

Bidding, But Confused About DBE Goals?

Improve Your Proposals By Understanding DBE Goals!

Dates: May 18, 2021, and May 20, 2021

Led By: Chelci Hunter, DBELO & Senior Supplier Diversity Officer



Please Be Advised

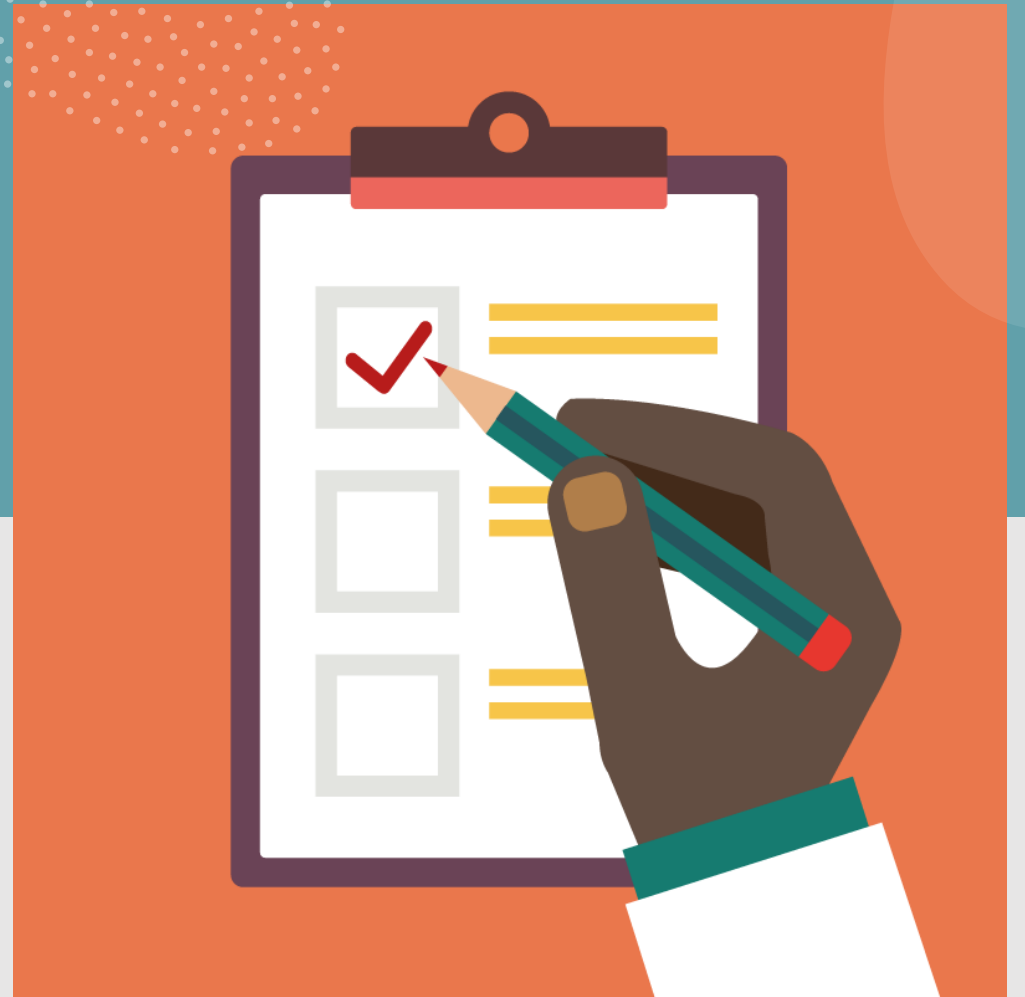


The information presented today is educational in nature to help you understand how we set DBE goals. Any examples we provide should be considered as “examples only,” not concrete project information or costs and may be subject to change.

IndyGo assumes no responsibility or liability for any errors or omissions in the content. The information contained is provided "as is" with no guarantees of completeness, accuracy, usefulness or timeliness.

