



**COLORADO**  
Department of  
Transportation

# Overall Annual DBE Goal for Transit

---

Federal Fiscal Years 2020 – 2022

US DOT Federal Transit Administration

CDOT Civil Rights & Business Resource Center

## Table of Contents

EXECUTIVE SUMMARY .....	3
FTA FUNDING ALLOCATION .....	3
Data Collection .....	3
Exemptions from Goal Calculation .....	4
DBE Contracting Opportunities.....	5
DBE GOAL METHODOLOGY.....	5
Market Area Determination.....	6
Availability Data .....	6
Weighted Data .....	6
STEP 1: DEVELOP A BASE FIGURE.....	6
STEP 2: ADJUSTMENTS TO THE BASE FIGURE .....	9
Correlation of NAICS to Opportunities .....	9
Types of Contracting Opportunities.....	10
Historical DBE Participation .....	10
Survey of DBE Firms .....	11
DBE Geographic Distribution .....	11
BREAKOUT OF RACE NEUTRAL / RACE CONSCIOUS PARTICIPATION.....	12
Race-Neutral Methods.....	13
PUBLIC PARTICIPATION & FEEDBACK .....	14
Public Comments .....	14

## EXECUTIVE SUMMARY

This document details the methodology used by the Colorado Department of Transportation (CDOT) to establish its three-year (FFY 2020-2022) overall annual Disadvantaged Business Enterprise (DBE) goal for contracts that contain funding assistance from the U.S. Department of Transportation (USDOT) Federal Transit Administration (FTA). This goal is established and tracked separately from CDOT’s Federal Highway Administration (FHWA) overall goal. It applies primarily to CDOT’s Division of Transit and Rail (DTR), which receives, distributes, and oversees the use of federal funds received by FTA.

CDOT established this goal in accordance with Part 26, Title 49 of the Code of Federal Regulations (49 CFR Part 26). As described below, CDOT evaluated the actual contracting opportunities to be offered using FTA funds, the ready, willing and able DBEs to participate in such opportunities, and other relevant evidence in order to determine its overall goal. **CDOT proposes an FTA DBE goal of 2.50%** for the period of October 1, 2020 through September 30, 2022 (FFY 2020-2022). CDOT expects to meet the full 2.50% with race-neutral measures.

CDOT is committed to monitoring DBE participation for all federal-aid transit projects during the future three-year goal period to ensure the overall goal is being met. DBE achievements will be evaluated annually to determine whether market conditions warrant adjustments to the overall DBE goal, or the fully race-neutral approach.

## FTA FUNDING ALLOCATION

In FFY 2016-2018, CDOT received \$66,258,135 million in funding from FTA. CDOT directly procured \$927,288 in services using FTA funds and awarded the remaining amount of \$66,679,770 to 81 transit providers in rural areas. CDOT DTR has forecasted the following FTA funding for state fiscal years (SFY) 2020-2022 (July 1, 2020 – June 30, 2022).

**Table 1. FTA Funding Forecast (SFY 2020-2021)**

Program	SFY 2020	SFY 2021	SFY 2022	Total
FTA-5304	\$404,452.00	\$412,541	\$420,791	\$1,237,784
FTA-5310	\$3,629,009	\$3,701,589	\$3,775,620	\$11,106,218
FTA-5311	\$13,303,799	\$13,569,875.00	\$13,841,273	\$40,714,947
FTA-5339	\$5,002,796	\$5,102,851	\$5,204,908	\$15,310,555
<b>FTA Subtotal</b>	<b>\$22,340,056</b>	<b>\$22,786,856</b>	<b>\$23,242,592</b>	<b>\$68,369,504</b>

The total of \$68 million is slightly more than the previous goal setting period however, it is close enough to assume that DTR will be administering approximately the same amount during FFY 2020-2022 as in FFY 2016-2018.

## Data Collection

CDOT grant partners (or subrecipients) use FTA funds for operating, administration, and capital purchases. Subrecipients may contract for goods and services, creating indirect FTA-assisted contracting opportunities for DBE firms. To evaluate these contracting opportunities, CDOT’s Civil Rights and Business Resource Center (CRBRC) surveyed DTR and all of its grant partners to estimate available DBE

contracting opportunities during the FFY 2020-2022 period. Subrecipients reported projected spending amounts for the next three fiscal years or actual spending amounts for the previous three years as an estimation of future spending. A total of 54 grant partners (66%) completed the survey.

