



**Colorado Department of Transportation
Disadvantaged Business Enterprise Overall Goal Methodology
Federal Fiscal Years 2016-2018**

CDOT Civil Rights and Business Resource Center
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Colorado Department of Transportation (CDOT) is a recipient of U.S. Department of Transportation (USDOT) Federal Highway Administration (FHWA) funds. As such, pursuant to 49 CFR Part 26, Subparts B and C, CDOT must maintain a Disadvantaged Business Enterprise (DBE) program and set an overall goal for DBE participation. In accordance with 49 CFR 26.45, the following explains CDOT's goal setting methodology for establishing its overall goal for Federal Fiscal Years (FFY) 2016-2018.

Summary

CDOT makes contracting opportunities available via construction contracts, professional services contracts and design build contracts. With the state of Colorado as its market area, using the Colorado Unified Certification Program (UCP) DBE Directory and Census Bureau data, CDOT calculated a base figure of 10.64% DBE participation for these contracting opportunities.

CDOT then considered all available evidence to determine whether adjustments should be made to the base figure calculation. CDOT found that the directory/census ratio showed a significantly lower availability in the area of professional services as compared to CDOT's prequalification lists. Therefore, an adjustments was made to the calculation of potential participation in this area. The resulting overall goal is 12.15%.

CDOT considered what percentage of the goal can be obtained through race-neutral means. Although the market area is facing capacity concerns due to an increase in contracting opportunities, CDOT determined that through aggressive race-neutral measures, race-neutral participation can still be obtained. Therefore, in accordance with historical race-neutral participation, CDOT is proposing a split of 3.19% race-neutral and 8.96% race-conscious participation.

Step 1: Base Figure Calculation

To conduct the base figure calculation, CDOT selected the process suggested by USDOT in 49 CFR 26.45(c)(1), Use of DBE Directories and Census Bureau data. This is the same process CDOT used for its most prior overall goal setting for FFY 2013-2015. CDOT did consider whether the statewide directory accurately represents the availability of ready willing and able firms in Colorado. Comparing it against the CDOT bidders list, which shows approximately 150 DBE firms that bid on CDOT projects, it represents a much wider range of potential firms. Additionally, the bidders list was not chosen as the primary method because it the new data collection measures have only been in place since 2014 and still has some accuracy issues. CDOT could not identify any other sources of information that would provide reliable data in both construction and professional services on DBE firms.

a. Selection of Local Market Area

Before beginning the base figure calculation, CDOT determined its local market area. 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 does business are located and the area in which CDOT spends the substantial majority of its contracting dollars. All funds spent by CDOT are expended within and throughout the state. Additionally, Table 1 demonstrates that the majority of CDOT dollars and



contracts were awarded to firms located within the state of Colorado. Therefore, CDOT has determined that the local market area is the state of Colorado.

Table 1: Contracts Awarded to Colorado Firms FFY 2012-2014, Excluding Design-Build

Prime Contracts	Colorado
Total Dollars	\$1,173,389,613.67
Percent of Dollars	83.19%
Percent of Contracts	90.16%
Percent of Firms Utilized	85.45%
Subcontracts	Colorado
Total Dollars	\$474,884,823.95
Percent of Dollars	90.94%
Percent of Subcontracts	92.21%
Percent of Firms Utilized	91.27%

b. Contracting Opportunities

In order to begin the base figure calculations, CDOT first sought to determine its potential contracting opportunities. CDOT's most reliable method of doing so was to look at the opportunities presented over the past three years in construction and professional services (i.e. engineering, architecture, survey, etc.) For construction contracts, the past opportunity information is collected in the form of bid items during the award process. For professional services, the information is collected in the form of task orders against awarded contracts. CDOT's data from FFY 2012-2014 was synthesized into NAICS groupings so that each area could be weighted to accurately calculate the overall goal. Table 2 and Table 3 show the NAICS codes that have been utilized on CDOT contracts over the past three years.

Table 2: NAICS Codes with Contracting Opportunities on Construction Contracts

NAICS Code	Description
212321	Construction Sand and Gravel Mining
236220	Commercial and Institutional Building Construction
237110	Water and Sewer Line and Related Structures Construction
237310	Highway, Street, and Bridge Construction
237990	Other Heavy and Civil Engineering Construction
238110	Poured Concrete Foundation and Structure Contractors
238120	Structural Steel and Precast Concrete Contractors
238140	Masonry Contractors
238210	Electrical Contractors and Other Wiring Installation Contractors
238320	Painting and Wall Covering Contractors
238390	Other Building Finishing Contractors
238910	Site Preparation Contractors
238990	All Other Specialty Trade Contractors
324121	Asphalt Paving Mixture and Block Manufacturing



