

Section 26.45: Overall Goal Calculation

As a recipient of U.S. DOT financial assistance and in accordance with Code 49 of Federal Regulations, Part 26.45, each recipient is required to set an overall goal for DBE participation in U.S. DOT assisted contracts. The goal will provide for participation by all certified DBEs and will not be subdivided into group specific goals nor established as a quota system. MMT will utilize a two-step process in the development of its overall Disadvantaged Business Enterprise (DBE) goal.

Amount of Goal

MMT's overall goal for the period beginning October 1, 2024 and ending September 30, 2026 is **5.0%**, all of which is race neutral. This goal applies to all contracts funded by the U.S. Department of Transportation (USDOT), except for transit vehicle purchases funded by the Federal Transit Administration (FTA).

Methodology Used to Calculate Overall Goal

Step 1: 26.45(c) *Determine the base figure for the relative availability of DBEs.*

Relative Availability of DBEs

In general, the Normal Market Area is not defined in the DOT DBE regulations. MMT determines its Normal Market Area based on the following factors:

- 1) Where all contractors (DBEs and non-DBEs) doing business with MMT are located; and,
- 2) Where the majority of the contracting dollars are spent by MMT on DBE projects.

To begin the Step 1 process, MMT identified the subcontractable elements of their anticipated federally funded contracts. The North American Industry Classification System (NAICS) was used to categorize each element.

Location where DOT-Assisted Dollars Are Spent

DOT-assisted contract dollars are primarily spent in a 12-county area where a substantial majority of the contractors and subcontractors with which MMT does business are located. In this market area, MMT spends the majority of its federal contracting dollars. MMT identified the following twelve counties within its market area:

- Adams
- Arapahoe
- Custer
- Denver
- Douglas
- El Paso
- Elbert
- Fremont
- Jefferson
- Lincoln
- Pueblo
- Teller

Relative Availability of DBE Firms

MMT has identified its local market as a 12-county area in central Colorado, where the majority of the prime contractors and subcontractors are located, and contract dollars are spent.

To establish the base figure, MMT conducted an analysis to determine the relative availability of ready, willing, and able DBEs within the established market area to

participate in the FTA-assisted contract opportunities, compared to all firms. This analysis is reflected in Table 4.

Relative Availability of all Firms

The data sources for the analysis include the 2021 U.S. Census Bureau County Business Patterns (CPB) database and the State of Colorado’s Unified Certification Program (UCP) DBE Directory.

*Table 4
 Relative Availability of DBEs*

	NAICS Codes / Descriptions	Number of Firms		DBE
		DBE	Total	Availability
Construction Services	236220 Commercial & Institutional Building Construction	48	493	9.74%
	237310 Highway, Street & Bridge Construction	91	123	73.98%
	237990 Other Heavy & Civil Construction	5	29	17.24%
	238110 Foundation, Structure, Building Exterior	46	336	13.69%
	238130 Framing Contractors	10	262	3.82%
	238160 Roofing Contractors	14	664	2.11%
	238210 Electrical Contractors	56	1,180	4.75%
	238220 Plumbing, Heating & Air Conditioning	37	1,460	2.53%
	238310 Drywall Installation	23	358	6.42%
	238320 Painting, Wall Covering Contractors	34	615	5.53%
	238910 Site Preparation Contractors	68	430	15.81%
	238990 All Other Specialty Trade Contractors	89	568	15.67%
	561730 Landscaping Contractors	34	1,294	2.63%
	561990 Flagging	27	165	16.36%
	327320 Read-Mix Concrete	1	45	2.22%
	423320 Asphalt & Concrete Mixture Merchants	4	48	8.33%
	424910 Mulch Merchant Wholesalers	0	33	0.00%
	Subtotal	587	8103	7.24%
Consulting Services	541310 Architect Services	23	414	5.56%
	541320 Landscape Architectural Services	33	110	30.00%
	541330 Engineering Services	81	1,546	5.24%
	541360 Geophysical Surveying & Mapping	3	35	8.57%
	541370 Surveying & Mapping	20	122	16.39%
	541611 Administration, Management, Strategic Planning	139	2,064	6.73%
	541614 Transportation Management	31	140	22.14%
	541620 Environmental Consulting	42	238	17.65%
	541690 Other Scientific & Technical Consulting Services	60	558	10.75%
	541910 Market Research, Public Opinion Polling	36	77	46.75%
		Subtotal	468	5,304
	TOTALS	1,055	13,407	7.87%

The base figure represents the availability of ready, willing, and able DBEs as a percentage of all firms for each NAICS code for which there will be contracting and subcontracting opportunities.

As indicated in Table 5 below, the base figure is derived by dividing the total number of DBEs by all firms within the market area.

*Table 5
 Base Figure*

<i>Base Figure Weighting</i>	Total DBEs	/	Total for All Firms	=	Base Figure
	1,055		13,407		7.87%

Weighting can help ensure that the Step 1 Base Figure is as accurate as possible. Tables 6, 7, and 8 illustrate the process to determine the Weighted Base Figure.

Table 6 identifies the relative availability of DBEs based on the two contract types, Construction Services and Consulting Services.

*Table 6
 Relative Availability Based on Contract Type*

	Construction Services (Total)	Consulting Services (Total)	
	NAICS Codes	NAICS Codes	TOTAL
DBEs	587	468	1,055
All Firms	8,103	5,304	13,407
Relative Availability (RA)			
%	7.24%	8.82%	7.87%

Table 7 demonstrates the percentage of contract funds that are designated for each contract type.

