



**IDOT
Overall DBE Goal Setting Report
2015-2017
Federal Transit Administration**

Illinois Department of Transportation

FFY 2015-2017 Federal Transit Administration

Overall DBE Goal

The Illinois Department of Transportation (IDOT) has prepared this submission to the Federal Transit Authority (FTA) to describe the methodology used to establish the transit Disadvantaged Business Enterprise (DBE) goal mandated by 49 CFR part 26 for its federally-assisted transit contracts. IDOT relied on and followed the regulations and guidance provided concerning the implementation of the regulations. 49 CFR §26.45 requires a two-step process for setting the transit DBE goal that reflects the level of DBE participation on IDOT's contracts expected in the absence of discrimination. The first step is the calculation of a base figure for the relative availability of DBEs. The second step requires consideration of a possible adjustment of the base figure to reflect the effects of the DBE program and the level of participation that would be expected "but for" the effects of past and current discrimination against DBEs. As further required by §26.51(c), IDOT submits a projection of the portion of the transit goal that it expects to meet through race-conscious and race-neutral means and the basis for the projection.

Methodology and Evidence

I. Step 1 Estimate of Relative Availability of DBEs

A. Relevant Market Area: Geographic Preference

The relevant market area was determined to specify the geographical area for seeking available businesses. Based on the past DPIT projects it is determined that the geographical area will be the entire State of Illinois, Districts 1-9. The following table provides a distribution of DPIT projects awarded during the FFY 2012-14 time period to support the relevant market area, the majority of IDOT DPIT projects are awarded downstate due to the other transit facilities located in D1 (METRA, CTA, PACE). District 1 businesses still have the opportunity to work in neighboring districts included in the project award areas; therefore the entire state is included as the relevant market area.

Past Projects FFY 2012 – 2014

IDOT DISTRICT	PAST TOTAL PROJECTS	PAST CONTRACT OPPORTUNITIES
2	\$3,202,311	\$1,024,740
3	\$3,146,325	\$1,006,824
4	\$5,233,434	\$1,674,699
5	\$3,239,631	\$1,036,682
6	\$3,577,402	\$1,144,768
7	\$2,192,007	\$701,442
8	\$3,304,377	\$1,057,401
9	\$5,909,937	\$1,891,180
TOTAL FFY 2012-14	\$29,805,424	\$9,537,736

B. DBE Availability

Step 1 is to determine the base figure for the relative availability of DBEs. IDOT utilized the number of transit-related DBE firms in the Illinois Unified Certification Program DBE Directory as its

numerator and the total number of identifiable (transit-related) firms in the 2010 Census Bureau's County Business Patterns (CBP) database as its denominator.¹

To determine the numerator, IDOT used the number of DBEs in North American Industry Classification System (NAICS) codes that were determined to be within the upcoming transit operating grants, facility construction, and 5311 professional services for 2015-17, sorted by NAICS Codes as listed in the table below. 781 DBEs comprised the numerator.

The number of DBEs the Illinois Unified Certification Program Directory was utilized to determine the number of firms approved under the following NAICS codes. This total number for each code was used as the numerator to determine a DBE availability percentage.

NAICS CODE	NAICS DESCRIPTION	TOTAL DBE
541611	Administrative Management & General Management Consulting Services	153
541513	Computer Facilities Management Services	11
237990	Other Heavy & Civil Engineering Construction	64
541613	Marketing Consulting Services	52
514990	All other professional, scientific, technical services (vehicle inspection)	14
541310	Architectural Services	47
238990	All Other Specialty Trade Contractors (Parking lot paving)	66
236220	Commercial and Institutional Building Construction	76
561730	Landscaping Services	78
238210	Electrical Contractors and other Wiring Installation Contractors	81
238220	Plumbing, heating and air-conditioning contractors	56
811310	Commercial and Industrial Machinery & Equipment (except automotive and electronic) Repair & Maintenance	3
238390	Other Building Finishing Contractors	14
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	7
334290	Other Communications Equipment Manufacturing	4
336211	Motor Vehicle Body Manufacturing	0
441310	Automotive Parts and Accessories Stores	2
447190	Other Gasoline Stations	0
531120	Commercial Leasing	1
541211	Offices of Certified Public Accountants	12
541850	Outdoor Advertising	8
561720	Janitorial Services	27
811111	General Automotive Repair	1
541110	Office of Lawyers	8
TOTAL		781

To determine the denominator, IDOT used the 2012 Census Bureau's CBP database (<http://censtats.census.gov/cgi-bin/cbpnaic/cbpsect.pl>). 80,861 (Illinois) establishments comprised the denominator as broken down in the chart below.

