

EXECUTIVE SUMMARY

This document explains the methodology used by the Colorado Department of Transportation (CDOT) to establish its three-year (FFY 2019-2021) overall Disadvantaged Business Enterprise (DBE) goal for contracts that contain funding assistance from the U.S. Department of Transportation (USDOT) Federal Highway Administration (FHWA). Determination of the goal includes identifying a base figure for the relative availability of DBEs based on demonstrable evidence of the availability of ready, willing, and able DBEs as compared to the availability of all businesses participating on federally-funded DOT-assisted contracts.

In accordance with 49 CFR 26.45, CDOT's goal methodology consists of two steps:

1. Establishing the base figure for the relative availability of DBEs.
2. Adjusting to the base figure as a result of available data.

To establish the base figure and determine the relative availability of DBEs to perform work on CDOT projects, CDOT evaluated:

- Relevant market area for contractor participation;
- Potential contracting opportunities in construction, professional services, and design-build;
- Availability and capacity of DBE certified firms to participate on those potential contracts;
- Anecdotal evidence gathered through online surveys, association meetings, and a public comment period.

This analysis resulted in a base figure of 10.15% of DBE participation annually over the next three federal fiscal years. CDOT then considered all available evidence to determine whether adjustments should be made to the base figure calculation. Based upon an evaluation of past professional services contract opportunities and the percentage of DBE certified firms that are prequalified to bid as prime contractors on CDOT highway design projects, CDOT made an adjustment that modified the **overall DBE annual goal to 11.55%**. Additional factors were considered including historical participation, other disparity studies, funding impacts, and concurrent major projects in the Denver metro area. Analysis of these factors did not warrant further adjustments to the goal.

CDOT also considered what percentage of the goal can be obtained through race-neutral means. CDOT's Emerging Small Business Program includes elements designed specifically to assist CDOT in increasing race-neutral participation on its contracts. By taking into consideration these efforts along with an analysis of historical race-neutral participation, CDOT is proposing a split of **4.19% race-neutral and 7.36% race-conscious participation**.

CDOT is committed to monitoring DBE participation for federal-aid highway design and construction projects to ensure the overall goal is being met. DBE achievements will be evaluated annually to determine whether market conditions warrant adjustments to the overall DBE goal, or individual race-conscious and race-neutral components.

Opportunities for Public Comment

CDOT Small Business Forum (Construction Focus)

Monday, June 25, 3pm-5pm, CDOT HQ Auditorium
2829 W. Howard Place Denver 80204

CDOT Small Business Forum (Professional Services Focus)

Thursday, June 12, 9am-11am, CDOT HQ Auditorium
2829 W. Howard Place Denver 80204

<http://codot.gov/business/civilrights/dbe-goal>
dot_civilrights@state.co.us or (303) 757-9234

Key Milestones

Public Comment Period Closes:

Friday, July 13

Presentation to Commission for Approval:

Thursday, July 19

Submission to FHWA for Adoption:

Wednesday, August 1

Resolution # TC-2018-07-XX

Proposed DBE triennial goal for Federal Fiscal Years 2019-2021: 11.55%

Approved by the Transportation Commission on July 19, 2018

WHEREAS, in accordance with 49 CFR Part 26, CDOT must establish an overall goal for Disadvantaged Business Enterprise (DBE) participation on all FHWA-funded contracts for Federal Fiscal Years 2019-2021; and

WHEREAS, CDOT must follow the methodology established by 49 CFR Part 26 to establish the overall goal; and

WHEREAS, CDOT published its methodology and began the public comment process on June 15, 2018; and

WHEREAS, CDOT solicited public comments via public meetings and online posting through its external website; and

WHEREAS, CDOT presented its recommendations for the overall goal to the Small Business and Diversity Committee and the presentation provided the factual predicate required by the United States Department of Transportation in 49 CFR 26.45 for establishing the DBE overall goal; and

WHEREAS, after reviewing all feedback and comments received, no adjustments have been made to the initial 11.55% DBE goal recommendation; and

WHEREAS, 49 CFR Part 26 requires that the maximum feasible portion of the goal be met with race and gender-neutral means.

NOW THEREFORE BE IT RESOLVED, the Colorado Transportation Commission hereby acknowledges and approves that on August 1, 2018, CDOT shall submit to FHWA an overall goal of 11.55% DBE participation on all FHWA-funded contracts, with 4.19% to be met with race and gender-neutral means and 7.36% to be met with race conscious means.

BE IT FURTHER RESOLVED, that following approval from FHWA, the overall goal for DBE participation on FHWA-funded contracts during Federal Fiscal Years 2019-2021 shall be 11.55%.

BE IT FURTHER RESOLVED, that CDOT shall strive to meet the overall goal for DBE participation by using race and gender-neutral means and by setting contract goals in accordance with 49 CFR part 26.

