

Metropolitan Council FTA DBE Three Year Goal



FTA DBE Program

- Federal program to create a level playing field for DBEs and ensure nondiscrimination in the awarding of contracts (49 CFR §26)
- Each recipient of USDOT funding is responsible for setting a overall program goal every three years
- Goal for FY 2015-2017 was 15%
 - 86 awarded contracts
 - Total value of awarded contracts was \$56,924,888

FTA DBE Program 3 Year Goal

- Goal methodology prescribed in 49 CFR §26.45 (c) & (d)
- Reflects level of DBE participation we would expect absent effects of discrimination
- Recommended 15% Goal for FY 2018 – 2020



Goal Calculation Methodology

Step One – Determining a Base Figure

- DBE Relative Availability is weighed by estimates of future spending
 - Takes into account what types of firms are typically used in projects assisted by USDOT funds

Step Two – Adjustments

- Levels of past DBE participation on Council projects

Determining Relative Availability

- Firms in MPLS-St. Paul Metropolitan Statistical Area
 - Ready, willing and able (RWA) DBEs: MNUCP DBE Directory
 - All RWA firms: US Census Bureau's *American FactFinder*
- Determined Relative Availability by individual six-digit NAICS code

$$\frac{\text{Number of RWA DBEs for NAICS code (MNUCP DBE Directory)}}{\text{Number of all RWA firms for NAICS code (Census Bureau)}}$$

Weighting Relative Availability

- Relative availability shows the raw percentage of RWA DBEs as part of the overall pool
- Relative availability can be weighted by total spending for a more accurate number for goal-setting



Base Figure

- Future spending estimates include:
 - 98 projects
 - 9 categories of projects
 - Work across 36 NAICS codes
- Using relative availability & percentage of future spending for each NAICS code, the weighted availability provides a base figure of **11.7%**

Weighted Base Figure

- Median past DBE participation from 2014-2016 was **19%**
- The adjusted base figure is the average of the base figure & median past participation:

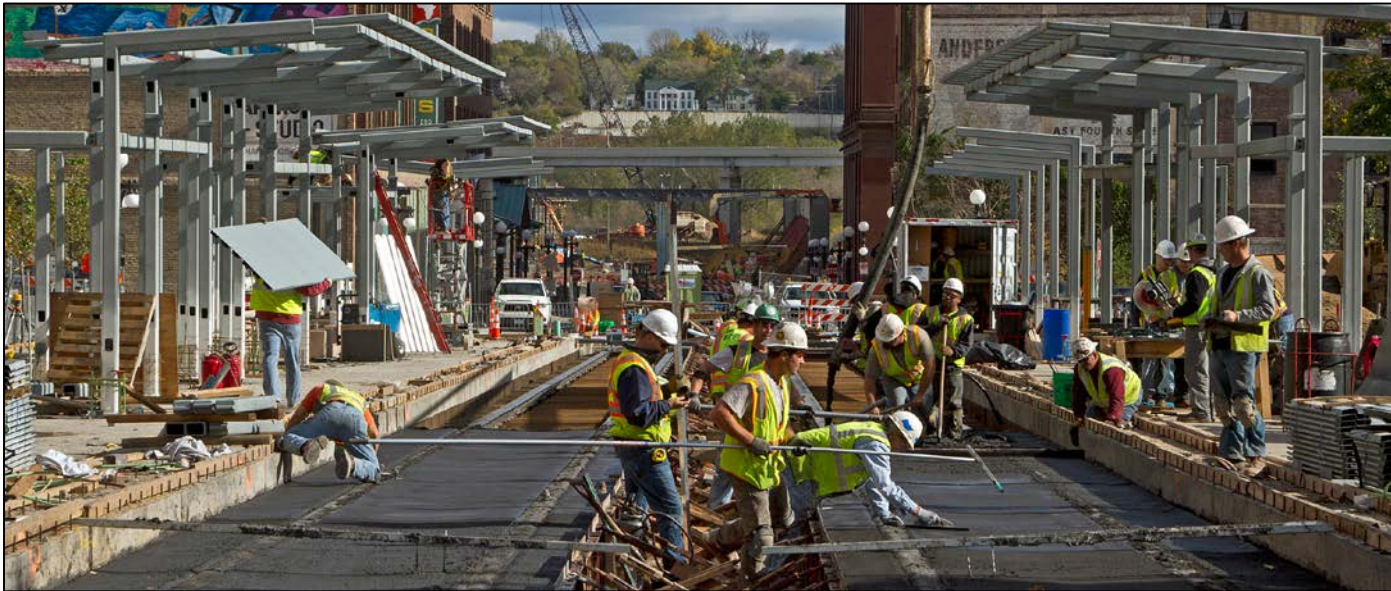
$$\text{Adjusted Base Figure} = \frac{11.7\% + 19\%}{2} \approx 15\%$$

Rationale

- Upcoming triennium is very difficult in comparison to previous years
 - SWLRT & BLRT construction
 - FY 2015-2017 had a total of **\$56,924,888** in awarded projects
 - FY 2018-2020 triennium projected to have contracts totaling **\$2,652,974,816**
- DBE pool is finite & there is concern that the DBE pool would be exhausted by larger projects

Recommendation

- The goal methodology prescribed by regulation calls for a 15% DBE goal for the years of FY 2018-2020



Next Steps

- 30 day Public Comment period from June 7th to July 7th
- Stakeholder input sessions
- Two open house events:
 - June 13th – UROC
 - June 20th – MLK Center
- Council Management and Transportation Committees
- Full Metropolitan Council Meeting
- Submission to FTA on August 1st