¹ The IDOT Study and other evidence relied upon by IDOT and upheld by the courts did not include FTA-assisted contracts. See *Northern Contracting, Inc. v. Illinois Department of Transportation*, 473 F.3d 715 (7th Cir. 2007),

NAICS CODE	NAICS DESCRIPTION	TOTAL ESTABLISHMENTS
541611	Administrative Management & General Management Consulting Services	3,542
541513	Computer Facilities Management Services	361
237990	Other Heavy & Civil Engineering Construction	204
541613	Marketing Consulting Services	1,660
514990	All other professional, scientific, technical services (vehicle inspection)	2,767
541310	Architectural Services	1,014
238990	All Other Specialty Trade Contractors (Parking lot paving)	1,270
236220	Commercial and Institutional Building Construction	1,320
561730	Landscaping Services	4,131
238210	Electrical Contractors and other Wiring Installation Contractors	2,736
238220	Plumbing, heating and air-conditioning contractors	3,899
811310	Commercial and Industrial Machinery & Equipment (except automotive and electronic) Repair & Maintenance	11,607
238390	Other Building Finishing Contractors	300
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	10,390
334290	Other Communications Equipment Manufacturing	20
336211	Motor Vehicle Body Manufacturing	18
441310	Automotive Parts and Accessories Stores	1,344
447190	Other Gasoline Stations	433
531120	Commercial Leasing	5,266
541211	Offices of Certified Public Accountants	2,466
541850	Outdoor Advertising	152
561720	Janitorial Services	2,595
811111	General Automotive Repair	15,549
541110	Office of Lawyers	7,837
TOTAL		80,861

Therefore, 781 divided by 80,861 multiplied by 100 equals the base figure estimate of DBE availability at 0.96 percent.

C. Weighted Goal Methodology

Determine the Weight of Each NAICS Code

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	541611	Technical Assistance	\$1,224,799.00	0.1409
2)	541513	Technical Assistance	\$124,089.00	0.0143
3)	237990	Technical Assistance	\$159,630.00	0.0184
4)	541613	Technical Assistance	\$17,403.00	0.0020
5)	541990	Technical Assistance	\$97,077.00	0.0112
6)	541310	Facility Construction	\$289,219.84	0.0333
7)	238990	Facility Construction	\$289,219.84	0.0333
8)	236220	Facility Construction	\$1,735,319.04	0.1997
9)	561730	Facility Construction	\$144,609.92	0.0166
10)	238210	Facility Construction	\$144,609.92	0.0166
11)	238220	Facility Construction	\$289,219.84	0.0333
12)	811310	Facility Construction	\$28,921.98	0.0033
13)	238390	Facility Construction	\$28,921.98	0.0033
14)	423120	Equipment Purchase	\$147,149.60	0.0169
15)	336211	Rolling Stock Purchase	\$1,672,243.20	0.1924
16)	441310	Operating	\$246,174.00	0.0283
17)	447190	Operating	\$1,230,874.32	0.1416
18)	531120	Operating	\$164,116.58	0.0189
19)	541211	Operating	\$82,058.29	0.0094
20)	541850	Operating	\$328,233.15	0.0378
21)	561720	Operating	\$82,058.00	0.0094
22)	811111	Operating	\$82,058.00	0.0094
23)	541110	Operating	\$82,058.00	0.0094
	Total FTA-Assisted Contract Funds		\$8,690,063.50	1

Determine the Relative Availability of DBEs by NAICS Code

	NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability	
1)	541611	Technical Assistance	153	3542	0.0432	
2)	541513	Technical Assistance	11	361	0.0305	
3)	237990	Technical Assistance	64	204	0.3137	
4)	541613	Technical Assistance	52	1660	0.0313	
5)	541990	Technical Assistance	14	2767	0.0051	
6)	541310	Facility Construction	47	1014	0.0464	
7)	238990	Facility Construction	66	1270	0.0520	
8)	236220	Facility Construction	76	1320	0.0576	
9)	561730	Facility Construction	78	4131	0.0189	
10)	238210	Facility Construction	81	2736	0.0296	
11)	238220	Facility Construction	56	3899	0.0144	
12)	811310	Facility Construction	3	11607	0.0003	
13)	238390	Facility Construction	14	300	0.0467	
14)	423120	Equipment Purchase	7	10390	0.0007	
15)	336211	Rolling Stock Purchase	0	18	0.0000	
16)	441310	Operating	2	1344	0.0015	
17)	447190	Operating	0	433	0.0000	
18)	531120	Operating	1	5266	0.0002	
19)	541211	Operating	12	2466	0.0049	
20)	541850	Operating	8	152	0.0526	
21)	561720	Operating	27	2595	0.0104	
22)	811111	Operating	1	15549	0.0001	
23)	541110	Operating	8	7837	0.0010	
	Combined Totals		781	80861	0.0097	Overall availability of DBEs

