Organization workshop during its 2014 DBE Summit. The course provided the small business community an overview of the Agency's departments, its procurement practices and procedures. It is DDOT's goal to educate the small business community on how it conducts its procurement program and successful strategies on how to seek business opportunities with the Agency. During the presentation, Agency staff informs attendees on how to register in the electronic procurement system, the proper forms that are required to be submitted during the procurement process and other pertinent topics are discussed. The OCR received positive feedback, and therefore has made the courses available to the general small business community.

Doing Business with DDOT Networking Series

In the fall of 2014, the DBE Supportive Services Program hosted three (3) follow-up networking sessions with Citelum, an electrical contractor new to the DDOT market; STV, Inc., an engineering firm; and M.C. Dean, also a DDOT electrical contractor. These smaller networking sessions provided small businesses an opportunity to obtain information on the companies' procurement processes, their prequalification requirements, if applicable, and to meet with the firms' business development staff or chief estimator.

Introduction to DDOT Standards for the Manual on Highway and Structures (Gold Book)

In partnership with the 11th Street Bridge Design Build Project DBE Project Management Team, OCR and the Anacostia Waterfront Initiative Project Management team hosted a workshop for both construction management and construction firms to review the revisions to the Manual on Highway and Structures. This important publication, available online, is a critical resource for any firm that wishes to do business with DDOT.

Contract Basics – Project Closeout

This is the third rendition of this popular workshop. Small businesses often experience difficulty closing out a project (receiving the final payment, retainage and other matters), leading to a negative relationship with the prime contractor. Legal experts provided an overview of contract terms and clauses that small businesses are often unaware are included in their contract. One of the key recommendations provided to the audience was to retain counsel to review the contract clauses before executing the contract. The other main issue that was covered pertained to payment and what to do if a DBE or small business has a contract dispute on a federal aid project. OCR can offer resources or assistance in the case of a federal-aid contractor on behalf of the DBE firm.

Bonding Education Program

During FY 2013, DDOT's DBE Consultants, the 11th Street Bridge DBE Project Management Team and the Mid-Atlantic Region Small Business Transportation Resource Center facilitated the first Capitol Region Bonding Education Program. This six-week program hosted 21 small business firms and provided insight on how to successfully prepare their firm for bonding. Speakers from several technical assistance programs provided the businesses with capacity building advice. Following the completion of the course, the firms were counseled by Construction Bonds, Inc. to determine their bond readiness.

Outreach

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 Washington Airports Authority, and WMATA.

Networking

DDOT will continue to host networking sessions linking prime contractors with subcontractors in an effort to facilitate communications and awareness regarding the capabilities of DBE certified firms and other small business concerns to enhance joint partnership opportunities.

Safety Workshops

The DBE Supportive Services Program in collaboration with the American Road and Transportation Builders Association (ARTBA) hosted OSHA 10 safety classes in English and Spanish. Approximately 80 DBE firms participated in the certification training to ensure that staff had the required safety certifications to perform on DDOT's federal-aid or other construction projects.

EXPANSION OF SMALL BUSINESS DEVELOPMENT TECHNICAL ASSISTANCE AND RESOURCES

Collaboration with the District Department of Small and Local Business Development

In an effort 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's by participating in its pre-certification information sessions. The DBE Marketing/Business Development Consultant conducts quarterly "DBE for CBEs" information sessions. These sessions provide our local certified businesses information about our DBE program and potential business opportunities. Further, as the Agency develops its small business enterprise program, this partnership, in addition to our other sister transportation agencies, will be a valuable resource for competitive federal-assisted transportation projects.

Outreach Activities

During FY 2013-15, the DBE Supportive Services Team, under the auspices of the BOWDC, participated in the following procurement outreach events:

1. Exhibitor at the Annual OSDBU Procurement Fair
2. Exhibitor at the Metropolitan Washington Airports Authority Annual Business Opportunity Day
3. Exhibitor at the U.S. Department of Transportation OSDBU Veterans Event
4. Exhibitor at the U.S. Department of Transportation OSDBU Networking Event

PUBLIC PARTICIPATION – FY 2015-2016 DBE GOAL COMMUNITY COMMENTS

2015-2016 DBE Goal Community Comments

DDOT will hold a public meeting on December 8, 2015 at 10 a.m. to receive comments specifically about the establishment of its FY 2016-2018 DBE Goal. The meeting will take place at The District Department of

Transportation, 55 M Street, SE, Room 439, Washington, DC 20003. In accordance with 49 CFR Part 26.45(g)(1)(i)(ii), the meeting notice will be published on DDOT's website. DDOT will also accept written comments until 4:45 pm on December 14, 2015. Comments should be submitted in writing to the attention of: Lisa Gregory, Chief, Office of Civil Rights, District Department of Transportation, 55 M Street, SE, Third Floor, Washington, DC 20003. DDOT will also receive comments via email to Lisa.Gregory@dc.gov.

DBE Supportive Services

DDOT is committed to the development of our certified DBE firms through initiatives which aim to support and grow their business and workforce capacities. The Agency will continue to conduct targeted assessments of the capabilities of its certified DBE firms and other small business concerns, by identifying and providing technical assistance and training to assist with their growth and development objectives.

As demonstration of our commitment to the small business community, DDOT established a centralized Business Opportunities and Workforce Development Center (BOWDC) where small businesses may receive assistance in the area of bond readiness, financial planning, bidding and estimating assistance and other relevant information. Construction-related small businesses are able to access the BOWDC during regular business hours and use the center's resources for a host of business-related activities such as: obtain information on bid/subcontracting opportunities; utilize the computer terminals to access up-to-date information regarding procurement opportunities; and enroll in accounting, bidding education and advanced technical skill courses. In addition to procurement information and training courses, BAP participants may visit the center to receive advisement on their business plans and receive one-on-one consultation services according to their specific needs.