327320	Ready-Mix Concrete Manufacturing
484220	Specialized Freight (except Used Goods) Trucking, Local
541370	Surveying and Mapping (except Geophysical) Services
541380	Testing Laboratories
541620	Environmental Consulting Services
541690	Other Scientific and Technical Consulting Services
541910	Marketing Research and Public Opinion Polling
561730	Landscaping Services
561990	All Other Support Services
562991	Septic Tank and Related Services

Table 3: NAICS Code with Contracting Opportunities on Professional Services Contracts

NAICS Code	Description
541330	Engineering Services
541370	Surveying and Mapping (except Geophysical) Services
541380	Testing Laboratories
541620	Environmental Consulting Services
541910	Marketing Research and Public Opinion Polling

In 2013, CDOT changed how it budgets and expends funds for transportation projects. CDOT now funds multi-year projects based on year of expenditure, rather than saving for the full amount of a project before construction begins. In accordance with this change, CDOT implemented the Responsible Acceleration of Maintenance and Partnerships (RAMP), which will increase project construction by about \$300 million per year for 2014-2019.

Therefore, in evaluating potential contracting opportunities, CDOT evaluated what impact RAMP might have on the type of work to be let. The resulting conclusion was that although RAMP will significantly increase the amount of contracting dollars, the ratios of the type of work to be performed will remain approximately the same. While the stakeholder community has expressed some concerns over DBE capacity for the increased budget, in accordance with the USDOT tips for goal setting II.H, CDOT did not modify the base figure due to this change in the contracting program.

c. Identification of Ready, Willing and Able DBEs

The only DBE directory in the state of Colorado is the Colorado UCP DBE Directory. The Colorado UCP DBE Directory includes Colorado-based firms, as well as out-of-state firms that are certified as a DBE in Colorado. However, as suggested by Section E of the tips for goal setting, to ensure an “apples to apples” comparison with Census data, only DBE firms with their principle place of business in the state of Colorado were included in the calculation.

When making a certification determination, the Colorado UCP members do not identify the primary North American Industry Classification of the firm. Therefore, CDOT went through the list of Colorado-



based DBEs and assigned a primary North American Industry Classification System (NAICS) code to each firm. CDOT’s determinations were based upon the work codes assigned to the firm, knowledge of the firm, and, if necessary, supplemental information from the firm’s website or other online information. If the firm had been certified during the last overall goal setting, CDOT also validated the assigned primary industry against that assigned in 2012.

d. Identification of All Firms in State of Colorado

CDOT used the 2012 census data to identify the total number of Colorado-based firms available in each industry. At the beginning of the goal setting process, the 2012 data was the most recent available. Midway through the goal setting process, after CDOT had commenced input meetings with its stakeholders, new census data did become available. Given that CDOT had already been reviewing its calculations and processes with stakeholders, CDOT did not recalculate the base figure with the updated census data.

e. Weighting of Relative Availability

After identifying the available work, assigning a primary NAICS code to each firm, and obtaining the total number of firms in the state from the census for each NAICS code, in accordance with Section F of the tips for goal setting, CDOT conducted a weighted calculation of the opportunities in construction and professional services. Table 4 and Table 5 document the calculations made by CDOT.

DBE Firms/All Available Firms = Relative Availability
Relative Availability x Weight = Base Figure

Table 4. Weighted Availability Calculation Construction

NAICS	All Available Firms	DBE Available Firms	Relative Availability	2012, 2013, 2014 3 YR Total	Weight	Base
212321	52	2	3.85%	\$361,939.81	0.03%	0.00001
236220	782	55	7.03%	\$167,575.95	0.01%	0.00001
237110	288	9	3.13%	\$11,790,950.00	1.01%	0.00031
237310	204	35	17.16%	\$594,323,273.89	50.73%	0.08703
237990	65	14	21.54%	\$31,957,641.85	2.73%	0.00587
238110	462	14	3.03%	\$2,870,933.74	0.25%	0.00007
238120	81	20	24.69%	\$73,010,870.42	6.23%	0.01539
238140	395	8	2.03%	\$505,893.84	0.04%	0.00001
238210	1742	53	3.04%	\$52,567,063.67	4.49%	0.00137
238320	853	14	1.64%	\$442,056.18	0.04%	0.00001
238390	135	6	4.44%	\$3,118,255.41	0.27%	0.00012
238910	805	22	2.73%	\$139,339,071.02	11.89%	0.00325
238990	658	42	6.38%	\$35,494,269.53	3.03%	0.00193
324121	10	0	0.00%	\$2,131,846.06	0.18%	0.00000



