



BI • STATE DEVELOPMENT



**Bi-State Development Bi-State Development
Overall DBE Goal Setting Report
FY 2022-2024
Federal Transit Administration**

TABLE OF CONTENTS

I. Introduction.....3

II. Proposed Overall Goal for FFY 2022-2024.....3

III. Overall Goal Setting Methodology.....4

IV. Step One Base Figure Calculation.....6

V. Step Two Base Figure Adjustment.....9

VI. Projection of Race and Gender-Neutral Goal Attainment.....10

**OVERALL DISADVANTAGED BUSIENSS ENTERPRISE GOAL-SETTING
METHODOLOGY REPORT FEDERAL FISCAL YEAR 2022-2024**

I. INTRODUCTION

This report details the methodology and the process utilized by Bi-State Development (Bi-State Development) to formulate its three (3) year Fiscal Year (FY) 2022-2024 goal for US DOT-assisted projects. It describes the efforts by Bi-State Development to comply with the goal setting provisions outlined in 49 CFR Part 26.

The office of Supplier Diversity administers the DBE Program for Bi-State Development Agency and tracks DBE participation through the use of an online data collection system (DBE system). Since 2011 Supplier Diversity has been monitoring prime contracts, sub-contracts, contract values, change orders, work categories, contractor payments, and other compliance data through the DBE system. In addition, Supplier Diversity continually monitors and cleans the data uploaded to the DBE system from Bi-State's financial system. As a result, Supplier Diversity has a significant amount of useful, historical data needed to set a meaningful and accurate overall DBE goal.

Planned USDOT-assisted expenditures for FY 2022-24 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 2022-2024 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) 2022-2024

Based on the requirements set forth in 49 CFR Part 26, Bi-State Development Agency is submitting a goal for FFY 2022-2024. The recommended overall DBE goal for the period is 11.5 percent (11.5%).

III. OVERALL GOAL SETTING METHODOLOGY AND EVIDENCE

In preparation for the 2022-2024 goal, the Disadvantaged Business Enterprise Liaison Officer (DBELO) evaluated the most recent three years of contract data from the DBE system. Projects evaluated for contracting opportunities cover several NAICS codes-construction, professional services, electric, operating (CMAQ, JARC, ARRA, 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 2022-2024:

TABLE 1. CONTRACTING OPPORTUNITIES

	NAICS Code	NAICS DESCRIPTION	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	236220	Commercial and Institutional Building	\$12,929,843.59	0.2874
2)	237310	Highway, Street, and Bridge Construction	\$377,801.97	0.0084
3)	238110	Poured Concrete Foundation and Structure Contractors	\$174,387.90	0.0039
4)	238120	Structural Steel and Precast Concrete Contractors	\$14,775.00	0.0003
5)	238160	Roofing Contractors	\$1,089,069.00	0.0242
6)	238210	Electrical Contractors and Other Wiring Installation Contractors	\$2,138,425.00	0.0475
7)	238220	Plumbing, Heating, and Air-Conditioning Contractors	\$35,224.00	0.0008
8)	238320	Painting and Wall Covering Contractors	\$6,905.00	0.0002
9)	238330	Flooring Contractors	\$30,350.00	0.0007
10)	238350	Finish Carpentry Contractors	\$37,500.00	0.0008
11)	238910	Site Preparation Contractors	\$239,113.49	0.0053
12)	238990	All Other Specialty Trade Contractors	\$753,594.00	0.0167
13)	324191	Petroleum Lubricating Oil and Grease Manufacturing	\$16,472.00	0.0004
14)	327320	Ready-Mix Concrete Manufacturing	\$14,639.00	0.0003
15)	332323	Ornamental and Architectural Metal Work Manufacturing	\$32,919.00	0.0007
16)	332999	All Other Miscellaneous Fabricated Metal Product Manufacturing	\$8,400.00	0.0002
17)	334310	Audio and Video Equipment Manufacturing	\$99,361.59	0.0022
18)	335312	Motor and Generator Manufacturing	\$106,700.00	0.0024
19)	423420	Office Equipment Merchant Wholesalers	\$30,688.09	0.0007
20)	423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers	\$202,305.07	0.0045
21)	423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	\$800,390.00	0.0178
22)	443142	Electronics Stores	\$37,883.98	0.0008
23)	485999	All Other Transit and Ground Passenger Transportation	\$1,419,372.00	0.0315
24)	532490	Other Commercial and Industrial Machinery and Equipment Rental and Leasing	\$59,859.00	0.0013
25)	541211	Offices of Certified Public Accountants	\$125,600.00	0.0028

