



**Bi-State Development Agency of the
Missouri-Illinois Metropolitan District**

**Triennial DBE Overall Goal Submission
October 1, 2018-September 30, 2021**

Federal Transit Administration

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**OVERALL DISADVANTAGED BUSINESS ENTERPRISE GOAL-SETTING
METHODOLOGY REPORT FEDERAL FISCAL YEARS 2019-2021**

I. INTRODUCTION

This report details the methodology and the process utilized by Bi-State Development Agency of the Missouri-Illinois Metropolitan District Inc. (Bi-State Development) to formulate its three (3) year Fiscal Year (FY) 2019-2021 goal for the United States Department of Transportation (USDOT)-assisted projects. It describes the efforts by Bi-State Development to comply with the goal setting provisions outlined in 49 CFR Part 26.

The Board approves Bi-State Development’s Operating and Capital Budget annually in March of each year. Some projects included in the goal setting process may not be under taken and other projects may be added based on changing priorities of the Agency and Board authorizations.

Planned USDOT-assisted expenditures for FY 2019-21 encompass a wide range of initiatives meeting the Agency’s major priorities. Included in the budget is a three-year program designed to build, maintain or replace Bi-State Development’s core infrastructure critical to the efficient operation of the region’s public transit system. The capital budget provides the funding to implement necessary improvements and upgrades to the system infrastructures, as well as various expenditures for asset replacements that occur on an infrequent basis. Capital expenditures for FY 2019-2021 include current and future rail projects, vehicle and supporting equipment purchases, transit development (i.e. facility, centers, stations, parking lots, etc.) and information technology improvements.

II. PROPOSED OVERAL GOAL FOR FEDERAL FISCAL YEAR (FFY) 2019-2021

Based on the requirements set forth in 49 CFR Part 26, Bi-State Development is submitting a goal for FFY 2019-2021. The recommended overall DBE goal for the period of 2019-2021 is 18 percent (18%).

III. OVERALL GOAL SETTING METHODOLOGY AND EVIDENCE

In preparation for the 2019-2021 DBE goal, the Disadvantaged Business Enterprise Liaison Officer (DBELO) obtained capital budget information from the grants department. Projects evaluated for contracting opportunities cover several NAICS codes-construction, professional services, electric, operating (CMAQ, JARC, PM), consulting, materials/supplies, and other areas such as IT equipment.

Table 1 lists all anticipated DOT-assisted contracts by NAICS for projects during the FFY 2019-2021:

TABLE 1. CONTRACTING OPPORTUNITIES

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	238210	Electrical Contractors and Other Wiring Installation Contractors	\$ 3,302,473.00	0.0118
2)	238290	Other Building Equipment Contractors	\$ 7,307,123.00	0.0260
3)	423110	Automobile and Other Motor Vehicle Merchant Wholesalers	\$ 13,420,643.00	0.0478
4)	423210	Furniture Merchant Wholesalers	\$ 427,924.00	0.0015
5)	423430	Computer and Computer Peripheral Equipment and Software Merchant W	\$ 611,409.00	0.0022
6)	423510	Metal Service Centers and Other Metal Merchant Wholesalers	\$ 2,165,600.00	0.0077
7)	423610	Electrical Apparatus and Equipment, Wiring Supplier and Related Equipm	\$ 2,374,406.00	0.0085
8)	532420	Office Machinery and Equipment Rental and Leasing	\$ 197,392.00	0.0007
9)	541330	Engineering Services	\$ 6,428,658.00	0.0229
10)	541511	Custom Computer Programming Services	\$ 20,069,591.00	0.0715
11)	541512	Computer Systems Design Services	\$ 1,681,425.00	0.0060
12)	423690	Other Electronic Parts and Equipment Merchant Wholesalers	\$ 310,214.00	0.0011
13)	238990	All Other Specialty Trade Contractors	\$ 27,462,119.00	0.0979
14)	541618	Other Management Consulting Services	\$ 4,927,882.00	0.0176
15)	238220	Plumbing, Heating and Air Conditioning Contractors	\$ 306,882.00	0.0011
16)	237130	Power & Communication Line & Related Structures Construction	\$ 50,455,658.00	0.1799
17)	237990	Other Heavy and Civil Engineering Construction	\$ 54,937,065.00	0.1958
18)	237310	Highway, Street and Bridge Construction	\$ 25,277,457.00	0.0901
19)	334514	Totalizing Fluid Meter and Counting Device Manufacturing	\$ 3,161,770.00	0.0113
20)	441310	Automotive Parts & Accessories Stores	\$ -	0.0000
21)	236220	Commercial and Institutional Building Construction	\$ 41,342,579.00	0.1474
22)	541310	Architectural Services	\$ 14,237,032.00	0.0508
23)	541690	Other Scientific and Technical Consulting Services	\$ 117,221.00	0.0004
Total FTA-Assisted Contract Funds			\$280,522,523.00	1

