



**IDOT
2013-2015
Overall DBE
Goal Setting Report**

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OVERALL DISADVANTAGED BUSINESS ENTERPRISE GOAL SETTING METHODOLOGY REPORT FFY 2013–2015

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**OVERALL DISADVANTAGED BUSINESS ENTERPRISE
GOAL- SETTING METHODOLOGY REPORT
FFY 2013-2015**

I. INTRODUCTION

The Illinois Department of Transportation (IDOT) submits its Disadvantaged Business Enterprise (DBE) *Overall Goal Setting Methodology Report* to the United States Department of Transportation Federal Highway Administration (FHWA) for review and approval. The report has been prepared in compliance with Disadvantaged Business Enterprise (DBE) regulations, 49 CFR Part 26.45, as amended, the General Counsel of the United States Department of Transportation's *Tips for Goal-Setting* (USDOT Tips), and the United States appellate court's decision in *Northern Contracting v. Illinois Department of Transportation*.¹

The regulations require that the overall goal be prepared using a two-step process. According to the *USDOT Tips for Goal Setting*², approved by the General Counsel of the USDOT, the recipient must first determine a base figure for the relative availability of certified and non-certified minority and woman-owned business enterprises in the relevant market area, hereafter collectively referred to as DBEs. Next, the recipient must examine all relevant evidence to determine what adjustment to the base figure, if any, is needed in order to arrive at an overall goal. The final adjusted figure is the recipient's overall goal, and represents the proportion of federal transportation funding the recipient is expected to allocate to DBEs during the subsequent three federal fiscal years (FFY). Once the adjusted overall goal is determined, the process requires considering what portion of the goal will be met by race and gender-neutral measures.

If a recipient purports that it can meet its overall goal with race and gender-neutral measures, those measures must be utilized. In contrast, if the recipient determines it cannot achieve the entire overall goal using only race and gender-neutral measures, it must establish a race and gender-conscious portion of the overall goal.³

¹ 473 F.3d 715 (2007).

² United States Department of Transportation, "Tips for Goal Setting in the Disadvantaged Business Enterprise (DBE) Program", <http://www.osdbu.dot.gov/DBEProgram/tips.cfm>

³ 49 CFR Part 26, §26.51(f)(1), §26.51(d)

II. PROPOSED OVERALL GOAL FOR FFY 2013-2015

Based on the requirements set forth in 49 CFR Part 26, *Northern Contracting*, and the *USDOT's Guidance Memorandum*, Illinois Department of Transportation is submitting a goal for FFY 2013-2015. The recommended overall DBE goal for the period is **22.77 percent**.

III. OVERALL GOAL-SETTING METHODOLOGY

As established above, the two step goal-setting process required by the regulations and the USDOT Tips has been used to determine the overall goal for FFY 2013–2015. The two steps for setting an overall goal are:

- Establishing a base figure for the relative availability of DBEs
- Determining the base figure adjustment

The base figure is intended to be a measurement of the current ready, willing, and able DBEs as a percentage of all ready, willing and able businesses to perform the recipient's anticipated FHWA-assisted contracts.⁴ The regulations present five options for establishing a base figure for relative availability of DBEs. The five options as set forth in the regulations are listed in Table 1.

Table 1: Methods to Determine Base Figure

BASELINE FIGURE METHOD
Bidders List
DBE Directories and Census Data
Other Recipient's Base Figure
Disparity Study
Alternative Method

1. Bidders List Method

This method for calculating a base figure requires IDOT to have a comprehensive bidders list which includes potential prime contractors and subcontractors classified by industry, ethnicity, and gender. Businesses that submit a bid or quote as a prime contractor for an IDOT contract are recorded on a bidder's list. This method limits DBE availability to businesses that bid to IDOT as prime contractors. The bidders list does not account for the businesses that bid to prime contractors as subcontractors or suppliers. This limitation can understate the availability of DBEs.