Determine the Weighted Base Figure

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	541611	Technical Assistance	0.14094	x	0.04320	0.0061
2)	541513	Technical Assistance	0.01428	x	0.03047	0.0004
3)	237990	Technical Assistance	0.01837	x	0.31373	0.0058
4)	541613	Technical Assistance	0.00200	x	0.03133	0.0001
5)	541990	Technical Assistance	0.01117	x	0.00506	0.0001
6)	541310	Facility Construction	0.03328	x	0.04635	0.0015
7)	238990	Facility Construction	0.03328	x	0.05197	0.0017
8)	236220	Facility Construction	0.19969	x	0.05758	0.0115
9)	561730	Facility Construction	0.01664	x	0.05263	0.0009
10)	238210	Facility Construction	0.01664	x	0.01040	0.0002
11)	238220	Facility Construction	0.03328	x	0.00006	0.0000
12)	811310	Facility Construction	0.00333	x	0.00006	0.0000
13)	238390	Facility Construction	0.00333	x	0.00102	0.0000
14)	423120	Equipment Purchase	0.01693	x	0.00000	0.0000
15)	336211	Rolling Stock Purchase	0.19243	x	0.00000	0.0000
16)	441310	Operating	0.02833	x	0.00000	0.0000
17)	447190	Operating	0.14164	x	0.00000	0.0000
18)	531120	Operating	0.01889	x	0.04320	0.0008
19)	541211	Operating	0.00944	x	0.03047	0.0003
20)	541850	Operating	0.03777	x	0.31373	0.0118
21)	561720	Operating	0.00944	x	0.03133	0.0003
22)	811111	Operating	0.00944	x	0.00506	0.0000
23)	541110	Operating	0.00944	x	0.04635	0.0004
					Total	0.0420
					Expressed as a % (*100)	4.20%
					Rounded, Weighted Base Figure:	4.2%

II. Step 2 Consideration of Adjustment to the Base Figure

Step 2 requires that IDOT examine all evidence in its jurisdiction to determine what adjustment, if any, is needed to the base figure to arrive at the overall goal. Included among the types of evidence that must be considered are the current capacity of DBEs to perform work on IDOT's federally-assisted contracts, as measured by the volume of work DBEs have performed in recent years, and evidence from disparity studies conducted anywhere within IDOT's jurisdiction, to the extent not already accounted for in the base figure. IDOT must also consider available evidence from related fields that affect the opportunities for DBEs to form, grow and compete, if available. These include, but are not limited to, statistical disparities in the ability of DBEs to obtain the financing, bonding and insurance required to participate in the program, and data on employment, self-employment, education, training and union apprenticeship programs, to the extent relevant to the opportunities for DBEs to perform in the program. The regulations caution that any adjustment to the base figure to account for the continuing effects of past discrimination or the effects of an ongoing DBE program must be based on "demonstrable evidence that is logically and directly related to the effect for which the adjustment is sought." §26.45(d)(3).

A. Past DBE Utilization

IDOT considered the current capacity of DBEs to perform on its federally assisted contracts, measured by the volume of work DBEs have received in recent years. For FFYs 2009 - 2013, DBEs median past participation is 0.97% of IDOT's Division of Public Intermodal Transportation (DPIT) direct and subrecipient contract opportunities but in the past two has shown an increase in DBE participation. Following is the breakdown by year:

- 2009** - Total DPIT subrecipient contract opportunities, \$2,818,597
 Direct DPIT awards - \$437,296
 DBEs received 0.97% (\$31,424) of total DPIT direct and subrecipient contract opportunities (\$3,255,893)

- 2010** - Total DPIT subrecipient contract opportunities, \$3,037,789
 Direct DPIT awards - \$99,720
 DBEs received 0% (\$0.00) of total DPIT direct and subrecipient contract opportunities (\$3,137,509)

- 2011** - Total DPIT subrecipient contract opportunities, \$3,023,649
 Direct DPIT awards - \$160,000
 DBEs received 0% (\$0.00) of total DPIT direct and subrecipient contract opportunities (\$3,183,649)

- 2012** - Total DPIT subrecipient contract opportunities, \$3,098,395
 Direct DPIT awards - \$2,056,091
 DBEs received 5.53% (\$284,866) of total DPIT direct and subrecipient contract opportunities (\$5,154,486)

- 2013** - Total DPIT subrecipient contract opportunities, \$3,219,670
 Direct DPIT awards - \$1,291,688
 DBEs received 16.40% (\$739,856) of total DPIT direct and subrecipient contract opportunities (\$4,511,358)

B. Upcoming DPIT Projects for Years 2015 – 2017

IDOT DISTRICT	ESTIMATED TOTAL CONTRACT OPPORTUNITIES
2	\$1,024,740
3	\$1,006,824
4	\$1,674,699
5	\$1,036,682
6	\$1,144,768
7	\$701,442
8	\$1,057,401
9	\$1,891,180
TOTAL FFY 2015-2017	\$9,537,736

C. Evidence from local disparity studies

There are no local disparity studies of the types of contracts involved in FTA-assisted contracts.