This year's survey of subrecipients was revised slightly for the following reasons:

- To make it easier for subrecipients to forecast federal spending and identify funds that represent contracting opportunities.
- To exempt direct recipients from completing the survey because they report DBE participation directly to FTA.
- To exempt DTR contractors from completing the survey because they are included in the amount of DBE participation reported by DTR.
- To electronically collect DBE Program Plans from direct recipients.

Although the survey is an effective tool for collecting data, CDOT found several anomalies in the data when compared to grant funding allocations reported by DTR. Therefore, CDOT attempted to confirm or correct reported funding amounts via phone and/or email with approximately 75% of subrecipients.

### Exemptions from Goal Calculation

Analyzing the broad data collected in the survey, CDOT sought to identify the FTA fund allocations that represent actual contracting opportunities for DBEs in FFY 2020-2022. Certain reported categories of funds allocation were excluded from the goal calculations because:

- The funds are allocated directly to organizations by FTA (i.e., direct recipients) and therefore DBE participation is reported directly to FTA;
- The funds are used for purchases from transit vehicle manufacturers (TVMs) or for non-contracting operating expenses;
- The funds are used for services provided by internal government offices

Specifically, contracting opportunities provided by grant partners who are direct recipients of funding from FTA and maintain their own DBE program are not included in CDOT's calculation. In accordance with USDOT guidance, the FTA funds provided to these grant partners are incorporated into the grant partner's direct FTA reporting. The following organizations are direct recipients of FTA funding and were exempted from completing the survey. CDOT has collected a copy of their DOT-approved program plans.

- City of Colorado Springs / Mountain Metropolitan Transit
- City of Fort Collins
- Greely-Evans Transit
- Mesa County
- Pueblo Transit
- Regional Transportation District

Purchases from transit vehicle manufacturers (TVM) and operating expenses are also not considered contracting opportunities. TVM purchases are exempt since TVMs maintain their own DBE programs. Operating expenses are excluded per FTA guidance. Operating expenses include rent, utilities, employee wages, employment taxes, fringe benefits, licenses, fees, taxes, conferences, other travel expenses, and insurance.

Additionally, CDOT exempted expenditures made within government organizations for services. For example, a subrecipient might use the services of a mechanical shop that is part of the city government to maintain its buses. As such, these expenditures with a local government do not represent a viable contracting opportunity for DBEs.

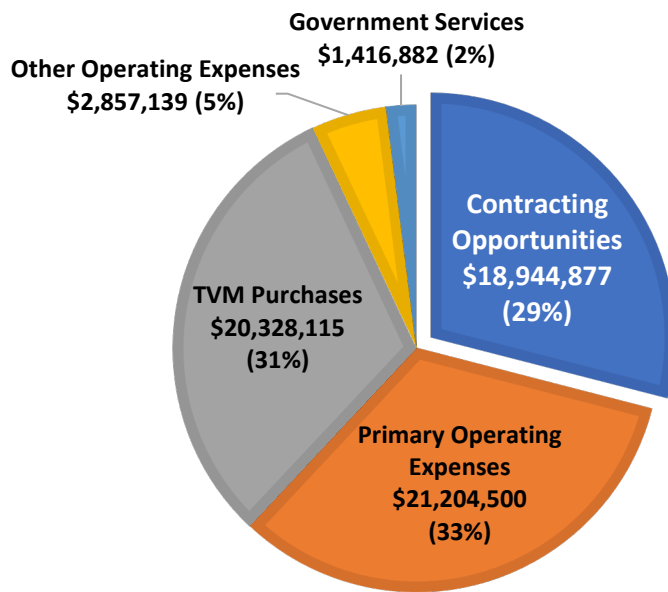
Finally, six (6) past subrecipients indicated on the survey that they do not expect to receive federal funds during FFY 2020 – 2022. These organizations were excluded from the analysis because they will not have contracting opportunities for DBE firms under the FTA program.

### DBE Contracting Opportunities

The FTA provides a significant and valuable financial contribution to support DTR and its grant partners. Yet, when exemptions are factored in, the potential for DBE contracting opportunities included in CDOT’s overall goal setting is limited to approximately 29% of the FTA funding provided to CDOT. This does represent a 10% increase over the past three federal fiscal years.

