**FLORIDA DEPARTMENT OF TRANSPORTATION**

**METHODOLOGY FOR DETERMINING DBE GOAL (49 CFR 26.45)**

**FEDERAL TRANSIT ADMINISTRATION**

**FEDERAL FISCAL YEARS 2024-2026**

**OVERALL GOAL**

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

**METHODOLOGY**

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

**Step One: Relative Availability**

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

To establish this base figure, the total DBE’s by NAICS code were collected using FDOT DBE Directory[[1]](#footnote-1). These totals were then compared to the total number of businesses by NAICS code as reported in the 2020 SUS Annual Data Tables by Establishment[[2]](#footnote-2). The number representing all DBEs and the number representing all firms (both DBE and non-DBE) were then used to determine the percentage of ready, willing and able “DBE firms to all firms” ratio for each NAICS code category (Table 1).

Table 1: Base Figure Calculations

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Contracting Opportunity**  | **NAICS Code**  | **NAICS Description**  | **# of DBE's** | **Total Firms**  | **Availability**  |
| **Advertising/ Marketing**  | **541810** | Advertising Agencies | 47 | 1,125 |   |
|  | **541850** | Outdoor Advertising  | 19 | 175 |   |
|  |  |  | 66 | 1,300 | 0.05076 |
| **Building Maintenance**  | **561720** | Janitorial Services  | 197 | 6,074 |   |
|  | **561730** | Landscaping  | 199 | 9,626 |   |
|  | **561790** | Services to Buildings and Dwellings  | 51 | 2,754 |   |
|  |  |  | 447 | 18,454 | 0.02422 |
| **Construction**  | **236220** | Commercial and Institutional Building Construction | 411 | 2,656 |   |
|  | **237110** | Water and Sewer Line and Related Structures Construction | 178 | 715 |   |
|  | **237120** | Oil and Gas Pipeline Construction | 20 | 53 |   |
|  | **237130** | Power Line Construction  | 41 | 356 |   |
|  | **238110** | Poured Concrete Foundation and Structure Contractors  | 198 | 1,575 |   |
|  | **238120** | Structural Steel Contractors | 183 | 226 |   |
|  | **238160** | Roofing Contractors | 50 | 1,765 |   |
|  | **238190** | Other Foundation, Structure, and Building Exterior Contractors | 51 | 548 |   |
|  | **238210** | Electrical Contractors and Other Wiring Installation Contractors | 179 | 5,675 |   |
|  | **238220** | Plumbing, Heating, and Air Conditioning Contractors | 76 | 8,334 |   |
|  | **238290** | Other Building Equipment Contractors | 26 | 482 |   |
|  | **238310** | Drywall and Insulation Contractors  | 65 | 1,656 |   |
|  | **238320** | Painting and wall covering contractors  | 117 | 3,999 |   |
|  | **238330** | Flooring Contractors  | 32 | 1,764 |   |
|  | **238910** | Site Preparation Contractors  | 311 | 1,655 |   |
|  | **238990** | All Other Specialty Trade Contractors  | 383 | 3,705 |   |
|  | **339950** | Sign Manufacturing  | 19 | 420 |   |
|  | **541360** | Surveying and Mapping  | 12 | 51 |   |
|  |  |  | 2,352 | 35,635 | 0.06600 |
| **Consultant/Contracted Services**  | **541330** | Engineering Services | 483 | 3,871 |   |
|  | **541620** | Environmental Consulting | 165 | 622 |   |
|  | **541690** | Other Scientific and Technical Consulting | 230 | 1,903 |   |
|  | **488410** | Motor Vehicle Towing | 8 | 551 |   |
|  | **541511** | Computer Programming (IT) | 146 | 4,150 |   |
|  | **561611** | Background Check Services | 22 | 500 |   |
|  | **621999** | Drug and Alcohol Testing | 6 | 425 |   |
|  |  |  | 1,060 | 12,022 | 0.08817 |
| **Fuel** | **454310** | Fuel Dealers | 2 | 92 |   |
|  |  |  | 2 | 92 | 0.02173 |
| **Insurance**  | **524210** | Insurance Agencies and Brokerages  | 4 | 9,132 |   |
|  |  |  | 4 | 9,132 | 0.00043 |
| **Materials/Supplies** | **424120** | Stationery and Office Supplies | 11 | 179 |   |
|  | **423430** | Computers and Software  | 21 | 580 |   |
|  |  |  | 32 | 759 | 0.04216 |
| **Training**  | **611430** | Professional Development  | 145 | 508 |   |
|  | **611519** | Bus Driver Training  | 9 | 339 |   |
|  |  |  | 154 | 847 | 0.18181 |
| **Transit Services**  | **485113** | Bus and Other Motor Vehicle Transit Systems | 10 | 25 |   |
|  | **485210** | Interurban and Rural Bus Service  | 1 | 18 |   |
|  | **485991** | Special Needs Transportation  | 39 | 229 |   |
|  | **485999** | Other Ground Transportation | 37 | 208 |   |
|  |  |  | 87 | 480 | 0.18125 |
| **Vehicle/Vehicle Maintenance**  | **423110** | Automobile and Other Motor Vehicle Merchant Wholesalers | 3 | 436 |   |
|  | **423120** | Motor Vehicle Supplies and New Parts Merchant Wholesalers | 6 | 717 |   |
|  | **811111** | General Automotive Repair  | 1 | 4,752 |   |
|  | **811113** | Automotive Transmission Repair | 0 | 285 |   |
|  | **811121** | Body Shops and Repair  | 0 | 259 |   |
|  |  |  | 10 | 6,449 | 0.00155 |
| **Total** |  |  | **4,214** | **85,170** | **4.95%** |