49 CFR §26.45 requires a two-step process for setting the transit DBE goal that reflects the level of DBE participation on Bi-State Development contracts expected absent the effects of discrimination. Bi-State Development examined the relevant market area. The overall goal is based upon the availability of DBE firms ready, willing and able to work in the local market area. The local market area for Bi-State Development is known as the St. Louis Metropolitan Statistical Area (SMSA) which consists of eight counties and a portion of Crawford, County in Missouri (St. Charles, St. Louis City, St. Louis County, Lincoln, Warren, Washington, Franklin, Jefferson and the portion of Sullivan City in Crawford County, Missouri) and eight counties in Illinois (Bond, Monroe, Macoupin, Jersey, Clinton, Calhoun, St. Clair and Madison).

In order to determine the base figure for the availability of DBEs, Bi-State Development carefully examined the Missouri Unified Certification Program (MUCP)-Missouri Regional Certification Committee (MRCC) DBE directory. However, to ensure the goal reflects the actual availability of ready, willing and able DBEs in the SMSA, Bi-State Development examined the MBE/WBE Directories of the City of St. Louis, State of Missouri-Office of Administration/Office of Equal Opportunity and the Illinois UCP Directory to determine whether they contained firms which should be considered ready, willing and able DBEs within the NAICS identified within Bi-State Development's contracting opportunities.

Additionally, Bi-State Development obtained data on the availability of all firms available, including DBEs, from the United States Census Bureau-2016 County Business Patterns database (<https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>).

IV. STEP 1-BASE FIGURE CALCULATION

The initial phase of the Step 1 analysis requires that recipient’s first step is the calculation of a base figure for the relative availability of able, willing and ready DBEs. Bi-State Development utilized the number of DBEs within the relevant market area and NAICS codes determined to be within Bi-State Development’s anticipated federally funded projects for FY 2019-2021. The number of ready, willing and able DBE firms within the market area totaled 546 (see Table 2). Bi-State Development examined the total number of establishments, including DBEs, available to perform within the same NAICS. The total number of establishments based off data reviewed in the County Business Patterns database totaled 4476 (see Table 2). US DOT Tips requires the calculation of the relative base figure by dividing the total number of available, willing and able DBEs in the market area (546) by the total number of all market area businesses (4476) multiplied by 100. The base figure estimate of DBE availability equals 12.20 percent as shown in Table 2.

TABLE 2. DBE AVAILABILITY ANALYSIS

	NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability	
1)	238210	Electrical Contractors and Other Wiring Installation Contractors	56	499	0.1122	
2)	238290	Other Building Equipment Contractors	10	66	0.1515	
3)	423110	Automobile and Other Motor Vehicle Merchant Wholesalers	0	55	0.0000	
4)	423210	Furniture Merchant Wholesalers	5	38	0.1316	
5)	423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers	5	66	0.0758	
6)	423510	Metal Service Centers and Other Metal Merchant Wholesalers	8	139	0.0576	
7)	423610	Electrical Apparatus and Equipment, Wiring Supplier and Related Equipment Merchant Wholesalers	20	143	0.1399	
8)	532420	Office Machinery and Equipment Rental and Leasing	3	6	0.5000	
9)	541330	Engineering Services	57	463	0.1231	
10)	541511	Custom Computer Programming Services	36	494	0.0729	
11)	541512	Computer Systems Design Services	48	475	0.1011	
12)	423690	Other Electronic Parts and Equipment Merchant Wholesalers	3	83	0.0361	
13)	238990	All Other Specialty Trade Contractors	85	321	0.2648	
14)	541618	Other Management Consulting Services	15	37	0.4054	
15)	238220	Plumbing, Heating and Air Conditioning Contractors	36	832	0.0433	
16)	237130	Power & Communication Line & Related Structures Construction	7	55	0.1273	
17)	237990	Other Heavy and Civil Engineering Construction	17	31	0.5484	
18)	237310	Highway, Street and Bridge Construction	45	97	0.4639	
19)	334514	Totalizing Fluid Meter and Counting Device Manufacturing	0	0	0.0000	
20)	441310	Automotive Parts & Accessories Stores	0	0	0.0000	
21)	236220	Commercial and Institutional Building Construction	42	383	0.1097	
22)	541310	Architectural Services	30	180	0.1667	
23)	541690	Other Scientific and Technical Consulting Services	18	13	1.3846	
		Combined Totals	546	4476	0.1220	Overall availability of DBEs