The following chart shows a breakdown of the anticipated FTA funds allocation and potential DBE contracting opportunities:

**Chart 1. Forecasted FTA Funding Allocations (FFY 2020-2021)**



### DBE GOAL METHODOLOGY

The following goal calculations are based on the contracting opportunities created by the 29% identified in the survey. The overall goal must be based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate on these FTA-assisted contracts. To derive the overall goal, CDOT used the two-step goal setting methodology specified in 49 CFR Section 26.45(c):

- Step 1: Develop a base figure for relative availability of DBEs
- Step 2: Adjust base figure, as needed, to arrive at an overall goal

### Market Area Determination

Before beginning the base figure calculation, CDOT determined the relevant market area for the analysis. As defined by the *USDOT Goal Setting Tips*, the local market area is the area in which the substantial majority of the contractors and subcontractors with which CDOT and its grant partners do business are located and the area in which CDOT and its grant partners spend the substantial majority of its contracting dollars. All grants awarded by CDOT were to rural providers located within Colorado. These grant partners primarily use federal funds to procure goods and services from local providers. Therefore, CDOT determined that the relevant market is the state of Colorado.

### Availability Data

The relative availability of DBEs is defined as the total number of DBE firms that are ready, willing and able to perform the types of contracts CDOT anticipates awarding according. CDOT used the approach suggested in *49 CFR 26.45(c)(1)* to compare the number of available DBEs to all firms in the industry. The number of available DBE firms was derived from the *CDOT Unified Certification Program (UCP) DBE Directory*. The Colorado UCP does not currently record primary NAICS codes for DBE firms. Therefore, CDOT evaluated all work codes assigned to the DBE firms and assigned one NAICS code that best correlated with the firm’s primary area of work using information from the CDOT Contractor Directory (B2G), FHWA DBE Goal Methodology for FFY 2019-2021, and the company’s website. The total number of firms within each industry was then identified from the most recent *U.S. Census Bureau 2016 County Business Patterns (CPB)* for the state of Colorado. Consistent with DOT guidance, CDOT did not consider out-of-state DBE firms in order to ensure an “Apples to Apples” comparison of DBE firms to the total number of firms with the specified primary NAICS codes.

### Weighted Data

CDOT also determined the relative weight of contracting opportunities by type of work and NAICS. The survey completed by DTR and CDOT’s grant partners separated contracting opportunities into common areas of procurement, which include building construction, signage, non-TVM vehicle purchases, transportation materials, office equipment, office-related supplies, fuel, transit service providers, professional services, facilities maintenance, vehicle service, and other miscellaneous expenses. The forecast weight is the percentage that each anticipated contracting opportunity represents of the total estimated contracting opportunities collected in the survey. Each contracting area was then correlated to NAICS codes so that CDOT could determine the relative availability of DBE.

## STEP 1: DEVELOP A BASE FIGURE

In accordance with Section F of the *USDOT Tips for Goal Setting*, CDOT used the following formulas to determine the relative availability of DBE firms and subsequently the base figure for DBE participation.

**Relative Availability of DBEs** = # of DBE Firms in the Industry / All Available Firms in the Market Area

**Forecast Weight** = Amount in Contracting Area / Total Contract Opportunities

**Weighted Availability** = Relative Availability of DBEs x Forecast Weight

**Base Figure** = Relative Availability x Forecast Weight

CDOT determined the base figure to be 1.93%. The table below shows how this figure was derived.

**Table 2. Weighted Availability Calculation**

Contracting Opportunity	NAICS Code	NAICS Description	# of DBEs	Total Firms	Relative Availability	Forecast Weight	Weighted Availability
<b>Building Construction</b>	236220	Commercial and Institutional Building Construction	48	810			
	237110	Sewer, Water, Utility Line Construction	6	293			
	238110	Poured Concrete Foundation and Structure Contractors	15	549			
	238130	Framing Contractors	3	484			
	238140	Masonry Contractors	12	438			
	238150	Glass and Glazing Contractors	1	137			
	238160	Roofing Contractors	5	715			
	238190	Other Foundation, Structure, and Building Exterior Contractors	13	166			
	238210	Electrical Contractors and Other Wiring Installation Contractors	45	1849			
	238220	Plumbing, Heating, and Air-Conditioning Contractors	28	2260			
	238290	Other Building Equipment Contractors	3	132			
	238310	Drywall and Insulation Contractors	20	503			
	238320	Painting and Wall Covering Contractors	13	958			
	238330	Flooring Contractors	10	406			
	238340	Stone, Tile, Marble, Interior Contractors	3	270			
	238350	Finish Carpentry Contractors	3	951			
	238390	Other Building Finishing Contractors	6	167			
	238910	Site Preparation Contractors	29	884			
238990	All Other Specialty Trade Contractors	38	778				
		<b>Subtotal</b>	<b>301</b>	<b>12750</b>	<b>2.36%</b>	<b>14.44%</b>	<b>0.34%</b>
<b>Signage</b>	339950	Sign Manufacturing	3	136			
	423990	Other Miscellaneous Durable Goods Merchant Wholesalers	7	154			
		<b>Subtotal</b>	<b>10</b>	<b>290</b>	<b>3.45%</b>	<b>0.07%</b>	<b>0.00%</b>
<b>Vehicle Purchase (non TVM)</b>	423110	Automobile and Other Motor Vehicle Merchant Wholesalers	0	96	0.00%	4.96%	0.00%
<b>Transportation Materials and Supplies for Vehicles (AB)</b>	423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	1	203			
	423130	Tire and Tube Merchant Wholesalers	1	54			
		<b>Subtotal</b>	<b>2</b>	<b>257</b>	<b>0.78%</b>	<b>1.50%</b>	<b>0.01%</b>
<b>Office Equipment</b>	423420	Office Equipment Merchant Wholesalers	1	185	0.54%	0.39%	0.00%

