

Revised DBE Goal Methodology
2017-2019 FTA Overall DBE Goal Calculation (\$26.45)
City of Homestead

2017-2019 FTA Overall DBE Goal Calculation (\$26.45)

DBE Goal Setting Process

Homestead's overall DBE goal for FY 2017 thru FY 2019 is 12.1%. The DBE goal will be reviewed annually and updated every three (3) years in accordance with FTA regulations. The City has proposed to meet the 12% DBE goal through race-neutral means.

The methodology used to establish the overall goal, including determining the relative availability of DBEs in the normal market area for procurement of goods and services for Homestead, consists of a multi-step process.

A. Identifying the Geographic Scope of the Market Area

1. Before the calculation of the base goal can be made, the reasonable market area for procuring goods and services must be identified to establish geographic parameters for statistical analysis. The parameters are FDOT District 6 (Miami Dade and Monroe counties).
2. The budget for proposed projects or any other relevant documents is examined by Homestead to ascertain the type and scope of projects involving FTA funds proposed for the upcoming three fiscal years.
3. The list of projects is analyzed to determine the types of firms/services by North American Industry Classification System (NAICS) codes with which Homestead would likely engage to execute FTA-assisted projects.
4. Using Census definitions, a list of relevant NAICS codes is compiled based on the firm types identified in Step A.3.

B. Determining the Relative Availability of DBEs in the Market Area

1. Once the geographic scope of the market area is determined, the availability of DBEs in the market area can be ascertained. The primary source for this determination will be the State of Florida UCP directory.
2. From the UCP resource directory, the relative availability of all DBEs within the market area is identified and placed in a summary table format.

3. This list is further narrowed down through the identification of only firms that performed work relevant to Homestead's federally-funded operating expenses and capital improvements plan for FTA-assisted projects (i.e., the same NAICS codes identified in step A.3).

4. The DBE firms identified in Step B.2 are tallied.

C. Determining Relevant Market Conditions

1. Using the NAICS numbers identified in Step A, recent Census data for the service area are examined to determine the total number of firms that perform the type of work relevant to Homestead's estimated FTA-assisted contracts.

D. Determining the "Base" DBE Goal

1. The number of (all) firms in the relevant NAICS categories from Step C serve as the denominator.

2. The number of DBE firms determined in Step B serve as the numerator.

3. The percent derived from items 1 and 2 is multiplied by the percent of future FTA funded projects from Step A.2 for each contracting category. The total of this step provides the base goal.

E. Determining Adjustments for the "Overall" DBE Goal

1. After the base DBE goal has been developed in Steps A–D, additional information and data relevant to Homestead's contracting experiences will be considered to determine what adjustment, if any, is needed to the base goal to derive at a final overall goal.

2. Homestead will continually assess the availability of research documents and demographic studies that may provide additional data on the extent to which DBE firms are "ready, willing, and able" to engage in contracting opportunities and successfully performing on contracts as determined by subcontract and prime contract awards.

3. Once Homestead arrives at a DBE goal, it will publish the DBE goal information in a paper of general circulation, and also will post it on Homestead's webpage.

Details concerning the methodology used to obtain this goal will be available for review at Homestead offices or website for thirty (30) days following the publication of the notice. Written comments via the U. S. Postal Service addressed and email comments will be accepted for thirty (30) days from the publication of the notice. Comments may also be directed to FTA Region IV, 230 Peachtree St NW, Suite 800, Atlanta, GA 30303.

FY 2017–2019 DBE Goal Calculation

Homestead, in compliance with 49 CFR, Part 26.45, Subpart C, has estimated a goal of twelve percent (12%) for federal FYs 2017–2019 for DBE participation. The goal was developed using the methodology previously described in this attachment. The specific calculations supporting the FY 2017-2019 goal are provided below.

Calculation of Base Goal

Homestead's future anticipated FTA-assisted contracting opportunities through FY 2019 were identified, and 2016 NAICS codes for the identified contracting opportunities were identified.

The City considered all the possible FTA assisted contracting opportunities for award in FY 2017 through 2019 and compiled the North American Industry Classification System (NAICS) codes for the work included in the contracting opportunities. The City established a market area of the Florida Department of Transportation (FDOT) District 6 to determine the total number of DBE ready, willing, and able businesses and all ready, willing, and able businesses available to perform work in the same NAICS codes. In the new Florida Unified Certification Program (UCP), DBE Directories are searched by NAICS codes by FDOT work districts. The 2014 US Census County Business Patterns for Miami-Dade and Monroe Counties (FDOT District 6 Counties) were used to determine the total ready, willing, and able firms.

Table 1 identifies the categories of FTA-assisted contracting opportunities and associated NAICS codes.

Table 1: NAICS Codes for Future FTA-Assisted Contracting Opportunities

Contracting Category	NAICS Codes
Bus Stations/Stops/Terminals	1. Engineering/Design – Bus Route Sign.: 541850 2. Engineering/Design – Bus Passenger Shelters: 236220 3. Construction – Bus Route Sign Erection: 237310 4. Construction – Bus Passenger Shelters: a. Concrete Paving: 237310 b. Fabrication and Installation: 236220
Operations	Bus Services (Capital Cost of 3rd Party Contracting): 485113

Table 2 presents the total amount and percent distribution of FTA-assisted contracting opportunities for each category.