Herman Stockinger, Secretary
Transportation Commission of Colorado

Date



COLORADO

Department of
Transportation

FFY 2019 – 2021 Triennial DBE Goal

Presented July 2018



Proposed Goal

11.55%

Overall Triennial DBE Goal



7.36%

Race Conscious Participation
aka Contract Goals



4.19%

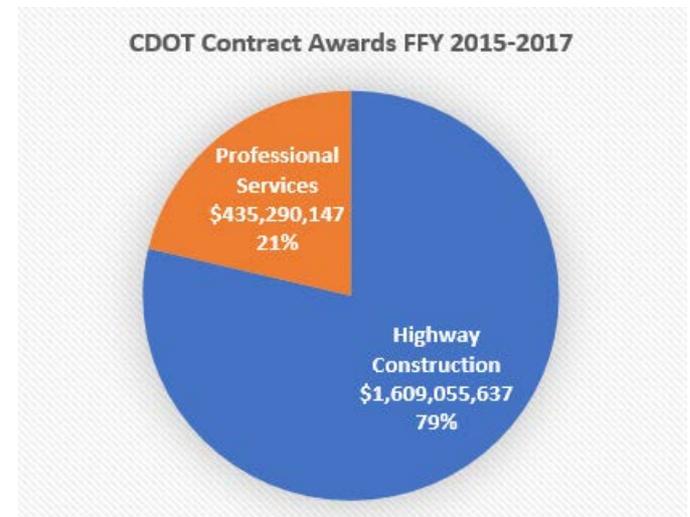
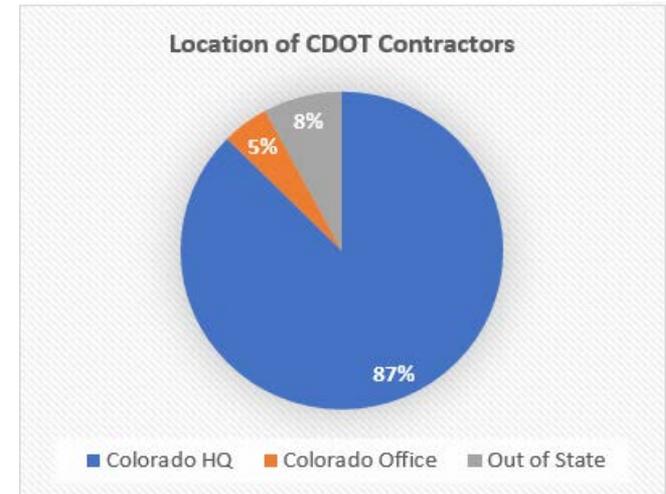
Race Neutral Participation
*aka Small Business Support Programs
(Prime Contract Awards)*

FFY	Annual DBE Goal	Actual DBE Achievement (Federal-Assisted Projects Only)
2013	10.25%	12.6%
2014	10.25%	11.70%
2015	10.25%	10.44%
2016	12.15%	13.20%
2017	12.15%	11.10%
Historical Median		11.70%



Step 1: Establish the Base Figure

- Market Area: Colorado
- Relevant Types of Work:
 - 21% Professional Services (\$435M)
 - 79% Construction (\$1.6B)
- DBE Availability: DBE Directory as compared to Census Data
 - 7.2% Professional Services
 - 10.82% Construction
- Result:
 - 10.15% - Combined Base Figure

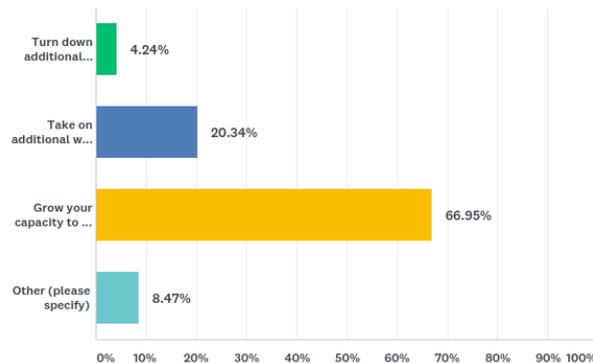




Step 2: Make Adjustments

- **DBE Availability:** Adjusted based on Professional Services Prequalification List
 - 7.2% now 14.8%
- **Other Considerations:**
 - Past 5 Years of DBE Participation
 - Other Disparity Studies
 - Impact of Ramping Down RAMP
 - Impact of other major projects on capacity
 - Input from DBEs, Prime Contractors, and Industry Stakeholders

Q10 If your business was presented with more opportunities over the next 3 years (2018 - 2020) than you had during the past 3 years (2015 - 2017), would you:





Schedule & Public Comments



30 Day Public Comment Period:

- June 12 - July 13
- In person, snail mail, email, phone
- CCA, WCCA, ACEC, BCG, HCC, COMTO
- No comments received



Questions?