<b>Office-related Supplies</b>	424120	Stationery and Office Supplies Merchant Wholesalers	2	84	2.38%	1.02%	0.02%
<b>Fuel</b>	424710	Petroleum Bulk Stations and Terminals	0	80			
	424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations)	2	38			
		<b>Subtotal</b>	<b>2</b>	<b>118</b>	<b>1.69%</b>	<b>14.40%</b>	<b>0.24%</b>
<b>Fixed route</b>	485210	Interurban and Rural Bus Transportation	0	5			
	485113	Bus and Other Motor Vehicle Transit	0	8			
		<b>Subtotal</b>	<b>0</b>	<b>13</b>	<b>0.00%</b>	<b>14.65%</b>	<b>0.00%</b>
<b>Paratransit</b>	485999	All Other Transit and Ground Passenger Transportation	2	54	3.70%	18.88%	0.70%
<b>Legal Services</b>	541110	Attorney's Office and	0	3556			
	541199	All Other Legal Services	3	94			
		<b>Subtotal</b>	<b>3</b>	<b>3650</b>	<b>0.08%</b>	<b>0.05%</b>	<b>0.00%</b>
<b>Accounting</b>	541211	Offices of Certified Public Accountants (CPA)	7	1450			
	541219	Accounting Services (except CPA's)	2	1357			
		<b>Subtotal</b>	<b>9</b>	<b>2807</b>	<b>0.32%</b>	<b>0.12%</b>	<b>0.00%</b>
<b>Engineering Services</b>	541330	Engineering Services	83	2291	3.62%	0.12%	0.00%
<b>Urban Planning</b>	541320	Urban Planning Services	31	231	13.42%	2.90%	0.39%
<b>Environmental Consulting</b>	541620	Environmental Consulting Services	31	459	6.75%	0.01%	0.00%
<b>Marketing/PR Services</b>	541613	Marketing Consulting Services	18	1242			
	541820	Public Relations Agencies	23	237			
	541430	Graphic Design Services	27	539			
		<b>Subtotal</b>	<b>68</b>	<b>2018</b>	<b>3.37%</b>	<b>0.31%</b>	<b>0.01%</b>
<b>Other Prof. Services</b>	541611	Administrative Management and General Management Consulting Services	55	2445			
	541614	Process, Physical Distribution, and Logistics Consulting Services	7	194			
	541410	Interior Design Services	26	443			
	541310	Architectural Services	34	760			
		<b>Subtotal</b>	<b>112</b>	<b>3842</b>	<b>3.18%</b>	<b>4.94%</b>	<b>0.16%</b>
<b>Facilities Maintenance</b>	561720	Janitorial Services	30	1403			
	561730	Landscaping Services	26	2130			
	561790	Power Washing Building Exteriors	3	262			
		<b>Subtotal</b>	<b>59</b>	<b>3795</b>	<b>1.552%</b>	<b>0.28%</b>	<b>0.00%</b>
<b>Vehicle Service/ Maintenance (Non-Government)</b>	811111	General Automotive Repair	0	1529			
	811121	Automotive Body, Paint, and Interior Repair and Maintenance	2	644			
		<b>Subtotal</b>	<b>2</b>	<b>2173</b>	<b>0.09%</b>	<b>19.98%</b>	<b>0.02%</b>