Today's Agenda

- Introductions
- Frequently Used Terminology
- Our Responsibility to the FTA
- DBE Goal Calculation Methodology
- 3-Year DBE Goal Methodology
- Project Specific DBE Goals
- Weighed Criteria
- Example Purple Line
- Q & A



Introductions

Stacey Metz:

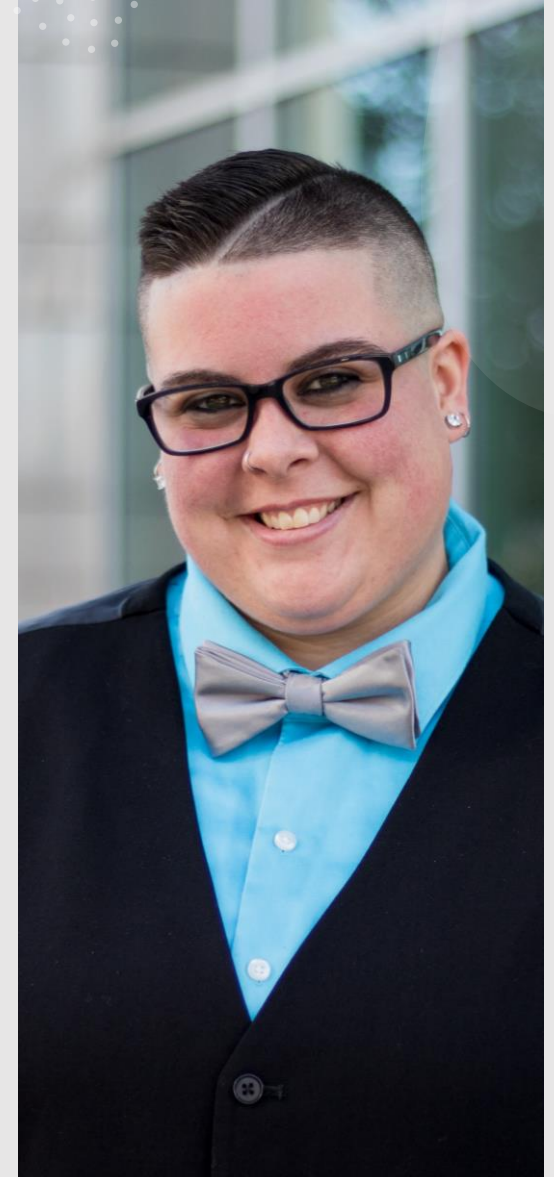
Director of Procurement and Supply
Chain Management

Chelci Hunter, DBELO:

Senior Supplier Diversity Officer

Kevin McDuffie:

Supplier Diversity Specialist



Quick Poll



Frequently Used Terminology

Census Bureau	A resource for identifying all firms is the U.S. Using the Census Bureau's County Business Pattern database, one can determine the number of businesses available in an area to perform the work needed. One can also use the Bureau's Quick Facts pages to learn about potential DBEs.
CBP	County Business Pattern has been produced as a consistent, annual series since 1964 and ZIP Code Business Patterns since 1994.
DOT	Department of Transportation
DBE	Disadvantaged Business Enterprise
DBE Directory	The Indiana Department of Transportation's DBE Directory (aka the Unified Certification Program)
FTA	Federal Transit Administration
INDOT	Indiana Department of Transportation
MSA	Metropolitan Statistical Area of Marion County
NAICS	North American Industry Classification System (NAICS) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.
Race/Gender Conscious	Specifically, if there are DBE goals on a project, the project is Race and Gender Conscious.
Race/Gender Neutral	Neither race nor gender is a goal. It is a means to increase opportunities for all small businesses, not just DBEs, and do not involve setting specific goals for the use of DBEs on individual contracts
RWA	Ready Willing and Able to Work
UCP	Unified Certification Program allows applicants for the Disadvantaged Business Enterprise (DBE) program to apply only once for a DBE certification that will be honored by all recipients within a state.