The number of DBEs ready, willing and able to bid on Bi-State Development’s contracting opportunities is 546. The number of all establishments (DBEs and non-DBEs) within the appropriate NAICS codes associated with Bi-State Development’s contracting opportunities is 4,476. 546 divided by 4,476 multiplied by 100 indicates that the overall availability of DBEs is 12.2%.

In the application of the overall DBE goal, not all DBEs have equal opportunity for participation as opportunity depends on the spend in each NAICS code, Weighting is recommended in USDOT tips to ensure the overall goal accurately reflects the scope of work. NOTE: The USDOT Tips for Goal Setting advises recipients to look to relevant data sources to supplement your DBE Directory. When using the DBE Directory and census data in goal setting there is concern that the directory does not accurately reflect the number of potential DBEs in your area, you should seriously consider supplementing the number of firms in your DBE directory for the purposes of goal-setting. One of the listed tips is to examine lists of other DBEs and MBE/WBEs from other sources to ensure your list of DBEs and potential DBEs is accurate. Bi-State Development weighted the availability of firms based on the spend in each NAICS, which resulted in a weighted step-one base figure of 25 percent as indicated in Table 3.

TABLE 3. DBE GOAL ANALYSIS

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	238210	Electrical Contractors and Other Wiring Installation Contractors	0.01177	x	0.11222	0.0013
2)	238290	Other Building Equipment Contractors	0.02605	x	0.15152	0.0039
3)	423110	Automobile and Other Motor Vehicle Merchant Wholesalers	0.04784	x	0.00000	0.0000
4)	423210	Furniture Mechant Wholesalers	0.00153	x	0.13158	0.0002
5)	423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers	0.00218	x	0.07576	0.0002
6)	423510	Metal Service Centers and Other Metal Mechant Wholesalers	0.00772	x	0.05755	0.0004
7)	423610	Electrical Apparatus and Equipment, Wiring Supplier and Related Equipment Merchant Wholesalers	0.00846	x	0.13986	0.0012
8)	532420	Office Machinery and Equipment Rental and Leasing	0.00070	x	0.50000	0.0004
9)	541330	Engineering Services	0.02292	x	0.12311	0.0028
10)	541511	Custom Computer Programming Services	0.07154	x	0.07287	0.0052
11)	541512	Computer Systems Design Services	0.00599	x	0.10105	0.0006
12)	423690	Other Electronic Parts and Equipment Merchant Wholesalers	0.00111	x	0.03614	0.0000
13)	238990	All Other Specialty Trade Contractors	0.09790	x	0.26480	0.0259
14)	541618	Other Management Consulting Services	0.01757	x	0.40541	0.0071
15)	238220	Plumbing, Heating and Air Conditioning Contractors	0.00109	x	0.04327	0.0000
16)	237130	Power & Communication Line & Related Structures Construction	0.17986	x	0.12727	0.0229
17)	237990	Other Heavy and Civil Engineering Construction	0.19584	x	0.54839	0.1074
18)	237310	Highway, Street and Bridge Construction	0.09011	x	0.46392	0.0418
19)	334514	Totalizing Fluid Meter and Counting Device Manufacturing	0.01127	x	0.00000	0.0000
20)	441310	Automotive Parts & Accessories Stores	0.00000	x	0.00000	0.0000
21)	236220	Commercial and Institutional Building Construction	0.14738	x	0.10966	0.0162
22)	541310	Architectural Services	0.05075	x	0.16667	0.0085
23)	541690	Other Scientific and Technical Consulting Services	0.00042	x	1.38462	0.0006
					Total	0.2467
					Expressed as a % (*100)	24.67%
					Rounded, Weighted Base Figure:	25%

V. STEP 2-CONSIDERATION OF ADJUSTMENT TO THE BASE FIGURE

Bi-State Development examined 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 Bi-State Development’s federally-assisted contracts, as measured by the volume of work DBEs have performed in recent years, and input from interested parties.