<b>Background Checks</b>	561611	Background Check Services	0	103	0.00%	0.01%	0.00%
<b>Drug Testing</b>	621999	Employee Drug Testing Services	2	90	2.22%	0.96%	0.02%
	<b>TOTAL</b>		<b>730</b>	<b>35,306</b>	<b>2.07%</b>	<b>100%</b>	<b>1.93%</b>

## STEP 2: ADJUSTMENTS TO THE BASE FIGURE

49 CFR Section 26.45 (d) identifies numerous examples of the various types of data that can be examined in order to adjust the Step 1 base figure to narrowly tailor the goals to the local market. Step 2 of the goal setting methodology is intended to adjust the base figure from Step 1 to reflect, as accurately as possible, the DBE participation CDOT would expect in the absence of discrimination. CDOT considered the following factors to determine whether an adjustment to the Step 2 base figure is appropriate for the FFY 2020-2022 DBE goal.

### Correlation of NAICS to Opportunities

CDOT used a survey similar to the past methodology as the primary mechanism for collecting data. Based upon open-ended answers collected from DTR and subrecipients, CDOT made the following adjustments to the NAICS for the analysis.

- **Added 541320 Urban Planning** to accommodate potential contracting opportunities with DTR.
- **Added 485113 Bus and Other Motor Vehicle Transit** to Non-Government Fixed Route Transit Providers to expand the possible contractor pool. However, CDOT found that there are still zero (0) DBE certified firms in this category.
- **Added 541199 Other Legal Services** to include legal support in addition to services provided by only by Attorney’s Offices.
- **Added 541219 Accounting Services (except CPAs)** to include bookkeeping and other accounting services which do not require a CPA.
- **Added 541430 Graphic Design Services** to Marketing/PR services to better reflect the vendor services anticipated in this category.
- **Added 541310 Architectural Services and 541410 Interior Design** to Other Professional Services to capture the type of work that will be required for building construction projects.
- **Added 561790 Power Washing Exteriors** to include a common task contracted for Building Maintenance.
- **Added 561611 Background Checks** to accommodate potential contracting opportunities identified by transit providers.
- **Changed the NAICS for Drug Testing** from 621511 Medical Laboratories to 621999 Employee Drug Testing Services. This more narrowly tailors the opportunity to service providers who conduct employee/driver drug testing rather than the laboratories that cover a much broader scope and are often subcontracted by the drug testing provider.
- **Removed the Software and Road Construction** categories because there were no future contracting opportunities reported within these codes.

These changes better reflect anticipated contracting in FFY 2020-2022 and as a result, CDOT calculated slightly more DBE availability than in the past. In the last methodology, 583 DBE firms were considered ready, willing, and able to perform contracting opportunities. For this methodology, 703 are considered

to be ready, willing, and able pursuant to the correlating NAICS codes. This increase is in part due to the addition of several NAICS to the analysis and also correlates to the growth of the Colorado DBE Directory over the past year which had 1,648 certified firms in May 2019, an increase of more than 360 since January 2018.

### Types of Contracting Opportunities

Similar to data collected during the last methodology, the largest contracting opportunities had little to no DBE availability. As shown in Table 2, there is a small percentage of certified DBEs in several NAICS codes that have the highest weighted contract opportunities such as Non-Government Vehicle Service and Maintenance (19.98%), Paratransit (18.88%), Fixed Route Transit Services (14.65%), and Fuel (14.40%). Collectively, these NAICS represent nearly 70% of forecasted contracting opportunities for which there are only six (6) DBE certified firms in Colorado.

Building Construction is one area where there is a relatively high availability of DBE firms (2.36%) and significant potential for contracting opportunities. Although there were only two (2) subrecipients that reported funding expenditures in this category, individual project costs are fairly high which resulted in these opportunities accounting for 14.44% of the total. CDOT did consider whether a more micro-area analysis should be used for those two opportunities because it is unlikely that DBE firms will mobilize a significant distance across the state. It is more likely that contractors will be located within a 2-hour driving radius of the project. However, several other grant partners indicated that they are targeting building construction projects but do not know if the funding will be approved. These included construction of a transit facility, maintenance facility, parking lot, transit operations center and bus garage, transit storage and maintenance facility, parking structure expansion, and improvements to an existing transit facility.

Given the possibility of various construction projects across the state that may start during the next three fiscal years, CDOT decided to consider DBE availability statewide rather than narrow it to a specific geography. However, without confirmation that these funds will be granted to the subrecipients, CDOT does not have justification to adjust the base figure.

