

Regional Transportation District DBE Goals and Methodology FY 2008

RTD's overall goal for FY 2008 is the following: 15% 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 2008

The methodology used to establish the FY 2008 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 six 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:

$$2,643 / 32,704 = 8.08\%$$

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 2,643 instances where DBEs were certified under a work code. 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 adding the number of firms listed under each work code. The firms currently exist on the RTD Bidders List. These are firms that are actively seeking business opportunities with 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 8% 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 implemented last year took past years' goal attainment into consideration in adjusting the Step #1 process. The record of attainment for the years 2001 through 2006 is as follows:

Percent of DBE UCP-Certified Firms on RTD Contracts by Contract Type, Race Conscious & Race Neutral						
Year	Construction	Professional Services	Supplies	Race Conscious	Race Neutral	Total %
2006	33.07%	6.16%	0.76%	4.38%	3.40%	7.79%
2005	33.06%	9.66%	0.13%	5.77%	3.60%	9.37%
2004	28.33%	6.99%	0.75%	6.59%	17.94%	24.54%
2003	12.33%	12.51%	1.13%	7.51%	4.68%	12.19%
2002	12.12%	10.43%	0.42%	9.88%	3.98%	13.87%
2001	8.17%	4.09%	0.70%	8.98%	2.46%	11.44%
Average	21.18%	8.31%	0.65%	7.19%	6.01%	13.20%

The average Total DBE participation for the six past years has been 13.20%.

It should be noted that the goal attainment for 2006 is based on the fact that despite approximately 20% DBE attainment on FasTracks procurements amounting to \$78,198,238, RTD can only record an overall attainment for 2006 of 17.35% because all expenditures to date have been made with local funds implemented through the FasTracks program. Though RTD anticipates federal funds, until such time as the federal share has been provided, 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. Unfortunately, due to the lack of detail in the preliminary scopes of work for each project utilizing federal funds in FY 2008, we have limitations in the detail of our weighted calculations. 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 2008				
Categories	Construction	Professional Services	Supplies	Total Purchasing
Dollar Amounts	\$114,644,667.00	\$8,637,409.00	\$1,950,875.00	\$126,354,331.00
Percentages	91.52%	6.93%	1.54%	100.00%

Given the current projected allocation of the federal funds for FY 2008, 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.

<u>DBE Availability:</u> Calculated by dividing DBEs by Bidders under each Category			
Categories of Work	Construction	Professional Services	Supplies
Number DBEs under related work codes	1,422	932	289
Number of bidders under related work codes	8,178	8,817	15,709
Percentage of DBEs	17.39%	10.57%	1.84%

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	\$114,644,667.00	17.39%	\$19,962,851.72
Professional Services	\$8,637,409.00	10.57%	\$912,974.13
Supplies	\$1,950,875.00	1.84%	\$35,896.10
Total	\$126,354,331.00	*16.68%	\$20,911,721.95

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
2006	56.28%	43.72%
2005	61.56%	38.44%
2004	26.87%	73.13%
2003	61.57%	38.43%
2002	71.28%	28.72%
2001	78.52%	21.48%
Average	59.40%	40.60%

The FY 2008 goal is established through the utilization of the following formula:

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

$$(* 16.68\% + 13.20\%) / 2 = \underline{14.94\%}$$

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

$$0.1494 (14.94\%) \times \$126,354,331.00 = \underline{\$18,729,967.26}$$

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

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

$$\text{Race-Conscious: } 0.5940 (59.40\%) \times \$18,729,967.26 = \underline{\$11,125,056.02}$$

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

$$\$11,125,056.02 / \$126,354,331.00 = \underline{8.87\%}$$

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

$$\text{Race-Neutral: } 0.4060 (40.60\%) \times \$18,729,967.26 = \underline{\$7,604,911.06}$$

Race-Conscious/Neutral Dollar Value / Total Federal Expenditures = Race-Conscious/Neutral %

$$\mathbf{\$7,604,911.06 / \$126,354,331.00 = \underline{6.07\%}}$$

Therefore, the **FY 2008 goal is = 15%**. This goal sets the race-conscious portion of the goal to **8.90%**, plus an additional **6.10%** for a race-neutral portion, based on past race-neutral participation and future contracting opportunities.