Bi-State Development determined that an adjustment to the Step-One base figure was necessary. The methodology includes past participation in 2015, 2016 and 2017. The 2015 annual goal was 16 percent and achievement was 11.7 percent; 2016 annual goal was 20 percent and achievement was 11 percent and 2017 annual goal was 20 percent and achievement was 6.3 percent.

Bi-State Development determined the median number from 2015-2017 to be 11.0 percent (middle number) and averaged this number with the Step-One base figure weighted value of 36 percent. The result was 18 percent or 18% percent as shown in Table 4.

TABLE 4. ADJUSTMENT TO BASE FIGURE

GOAL LAST THREE YEARS	AWARDS/COMMITMENTS	AMOUNT EXCEEDED
2015 (16% goal)	11.7%	-4.3%
2016 (20% goal)	11.0%	-9%
2017 (20% goal)	6.3%	-13.7%
Median Past Participation values from lowest to highest: 6.3%, 11.0%, 11.7%		
Past Participation Adjustment:		
Step 1 Goal: Base Rate (Weighted):		25%
Step 2 Adjustments		
(Past participation Median + Weighted Total)/2:		36%
Adjusted Goal:		18%

VI. PROJECTION OF RACE-NEUTRAL VS. RACE CONSCIOUS GOAL ATTAINMENT

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 outlined in 49 CFR §26.51, the maximum feasible portion of the overall DBE goal should be achieved using race and gender-neutral means.

Bi-State Development examined the achievement of its goal for 2015-2017 since contracting opportunities are similar. The race neutral and race conscious components were determined by analyzing the DBE achievements against the actual goals set for federally-funded projects. Race-neutral includes, but is not limited to, the following: anytime a DBE wins a prime contract through customary competitive procurement procedures; a DBE is

awarded a subcontract on a prime contract that does not carry a goal; DBE participation on a prime contract that did not consider a firm's DBE status in making the award.

Based off upcoming program of projects Bi-State Development determined that the race neutral and race-conscious split would utilize the adjusted base figure of 18 percent. Bi-State Development estimates that approximately \$3,852,027.00 worth of its contracting opportunities can be bid to small business. Examining larger opportunities Bi-State Development considered if prime bidders would solicit and afford viable opportunities to DBE firms, as well as, small businesses, to perform on the larger opportunities. Bi-State Development estimated that approximately \$14,148,338.50 worth of DBE participation exists within the remaining opportunities. Bi-State Development calculated that total to be approximately \$18,000,365.50 of contracts awarded to DBE firms through race neutral means which equates to approximately 6.4 percent. Bi-State Development subtracted the race neutral percentage from the overall goal of 18 percent and determined the race conscious portion of the overall goal to be 11.6 percent. Therefore, the breakdown is as follows: 18 percent overall DBE goal-6.4 percent race neutral and 11.6 percent race conscious.

The triennial overall goal stated above is an aspirational target for expending federal funds with DBE firms. Funding, local market conditions and capacity of DBE firms in specific industry classifications may make on-going adjustments of the overall goal necessary.

IV. PUBLIC NOTICE OF PROPOSED OVERALL GOALS

In accordance with 49 CFR §26.45(g), the goal setting process used by recipients to establish their overall goal submitted to the operating administrations for approval must include consultation with minority, women's and general contractor groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of DBEs and non-DBEs. This consultation process is also intended to gather information concerning the effects of discrimination on opportunities for DBEs, if present, and establishing a level playing field for the participation of DBEs.

The public notice was posted on Thursday, July 5, 2018 on Bi-State's website at www.bistatedev.org/vendor-resources-2/supplierdiversity/ and in the main lobby of its headquarters located at 211 North Broadway, Suite 700, St. Louis, MO 63102. The notice informed the public of the proposed DBE goal of 18% advised its rationale was available for inspection during normal business hours at the aforementioned location for 30 days following the date of the notice and public comments would be accepted for 30 days following the date of the notice.

