



Rhode Island Department of Transportation (RIDOT) Disadvantaged Business Enterprise (DBE) Program

Proposed Three-Year Goal Methodology for FTA-Assisted Projects for Federal Fiscal Years 2024-2026

I. Proposed Overall Goal

The United States Department of Transportation (USDOT) regulations outlined in 49 Code of Federal Regulations (CFR) Part 26, requires each recipient of USDOT Financial Assistance to establish a triennial goal for the participation of Disadvantaged Business Enterprises (DBE). The triennial goal is to be implemented as part of the recipient's, Rhode Island Department of Transportation (RIDOT), DBE program for contracting opportunities funded by the Federal Transit Administration.

RIDOT is proposing a DBE goal for FFY 2024-2026 of **2.62%** of the FTA-aid expended to RIDOT for Professional Services and Construction contracts. The identified **2.62%** goal was calculated based upon a review of the availability of DBE firms that are ready, willing and able (RWA) to participate and compete on DOT-assisted contracts in accordance with 49 CFR §26.45.

II. Methodology

A. Step One- Base Figure for the Relative Availability of DBE Firms (49 CFR 26.45(c))

In accordance with 49 CFR §26.45(c), 49 CFR 26 requires the use of a two-step process for setting the overall DBE goal that reflects the level of DBE participation. The first step is the calculation of the base figure based upon the relative availability of DBEs in the local market area. The second step requires examining relevant data to determine whether an adjustment is applicable to the base figure. RIDOT has continued to utilize an alternative method to determine the number of ready, willing, and available (RWA) DBE firms available to compete on FTA-assisted RIDOT contracts.

1. Local Geographic Area

The first identified step in determining the base figure is to determine RIDOT's "Local Geographic Area". The Local Geographic Area is defined as the area in which the substantial majority of contract dollars are expended in addition to the area in which the substantial majority

of contractors and subcontracts exist. In review of past contracts, RIDOT has identified that for FTA contracts 67% of work is performed by Rhode Island based firms. Therefore, for the purpose of this report, RIDOT has identified the local geographic market area as Rhode Island.

2. Base Figure for the Relative Availability of DBE Firms 49 CFR 26.45(c)

Pursuant to 49 CFR 26.45(c), RIDOT elected to utilize the Rhode Island DBE Directory as well as the US Census Bureau- County Business Patterns (CBP) data to identify the base figure for the proposed DBE goal. The Department evaluated anticipated FTA-assisted contracts to be advertised and awarded during FFY2024- FFY2026.

In review of anticipated RIDOT contracts to be advertised and awarded during FFY2024 through FFY2026, potential contracting opportunities. Anticipated contracting opportunities were identified by the corresponding North American Industry Classification System (NAICS) codes. Based upon anticipated work and past contracts the Department identified applicable NAICS codes likely to result in contracting opportunities. Next a review of the RIDOT DBE Directory was conducted to categorize the number of DBE firms within each identified NAICS code. The Rhode Island DBE Directory consists of 674 firms certified as DBEs within Rhode Island. The DBE Directory includes firms based throughout the country and many certified in multiple NAICS codes. It is important to note for the purpose of the calculation of the annual DBE goal, the number of firms identified per NAICS code is based upon the firm’s certification of their primary NAICS code.

	Contract	Amount of DOT funds on contract:	% of total DOT funds (weight)
1)	Liability Insurance	\$8,600,000.00	0.1756
2)	Wickford Junction	\$3,225,000.00	0.0659
3)	Pawt CF	\$1,950,000.00	0.0398
4)	FerryBoat Terminal	\$4,000,000.00	0.0817
5)	Detailed Fixway	\$26,191,061.70	0.5349
6)	Facility Maintenance	\$5,000,000.00	0.1021
	Total FTA-Assisted Contract Funds	\$48,966,061.70	1

	Contract	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
1)	Liability Insurance	0	460	0.0000
2)	Wickford Junction	21	392	0.0536

3)	Pawt CF	2	30	0.0667	
8)	FerryBoat Terminal	34	1047	0.0325	
9)	Detailed Fixway	0	0	0.0000	
10)	Facility Maintenance	3	174	0.0172	
Combined Totals			60	2103	0.0285 <i>Overall availability of DBEs</i>

Project	Weight	x	Availability	Weighted Base Figure	
Liability Insurance	0.17563	x	0.00000	0.0000	
Wickford Junctions	0.06586	x	0.05357	0.0035	
Pawt CF	0.03982	x	0.06667	0.0027	
FerryBoat Terminal	0.53488	x	0.03247	0.0174	
Detailed Fixway	0.10211	x	0.00000	0.0000	
Facility Maintenance	0.08169	x	0.03247	0.0027	
				Total	0.0262
				Expressed as a % (*100)	2.62%
				Rounded, Weighted Base Figure:	2.62%

3. Step Two- Adjusting the Base Figure- 49 CFR 26.45 (c)

Upon calculating the initial base figure, the RIODT evaluated whether adjustments were needed to refine the base figure. Step two is optional, but highly encouraged by FTA to improve the accuracy of the calculated goal.

A considered adjustment includes review of past participation for the previous three fiscal years. The most recent fiscal years, FFY 2020-FFY2022 have yielded in 0% DBE participation. In review of the FTA contracts awarded during this time period, most of the contract involved operational and maintenance

activity subject to the state Master Price Agreement (MPA). RIDOT is currently evaluating the MPA process to explore how the Department can ensure DBE firms have a fair opportunity to participate on MPA contracts.