327320	96	1	1.04%	\$4,745,010.28	0.40%	0.00004
484220	598	80	13.38%	\$8,117,537.83	0.69%	0.00093
541370	252	14	5.56%	\$7,872,556.31	0.67%	0.00037
541380	150	13	8.67%	\$2,661,115.16	0.23%	0.00020
541620	461	39	8.46%	\$851,403.88	0.07%	0.00006
541690	707	10	1.41%	\$503,430.46	0.04%	0.00001
541910	116	45	38.79%	\$2,404,757.65	0.21%	0.00080
561730	1927	34	1.76%	\$24,570,990.89	2.10%	0.00037
561990	237	28	11.81%	\$69,757,418.71	5.95%	0.00703
562991	71	1	1.41%	\$580,703.18	0.05%	0.00001
Misc.				\$101,502,644.59	8.66%	0.00000
Totals	11147	559		\$1,171,649,000.00	100.00%	12.52%

Table 5: Weighted Availability Calculation Professional Services

NAICS	All Available Firms	DBE Available Firms	Relative Availability	2012, 2013, 2014 YR Total	Weight	Base
541330	2306	110	4.77%	539,407,142.76	94.57%	0.04511
541370	252	14	5.56%	3,425,137.89	0.60%	0.00033
541380	150	13	8.67%	12,042,210.76	2.11%	0.00183
541620	461	39	8.46%	9,151,034.47	1.60%	0.00136
541910	116	45	38.79%	6,376,339.24	1.12%	0.00434
Totals	3169	176		\$570,401,865.12	100.00%	5.30%

f. Final Base Figure Calculation

The tables above are separated according to construction and professional services only because they represent two separate data sets. However, the overall goal is not separated according to area and is a calculation of all available DBEs compared to all available firms. Therefore, using the numbers above, the base figure, not including innovative design-build contracts would be calculated as follows:

$$\$570,401,865.12 \times 5.30\% = \$30,231,298.85$$

$$\$1,171,649,000.00 \times 12.52\% = \$146,690,454.80$$

$$\$176,921,753.65 / \$1,742,050,865.12 = 0.101559465 \text{ or } \mathbf{10.16\%}$$

However, in addition to design-bid-build (DBB) construction contracts and professional services contracts, CDOT lets a number of contracting opportunities through design-build (DB) projects. Bid items and task order data are not available on DB projects. Therefore, to ensure that the final weighting accurately represented all opportunities on CDOT projects, CDOT included the professional services and construction portions of the DB budget from the past three years into the goal calculation.



The budget data for DB, including modified DB, was obtained from the Chief Engineer’s Objectives for FY 2014 Q2 Report. Since the budget includes internal expenses as well as owner representation already captured in professional services, 22% of the DB budget was removed for these overhead expenses. Then, the remaining opportunities were broken out into construction and professional service opportunities using a typical 92-8 percent split. The resulting funding amounts were then included in the final weighted calculation.

DB Budget Total Dollars		\$829,704,766.00
CDOT Overhead	22%	(\$182,535,048.52)
DB Contracting Opportunities		\$647,169,717.48
DB Construction	92%	\$595,396,140.08
DB Professional Services	8%	\$51,773,577.40
Construction Opportunities:		
DBB Opportunities (Table 4)		\$1,171,649,000.00
DB Opportunities		\$595,396,140.08
Total Construction Opportunities		\$1,767,045,140.08
Professional Service Opportunities:		
DBB Opportunities (Table 5)		\$570,401,865.12
DB Opportunities		\$51,773,577.40
Total Professional Services Opportunities		\$622,175,442.52
Total Contracting Opportunities		\$2,389,220,583
Goal Calculation (% from Tables 4 and 5)		
Construction Opportunities	12.52%	\$221,234,051.54
Professional Services Opportunities	5.30%	\$32,975,298.45
Total Amount of Goal in Dollars		\$254,209,349.99
Base Figure Calculation		10.64%

Step 2: Adjustments to the Base Figure

CDOT evaluated a number of data sources to determine whether to adjustments to the base figure were necessary.

a. Past Participation on Construction Contracts

Table 6 represents the past participation on CDOT construction contracts in comparison to the then-current overall DBE goal. The 2012 data includes participation from a DBE that has since graduated from the program. The decertification was reflected in the FFY 2013-2015 goal setting process.



Table 6: Construction Past Participation

FFY	DBE Goal	Participation (From Year-End Uniform Report)	Difference
2012	13.29%	14.24%	0.95%
2013	10.25%	12.59%	2.34%
2014	10.25%	11.70%	1.45%

Because the last two years of past participation do not reflect a significant deviation from the past goals or the current base figure, CDOT is not proposing a modification to the base figure based upon past participation.

b. CDOT Construction Bidders List

In January 2014, CDOT implemented a new Standard Special Provision for construction contracts. The specification includes a revised form for collecting the name and contact information of firms seeking to participate on DOT-funded contracts. This data shows that approximately 19% of all firms bidding on CDOT construction contracts are DBEs.