On Friday, July 5, 2018 Bi-State Development invited the following minority, women and general contractor groups, community organizations and other officials (interested parties) within Bi-State's contracting market to attend a public meeting aimed at gathering information relative to the goal-setting process:

 Associated General Contractors of Missouri (AGC)

- ✚ Community Renewal & Development, Inc.
- ✚ Minority Contractor Initiative (MCI)
- ✚ MOKAN
- ✚ NAACP
- ✚ St. Louis Agency on Employment and Training (SLATE)
- ✚ St. Louis Minority Supplier Development Council (SLMSDC)
- ✚ St. Louis County
- ✚ St. Louis International Airport
- ✚ Missouri Department of Transportation
- ✚ Hispanic Chamber of Commerce of Metropolitan St. Louis
- ✚ St. Louis Asian Chamber of Commerce
- ✚ Missouri Women in Trades (MOWIT)
- ✚ Office of Administration-Office of Equal Opportunity State of Missouri
- ✚ St. Louis Economic Partnership
- ✚ City St. Louis-Board of Public Service
- ✚ Washington University
- ✚ St. Louis Regional Chamber of Commerce
- ✚ Mid-States Minority Supplier Council

Face to face dialogues were held Friday, July 20, 2018 and Thursday, July 26, 2018. Attendees included the Associated General Contractors of Missouri (AGC), St. Louis County and St. Louis Agency on Employment and Training (SLATE) attended the Friday, July 20, 2018 session and Vee & J Hauling attended the Thursday, July 26, 2018 session. Bi-State Development discussed the goal setting methodology utilized to set the 2019-2021 DBE overall goal; reviewed the North American Industry Code System (NAICS) codes Bi-State is scheduled to perform work in during 2019-2021; compliance monitoring & enforcement mechanisms; outreach events and how to access Bi-State's upcoming contracting opportunities.

Associated General Contractor of Missouri (AGC) requested a meeting be scheduled for its membership to discuss the DBE goal methodology in order to ensure its membership understands the diversity and inclusion efforts at Bi-State Development.

St. Louis Agency on Employment and Training (SLATE) requested more collaboration between agencies in efforts to access employment opportunities more effectively for its constituents.

Vee & J Hauling requested information on accessing business opportunities at Bi-State Development.

Bi-State Development did not receive any written comments.

Bi-State Development took public comments and stakeholder groups' recommendations and/or comments into consideration as warranted in the goal setting process. Bi-State Development's final DBE goal is representative of the input provided by the stakeholder groups during the public consultation and comment periods. Bi-State Development made

every attempt to be inclusive and solicit input from a diverse group of community organizations within the local contracting area.

Bi-State Development will begin using the overall three-(3) year goal on October 1, 2018.



BI·STATE DEVELOPMENT

PUBLIC NOTICE

**BI-STATE DEVELOPMENT
DISADVANTAGED BUSINESS ENTERPRISE (DBE)
OVERALL TRIENNIAL GOAL
July 5, 2018**

Bi-State Development as required by the U.S. Department of Transportation's (USDOT) regulations, contained under 49 CFR Part 26, announces the proposed Disadvantaged Business Enterprise triennial goals for applicable professional services, construction services and other procurement contracting opportunities administered through Bi-State Development and funded by the USDOT during Federal Fiscal Years 2019-2021, effective from October 1, 2018-September 30, 2021.

The DBE Triennial Overall Goal for Bi-State Development is 18%.

The methodology used in establishing the overall DBE goal will be available for review and inspection during Bi-State Development's normal business hours, 8:00a.m. to 5:00 p.m. at Bi-State Development-Headquarters, One Metropolitan Square, 211 North Broadway, Suite 700, St. Louis, Missouri 63102-2795. The proposed overall DBE goal will be available for inspection for 30 days following the date of this notice at the above address.

Written comments on the DBE goal will be accepted from the public for 30 days following the date of this notice. Comments may be directed to:

Francoise Lyles-Wiggins
Supplier Diversity Program Manager
One Metropolitan Square
211 North Broadway, Suite 700
St. Louis, Missouri 63102-2795

All comments and any questions should be sent to Francoise Lyles-Wiggins by email at ftyleswiggins@bistatedev.org or by phone at 314.982.1400 ext. 1398.