In addition to reviewing past participation, RIDOT examined the data sources utilized to ensure the calculations reflected an “apples to apples” calculation as required by the FTA. RIDOT identified potential subcontracting opportunities and identified the corresponding NAICS code according to the US Census. Firms were identified in the specified NAICS code for both the numerator and the denominator based upon data extracted from the RI DBE Directory and the US Census County Business Patterns (CBP).

While RIDOT has not conducted a disparity study regarding DBE firms, the RI Department of Administration conducted on Minority Business Enterprises (MBE) and Women-Business Enterprises (WBE) was completed in July 2021. While the disparity study noted significant disparities within stated funded construction contracts, most of the recommendations to improve the state MBE program spoke to improving the structure of the program and the monitoring and compliance mechanisms, which for the federal DBE program are outlined within 49 CFR 26.

Based upon reviewed information, RIDOT has elected not to adjust the base figure. Based figure will remain at identified 2.62%.

B. RACE/ GENDER NEUTRAL PROJECTION

RIDOT is committed to meeting the maximum feasible portion of its overall goal through Race/ Gender Neutral (RN) means. To identify the RN portion of the goal, data was extracted from FFY2018- FFY 2022 to identify past RN participation.

	FFY 2018	FFY 2019	FFY 2020	FFY 2021	FFY2022	Total FFY16-FFY20
Total Awards	\$ 4,700,944.00	\$ 3,195,169.00	\$ 3,798,330.00	\$ 3,652,145.00	\$ 3,608,635.00	\$ 18,955,223.00
DBE RC Commitments	\$ 234,017.00	\$ 73,060.00	\$ -	\$ -	\$ -	\$ 307,077.00
DBE RN Commitments	\$ 20,795.00	\$ -	\$ -	\$ -	\$ -	\$ 20,795.00
Total DBE Commitments	\$ 254,812.00	\$ 73,060.00	\$ -	\$ -	\$ -	\$ 327,872.00
Overall DBE Achievement	5.42%	2.29%	0.00%	0.00%	0.00%	1.73%
				Total RN Attainment FFY18-FFY22		6.34%

After reviewing past RN participation, RIDOT identified the relative and absolute RN attainment in order to identify the RC/RN split on the proposed DBE goal.

$$\text{Relative RN Attainment} = \frac{\text{RN Attainment FFY15-FFY19}}{\text{Overall DBE Achievement FFY15-FFY19}}$$

$$.06\% = \frac{\$20,795.00}{\$327,872.00}$$

$$\text{Absolute RN attainment} = \text{Relative DBE Attainment} \times \text{Proposed DBE Goal}$$

$$\begin{aligned} \text{Absolute RN Attainment} &= .06\% \times 2.6\% \\ .001\% &= .06\% \times 2.6\% \end{aligned}$$

RC Split = Proposed Goal – Absolute RN Attainment

$$\text{RC Split} = 2.62\% - .001\%$$

$$2.62\% = 2.62\% - .001\%$$

RIDOT has projected the Race/Gender Neutral portion of the 2.6% overall goal to be 0%. It is projected that the remaining portion of the goal, 2.6%, will be achieved through Race Conscious (RC) participation.

To compute the projected overall 3-year FTA DBE goal, RIDOT utilized data from the U.S. Census Business Patterns (CBP), RI Unified Certification Program (UCP) maintained by RI DOA, data maintained by RIDOT Office of Civil Rights (OCR), Prism Compliance from Early Morning Software Innovation, RIDOT Office of Transit, Rhode Island Division of Statewide Planning State Transportation Improvement Program (STIP) and semi-annual reporting data submitted to FTA.

1. RACE GENDER/NEUTRAL MEASURES IMPLEMENTED AT RIDOT

At the time of computation, RIDOT does not currently maintain a DBE Supportive Services (DBE/SS) program. RIDOT is currently in the process of soliciting a qualified consultant to perform research to identify the business needs of the DBE firms and small business within the Rhode Island area and it is more beneficial to implement the DBE/SS program in-house utilizing RIDOT staff or via securing an external consultant. The RFP has been advertised and responses have been from several consultants and the selection process is underway.

Current services available to all small business through RIDOT include the following.

- Ocean State Procures (OSP) Overview and Training Sessions;
 - Web-based training videos
 - OSP Vendor Reference Guide
 - OSP Solicitation Response Checklist and Support Guide
 - Online posting of all available bidding opportunities
- Contract Board
 - Contract Board Search Instructions
 - Contract Board Quick Start Video
 - RI Emergency MPA Guide
- Online questions and answers posting for each bid
- Online portal of Bid Responses for Public Works
- Online posting of bid tabulations
- Online Plan Holder List for each bid
- Online posting and contract bid legacy submissions through RIVIP
- Contract bidding all electronic, including live remote bid opening

III. Public Participation

Prior to the implementation of the Triennial DBE goal, a public notice is to be published in the Providence Journal and made available on the RIDOT website regarding the proposed goal and the methodology used. The proposed goal and methodology utilized will be available to the Rhode Island community to review for 30 days following the date of the notice, and comments will be accepted for 45 days from the date of notice. All suggestions and comments will be reviewed at the end of the comments period and goal will be reviewed/revised as applicable.

In addition to publishing the notice of the goal, RIDOT intends to share the goal methodology with the Construction Industries of RI (CIRI) for comments.

IV. Closing

RIDOT respectfully submits the calculated DBE goal of 2.62% (2.62% RC and 0% RN) for FFY 2024 - FFY 2026 to FTA for consideration.