### Historical DBE Participation

The CDOT FTA goal for FFY 2017-2019 was 2.88%. The base figure was calculated as .92% with a Step 2 adjustment of 1.96% based upon past DBE participation. For this methodology, CDOT also evaluated past participation to determine if an adjustment is warranted. Table 3 shows CDOT’s annual DBE participation for the past three (3) federal fiscal years.

**Table 3. Past FTA DBE Goal Achievement**

Federal Fiscal Year	Annual Overall FTA DBE Goal	Actual DBE Achievement (Federal-Assisted Projects Only)
2016	2.88%	3.06%
2017	2.88%	3.14%
2018	2.88%	2.98%
	<b>Historical Median</b>	<b>3.06%</b>

As the table above demonstrates, CDOT has exceeded its overall goal for the past three years. CDOT chose to use only the past three years of goal achievement data because it is the most accurate and

representative of contracting activity over the next three federal fiscal years. In comparing this data, the proposed base figure of 1.93% is lower than all of the DBE participation achieved between FFY 2016-2018. Therefore, pursuant to DOT guidance, CDOT chose to use the median past participation percentage to adjust the base figure. CDOT first determined the median past participation percentage (3.06%) and averaged it with the base figure percentage (1.93%), resulting in a **proposed DBE goal of 2.50%**. There were no significant outliers during this time period which further justifies and upward adjustment of the base figure using the median.

### Survey of DBE Firms

In parallel to the survey of subrecipients, CDOT also sent a survey to the all firms listed on the Colorado UCP DBE Directory. A total of 354 DBE firms (22%) completed the survey. A majority of respondents provide services related to Engineering, Highway, Street and Bridge Construction, Building Construction, and Other Professional Services.

Although the sample was statistically small, it did provide insight into DBE firm interest in contracting on transit projects. Nearly all of those surveyed (95%) indicated that they are interested in working with CDOT or grant partners on transit-related projects. However, more than half (57%) do not know how to find transit-related contracting opportunities and more than 40% never or infrequently responded to transit bids/RFPs. The reasons cited were primarily; lack of relationships with transit agencies (36%), being unsure of how to begin the process (29%), and lack of contracting opportunities for the type of products or services they provide (26%). When asked how CDOT could help them get more work on transit-related projects, the majority said by providing information about upcoming opportunities (48%), setting higher DBE goals (43%), breaking down large projects into smaller work codes (40%), and facilitating introductions to transit providers (34%).

It is apparent that DBE certified firms are interested in working on transit-related projects but need more information, relationships, and opportunities that match their capabilities. Most subrecipients are proactive about encouraging DBE participation but may not know how to find or reach out to certified firms outside of their local area. These are all barriers that can be overcome through race-neutral means such as better communication about transit contracting opportunities, more education for subrecipients about the DBE program, and increased outreach to DBE certified firms from CDOT and subrecipients. The feedback captured on the survey of DBE firms will help inform future program activities but does not warrant an adjustment to the base figure.