⁴ *Tips for Goal Setting in the Disadvantaged Business Enterprise (DBE) Program*, U.S. Department of Transportation

2. DBE Directories and Census Data Method

DBE directories of Illinois USDOT recipients are consolidated into the Illinois Unified Certification Program (IL UCP) database. The IL UCP is a “one-stop” certification process for DBEs and includes five local USDOT-funded agencies, including IDOT, City of Chicago, Chicago Transit Authority, Metra, and Pace. Using the IL UCP database to determine DBE availability is limited to USDOT-certified businesses; however, *USDOT Tips* requires including businesses that are not certified, but are potential DBEs, to determine availability. The Census Bureau’s County Business Pattern (CBP) data are derived from business federal income tax filings and, therefore, cannot address businesses’ willingness to do business with IDOT. Additionally, the CBP does not have the functionality to filter Caucasian male-owned businesses that work exclusively in the private sector, or those not interested in contracting with IDOT. Essentially, the CBP over-counts Caucasian males and the IL UCP under-counts DBEs, thus this method understates the relative availability of DBEs.

3. Other Recipients’ Base Figure Methods

This method uses the goal of another USDOT recipient as the base figure. IDOT can only use another recipient’s goal if the goal-setting is done in accordance with the DBE regulations and IDOT has performed similar contracting in a similar market area. This method presumes that there is another USDOT recipient that does the same or similar type of contracting in the same geographic market area. While the other UCP agencies perform contracting, several are transit agencies and therefore have substantial vertical and rail construction compared to IDOT’s use of primarily highway trades. While all the UCP agencies have overall goals ranging from 21-25 percent, these goals are based on work not substantially similar enough for IDOT to adopt them. Therefore, these conditions cannot be met in IDOT’s market area.

4. Disparity Study Methodology

The disparity study is the most comprehensive method for calculating the base figure. A disparity study identifies the businesses that have bid as either a prime or subcontractor. It enumerates DBEs and non-DBEs that are willing and able to work on IDOT’s contracts. IDOT released its Disparity Study in 2011 for the study period of January 1, 2006 to December 31, 2008. This Study established a basis for a goal setting by providing both quantitative data and qualitative anecdotal evidence.

5. Alternative Method

Alternative methods may be used to determine a base figure for the overall goal. Any methodology used to determine a base figure must be based on demonstrable evidence of the local market conditions, and be designed to ultimately attain a goal that is related to the relative availability of DBEs and potential DBEs in the recipient’s market area. The alternative method provides the most flexibility, but it is also subject to a higher level of scrutiny.

IV. STEP ONE BASE FIGURE CALCULATION

A. Goal Setting Methodology

The initial phase of the Step One analysis required the compilation of critical data regarding IDOT's contracting. Data were gleaned from the 2012 IDOT DBE Availability Study. The relevant data considered for the Step One analysis included the following:

- Definition of the market area from an analysis of contracts awarded July 1, 2010 to June 30, 2011
- Classification of procurement areas by NAICS code

1. IDOT's Relevant Market Area

The relevant market area was determined to specify the geographical area for seeking available businesses. A cluster analysis by business location and award amount was prepared using data from the prime contracts awarded during the 2010-2011 study period of the 2012 IDOT DBE Availability Study. As set forth in 49 CFR Part 26, to be certified as a DBE, a business must be a for-profit entity that is at least 51 percent owned by one or more individuals who are socially and economically disadvantaged. Therefore, all procurement with non-profits and other government agencies were excluded from the analysis. The analysis revealed that 94.06 percent of the contract dollars were awarded in the State of Illinois. Table 2 presents the market area findings.

Table 2: Location of Contracts Awarded during the Study Period

BUSINESS LOCATION	TOTAL CONTRACTS	PERCENT OF DOLLARS
State of Illinois	1,171	94.06%
Outside of Illinois	65	5.94%
TOTAL	1,236	100.00%

2. Classification of Procurement Areas by NAICS Codes

All contracts awarded during the study period were classified using a combination of sources. The primary source was a description of the contracts awarded July 1, 2010 to June 30, 2011. The balance was classified by Internet research. Table 3 below presents IDOT's 2010-2011 contracts by NAICS code and industry.