IndyGo's Responsibility to the FTA

As a recipient of federal funds, we have an obligation to make our DBE goals known not only to the FTA, but to the public, especially to organizations and firms that are affected by our DBE program.

Please Note: If a project has \$1 of federally funded money on it, only DBE Goals will be counted and submitted to the FTA. "XBE" Goals are not allowed to be counted toward DBE Goals. However, we do keep track of XBEs on federally funded projects and submit those numbers to the City and the State.



DBE Goal Calculation Methodology

The federal Department of Transportation (DOT) DBE Program seeks to ensure nondiscrimination in the award and administration of DOT-assisted contracts in the Department's highway, transit, and airport financial assistance programs and to create a level playing field on which DBEs can compete fairly for DOT-assisted contracts.

The FTA Office of Civil Rights is responsible for monitoring FTA recipients' DBE programs and ensuring their compliance with DOT's DBE regulations found at 49 CFR Part 26.

NAICS Codes For Bid Package A (Road Work)

237110 - WATER AND SEWER LINE AND RELATED STRUCTURES CONSTRUCTION

237310 - HIGHWAY, STREET AND BRIDGE CONSTRUCTION

238210 - ELECTRICAL CONTRACTORS AND OTHER WIRING INSTALLATION CONTRACTORS

238910 - SITE PREPARATION CONTRACTORS

238990 - ALL OTHER SPECIALTY TRADE CONTRACTORS

324121 - ASPHALT PAVING MIXTURE AND BLOCK MANUFACTURING

325211 - PLASTICS MATERIAL AND RESIN MANUFACTURING

327320 - READY-MIX CONCRETE MANUFACTURING

327332 - CONCRETE PIPE MANUFACTURING

327991 - CUT STONE AND STONE PRODUCT MANUFACTURING

327999 - ALL OTHER MISCELLANEOUS NONMETALLIC MINERAL PRODUCT MANUFACTURING

331210 - IRON AND STEEL PIPE AND TUBE MANUFACTURING FROM PURCHASED STEEL

335929 - OTHER COMMUNICATION AND ENERGY WIRE MANUFACTURING

335999 - ALL OTHER ELECTRICAL EQUIPMENT AND COMPONENT MANUFACTURING

339950 - SIGN MANUFACTURING

339999 - ALL OTHER MISCELLANEOUS MANUFACTURING

484110 - GENERAL FREIGHT TRUCKING, LOCAL

541611 - ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES

NAICS Codes For Bid Package B (Stations)

237110 - WATER AND SEWER LINE AND RELATED STRUCTURES CONSTRUCTION

237310 - HIGHWAY, STREET AND BRIDGE CONSTRUCTION

238120 - STRUCTURAL STEEL AND PRECAST CONCRETE CONTRACTORS

238210 - ELECTRICAL CONTRACTORS AND OTHER WIRING INSTALLATION CONTRACTORS

238910 - SITE PREPARATION CONTRACTORS

331210 - IRON AND STEEL PIPE AND TUBE MANUFACTURING FROM PURCHASED STEEL

332323 - ORNAMENTAL AND ARCHITECTURAL METAL WORK MANUFACTURING

335929 - OTHER COMMUNICATION AND ENERGY WIRE MANUFACTURING

335999 - ALL OTHER ELECTRICAL EQUIPMENT AND COMPONENT MANUFACTURING

339999 - ALL OTHER MISCELLANEOUS MANUFACTURING

484110 - GENERAL FREIGHT TRUCKING, LOCAL

541611 - ADMINISTRATIVE MANAGEMENT AND GENERAL MANAGEMENT CONSULTING SERVICES

3-Year DBE Goal Methodology

We assess the *Relative Availability* of DBEs to perform the types of projects (both prime and sub) that we intend to release over the 3-years. We determine what percentage of DBEs represent ALL firms (DBE and non-DBEs) that are Ready, Willing, and Able (RWA) to compete.