*Table 7
 Relative Availability Based on Contract Type*

Contract Type	Projected Capital Costs Over FY 2024 - FY 2026	% of Whole
Construction	\$4,220,501	23.45%
Consulting	\$13,773,996	76.55%
Total	\$17,994,497	100%

Table 8 calculates the Weighted Base Figure, which will be used in Step 2 of the DBE goalsetting process. The weighted base figure is 8.45%.

*Table 8
 Weighted Base Figure*

Construction Services			+	Consulting Services			=	Weighted Base Figure
<i>Weighted Projections</i>	x	<i>Relative Availability</i>		<i>Weighted Projections</i>	x	<i>Relative Availability</i>		
23.45%		7.24%		76.55%	8.82%		8.45%	
1.70%			6.75%					

Step 2: 26.45(d) *Adjust the Step 1 base figure for accuracy.*

Subsequent to establishing the DBE goal base figure, MMT examined available evidence to determine what adjustment, if any, would be required to ensure a narrowly-tailored goal.

Adjustment Factors Considered

The regulation states that there are several types of evidence that must be considered when adjusting the base figure. Those factors and how they were considered are noted below:

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

The past participation for DBEs that MMT has realized in the past several years was considered a relevant factor and is analyzed below.

- Evidence from disparity studies conducted anywhere within your jurisdiction, to the extent it is not already accounted for in your base figure. There was a disparity study conducted by the State of Colorado Department of Personnel & Administration (DPA) in 2020 which was not factored into the base figure.

The Colorado DPA’s disparity study analyzed the utilization and availability of DBEs in the Colorado market area. The study analyzed contract data for 2014 through 2018 for the State of Colorado’s contracts from across the entire state funded with monies from state and federal dollars. The data used is over five years ago and pre-dates the impacts of the COVID-19 pandemic. Therefore, the disparity study information was not considered a relevant factor in adjusting the base figure.

- If your base figure is the goal of another recipient, you must adjust it for differences in your local market and your contracting program.

Not applicable, as MMT’s base goal is not that of another recipient.

- Statistical disparities in the ability of DBEs to get the financing, bonding and insurance required to participate in your program.

No additional statistical information was found or factored into this goal setting.

- Data on employment, self-employment, education, training and union apprenticeship programs to the extent you can relate it to the opportunities for DBEs to perform in your program.

No additional data was found to factor into this goal setting.

Once the DBE weighted base figure has been calculated, regulations 49 CFR Part 26.45(d) requires that “all of the evidence available” in your jurisdiction must be examined to determine what adjustment, if any, is needed.

The regulations further state that there are several types of evidence that must be considered when adjusting the base figure, such as: 49 CFR Part 26.45(d)(1)(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.”

MMT determined that three years of past participation was appropriate for this methodology. Table 9 reflects the analysis of MMT’s past participation to determine the feasibility of an adjustment to the base figure.

*Table 9
 MMT’s Past Participation for FFY 2020 – 2022*

Federal Fiscal Year	DBE Goal	Total Contract Dollars Awarded	Total DBE Dollars Awarded	DBE Achievement
2020	6%	\$789,946.45	\$15,280.40	1.93%
2021	6%	\$14,165,466.00	\$1,176,874.00	8.31%
2022	6%	\$14,720,410.00	\$0.00	0%
		\$36,809,995.45	\$1,822,896.40	1.93%

MMT determined that the median DBE Achievement for the past three-year period is 1.93%. The calculation for the DBE goal is the average of the Step 1 Weighted Base Figure, 8.45%, and the median past participation, 2.61%. The resulting adjusted goal is **5.53%** as shown in Table 10.

Table 10
 MMT's Past Participation for FFY 2020 – 2022

Step 1 Weighted Base Figure	Median Past Participation	Divided By	Adjusted Goal
8.45%	1.93%	2	5.19%
10.38%			

After an updated analysis of the relative availability of DBEs, MMT has determined that the contracting and subcontracting opportunities are similar to past years. Therefore, MMT's final proposed overall DBE goal for FFY 2024 – 2026 is **5.0%** which will be all race neutral.

MMT Race-Neutral Methods (§26.51(b))

MMT will continue its current procedures for ensuring the participation of DBEs and other small businesses in all of its contracting activities. These procedures consist of, but are not limited to:

- Arranging solicitations, times for presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE and other small business participation (e.g., unbundling large contracts to make them more accessible to small businesses);
- Encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own resources;
- Carrying out information and communication programs on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs, information e-blasts; dissemination to bidders on prime contracts of lists of potential subcontractors, providing information in languages other than English, where appropriate);
- Implementing a supportive services program to develop and improve immediate and long-term business management, record keeping, financial and accounting capability for DBEs and other small businesses;
- Ensuring distribution of the Colorado UCP DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors.

Public Participation

The goal has been published to Bidnet and the City website located at www.coloradosprings.gov.

MMT conducted the consultative process with local agencies that represent business interests concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and MMT's efforts to establish a level playing field for the participation of DBEs.

MMT has not received comments regarding the goal, however the comment period is currently still open. Any comments received during this period will be summarized and a determination will be made if the goal should be adjusted further to reflect concerns.