Table 3: 2010-2011 Contracts by NAICS Title and Industry

NAICS CODE	INDUSTRY	NAICS TITLE
238210	Construction	Electrical Contractors
238340		Tile and Terrazzo Contractors
238910		Site Preparation Contractors
237310		Highway, Street, and Bridge Construction
237990		Other Heavy and Civil Engineering Construction
236210		Industrial Building Construction
238110		Poured Concrete Foundation and Structure Contractors
541330	Architecture and Engineering	Engineering Services
541620		Environmental Consulting Services
541360		Geophysical Surveying and Mapping Services
541370		Surveying and Mapping (except Geophysical) Services
541380		Testing Laboratories
541310		Architectural Services
541611		Administrative Management and General Management Consulting Services
541614		Transportation management consulting services
541430		Graphic Design Services

B. Base Figure Determination

The base figure is intended to be a measurement of the relative percentage of ready, willing, and able businesses that are DBEs. The recipient is required to measure willing and able businesses in its marketplace, using the best available evidence, to derive a fair and accurate base figure that represents the percentage of available DBEs. According to Section 26.45(c) and *USDOT Tips*, the overall goal must be based on demonstrable evidence of available ready, willing, and able DBEs relative to all ready, willing, and able non DBEs to participate on IDOT’s federally assisted contracts.

The availability database compiled for the 2012 IDOT DBE Availability Study was used as the source of DBEs and non-DBEs that were willing to perform IDOT contracts. A business was classified as willing if it had either bid on an IDOT contract, obtained pre-qualification with the State of Illinois, certified with a government agency, or responded to the outreach campaign conducted in conjunction with this Study.

Several sources were used to identify businesses in the market area that provide construction and architecture and engineering services that IDOT procures. Sources included government listings, certification lists, trade association and chamber of commerce membership lists, unsuccessful bidders, Illinois pre-qualified businesses, other agency vendor lists, and business community meetings. Additionally, certified lists were collected from federal, state, and local agencies that certify businesses as minority, woman-owned, and disadvantaged. Businesses identified through trade association or

chamber of commerce membership lists were classified as willing only after affirming their interest in contracting with IDOT through a survey.⁵

1. Relative Base Figure

USDOT Tips requires the calculation of the relative base figure by dividing the number of market area DBEs by all market area businesses (DBEs and non-DBEs), which produces a relative base figure of **39.62 percent**, as shown in Table 4. This number is simply the percentage of DBEs in the market area. The relative base figure calculation essentially over counts the number of available DBEs as it assumes that every DBE has equal weight and equal opportunity to perform IDOT contracts. However, in the practical application of the overall DBE goal, not all DBEs have equal opportunity for participation as opportunity is dependent on the spend in each NAICS code. To more accurately reflect the nature and the scope of work, the *USDOT Tips* recommend a weighted calculation of availability. This calculation, which is based on the spend in each NAICS code, is also presented.

$$\text{Relative Base Figure} = \frac{\text{Ready, willing and able DBEs}}{\text{All ready, willing and able businesses (Including DBEs and non - DBEs)}}$$

$$\text{Relative Base Figure of } \mathbf{39.62\%} = \frac{\mathbf{1900 DBEs}}{\mathbf{4795 Total Businesses}}$$

⁵ For a more detailed explanation of the enumeration of available businesses by source and the determination of willingness, see the IDOT DBE Availability Study.

Table 4: Relative Base Figure

NAICS CODE	Number of Available Businesses		Percent of Available Businesses		
	DBEs	All	DBEs	Non-DBEs	All
238210	30	92	0.63%	1.29%	1.92%
238340	33	98	0.69%	1.36%	2.04%
238910	373	885	7.78%	12.76%	20.54%
237310	137	847	2.86%	6.47%	9.32%
237990	169	388	3.52%	6.65%	10.18%
236210	458	785	9.55%	10.99%	20.54%
238110	133	338	2.77%	4.28%	7.05%
541330	172	412	3.59%	5.01%	8.59%
541620	35	67	0.73%	0.67%	1.40%
541360	26	65	0.54%	0.81%	1.36%
541370	71	154	1.48%	1.73%	3.21%
541380	75	160	1.56%	1.77%	3.34%
541310	64	213	1.33%	3.11%	4.44%
541611	51	124	1.06%	1.52%	2.59%
541614	39	97	0.81%	1.21%	2.02%
541430	34	70	0.71%	0.75%	1.46%
TOTAL	1900	4795	39.62%	60.38%	100.00%

2. Weighted Base Figure

Weighting is recommended in *USDOT Tips* to ensure that the overall goal accurately reflects the scope of work. The first step is to calculate a weight for each NAICS code, which is the percentage of the budget for past contracts. Due to the fact that IDOT’s federally funded contracts are identified on a contract-by-contract basis after federal funding is received, weights cannot be calculated based on anticipated contracts. Therefore, weights were calculated by the contracts awarded from July 1, 2010 to June 30, 2011.