The percentage is calculated by dividing the number of RWA DBEs to bid for the types of work we will fund by the number of ALL RWA firms (DBEs and non-DBEs) like this:

23 DBEs in 237310 + 35 DBEs in 238910	= 58	11.89%
106 Firms in 237310 + 82 Firms in 238910	= 488	

Calculating

To determine the number of certified Indiana DBEs with the NAICS Codes we anticipate needing in the 3-year timeframe, we perform a thorough search of INDOT's DBE Directory. Any name listed on the directory is assumed to be RWA. We utilize our scope of works to determine applicable NAICS Codes and then use that criteria to search the Directory.

The screenshot shows a web browser window with the URL <https://entapps.indot.in.gov/DBELocator/>. The page title is "State of Indiana Directory of Certified Disadvantaged Owned Business Enterprise Search". The main content area includes a search table and a filter settings panel.

Map Display On/Off

Name	Item Codes	NAICS #	NAICS Description	DBE Code	Work Specialty	App Typ
------	------------	---------	-------------------	----------	----------------	---------

Filter Settings

- Select a Company Name
- Select an Activity Code (NAICS)
- Select a DBE Category
- Select a DBE Code
- Input key word for Work Specialty Search/Match:
- Input Item Code Number for Search/Match:

<https://entapps.indot.in.gov/DBELocator/>

County Business Pattern

We utilize data from the County Business Pattern (CBP).

United States Census Bureau

United States

SEARCH

ALL TABLES MAPS PAGES

1 Results FILTER | DOWNLOAD

All Sectors: County Business Patterns by Legal Form of Organization and Employment Size Class ...

Survey/Program: Annual Economic Surveys Year: 2017
TableID: CB1700CBP Dataset: CBP2017

All Sectors: County Business Patterns by Legal Form of Organization and Employment Size Class for U.S., States, and Selected Geographies: 2017

Survey/Program: Annual Economic Surveys
Years: 2017
Table: CB1700CBP

Accessibility

Geographic Area Name	2017 NAICS code	Meaning of NAICS code	Meaning of Legal form of or...	Meaning of Employment size...
United States	541330	Engineering services	All establishments	All establishments
United States	541330	Engineering services	C-corporations and other corpo...	All establishments
United States	541330	Engineering services	S-corporations	All establishments
United States	541330	Engineering services	Individual proprietorships	All establishments
United States	541330	Engineering services	Partnerships	All establishments
United States	541330	Engineering services	Non-profit	All establishments
United States	541330	Engineering services	Other noncorporate legal forms...	All establishments

Filters Columns Cell/Color

<https://data.census.gov/cedsci/table?q=United States&g=0500000US18057,18081,18097&n=541330&tid=CBP2017.CB1700CBP>

3-Year DBE Goal Methodology

We customize our tables based on NAICS Codes and the counties surrounding Marion County. Only counties from which RWA information is documented is used during our CBP data search.

For example, if we searched for RWA firms located in Hamilton County, NAICS 541611, then we would use the same NAICS Code and county in our CBP search.

To determine the overall 3-year goal, we take into consideration the following:

- Historical data on previous IndyGo construction projects
- Covid-19's impact on RWA businesses (both DBE and non-DBE)
- A firm's capacity
- Scope of work versus field expertise
- Competing-scale large projects
- Recently completed disparity studies

When we submit our overall goals to the FTA, we declare our data sources, the assumptions we made, and how we calculated each step of the process.

Project Specific DBE Goals

The difference between our 3-year goals and a project specific goal is the 3-year goal is calculated for a period of 3-years (i.e., what we believe we can attain annually during those 3 years).

For example, if all three (3) years come out to be 18% annually, but we know that statistical data and future projects won't allow for that percentage to be met, we have to provide reasoning for the adjustment in advance of consulting publicly for feedback and submitting to the FTA.

We set project contractual goals based on data, dollars, scope, and time. Contractual goals can be above or below 10%, as long as we average our 3-year annual goal. Further, we are not required to set a DBE goal on every federally funded opportunity.