26)	541310	Architectural Services	\$26,288.80	0.0006
27)	541330	Engineering Services	\$12,206,758.81	0.2713
28)	541370	Surveying and Mapping (except Geophysical) Services	\$194,818.78	0.0043
29)	541512	Computer Systems Design Services	\$76,442.80	0.0017
30)	541620	Environmental Consulting Services	\$41,879.43	0.0009
31)	541820	Public Relations Agencies	\$152,000.00	0.0034
32)	561311	Employment Placement Agencies	\$523,307.50	0.0116
33)	561320	Temporary Help Services	\$240,000.00	0.0053
34)	561612	Security Guards and Patrol Services	\$5,422,922.97	0.1205
35)	561720	Janitorial Services	\$4,398,312.00	0.0978
36)	561730	Landscaping Services	\$922,124.00	0.0205
37)	561990	All Other Support Services	\$8,000.00	0.0002
Total FTA-Assisted Contract Funds			\$44,994,433.77	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 – 2019 County Business Patterns database.

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 2022-2024. The number of ready, willing and able DBE firms within the market area totaled 697 (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 on data reviewed in the County Business Patterns database totaled 8,159 (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 (697) by the total number of all market area businesses (8,159) multiplied by 100. The base figure estimate of DBE availability equals 8.54 percent as shown in Table 2.

TABLE 2. DBE AVAILABILITY ANALYSIS

	NAICS Code	NAICS DESCRIPTION	Number of M/W/DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
1)	236220	Commercial and Institutional Building	36	379	0.0950
2)	237310	Highway, Street, and Bridge Construction	25	98	0.2551
3)	238110	Poured Concrete Foundation and Structure Contractors	24	220	0.1091
4)	238120	Structural Steel and Precast Concrete Contractors	12	14	0.8571
5)	238160	Roofing Contractors	11	215	0.0512
6)	238210	Electrical Contractors and Other Wiring Installation Contractors	45	501	0.0898
7)	238220	Plumbing, Heating, and Air-Conditioning Contractors	43	832	0.0517
8)	238320	Painting and Wall Covering Contractors	32	316	0.1013
9)	238330	Flooring Contractors	18	135	0.1333
10)	238350	Finish Carpentry Contractors	40	241	0.1660
11)	238910	Site Preparation Contractors	73	276	0.2645
12)	238990	All Other Specialty Trade Contractors	51	398	0.1281
13)	324191	Petroleum Lubricating Oil and Grease Manufacturing	0	9	0.0000
14)	327320	Ready-Mix Concrete Manufacturing	4	62	0.0645
15)	332323	Ornamental and Architectural Metal Work Manufacturing	2	16	0.1250
16)	332999	All Other Miscellaneous Fabricated Metal Product Manufacturing	2	23	0.0870
17)	334310	Audio and Video Equipment Manufacturing	0	3	0.0000
18)	335312	Motor and Generator Manufacturing	0	6	0.0000