The Business Assistance Program (BAP)

During FY 2011-2014, the DBE Supportive Services Program contracted with MHM Financial Services to develop a needs assessment for DBE Firms, recruit and provide technical assistance to a maximum of twenty-five (25) DBE firms in the Business Assistance Program (BAP), and provide additional training to the small business community. The assistance will also serve as the beginning of a roadmap for the Agency as it seeks 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.

DDOT's DBE Supportive Services consultant from FY 2010-2014, MHM Financial Services, in collaboration with the Mid-Atlantic SBTRC, hosted a business planning workshop for BAP participants in accordance with 49 CFR Part 26, Appendix C. Members of the BAP were required to review their existing business plans and submit them to OCR for review and approval.

Equal Employment Opportunity Requirements

Legal experts provided an overview of the contract requirements under EEO, specifically Form 1273.

Flagger Certification

The DBE Supportive Services Program provided DBE firms and other small businesses with flagger certification for their staff to comply with federal maintenance of traffic regulations.

Low Impact Development (LID) Training for Small Business Firms

DDOT and the Community College the University of the District of Columbia (CCDC) Workforce Development Center for Lifelong Learning executed a Memorandum of Understanding (MOU) and trained twenty-one (21)

DBE firms on how to maintain low impact bioretention cells. This is a much-needed program that will increase opportunities for small landscaping or custodial firms seeking to expand their business portfolio. The storm water management bioretention cell maintenance is an emerging business opportunity, as both the District and neighboring Prince George's County, Maryland will have upcoming opportunities for small businesses.

Disadvantaged Business Enterprise Summit and Networking Symposium

Each year from FY 2013 through FY 2015, DDOT co-hosted the DBE Summit in collaboration with the DC Division, FHWA, to highlight upcoming procurement opportunities and facilitate networking opportunities with the Agency's prime construction contractors and A/E project managers. These events attracted over 300 participants from across the Washington Metropolitan region. DDOT has decided to continue to host this event annually. We have listened to the small business community, and they expect to build more partnerships with prime contractors.

Partnerships

DDOT believes the success of the DBE/SS Program is due to the work and relationship building of the BOWDC staff, and the strategic partnerships that it solicits to carry out the mission of the program. Each partner is committed to the development of the small business entrepreneur, and to assist women, minorities, and disadvantaged individuals, including our veterans, who seek to obtain sustainable employment through the highway construction trade industry. Our partner agencies or organizations have offered their program resources in-kind or at reduced costs as a further demonstration of their commitment to the Agency and to the DBE/SS program.

Federal Highway Administration Headquarters Office of Civil Rights and the District of Columbia Division

The FHWA partners with the BOWDC through annual financial support to the Business Assistance Program under the DBE Supportive Services Program. OCR provides leadership and technical assistance on the development and implementation of the BOWDC program.

DDOT appreciates the opportunity to work directly with FHWA staff that provides local oversight of the program throughout the duration of the project.

District Department of Transportation Infrastructure Project Management Administration

This administration within DDOT serves as the BOWDC's fiscal partner. The BOWDC is an integral outreach component of the Anacostia Waterfront Initiative.

District Department of Employment Services (DOES)

As a founding partner, DOES has agreed to support this effort on a variety of programmatic levels due to its mission to assist businesses in increasing and developing their workforce capacity, encouraging entrepreneurship as an alternative employment strategy and assisting unemployed individuals to gain sustainable employment.

- Project Empowerment and the Senior Empowerment Program provide in-kind services through the recruitment and placement of individuals in the areas of administrative support.

Department of Local, Small and Disadvantaged Business Development (DSLBD)

As a founding partner, the DLSBD Office partners with the BOWDC to offer free or low-cost business development courses designed for small businesses. The office has also offered their training space to host seminars, as it is conveniently located in central downtown Washington, D.C.

The Office of Contracting and Procurement (OCP)

This District agency is a resource partner for our small businesses. OCP convenes roundtable discussions on DDOT's procurement forecasting and other vital workshops targeted toward small business development.

Washington Metropolitan Transit Authority (WMATA)

As a partner in the Unified Certification Program, WMATA provides the DBEs with additional procurement opportunities. WMATA also is a strategic partner on various networking events and procurement conferences.

The American Road and Transportation Builders Association (ARTBA)

As an industry partner, ARTBA provides the advanced safety certifications for our DBE firms free of charge through a grant sponsored by FHWA.

National Association of Black Women in Construction, National Capitol Region (NABWIC-NCR)

A resource partner that offers access to members who are DDOT DBE certified and also pledges to co-sponsor events targeted to the organization's membership.

D.C. Chapter, National Association of Minority Contractors (NAMC)

A resource partner that offers access to members who are DDOT DBE certified and also pledges to co-sponsor events targeted to the organization's membership.

Conference of Minority Transportation Officials (COMTO)

A corporate partner that provides networking and business opportunities for its members.

SCORE Business Counselors for Small Businesses

A resource partner of the SBA, SCORE utilizes a cadre of volunteers of retired business executives, who offer free business counseling and access to free or low cost entrepreneurial workshops designed to assist the growth of small businesses.

University of Maryland Transportation Technology Center

A strategic partner that provides advanced technical training courses to certified DBE firms.

The Washington Network of Small Business Development Centers

A strategic partner, that provides DBEs and other small businesses access to SBA-sponsored resources and supportive services.