

Regional Transportation District DBE Goals and Methodology FY 2010

RTD's overall Disadvantaged Business Enterprise (DBE) goal for FY 2010 is the following: 14.35% of the Federal financial assistance RTD will expend in DOT-assisted contracts (exclusive of FTA funds to be used for the purchase of transit vehicles).

Goal Development Procedure for RTD FTA Procurement for FY 2010

The methodology used to establish the FY 2010 RTD DBE procurement goal will rely on the use of "live" data, as represented by the current number of DBE firms certified to do business with RTD (per the Unified Certification Program), the current RTD Bidders list, as well as historical DBE procurement activity for the past three years. Not all DBE firms are certified in a single area of expertise; many DBE firms work in multiple work codes defined by the UCP. Therefore, methodology for developing the goal has been enhanced to incorporate the availability of DBEs based on the UCP work codes, presented in the following paragraphs.

Step #1 – Base Figure Calculation

The formula used to calculate Step 1. Of the base figure for RTD goal is as follows:

$$3,254 / 32,704 = 9.94\%$$

Numerator = No. DBE firms certified per work code under UCP process
Denominator = Total number firms in current RTD Bidders list per work code

Data Source Used to Produce the Numerator:

Currently, RTD uses DBEs certified through the Colorado Unified Certification Program. By counting the amount of firms certified under each work code, we found 3,254 instances where DBEs were certified in an area of work. These DBE firms have demonstrated that they are ready, willing and able to do business with the public sector within the work codes in which each is certified.

Data Source Used to Produce the Denominator:

The denominator for this formula was identified by the number of firms listed under each work code within the RTD Bidders List. These firms are actively seeking business opportunities with the public sector organizations, and thus demonstrate their active relationship in the RTD market base.

RTD has also taken into consideration the fact that the UCP DBE Directory includes several DBE firms that provide services specifically to airports such as concessionaires. These firms will not be available for DBE participation on FTA funded projects.

Step #2 – Adjustment to the Base Figure

Step One of this goal development process shows that DBEs represent 9.9% of the RTD Bidders list. Step Two of this process will take the seven year average total DBE participation, anticipated federal expenditures, and DBE availability in comparison to the bidder availability.

The goal development process takes past years' goal attainment into consideration in adjusting the Step #1 Process. The allocation of federal funding in 2008 differs significantly from the anticipated allocation in 2010 and the actual allocation in FY 2007-2005. Thus 2008 has been omitted from the calculation of past participation. The record of attainment for the years 2005 through 2007 is as follows:

Percent of DBE UCP-Certified Firms on RTD Contracts by Contract Type, Race Conscious & Race Neutral			
Year	Race Conscious	Race Neutral	Total %
2007	17.65%	0.36%	18.01%
2006	4.38%	3.40%	7.79%
2005	5.77%	3.60%	9.37%
Median	4.38%	3.40%	7.79%

The average Total DBE participation for the past three years has been 11.72%.

It should be noted, since 2006, the majority of federal grants received by RTD are being committed to the FasTracks Program (a \$6.9 Billion light rail bus rapid expansion project). Thus far, each project procured pursuant of completion of the FasTracks Program has not experienced a duration under a year. Though RTD receives federal funds, until such time in which Fastracks contracts are completed, RTD has no federal funds/share to report. Consequently, activity to date is lower than anticipated.

Projected allocation of federal funds is also taken into consideration. With the conception of the American Recovery and Reinvestment Act (ARRA) of 2009, RTD has identified over 20 "shovel ready" projects. The majority of which, are heavy construction projects, involving a wide spectrum of disciplines, each of which holds a sufficient pool of DBEs. Forecasted application of federal expenditures on RTD projects in the categories of Construction, Supplies and Professional Services are as follows:

Anticipated Federal Grants for FY 2010				
Categories	Construction	Professional Services	Supplies	Total Purchasing
Dollar Amounts	\$57,034,447	\$1,478,399	\$1,055,600	\$59,568,446
Percentages	95.75%	2.48%	1.77%	100.00%

Given the current projected allocation of the federal funds for FY 2010, we will also consider the amount of DBEs against the number of Bidders in the categories of construction, professional services, and supplies to identify the DBE Availability.

DBE Availability: Calculated by dividing DBEs by Bidders under each Category			
Categories of work	Construction	Professional Services	Supplies
Number DBEs under related Work codes	1,884	1,037	333
Number of Bidders under related Work codes	8,178	8,817	15,709
Percentage of DBE's	23.04%	11.76%	2.12%

Identification of the DBE Availability allows for calculation of the Actual DBE Amount for each category, which is the figure used to determine the overall goal. The sum of the DBE Amount of each category identifies the Total DBE amount based on projected federal expenditures

The Actual DBE Amount: Calculated by multiplying Anticipated Federal Expenditures by DBE availability			
Categories	Total Federal Expenditures	Percentage of DBE Amount	DBE Amount
Construction	\$57,034,447.00	17.39%	\$9,918,290.33
Professional Services	\$1,478,399.00	11.76%	\$173,879.98
Supplies	\$1,055,600.00	2.12%	\$22,376.65
Total	\$59,568,446.00	16.98%	\$10,114,546.96

Additionally, the percentage of the goal which is race-conscious versus that which is race neutral is also used in the final calculations.

Year	Race Conscious Percentage of Participation	Race Neutral Percentage of Participation
2007	98.00%	2.00%
2006	56.28%	43.72%
2005	61.56%	38.44%
Average	71.95%	28.05%

The FY 2010 goal is established through the utilization of the following formula:

$$\text{(Total DBE Amount \% + Average Total DBE Participation \%)} / 2 = \text{The Agency DBE Goal\%}$$

$$16.98\% \quad + \quad 11.72\% / 2 \quad = \quad 14.35\%$$

$$\text{The Agency DBE Goal x Total Federal Expenditures} = \text{The Agency DBE Goal Dollar Value}$$

$$14.35\% \quad * \quad \$59,568,446.00 \quad = \quad \$8,547,984.42$$

The race conscious and race neutral portions are calculated using the following formula:

$$\text{Average \% of Race-Conscious Participation x Goal: Dollar Value} = \text{Race-Conscious Dollar Value}$$

$$71.95\% \quad * \quad \$8,547,984.42 \quad = \quad \$6,149,989.85$$

$$\text{Race-Conscious / Total Federal Expenditures} = \text{Race-Conscious\%}$$

$$\$6,149,989.85 \quad / \quad \$59,568,446.00 \quad = \quad 10.32\%$$

$$\text{Average \% of Race-Neutral Participation x Goal: Dollar Value} = \text{Race-Neutral Dollar Value}$$

$$28.05\% \quad * \quad \$8,547,984.42 \quad = \quad \$2,397,994.56$$

$$\text{Race-Conscious/Neutral Dollar Value / Total Federal Expenditures} = \text{Race-Neutral \%}$$

$$\$2,397,994.56 \quad / \quad \$59,568,446.00 \quad = \quad 4.03\%$$

Therefore, the FY 2010 goal is = **14.35%**. This goal sets the race-neutral portion at **4.03%** and the race-conscious portion of the goal at **10.32%**, based on past race-neutral participation and future contracting opportunities.