19)	423420	Office Equipment Merchant Wholesalers	0	80	0.0000	
20)	423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers	2	55	0.0364	
21)	423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	17	125	0.1360	
22)	443142	Electronics Stores	3	127	0.0236	
23)	485999	All Other Transit and Ground Passenger Transportation	2	18	0.1111	
24)	532490	Other Commercial and Industrial Machinery and Equipment Rental and Leasing	2	98	0.0204	
25)	541211	Offices of Certified Public Accountants	4	435	0.0092	
26)	541310	Architectural Services	19	188	0.1011	
27)	541330	Engineering Services	51	463	0.1102	
28)	541370	Surveying and Mapping (except Geophysical) Services	12	47	0.2553	
29)	541512	Computer Systems Design Services	27	429	0.0629	
30)	541620	Environmental Consulting Services	20	66	0.3030	
31)	541820	Public Relations Agencies	21	48	0.4375	
32)	561311	Employment Placement Agencies	9	52	0.1731	
33)	561320	Temporary Help Services	10	322	0.0311	
34)	561612	Security Guards and Patrol Services	5	62	0.0806	
35)	561720	Janitorial Services	32	600	0.0533	
36)	561730	Landscaping Services	35	1041	0.0336	
37)	561990	All Other Support Services	8	159	0.0503	
	Combined Totals		697	8159	0.0854	Overall availability of DBEs

The number of DBEs ready, willing and able to bid on Bi-State Development's contracting opportunities is 697. The number of all establishments (DBEs and non-DBEs) within the appropriate NAICS codes associated with Bi-State Development's contracting opportunities is 8,159. 697 divided by 8,159 multiplies by 100 indicates that the overall availability of DBEs is 8.54%.

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 and 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 8.1 percent as indicated in Table 3.

TABLE 3-DBE GOAL ANALYSIS

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	236220	Commercial and Institutional Building	0.28737	x	0.09499	0.0273
2)	237310	Highway, Street, and Bridge Construction	0.00840	x	0.25510	0.0021
3)	238110	Poured Concrete Foundation and Structure Contractors	0.00388	x	0.10909	0.0004
4)	238120	Structural Steel and Precast Concrete Contractors	0.00033	x	0.85714	0.0003
5)	238160	Roofing Contractors	0.02420	x	0.05116	0.0012
6)	238210	Electrical Contractors and Other Wiring Installation Contractors	0.04753	x	0.08982	0.0043
7)	238220	Plumbing, Heating, and Air-Conditioning Contractors	0.00078	x	0.05168	0.0000
8)	238320	Painting and Wall Covering Contractors	0.00015	x	0.10127	0.0000
9)	238330	Flooring Contractors	0.00067	x	0.13333	0.0001
10)	238350	Finish Carpentry Contractors	0.00083	x	0.16598	0.0001
11)	238910	Site Preparation Contractors	0.00531	x	0.26449	0.0014
12)	238990	All Other Specialty Trade Contractors	0.01675	x	0.12814	0.0021
13)	324191	Petroleum Lubricating Oil and Grease Manufacturing	0.00037	x		
14)	327320	Ready-Mix Concrete Manufacturing	0.00033	x	0.06452	0.0000
15)	332323	Ornamental and Architectural Metal Work Manufacturing	0.00073	x	0.12500	0.0001
16)	332999	All Other Miscellaneous Fabricated Metal Product Manufacturing	0.00019	x	0.08696	0.0000
17)	334310	Audio and Video Equipment Manufacturing	0.00221	x		
18)	335312	Motor and Generator Manufacturing	0.00237	x		
19)	423420	Office Equipment Merchant Wholesalers	0.00068	x		
20)	423430	Computer and Computer Peripheral Equipment and Software Merchant Wholesalers	0.00450	x	0.03636	0.0002
21)	423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	0.01779	x	0.13600	0.0024
22)	443142	Electronics Stores	0.00084	x	0.02362	0.0000
23)	485999	All Other Transit and Ground Passenger Transportation	0.03155	x	0.11111	0.0035
24)	532490	Other Commercial and Industrial Machinery and Equipment Rental and Leasing	0.00133	x	0.02041	0.0000
25)	541211	Offices of Certified Public Accountants	0.00279	x	0.00920	0.0000
26)	541310	Architectural Services	0.00058	x	0.10106	0.0001
27)	541330	Engineering Services	0.27129	x	0.11015	0.0299
28)	541370	Surveying and Mapping (except Geophysical) Services	0.00433	x	0.25532	0.0011
29)	541512	Computer Systems Design Services	0.00170	x	0.06294	0.0001
30)	541620	Environmental Consulting Services	0.00093	x	0.30303	0.0003
31)	541820	Public Relations Agencies	0.00338	x	0.43750	0.0015