The second step to weight availability is to divide the number of DBEs by the total number of businesses in each NAICS code. The results are then multiplied by the corresponding weight in each NAICS code. Lastly, the weighted percentages in each NAICS code are combined to determine the weighted base figure. Table 5 presents the calculation of weighted availability, which was determined to be **23.07 percent** for DBEs and **76.93 percent** for non-DBEs.

$$\begin{array}{l}
 \text{Weight} \\
 \text{(as a percent of contract} \\
 \text{Dollars for NACIS Category} \\
 \text{2010-2011)}
 \end{array}
 \left[\frac{\text{\# of DBEs in category}}{\text{\# of all firms in category}} \right] = \text{Weighted Percent for NACIS Category}$$

Table 5: Weighted Base Figure

NAICS Code	Percent of Businesses		Awarded Contract Amount	Weight	Weighted Availability	
	DBEs	All			DBEs	Non-DBEs
238210	30	92	\$ 682,611.43	0.03%	0.01%	0.02%
238340	33	98	\$ 1,098,680.71	0.05%	0.02%	0.03%
238910	373	885	\$ 208,664,116.49	9.70%	4.09%	5.61%
237310	137	847	\$ 1,598,540,017.64	74.28%	12.02%	62.27%
237990	169	388	\$ 58,725,899.49	2.73%	1.19%	1.54%
236210	458	785	\$ 2,657,549.77	0.12%	0.07%	0.05%
238110	133	338	\$ 40,721,438.08	1.89%	0.74%	1.15%
541330	172	412	\$ 76,799,489.78	3.57%	1.49%	2.08%
541620	35	67	\$ 15,441,746.41	0.72%	0.37%	0.34%
541360	26	65	\$ 5,485,509.07	0.25%	0.10%	0.15%
541370	71	154	\$ 16,729,326.06	0.78%	0.36%	0.42%
541380	75	160	\$ 80,048,841.39	3.72%	1.74%	1.98%
541310	64	213	\$ 3,394,404.86	0.16%	0.05%	0.11%
541611	51	124	\$ 39,720,209.26	1.85%	0.76%	1.09%
541614	39	97	\$ 2,864,796.37	0.13%	0.05%	0.08%
541430	34	70	\$ 344,825.72	0.02%	0.01%	0.01%
TOTAL	1900	4795	\$ 2,151,919,462.53	100.00%	23.07%	76.93%

V. STEP TWO BASE FIGURE ADJUSTMENT

A. Consideration for Adjustments to the Base Figure

The Step Two base figure adjustment, as recommended in *USDOT Tips*, requires examining relevant and reliable data in the recipient’s market area to determine if an adjustment to the base figure is warranted. The consideration of an adjustment is intended to account for any impact the relevant factors may have on DBEs’ contracting opportunities with IDOT. The following factors were considered for the Step Two adjustment and it was determined that a modest adjustment to the weighted base figure would be made due to:

- Past DBE Participation
- Saturation of the geographic market area by other public contracting agencies

1. Past DBE Utilization

DBE participation, hereafter referred to as utilization, was generated from IDOT's Uniform Report of DBE awards, commitments and payments. The utilization presented below does not include utilization attained through contract goals. Table 6 details DBE utilization, measured by actual payments on contracts completed from 2007 to 2011. The determination of past DBE utilization includes several years outside period studied for the 2012 IDOT DBE Availability Study. This five-year range (2007-2011) presents a more accurate reflection of DBE utilization, than the shorter study period (2010-2011). The longer range of data points is less resistant to outliers and presents a fuller picture of past DBE utilization. The median race and gender-neutral DBE utilization achieved by IDOT was 1.68 percent.