**Step Two: Historic Trend Analysis**

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

Table 2: Past Participation

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

**Step Three: Forecasted Weight**

Pursuant FTA guidance, it is a best practice to assign a forecasted weight to contracting opportunities based on the share of federal dollars allocated. Currently, a tracking mechanism is not in place to determine the NAICS code by invoice for FTA reimbursement. Thus, it was determined that forecasted weighting is not an appropriate method of adjusting the base figure. The FDOT is in the process of developing a corrective action plan that will include updated processes and procedures. This corrective action plan will be completed by December 31st, 2023.

**Step Four: Establishing a Statewide Goal**

Pursuant to DOT guidance, FDOT is adjusting the base figure established in step one (1) using the median historic DBE participation of 2.23% calculated in step two (2). The base figure in step one (1) was averaged with the median DBE participation figure in step two (2) resulting in a final overall annual DBE goal of **3.59%** for FFY 2024-FFY 2026. This goal will be re-evaluated on an annual basis to further align with current trends and conditions.

**RACE NEUTRAL METHODS**

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

Race neutral methods will include:

1. Providing technical assistance and other services throughout the year to DBEs and other small businesses with special emphasis on marketing, financing, and bonding.
2. Continuing DBE supportive services program to develop and improve business management, record keeping, and financial and accounting capability for DBEs.
3. Working closely with new start-up firms, particularly in fields in which DBE participation has been historically low.
4. Assisting DBEs to develop their capability to utilize emerging technology and conduct business through electronic media.
5. Working with prime contractors, consultants, the Florida Transportation Builders Association, and the American Council of Engineering Companies to encourage the use of DBEs.

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**PUBLIC PARTICIPATION**

On March 28, 2023, the Florida Department of Transportation (FDOT) had the first of six “kick-off” meetings with both DBE and non-DBE contractors & consultants, regarding the 2024-2026 FHWA and FTA DBE goals before they was published. All kick-off meetings were done in person and as part of meetings being held in Jacksonville, Chipley, Bartow, Deland, Tampa, and Ft. Lauderdale Florida. On June 22, 2023, the Equal Opportunity Office published its first notice to the public regarding the posting of the 2021 Federal Highway & Federal Transit DBE goals and methodology and the ability for the public to view both draft documents and to make comments or ask questions through the dedicated email address, 2023DBEGoal@dot.state.fl.us , directly to the EOO. The notice also detailed how to register and attend the hybrid virtual and in-person FHWA and FTA Goal Setting Methodology meeting. The notice was posted on the Florida Administrative Register, the FDOT Facebook page and the EOO page on the FDOT website. The notice was also sent to the Florida Transportation Builders Association (FTBA) and the American Council of Engineering Companies of Florida (ACEC) presidents to disseminate to their members.

The noticed hybrid in-person and virtual public meeting was held July 11th, at 6:00pm, and was taped live for posting on the EOO page. In addition to announcing the hybrid DBE goal meeting, the meeting was also noticed by the placement of public notice advertisements in the following minority and majority newspapers: West Side Gazette (minority – Ft. Lauderdale); Miami Herald (majority – Miami, Ft. Lauderdale); Tallahassee Democrat (majority – Tallahassee); El Nuevo Heraldo (minority – Miami); Tampa Bay Times (majority – Citrus, Hernando, Hillsborough, Pinellas and Pasco Counties),

FDOT’s two Supportive Service Providers, CEI and the Council, who are contracted by FDOT to assist DBE’s, SBE’s and primes sent emails to their respective database lists. Through the kick-off meetings, virtual public meeting and targeted emails, approximately more than 2,000 firms were notified about the hybrid public meeting. Time for questions and answers was provided after the presentation. No comments or questions were received that would necessitate a change to the proposed goal in the documents.

1. [DBE Directory (state.fl.us)](https://fdotxwp02.dot.state.fl.us/EqualOpportunityOfficeBusinessDirectory/CustomSearch.aspx) [↑](#footnote-ref-1)
2. [2020 SUSB Annual Data Tables by Establishment Industry (census.gov)](https://www.census.gov/data/tables/2020/econ/susb/2020-susb-annual.html) [↑](#footnote-ref-2)