32)	561311	Employment Placement Agencies	0.01163	x	0.17308	0.0020
33)	561320	Temporary Help Services	0.00533	x	0.03106	0.0002
34)	561612	Security Guards and Patrol Services	0.12052	x		0.0000
35)	561720	Janitorial Services	0.09775	x		0.0000
36)	561730	Landscaping Services	0.02049	x		0.0000
37)	561990	All Other Support Services	0.00018	x		0.0000
38)				x	#REF!	
39)				x	#REF!	
					Total	0.0809
					Expressed as a % (*100)	8.09%
					Rounded, Weighted Base Figure:	8.1%

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 2018, 2019, and 2020. The 2018 annual goal was 18 percent and achievement was 14.8 percent; 2019 annual goal was 18 percent and achievement was 16.2 percent and 2020 annual goal was 18 percent and achievement was 11.6 percent. Bi-State Development determined that the median number from 2018-2020 to be 11.6 percent (middle number) and averaged this number with the Step-One base figure weighted value of 22.9 percent. The result was 11.45 percent or 11.5 percent as shown in Table 4.

TABLE 4-ADJUSTMENT TO BASE FIGURE

GOAL LAST THREE YEARS	AWARDS/COMMITMENTS	AMOUNT EXCEEDED
2018 (18% goal)	14.8%	-3.2
2019 (18% goal)	16.2%	-1.8
2020 (18% Goal)	11.6%	-6.4

Median Past Participation values from lowest to highest: 11.6%, 14.8%, 16.2%

Past Participation Adjustment:

Step 1 Goal: Base Rate (Weighted):	8.1%
Step 2 Adjustments (Past Participation Median + Weighted Total)/2	22.9%

Adjusted Goal:	11.5%
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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 FFY 2019-2021 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 exceeding a contract goal; and DBE participation through a subcontract from a prime contract that did not consider a firm’s DBE status in making the award.

Based on the last three years of projects, Bi-State Development determined that the race neutral and race-conscious split would utilize the adjusted base figure of 11.5 percent. Bi-State Development estimates that approximately \$377,953.24 worth of its contracting opportunities can be bid to small businesses.

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 estimates approximately \$1,421,824.11 worth of DBE participation exists within the remaining opportunities. Bi-State Development calculated the total to be approximately \$1,799,777.35 of contracts awarded to DBE firms through race neutral means which equates to approximately 4 percent. Bi-State Development

subtracted the race neutral percentage from the overall goal of 11.5 percent and determined the race conscious portion of the overall goal to be 7.5 percent. Therefore, the breakdown is as follows: 11.5 percent overall goal – 4 percent race neutral and 7.5 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 ongoing adjustments of the overall goal necessary.

ACRONYMS

49 CFR PART 26:	Code for Federal Regulation that governs the DBE Program
DBE:	Disadvantaged Business Enterprise
DBELO:	DBE Liaison Officer
IL UCP:	Illinois Unified Certification Program
MBE:	Minority Business Enterprise
MRCC:	Missouri Regional Certification Committee (Missouri UCP)
NAICS:	North American Industry Classification System
SMSA:	St. Louis Bi-State Metropolitan Statistical Area
USDOT:	United States Department of Transportation
WBE:	Women Business Enterprise