



**MaineDOT**

# **Disadvantaged Business Enterprise Goal Setting Methodology**

**FFY 2016-18**

**For Federal Highway Administration (FHWA) Contracts  
Only**

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## Introduction

### MaineDOT's Annual DBE Goal for FFY 2016-18

Pursuant to 49 CFR 26 MaineDOT has analyzed data and has determined that the overall annual Disadvantaged Business Enterprise (DBE) attainment on Federal Highway Administration (FHWA) funded projects is 3%.

### MaineDOT Defined Market Area:

MaineDOT defines the region of the State of Maine as its market area. MaineDOT has analyzed the in-state to out-of-state ratio of contractors awarded MaineDOT contracts as well as the ratio of subcontractors for the FFY 2013-14 to gauge its market area and has found that a substantial majority of prime contracts (71%) were let to in-state contractors and a substantial number of subcontract (84% were let to in-state firms, as shown in the graph below. MaineDOT has also found that 96 % of all contract dollars have gone to in-state contractors and 91% of all subcontract dollars were let to in-state subs.

<b>Data Description</b>	<b>Total Program Awards</b>	<b>Amount Represented by Maine Firms</b>	<b>Maine Market %</b>
<b>Geographic distribution of Contract \$</b>	\$252,047,037.00	\$242,499,064.91	96.20%
<b>Geographic distribution of Subcontract \$</b>	\$66,318,272.00	60,586,402.52	91.30%
<b>Geographic distribution of Participating Prime Contractor Awards</b>	484	345	71%
<b>Geographic distribution of all Participating Subcontractors</b>	931	783	84%

## Goal Methodology

### Step 1 - MDOT Base Goal Setting

#### *Census Data*

Pursuant to 49CFR 26.45, MaineDOT has used the following methodology to determine the **baseline figure** for its 2016-2018 DBE goal. MaineDOT has used most recent (2013)

US Census data available and the MaineDOT DBE Directory to determine the percentage of ready, willing and able DBEs in the Maine market area.

Using the 2013 Census Bureau's County Business Pattern (CBP) database and DBE directory information for firms in the defined market area, MaineDOT has carefully reviewed the area of work performed by DBEs and using those NAICS codes, created an analysis of firms in those codes in comparison to the Maine DBE directory.

In 2010 The Civil Rights Office also did an extensive search of potential and real DBE businesses on the Maine Women's Business Center at CEI website. Unfortunately that directory is not longer available but the information from it is the most recent data that we have available so we continue to use it. Maine also researched lists of minority owned businesses in Maine and found none listed. We did access the SBE 8(a) certification list and found businesses on that list that were minority owned and were also construction and transportation related. We included these businesses in our census search.

MaineDOT has a total of 68 DBE firms determined to be ready willing and able to work on FHWA funded projects in the defined market area. This number includes both construction and consultant firms. We also targeted 51 potential firms from the above mentioned sources. The NAICS codes for those firms yield a total of 4722 firms. By dividing 119 by 4722 we find that DBE firms and potential DBE firms makes up 2.5% of these firms.

**MaineDOT Baseline goal is 2.5%.**

2014 Naics Code	Description (Consultant)	DBE	Potential	Census
541310	Architecture Services	1	4	115
541320	Landscape Architecture	4		26
541330	Engineering Services	15		293
541340	Drafting Services	1		19
541512	Mgmt and Information Technology Consulting	1	7	131
541600	Environmental and Geotechnical Consulting	4		562
541611	Administrative Management/General Management	3		239
541613	Marketing Consulting	1		108
541620	Environmental Consulting	2		73
541800	Advertising and Public Relations	3	29	134
541370	Surveying and Mapping	2		102
541380	Testing Laboratories	1		38
541430	Graphic Design	1		54

541990	All Other Prof, Scientific & Tech Services	2		
<b>2014 NAICS Code</b>	<b>(Construction) Description</b>			
236200	Building Construction	1	7	140
237310	Highway/Street/Bridge Construction	4		79
237990	Heavy and Civil Engineering	1		39
238140	Masonry Contractor	3		145
238910	Site Preparation	2		492
238990	Paving, Driveway/Parking Lots, Guardrail	2		166
423840	Industrial Supplies Merchant	1		26
483000	Water Transportation/Tug	1		12
484210	Dump truck hauling, heavy hauling 2.5%	2		398
488999	General Construction, Construction Mgmt	1		1
561320	Temporary Help Services	2		102
561720	Janitorial Services/Site Cleaning	2		303
561730	Landscaping	3	4	667
561990	Flagger	1		138
484110	General Freight Trucking	1		120
		68	51	4722

2.50%

***Bidders List***

In accordance with requirements of the 49 CFR Part 26, MaineDOT e-mailed all Prime Contractors asking them to identify DBE and non-DBE firms that submitted quotes as subcontractors from April 1, 2014- April 1, 2015. MaineDOT opts not to use this information because it does not reflect the real availability of our DBE contractors. The DBE attainment if taken solely on the Bidders list would be above 10%, a percentage that the State has never attained.