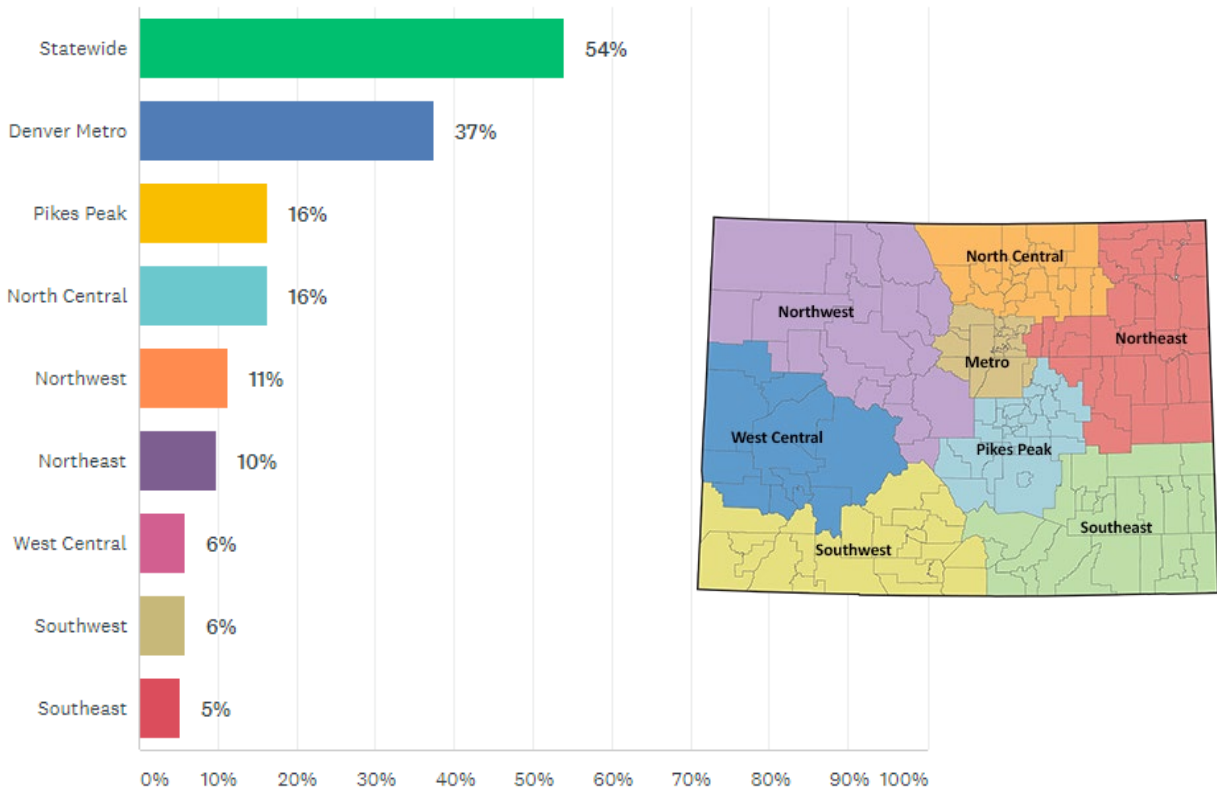
### DBE Geographic Distribution

Several subrecipients commented that there is a scarcity of DBE contractors in the local area. They sometimes find it difficult to find ANY qualified vendors for certain services, let alone DBE certified firms. They often can only identify 1-2 DBE firms that may match very small opportunities in the rural area.

As noted earlier, only six (6) DBE certified firms provide services in the areas of work that make up nearly 70% of contracting opportunities. Of these only two (2) are in rural areas. Building construction provides a broad range of opportunities in all areas of the state for a variety of DBE firms. The remaining opportunities are in categories that represent smaller dollar value contracts that match DBE capabilities and availability in rural areas. Combined, this is evidence that the base figure is attainable.

Although subrecipients indicated that they often struggle to find local DBE firms, the survey of DBE Firms showed that more than half (54%) are willing and able to work statewide. Additionally, CDOT and its grant partners often utilize DBE consultants who are willing to travel throughout the state.

**Chart 2. Percentage of DBE Firms Willing to Work in each Region**



Even though the percentage of firms willing to work in rural areas is very low, combined with those who are willing to work statewide, the percentage of available firms grows by nearly 10 times. CDOT does recognize that there is a persisting issue of few DBE certified firms located in rural areas, but the willingness of DBEs to work statewide including rural areas is evidence that an adjustment to the base figure is not needed based upon geography.

## BREAKOUT OF RACE NEUTRAL / RACE CONSCIOUS PARTICIPATION

The federal regulations require CDOT to meet the maximum feasible portion of its overall goal by using race and gender-neutral means of facilitating DBE participation (hereafter referred to as race-neutral). Race-neutral participation includes:

- DBEs who win prime contracts through customary competitive procurement procedures;
- DBEs who are awarded subcontracts on prime contracts that do not carry a DBE goal (0% assigned DBE goal); and
- DBEs who are awarded subcontracts in excess of the stated DBE project goal.

CDOT evaluated the awards on FTA-funded projects made to DBE prime contractors over the past three years. The table below shows the breakdown of these contract awards.

**Table 4. Past DBE Prime Contract Awards**

Federal Fiscal Year	\$ of Prime Contract Awards	# of Prime Contract Awards	# of DBE Prime Awards	\$ Awarded to DBE Primes	Participation Percentage by DBE Primes
2016	\$6,140,393	222	8	\$187,923	3.06%
2017	\$2,856,363	360	10	\$89,615	3.14%
2018	\$1,862,352	266	6	\$38,159	2.05%

Past opportunities from grant partners show that most DBE participation comes from contracts to DBE prime contractors. In FFY 2016 and 2017, 100% of DBE participation was achieved by DBE primes. In FFY 2018, 69% was achieved by DBE primes. Averaged over three years, DBE prime participation has accounted for 90% of all DBE participation. CDOT has also been able to exceed the DBE goal every year using a 100% race-neutral approach. Although it may prove difficult to meet the goal if non-DBEs are selected for prime contracts that have traditionally gone to DBEs, CDOT expects to be able to achieve the overall annual DBE goal of 2.50% through 100% race-neutral measures.