Project Specific DBE Goals

In this **super simplistic example**, let's say that IndyGo has a project that has only one (1) bid package that is split between two (2) NAICS Codes, and it has a budget of \$10,000,000:

NAICS Codes	Estimated Budget	# of RWA DBEs	# of All RWA Firms	DBE Relative Availability
237310: Highway, Street, Bridge	\$8,000,000	23	106	21.70%
238910: Site Preparation	\$2,000,000	35	382	9.16%

The number of all RWA DBEs is the **numerator**, and the number of ALL RWA firms (DBEs plus non-DBEs) is the **denominator**.

To calculate the *Relative Availability* of DBEs for this project, the number of RWA DBEs is divided by the total number of ALL RWA firms for the two (2) NAICS Codes, as follows:

Math Time!

$$23 \text{ DBEs (NAICS 237310)} + 35 \text{ DBEs (NAICS 238910)} = 58$$

$$106 \text{ All RWA (NAICS 237310)} + 382 \text{ All RWA (NAICS 238910)} = 488$$

11.89%

Dividing 58 by 488, the equation yields 11.89% and, theoretically, could be the project's goal.

However, 11.89% does not account for the fact that 80% of the project's budget is allocated to NAICS Code 237310, which has a higher DBE *Relative Availability* (21.7%) than for NAICS Code 238910.

Weighted Criteria

In order to use the allocated budget as a weight (i.e., weighted criteria) for each NAICS Code, the figure for each code's DBE Relative Availability would be multiplied by its share of the budget:

$$\left(\frac{\boxed{237310}}{23 \text{ DBEs} / 106 \text{ All Firms}} \right) \times 80\% \text{ of Budget} + \left(\frac{\boxed{238910}}{35 \text{ DBEs} / 382 \text{ All Firms}} \right) \times 20\% \text{ of Budget}$$

$$23 \div 106 = 21.7\% \qquad 35 \div 382 = 9.2\%$$

21.70%	x	80.00%	=	17.36%	(Weighted)
9.16%	x	20.00%	=	1.83%	(Weighted)
17.36%	+	1.83%	=	19.19%	(Revised Goal)

NAICS Code 237310 has a weighted value of **17.36%** and NAICS Code 238910 has a weighted value of **1.84%**. For an overall project value of **19.19%**, which is higher than the original 11.89%.

Example: Purple Line

Together with our Purple Line Construction Management team, **preliminarily**, we have identified the following, but they are subject to change:

- 18 NAICS Codes for Bid Package A
- 12 NAICS Codes for Bid Package B

It should be noted that even though this is what we determined, it does not mean that we will not accept participation outside of these areas. We encourage “out-of-the-box” thinking!

Let’s look at just two (2) of the codes in the Bid Packages:

- NAICS 237110: There are 3 RWA DBE firms. As a point of reference, there are 20 Non-DBE firms.
- NAICS 237310: There are 13 RWA DBE firms. As a point of reference, there are 48 Non-DBE firms.

Purple Line Construction

\$ 90,726,288.00

Purple Line Estimated Construction Cost

11.46%

Estimated DBE Percentage of Construction Cost

Bid Package A	\$ 9,522,876.00	13%	DBE Goal
Bid Package B	\$ 873,670.00	5%	DBE Goal
	\$ 10,396,546.00	Estimated DBE Dollar Commitment	

If a business bids on both BP A + BP B, the overall DBE goal will be 11.5%

How We Are Helping to Connect Businesses Using LinkedIn

About the Purple Line Networking Group:

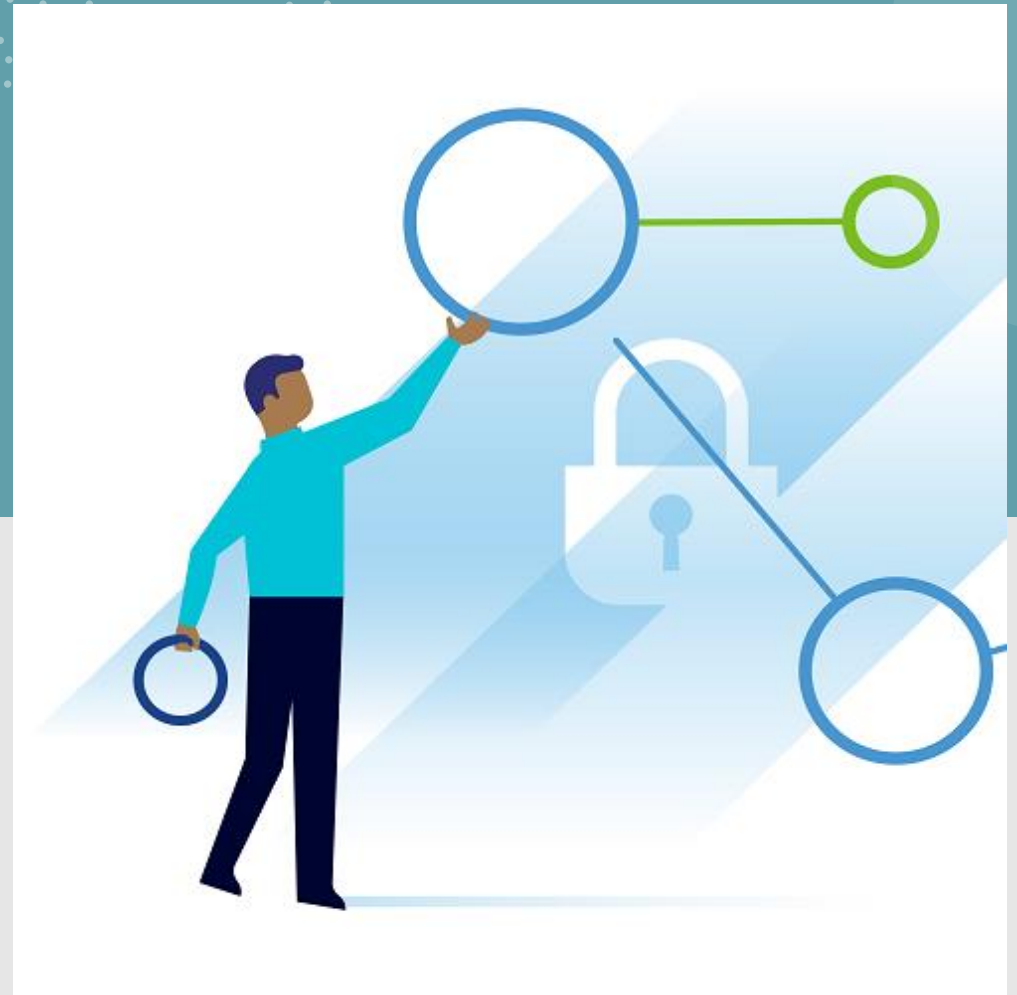
- The formation of this group is an act of community stewardship to assist bidders and subcontractors connect during the pandemic.

Connect with Chelci and Kevin:

- <https://www.linkedin.com/in/chelci-hunter-a7303b139/>
- <https://www.linkedin.com/in/kevin-mcduffie-138b60190/>

Also, make sure to connect with our Supplier Diversity Consultant, Aleta Mungal:

- <https://www.linkedin.com/in/aletamungal/>



1. Does a DBE need to be certified at the time of submitting our bid proposals to you?
2. Can I use a certified DBE who is not certified in the type of work for which I intend to utilize them?
3. Why aren't your DBE goals the same as the Indianapolis Airport Authority?
4. What happens if the Prime Contractors cannot meet the DBE goals?
5. How can I connect with Primes that I don't know given this virtual world?
6. Do you have a list of Primes who will be bidding on the Purple Line?
7. Do you have a list of potential subcontractors?



Contact Information

Chelci Hunter, DBELO:

Senior Supplier Diversity Officer

chunter@indygo.net

Kevin McDuffie:

Supplier Diversity Specialist

kevin.mcduffie@indygo.net

SupplierDiversity@indygo.net



Thank You!

*IndyGo*SM