Table 2: Future FTA-Assisted Contracting Opportunities (FY 2017–2019)

Contracting Category	Total Contracting Opportunity (\$ Amount)	Total Contracting Opportunity (% Distribution)
Bus Stations/Stops/Terminals: 1. Engineering/Design – Bus Route Sign.: 541850	\$60,000.00	0.79%
Bus Stations/Stops/Terminals: 2. Engineering/Design – Bus Passenger Shelters: 236220 (\$125,000.00) And Bus Stations/Stops/Terminals: 4. Construction – Bus Passenger Shelters: b. Fabrication and Installation: 236220 (\$3,200,000.00)	\$3,325,000	43.74%
Bus Stations/Stops/Terminals: 3. Construction – Bus Route Sign Erection: 237310 (\$500,000.00) And Bus Stations/Stops/Terminals: 4. Construction – Bus Passenger \$900,000.00 11.84% Shelters: a. Concrete Paving: 237310 (\$400,000.00)	\$900,000.00	11.84%
Bus Services (Capital Cost of 3rd Party Contracting): 485113	\$3,316,052.00	43.63%

Table 3 presents the percent of DBEs available and willing to perform the work identified by Homestead for FTA-assisted contracts between now and FY 2019. The number of DBEs used to calculate the figures in this table are from the FDOT UCP DBE Directory for DBEs available to work in and located in the geographic area identified (FDOT District 6) under the identified NAICS codes from Table 1. The total number of available firms for each NAICS category used to calculate the percent of available DBE are from the U.S. Census County Business Patterns (CPB) for Miami-Dade County and Monroe County, Florida. Based on available data, there are

0% available DBEs in the market area under the NAICS code for sign manufacturing, indicating a potential market for DBE firm growth.

Table 3: Availability of DBEs to Perform Identified Work

Contracting Category	% of Available and Willing DBEs
Bus Stations/Stops/Terminals: 1. Engineering/Design – Bus Route Sign.: 541850	9.09%
Bus Stations/Stops/Terminals: 2. Engineering/Design – Bus Passenger Shelters: 236220 And Bus Stations/Stops/Terminals: 4. Construction – Bus Passenger Shelters: b. Fabrication and Installation: 236220	12.77%
Bus Stations/Stops/Terminals: 3. Construction – Bus Route Sign Erection: 237310 And Bus Stations/Stops/Terminals: 4. Construction – Bus Passenger Shelters: a. Concrete Paving: 237310	54.72%
Bus Services (Capital Cost of 3rd Party Contracting): 485113	0%

The calculation of the base goal is presented in Table 4. The percent of contracting opportunity multiplied by the percent of available and willing DBEs for each contracting category is used to calculate the weighted result, the sum of which is the base goal of 12.1%

Table 4: Calculation of Base Goal

Contracting Category	Total Contracting Opportunity (% Distribution)	% of Available and Willing DBEs	Result
Bus Stations/Stops/Terminals: 1. Engineering/Design – Bus Route Sign.: 541850	0.79%	9.09%	
Bus Stations/Stops/Terminals: 2. Engineering/Design – Bus Passenger Shelters: 236220 And	43.74%	12.77%	

Bus Stations/Stops/Terminals: 4. Construction – Bus Passenger Shelters: b. Fabrication and Installation: 236220			
Bus Stations/Stops/Terminals: 3. Construction – Bus Route Sign Erection: 237310 And Bus Stations/Stops/Terminals: 4. Construction – Bus Passenger Shelters: a. Concrete Paving: 237310	11.84%	54.72%	
Bus Services (Capital Cost of 3rd Party Contracting): 485113	43.63%	0%	
			12.1%

This is the first time Homestead has ever had an officially adopted DOT/FTA DBE Program, so there are no statistics on past DBE participation. As a result, the City will use the base figure of 12.1% as the overall goal.

Homestead’s overall FTA DBE goal for FYs 2017-2019 is 12.1%. The next update of Homestead’s DBE goal will be due to FTA by August 1, 2019.

Race-Neutral and Race-Conscious Participation (§26.51(a-c))

The breakout of estimated race-neutral and race-conscious participation can be found in Attachment 1 of this document. This section of the document will be updated every three years when the goal calculation is updated. Homestead will use contract goals to meet any portion of the overall goal Homestead does not project being able to meet using race-neutral means.

Homestead anticipates being able to utilize race-neutral means in the 12.1% DBE for FTA contracts, and have developed Attachment 1 utilizing race-neutral means. As this is the first time Homestead has ever had an officially adopted DOT/FTA DBE Program, there are no statistics on past DBE participation and no metrics of prime and subcontractors of race-neutral and race-conscious participation. As a result, Homestead will not use a calculation for race-neutral/race-conscious split based on past contracts, and instead, will plan to have 100% race-neutral absolute attainment.

Contract Goal (§26.51(d-e))

Homestead will use contract goals to meet any portion of the overall goal Homestead does not project being able to meet using race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of the overall goal that is not projected to be met through the use of race-neutral means. Homestead's goal is to meet the 12.1% DBE goal using race-neutral means.

Homestead will establish contract goals only on those FTA-assisted contracts that have subcontracting possibilities. Homestead will not establish a contract goal on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work.)

Homestead will express the contract goals as a percentage of the total amount of an FTA-assisted contract.

Attachment 1—2017-2019 FTA Overall DBE Goal Calculation (\$26.45)

DBE Goal Setting Process

Homestead's overall DBE goal for FY 2017 thru FY 2019 is 12.1%. The DBE goal will be reviewed annually and updated every three (3) years in accordance with FTA regulations. Homestead intends to meet the goal using race-neutral means (100% race-neutral absolute attainment).

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Homestead plans to meet its DBE goal using race-neutral means.

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