Table 6 also demonstrates past utilization as reported as achievements on IDOT's Uniform Reports. The overall median past utilization is 13.98%, for the same time period of 2007-2011.

Table 6: Past DBE Achievement

YEAR	TOTAL FHWA AWARDS	AVG RACE NEUTRAL DBE ACHIEVEMENT	AVG OVERALL DBE ACHIEVEMENT
2007	\$699,708,554	2.58% (\$18,049,492)	13.98% (\$94,488,724 Actual)
2008	\$793,976,836	1.12% (\$8,898,330)	12.01% (\$93,788,731 Actual)
2009	\$1,385,414,430	1.68% (\$23,332,877)	10.28% (153,007,863 Actual)
2010	\$1,381,932,640	1.53% (\$21,198,494)	14.20% (\$197,601,740 Actual)
2011	\$1,330,697,967	2.62% (\$34,917,708)	16.98% (\$225,096,010 Actual)

Percentages reflected as average semi-annual submissions, dollar amounts are actual

2. Saturation of the Market Area

IDOT's market area was examined to determine if the relevant area may be saturated with contracting opportunities from other public agencies. There are several major construction and architecture and engineering projects that that will be initiated by other local governments receiving federal financial assistance that will generate substantial, competing, contracting opportunities in IDOT's market area. Table 7 below presents the additional upcoming projects in the market area and the DBE goals for each project.

Many of these planned construction and architecture and engineering projects are scheduled to be let by 2013 and are expected to draw heavily upon the capacity of all businesses, including DBEs. In addition to the projects listed below, the Illinois Tollway

Board of Directors adopted a 15-year, \$12 billion capital program called *Move Illinois: The Illinois Tollway Driving the Future*. IDOT applauds the increased opportunities for DBEs while understanding that the impact of these projects may lower the actual availability of businesses to perform on IDOT projects.

Table 7: Upcoming Market Area Projects during FFY 2013 - 2015

PROJECT TITLE	CONTRACTING AGENCY	ESTIMATED BUDGET	DBE GOAL	ESTIMATED DBE AWARDS
CREATE	Rail, IDOT, and others ⁶	\$ 36,000,000	11.6%	\$ 4,176,000
Englewood Flyover	METRA	\$ 133,000,000	25%	\$ 33,250,000
Purple Line Viaducts	Chicago Transit Authority	\$ 10,300,000	29%	\$ 2,987,000
Joliet Multimodal Station Design	City of Joliet, Illinois	\$ 2,000,000	23%	\$ 460,000
TOTAL		\$ 181,300,000		\$ 40,873,000

B. Step Two Adjustment Summary

IDOT understands the overall DBE goal to be an aspirational one, which would reflect the level of DBE participation in the absence of discrimination in the marketplace. The United States District Court for the Tenth Circuit once observed “it would be ‘sheer speculation’ to even attempt to attach a particular figure to the hypothetical number of minority enterprises that would exist without discriminatory barriers to minority DBE formation.” ⁷ As a result, guidance for a Step Two adjustment does not provide a prescriptive formula and merely suggests examining the relevant marketplace conditions in order to narrow the impact of the effects of discrimination on the base figure. ⁸

Accordingly, 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). The regulations provide that a recipient must attempt to set a goal that will best reflect the possibility for maximum DBE participation to remediate past discrimination with a realistic expectation for achievement. After careful consideration of past utilization not exceeding the aspirational goal and especially as a result of saturation in IDOT’s District 1 universe, it was

⁶ CREATE includes several projects funded by the state, railroads, Interstate Commerce Commission, Amtrak, Association of American Railroads, FHWA, FRA. Some CREATE projects are private rail procurements that include provisions for DBE participation while others, such as Amtrak, may use DBE TVM goals. Other CREATE projects are contracted by IDOT or partnering agencies, such as the Chicago Department of Transportation.

⁷ *Adarand VII*, 228 F.3d 1147,1174 (2000) (See *City of Richmond v. Croson*, 488 U.S. at 499).