Our short construction season creates a situation where all the work for the year must get done in the same 5 month time frame. This limits the capacity of smaller firms. Specialty work, like striping, guardrail and landscaping often happen at the end of the season and must be done in a limited time for projects statewide. Some of our smaller firms are in high demand and may refuse some offers. Expanding a small business is often a great challenge to owners, who do not wish to take on the added employee responsibility.

Geography is also an issue, as smaller companies may find it difficult to mobilize long distances, but may bid on a project just to ensure that they are considered.

The difficulty in quantifying these concerns makes the Bidders List a poor measure of DBE attainment for MaineDOT. For these reasons we choose not to use the Bidders List.

**Step 2 - Impact to Goal:**

***Past Participation***

MaineDOT has assessed past participation in our program and has incorporated the median years attainment with our Step 1 assessment, averaging the Step 1 goal with the median goal attainment over the past three federal fiscal years.

Past Participation	
Year	Attainment
2012	4.05 %
2013	2.6 %
2014	3.5 % (Median)

$(3.5 + 2.5)/2 = 3.0\%$

MaineDOT DBE goal is **3%**

***Disparity Studies***

MaineDOT has contacted major airports and Municipal Planning Organizations in the defined market area and found no disparity studies have been done at this time.

***Race and Gender-Neutral and Conscious Measures***

The Department’s DBE Program goal of **3 %** for FFYs 2016-18 will be achieved entirely through race and gender-neutral means. Contract goals will not be necessary for additional attainment. If we determine that we will not achieve the goal, we will take measures to do so, which may include targeted project goals.

**Use of Supportive Services Program in race neutral efforts.**

In order for the MaineDOT to meet its goal through race neutral means, it has implemented a strong Disadvantaged Business Enterprise Supportive Services (DBE SS) Program in accordance with 23 CFR 230.204. The program successfully assists minority, women and disadvantaged owned firms to build strong businesses able to successfully compete when bidding for federally funded transportation projects and consulting

contracts, thus increasing equal opportunity, competition and diversity in Maine's bridge and highway construction industry.

The following services are offered through MaineDOT's supportive services program with specific programs targeted for instruction. Tuition reimbursement for successfully completed classes taken by small business owners to grow and/or improve their business in the Federal-aid bridge and highway construction industry will also be allowed. This program:

- Provides technical and resource assistance with financial and business planning including accounting, invoicing and auditing practices, business planning, marketing/networking, and setting and achieving goals. Assistance with bonding, financial assistance, lease agreements, taxes, fringe benefits, and payroll. Assure capability to comply with all FHWA requirements and paperwork regarding personnel, EEO, Title VI, DBE, AA, training and Davis Bacon and related Acts.
- Provides Technical and general assistance with awareness, process, estimating, and submitting quotes for MaineDOT federal aid contracts. Survey and report the bid items DBEs are capable of completing and share this information on the web and with Prime contractors. Offer guidance to DBEs regarding MaineDOT project plans and website to keep up to date with contract opportunities in their business areas.
- Development of lists of DBEs and non-DBEs willing to participate in a mentoring program. Development of goals for mentoring and specific topics to cover. Assignment of willing prime contractors/consultants to formally mentor willing DBE contractors/consultants. Monitoring of the effort. Facilitate meetings as necessary.
- Provides technical support for computer systems, particularly CADD translation to Micro-station to be compatible with MaineDOT files and electronic bidding assistance (using the web and using BIDEX). Also, hardware/software technical support and webpage development as related to bridge and highway construction.
- Provides technical support and education regarding partnering with other consultants/contractors/agencies and how to create and deliver products or services under a joint venture. Small businesses participating will have new tools to improve or expand their business capabilities.
- Provides technical assistance and education regarding reading, writing and understanding construction contracts and subcontracts. Legal assistance in ensuring contracts and subcontracts protect the interest of the DBE, include all phases of the work, and contain all needed language for compliance when working on a FHWA funded projects.

- Widely distributes an information guide and brochure regarding the DBE program. Update, print, and distribute new materials as needed. Continue to educate contractors and consultants, as well as MaineDOT personnel, about the purpose of the program and their obligations under Federally Funded contracts. Continue opportunities to present workshops, briefings and training sessions statewide. Educate the SBA's Small Business Development counselors and other entities about the DBE program.
- Holds Networking/Conferences in conjunction with the Maine SBA Office and other partners. Matchmaking session between DBEs and prime consultants and contractors. Networking time for DBEs to meet with civil rights staff and each other, and other activities to promote DBE growth and quality. Educational seminars.

The MaineDOT DBE SS consultant uses a variety of methods to assess a firm's current qualifications. These include, but are not limited to:

- One-on-one business review at the DBE's home office
- Feedback from primes and from MaineDOT requesting assistance for a firm
- Requests from the DBEs themselves for assistance

The MaineDOT DBE SS consultant uses industry business standards and MaineDOT prequalification standards, as well as feedback from the primes and others to determine what each DBE should have for comparable skills and qualifications. This is done on a case by case basis as each company delivers a unique set of products and services.