### Race-Neutral Methods

The ongoing initiatives described below seek to reduce discriminatory barriers, increase capacity and level the playing field for the participation of DBEs and other small contractors. They are also designed to assist CDOT in increasing race-neutral participation on FTA-funded contracts.

- CDOT helps to maintain the **UCP DBE directory** as a primary source of DBE firms, certified by CDOT and the City and County of Denver, eligible to meet DBE participation requirements on FHWA, FAA and FTA-funded contracts in Colorado. The availability of the DBE directory makes it easier for subrecipients to identify and contact DBEs for potential contracting opportunities.
- **Connect2DOT** is CDOT outreach and technical assistance program designed to help small businesses in the transportation industry become more competitive and successful in bidding and contracting. Connect2DOT partners with the Colorado Small Business Development Center (SBDC) Network to offer one-on-one business and technical consulting, customized workshops and webinars, and various networking events to connect small businesses with transportation contracting opportunities. Connect2DOT also partners with industry resources such as the Colorado Minority Business Office, USDOT Small Business Transportation Resource Center (SBTRC), Conference of Minority Transportation Officials (COMTO), and Colorado Association of Transit Agencies (CASTA) to provide outreach and communications to stakeholders, DBE firms, and other small businesses in the transportation industry. A complete description of the program can be found at [www.connect2dot.org](http://www.connect2dot.org)
- CDOT provides **workshops and webinars to subrecipients** to help them understand the DBE program and to encourage them to seek DBE participation on contracts. CDOT also encourages subrecipients to reach out to local businesses that may be eligible for certification.
- CDOT **provides education to DBEs** to help them understand opportunities with transit partners. For example, CDOT notified certified firms on the DBE Directory about upcoming bid opportunities with DTR including the solicitation for the Statewide Transit Plan.

## PUBLIC PARTICIPATION & FEEDBACK

In accordance with *49 CFR 26.45*, CDOT reached out to industry stakeholders and minority group representatives to obtain feedback on the methodology and data being used to calculate the overall goal and evaluate barriers for DBEs. The survey of DBE firms helped to inform the barriers to contracting and whether discrimination still exists in the market. Nearly 40% felt that disadvantaged businesses are provided with less contracting opportunities on transit-related projects in Colorado than non-disadvantaged firms. The survey of subrecipients provided information about the availability of (or lack thereof) DBEs and any issues with identifying DBE certified firms to bid and perform on FTA-funded contracts. The quantitative data and qualitative comments were factored in to the Step 2 adjustments.

CDOT also participated in the following meetings and provided information about the FTA DBE goal setting process and encouraged input and comments.

- February 25: FTA DBE Goal Survey of DBE Firms
- May 15: Colorado SBDC Network Quarterly Consultant Call
- May 29: Hispanic Contractors of Colorado (HCC) Contractor Academy Board Meeting
- **June 7: Draft Goal Methodology for FFY 2020-2022 Published**
- June 17: Colorado Minority Business Office (MBO) Executive Director Meeting
- June 20: COMTO Colorado Monthly Board Meeting and Member Meeting
- June 24: CDOT Construction Small Business Collaborative Forum
- June 28: Colorado SBDC Statewide Strategic Meeting
- July 11: CDOT Professional Services Small Business Collaborative Forum
- July 18: CDOT Transportation Commission Meeting

### Public Comments

CDOT published the overall goal methodology on June 7, 2019 on the Civil Rights and Business Resource website at <https://www.codot.gov/programs/transitandrail/plans-studies-reports/dbe-goal/view>. An email notice was sent to all DBE firms, industry organizations, and grant partners on the same day. Information about availability of the methodology was also included in the June edition of the Connect2DOT monthly eNewsletter which has over 6,500 subscribers and can be viewed at <http://www.connect2dot.org/Newsletters/June%202019.pdf>.

The public comment period ended on July 1, 2019. Comments related to the draft were directed to and collected by the CDOT DTR Civil Rights Liaison at the following address and then incorporated into the final methodology document.

Eboni Younger Riehl  
Title VI Analyst and DTR Civil Rights Liaison  
CDOT Civil Rights & Business Resource Center  
2829 W. Howard Place  
Denver, CO 80204  
[eboni.riehl@state.co.us](mailto:eboni.riehl@state.co.us)