⁸ Jon Wainwright and Colette Holt, Guidelines for Conducting a Disparity and Availability Study for the Federal DBE Program, p. 83, Transportation Research Board, 2010.

determined that a modest adjustment to the 23.07 percent weighted base figure for the 2012 study will be adjusted to **22.77 percent**.⁹

VI. RACE AND GENDER-NEUTRAL GOAL

A. Formulation of the Race and Gender-Conscious/Neutral Portions of the Goal

The final requirement of the goal-setting process is to determine the portion of the overall goal that will be achieved by race and gender-neutral means. As required by 49 CFR 26.51, the maximum feasible portion of the overall DBE goal should be achieved using race and gender-neutral means. The median past race and gender-neutral DBE participation during 2007-2011 was 1.68 percent, as indicated in Table 6. As such, IDOT projects it shall meet **1.68 percent** of its overall DBE goal through race and gender-neutral measures and **21.09 percent** through race and gender-conscious measures.

Race and gender-conscious goals would be limited to contracts with subcontracting opportunities. Furthermore, the subcontracting goals will be set on a contract-by-contract basis.

OVERALL DBE GOAL
22.77 percent

B. Race and Gender-Neutral Initiatives

1. Mentor Protégé Programs

IDOT implemented Mentor-Protégé Programs for construction and consultant engineering services to enhance the capabilities of DBEs to perform prime contracts and subcontracts, and thereby increase the utilization of available DBEs. The program was created to provide developmental assistance to DBEs and enhance the protégé's business and technical capabilities to do more complex work.

The Mentor-Protégé relationship includes a development plan which outlines the parties' goals and expectations, monitoring and reporting provisions, duration of the relationship, services and resources to be provided by the mentor to the protégé. The mentor must provide the protégé with a commercially useful function in the performance of the contract.

⁹ IDOT's Disparity Study released in 2011 supported a Step One base figure of 25.59% as reported to FHWA in the submittal of IDOT's DBE Goal Setting Document of August 1, 2012 and discussed at IDOT's public hearing for the goal setting on July 18, 2012. The updated data

from the 2012 study is based on one year's worth of data and is not substantially different, making a new study unnecessary.

2. Highway Construction Careers Training Program

IDOT, through the Illinois Community College Board, created a Highway Construction Careers Training Program with participating community colleges throughout IDOT's nine districts. The program includes an eight to ten week course held two to three times per academic year with intense training in highway construction-related skills such as math for trades, job readiness, technical skills coursework, and OSHA 10 certification. Minorities, women, and disadvantaged individuals are encouraged to participate. Through this program, the Department is investing in a skilled workforce and encouraging hiring, placement, and business formation by participants.

3. Small Business Advisory Committee

IDOT reestablished its Small Business Advisory Committee to serve in an advisory capacity to the agency regarding matters relating to the DBE Program. The Committee is comprised of professionals that represent a broad cross-section of the construction and engineering industries from both a multi-ethnic and geographically broad perspective. The organizations and associations represented include Black Contractors United, Inc.; Federation of Women Contractors; Hispanic American Construction Industry Association; Illinois Association of Women Contractors; Women Construction Owners and Executives; Northern Illinois Minority Contractors Association; Association of General Contractors; Southern Illinois Builders Association; and the Illinois Road and Transportation Builders Association. The role of the Committee is to provide IDOT with constructive input on issues of interest to small businesses, DBEs, and the general construction industry. A subcommittee is charged with the responsibility of reviewing the new DBE Utilization Plan submission process and offer recommendations so the process is more "user-friendly."

4. Fostering Small Business Participation

The new regulations require USDOT recipients to structure contracting requirements in order to facilitate competition by small businesses and take all reasonable steps to eliminate obstacles to their participation. Specific reference is made to removing unnecessary and unjustified bundling of contract requirements that may preclude small business participation in procurements as either prime contractors or subcontractors. IDOT anticipates implementing a small business enterprise component to its DBE Program. Efforts in this direction have begun by Acting Illinois Transportation, Secretary Ann L. Schneider, who sought input into the development of FFY 2013-2018 upcoming multi-program for highway improvements for through informational and feedback sessions. A public meeting for IDOT District 3 was held on July 26, 2011 to provide DBEs and small businesses with information on project priorities over the next five to seven years. The meeting provided small businesses an opportunity to comment on the development of the proposed multi-program and existing programming procedures.