D. Statistical evidence of disparities

IDOT has no relevant data from related fields that affect the opportunities for DBEs to form, grow and compete on FTA-assisted contracts.

E. Step 2 adjustment evaluations

The Illinois Department of Transportation will not adjust our goal utilizing a step 2 adjustment and will adopt the weighted base figure of 4.20% as its aspirational FFY 2015-17 goal.

III. Projection of Race-Neutral vs. Race-Conscious Goal Attainment

IDOT will meet its aspirational FFY 2015-2017 goal of 4.20 percent through 2.00% race-neutral measures and 2.20% race-conscious measures.

A. Race-Neutral Initiatives

Business Development Program

IDOT is in the process of developing a Business Development Program to be implemented by October 1, 2014. This program will assist three tiers of DBE firms (newly certified, developmental and transitional firms) by providing targeted assistance to address identified weaknesses and help support opportunities identified in the DBEs approved business plans.

Complaint Procedures

IDOT adopted a procedure to process complaints of discrimination in the operation of the program and against contractors receiving IDOT contracts. This will ensure prompt, uniform and fair responses to allegations of unlawful conduct so that DBEs, non-DBEs and interested persons can have confidence in the integrity of IDOT's operations.

Prompt Payment

IDOT continues to enforce its prompt payment provisions and processes. Through education and enforcement measures, IDOT has taken steps to ensure both internal staff and the contracting community are aware of the importance of meeting the prompt payment requirements.

Outreach

IDOT has implemented an extensive outreach program to attract additional DBE participation and to assist those businesses to become competitive in a race-neutral environment. It is further contacting firms identified as possible program participants to encourage their applications and assist with meeting eligibility criteria.

Supportive Service Assistance

IDOT retains a network of consultants to provide management and technical assistance to its DBEs to increase their knowledge and competitiveness.

Networking & Events

IDOT sponsors networking sessions and various skill building events throughout the state to encourage cooperation and participation on major construction projects. It is also cooperating with a statewide network of 20 Small Business Development Centers administered by the U.S. Small Business Administration and Procurement Technical Assistance Centers with the Illinois Department of Commerce and Economic Opportunity to provide information and training to DBEs and small businesses.

DBE Revolving Loan Program

In September of 2013, IDOT launched a ground-breaking program to provide access to capital for certified DBE firms working on IDOT contracts who cannot secure funding through conventional lenders. This program is a race-neutral initiative helped to address the financing barrier identified.

B. Estimate of Race-Conscious and Race-Neutral Participation

IDOT will meet its aspirational FFY 2015-2017 goal of 4.20 percent through 2.00% race-neutral measures and 2.20% race conscious measures. IDOT's race-neutral achievement for the period of FFY 2009 – 2013 has a median of 0.97 percent, but as shown below IDOT is increasing race neutral participation with more DBE Prime Contractor awards as seen in 2013, supporting an aspirational goal of race neutral participation of 2.00%.

Federal Fiscal Year	Total FTA Contracting Opportunities	Race-neutral DBE Utilization
2009	\$3,255,893	0.97% (\$31,424)
2010	\$3,137,509	0.00% (\$0.00)
2011	\$3,183,649	0.00% (\$0.00)
2012	\$5,154,486	0.27% (\$14,337)
2013	\$4,511,358	17.31% (\$780,928)

IV. Public Participation

To satisfy the public consultation requirements of the regulations, IDOT will provide copies of its proposed submission to numerous stakeholders who may have information concerning the availability of DBEs and non-DBEs, the effects of discrimination on opportunities for DBEs, and IDOT's efforts to establish a level playing field for DBE participation, for their review and comments. IDOT published the public notice in the state newspaper and will provide a comment period for responses as well as hold a public hearing on August 7, 2014 to accept public comments. IDOT has provided a specific email for public comments to be submitted electronically during the 45 day comment period. IDOT will evaluate any comments received and make changes to its proposed goal if warranted and will submit all comments to FTA at the conclusion of the 45 day comment period.