

The following is a summary of the method used to calculate the weighted relative availability and other values in the table.

I. Step One

The base figure was calculated using the relative availability of ready, willing and able (RWA) DBEs weighted by budget estimates and scopes of future projects.

The availability of RWA DBEs was determined by what percentage DBEs represent of all RWA in the Minneapolis-Saint Paul Metropolitan Statistical Area (MSA), as outlined by the Office of Management and Budget. The Minneapolis-Saint Paul MSA was chosen as the local market area for contractors and subcontractors for the Metropolitan Council because it represents the geographical area in which the majority of contractors are located. This area includes the seven counties under Metropolitan Council jurisdiction, as well as nine additional surrounding counties in Minnesota and western Wisconsin. Census data provides the overall pool of RWA firms in the Minneapolis-Saint Paul MSA by NAICS code. The DBE Directory can be used to find the pool of RWA DBEs in the Minneapolis-Saint Paul MSA by NAICS code, as well.

Budget estimates and scopes of future projects provide the breakdown of how funding will be allocated to different functions as determined by NAICS code. This provides a percentage of future funding that will be used on a project for individual NAICS codes.

By weighting the percentage of RWA DBEs and future spending estimates for each NAICS code, a more accurate measure for the actual relative availability of DBEs to perform future contracts. These calculations yield an unadjusted base figure of **11.7%**.

II. Step Two

DBE past participation can be used to adjust the base figure by averaging the unadjusted base figure with the median past participation rate. DBE participation in 2014, 2015 and 2016 was 26%, 14%, and 19%, respectively. To adjust for this past participation, the median of past participation, **19%**, can be averaged with the unadjusted base figure for an adjusted overall DBE triennial goal of **15 %**:

$$\frac{(11.7\% + 19\%)}{2} = 15\%$$

Figure I – Base Figure

The table below shows the projected future spending, availability of RWA DBEs and weighted availability for each NAICS code. The column for “Weighted Relative Availability” is the product of the columns for “Percentage of Future Spending” and “DBE Availability of RWA Firms.” The final unadjusted base figure, in the bottom right cell, is the sum of all values in the “Weighted Relative Availability” column.

NAICS Code	Projected Future Spending	Percentage of Future Spending	DBE Availability of RWA Firms	Weighted Relative Availability
237110	\$282,656,516	10.7%	8.4%	0.9%
237310	\$304,648,284	11.5%	21.7%	2.5%
238110	\$20,036,166	0.8%	5.9%	0.0%
238120	\$250,178,063	9.4%	23.3%	2.2%
238140	\$7,109,565	0.3%	4.3%	0.0%
238190	\$11,103,638	0.4%	23.0%	0.1%
238210	\$385,717,596	14.5%	3.2%	0.5%
238220	\$45,559,416	1.7%	1.2%	0.0%
238290	\$61,886,002	2.3%	3.4%	0.1%
238310	\$62,557,432	2.4%	5.3%	0.1%
238320	\$852,986	0.0%	4.6%	0.0%
238350	\$10,295,055	0.4%	6.4%	0.0%
238390	\$1,500,403	0.1%	7.6%	0.0%
238910	\$38,431,716	1.4%	9.2%	0.1%
238990	\$11,929,679	0.4%	3.7%	0.0%
332323	\$111,952,459	4.2%	24.1%	1.0%
333922	\$1,356,062	0.1%	7.1%	0.0%
423310	\$119,237	0.0%	1.1%	0.0%
423320	\$1,930,220	0.1%	10.0%	0.0%
423610	\$350,050,081	13.2%	8.7%	1.2%
444190	\$2,098,280	0.1%	2.5%	0.0%
484220	\$200,353,878	7.6%	18.3%	1.4%
488510	\$37,208	0.0%	1.3%	0.0%
517919	\$1,817,927	0.1%	7.7%	0.0%
541310	\$32,577,982	1.2%	5.4%	0.1%
541320	\$3,289,241	0.1%	23.8%	0.0%
541330	\$369,417,428	13.9%	6.3%	0.9%
541340	\$450,000	0.0%	16.7%	0.0%
541360	\$3,951,384	0.1%	100.0%	0.1%
541370	\$36,184,884	1.4%	18.4%	0.3%
541380	\$4,277,344	0.2%	2.3%	0.0%
541490	\$675,000	0.0%	26.7%	0.0%
541611	\$19,405,805	0.7%	2.6%	0.0%
541614	\$5,456,082	0.2%	10.7%	0.0%
541820	\$12,179,099	0.5%	9.9%	0.0%
561730	\$932,698	0.0%	2.1%	0.0%
TOTAL	\$2,652,974,816	100%		11.7%

Appendix I – Weighting Relative Availability

The example below shows how weighting DBE relative availability by using its share of spending provides a more accurate base figure that can be used for goal setting.

Example

A project has a total budget of **\$10,000,000** with a scope of work split between two NAICS codes:

NAICS Code	Allocated Budget	Number of RWA DBEs	Number of RWA Firms	DBE Relative Availability
237310 - Highway, Street and Bridge Construction	\$8,000,000	23	106	21.7%
238910 - Site Preparation Contractors	\$2,000,000	35	382	9.2%

To calculate the relative availability of DBEs for this project, the number of RWA DBEs would be divided by the total number of RWA firms for those two NAICS codes:

$$\frac{23 \text{ DBEs in } 237310 + 35 \text{ DBEs in } 238910}{106 \text{ Firms in } 237310 + 382 \text{ Firms in } 238910} = \frac{58}{488} = \mathbf{11.9\%}$$

This would represent a base figure of **11.9%** that would be used for goal setting. However, this does not account for the fact that 80% of the project's budget is allocated to NAICS code 237310, which has a higher DBE relative availability.

In order to use the allocated budget as a weight for each NAICS code, the figure for each code's DBE relative availability would be multiplied by its share of the total budget:

$$\left(\frac{23 \text{ DBEs}}{106 \text{ Firms}} \times 80\% \text{ of budget}\right) + \left(\frac{35 \text{ DBEs}}{382 \text{ Firms}} \times 20\% \text{ of budget}\right) = (21.7\% \times 80\%) + (9.2 \times 20\%) = \mathbf{19.2\%}$$

The weighted calculation yields a base figure of **19.2%**, a value closer to the 21.7% relative availability of the type of work that will receive a majority of the project's funding.