A concerted effort will be made over the next three years to unbundle more contracts and identify small businesses with the capacity to perform IDOT contracts. USDOT's new small business requirement necessitates a more focused outreach and technical support system to encourage the small contractor to bid IDOT project.

5. Small Business Initiative

As part of the small business element, IDOT continues its Small Business Initiative (SBI) program that was implemented in June 2005. The purpose of SBI is to provide small businesses and DBEs in the transportation-related industry an opportunity to bid as prime contractors. Small contracts are identified as potential contracts to be performed by small businesses. A firm's annual sales and receipts cannot exceed \$10 million to be eligible to participate in the program. Businesses are required to be prequalified in accordance with Section 45-45 of the Illinois Procurement Code and the rules of the Department to be considered for an award.

IDOT has submitted a Small Business Program Element to FHWA as an amendment to its DBE Program pursuant to 49 CFR Section 26.39. The amendment included a proposal for a race-neutral small business set-aside program for prime contracts called SBI. The Department expected a response from the USDOT regarding approval of the Small Business Program Element amendment in the near future. It is believed that this type of program will increase DBE participation by providing additional contracting opportunities for small businesses.

6. Other Race and Gender-Neutral Activities

In addition to the above race and gender-neutral programs, IDOT continues to take steps to improve opportunities and services for DBEs. Included are:

- DBE Resource Centers and providing management and technical supportive services assistance on a statewide basis
- Formation of a Prequalification Enhancement Committee with stakeholders to eradicate perceived barriers in the prequalification process for small businesses that continues to meet quarterly
- Increasing the minority representation on the Department's Engineering Selection Committee
- Proposed state legislation to implement a DBE bonding and finance program as well as an affirmative action scholarship program for women and minorities in engineering training with a subsequent commitment to the IDOT

- Department website revisions to create a portal to facilitate access to all diversity programs, including DBEs, which is available at <http://www.diversity.dot.illinois.gov/>
- Creation of the monthly *Diversity Matters* newsletter to keep small businesses informed of all Department initiatives
- IDOT and Caterpillar, Inc. co-hosted the Build Your Future Conference and IDOT conducted its Today's Challenge Tomorrow's Reward which provide a forum to provide timely construction industry information networking opportunities to assist small and disadvantaged businesses.
- Additionally, several Illinois state agencies participated in the first of a series of *Winning with the State* conferences in 2013 to provide DBEs and other small businesses with information about state agencies' procurement opportunities, M/W/DBE certification, etc.

All the above existing Departmental programs, except *Winning with the State*, are administered by the Office of Business and Workforce Diversity and Division of Highways. IDOT continues to explore other means to provide for increased opportunities for the DBE community with FHWA Division Office personnel and interested stakeholders. This forum allows DBE firms, industry associations and community organizations to collaborate and discuss DBE program related issues and best practices.

VII. PUBLIC NOTICE OF PROPOSED OVERALL DBE GOALS

In accordance with 49 CFR 26.45(g), IDOT provided an opportunity for public participation in establishing its overall DBE goal. The notification process has two objectives:

- To provide public notice of the proposed overall goal by making the goal setting methodology and rationale available for public inspection
- To consult with minority, women, and general contractor groups; community organizations; and other officials that could be expected to have information concerning DBE and non-DBE availability, the effects of discrimination on opportunities for DBEs, and IDOT's efforts to establish a level playing field for the participation of DBEs

To this end, a public notice of the proposed goal was published in general circulation media, minority-focused media, trade association publications and on the website at www.dot.il.gov.

Additionally, IDOT held a public hearing on July 18, 2012, to present the *Overall DBE Goal and Goal Setting Methodology Report* and to receive public input. Public comments were accepted for 45 days after the public hearing. The *Overall DBE Goal and Goal*

Setting Methodology Report was made available for inspection during normal business hours at IDOT Headquarters for 30 days from the date of the publication. A summary of all comments received during the comment period was transmitted to FHWA.