CDOT collects the remainder of its bidders list data through the Connect2DOT program. All firms that opt-in to receive news about Connect2DOT related events and programs must register and provide the supplemental bidders list data. As of May 2015, 291 firms had signed up on the Connect2DOT website. Of the 291 subscribers, it appears that 202 firms are engaged in areas of work that will be available on CDOT projects and 79 of those firms are DBE certified. In future years, the collection of this data will occur via an online portal registration that will be required of all firms seeking to do CDOT work. It will integrate with CDOT's new Civil Rights and Labor Module for tracking firms.

CDOT considered whether the data provided by the bidders list justifies a modification to the base figure. However, collecting and compiling the bidders list data revealed a number of problems. First, misunderstanding the purpose of the data, some primes tend to list only DBE firms. Second, firms were often misstated making it difficult to determine repeat companies and DBE status; at times firms were also miscategorized as a DBE. Lastly, an accurate weighting in accordance with the available NAICS could not be conducted to determine the weighted availability of DBE firms in construction.

Given the potential misrepresentation of availability under the bidders list, CDOT decided not to make and adjustment to the base figure calculation. However, as discussed below, the bidders list data is a valuable starting point for CDOT's outreach efforts to build DBE participation.

c. Capacity Concerns Based Upon RAMP

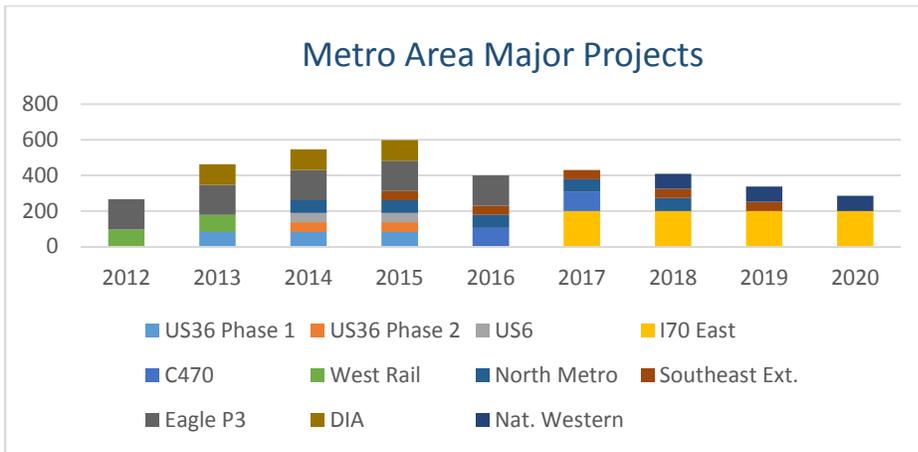
As mentioned above, the additional increase in funding was not incorporated in the initial base figure calculation. However, recent data from CDOT's monthly DBE participation report shows that CDOT is experiencing DBE capacity issues as a result of the budget increase. While total dollars to DBEs have increased significantly, the percentage of overall participation is currently lower than in past years.



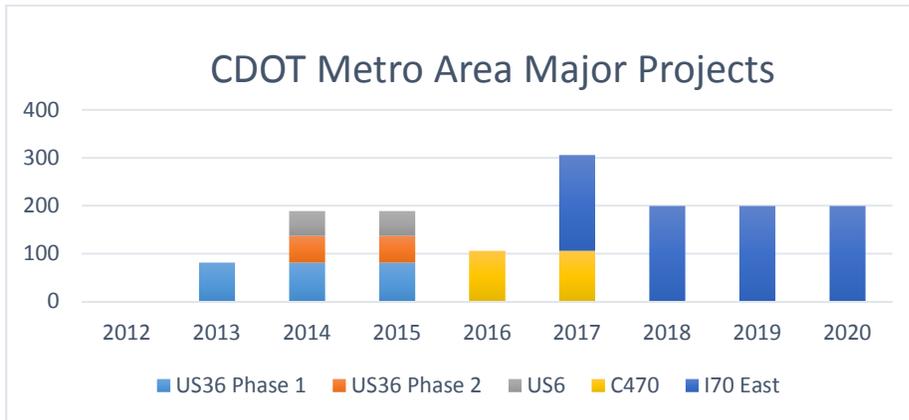
Table 7: Year to Year Comparison of DBE Participation on Construction Contracts for First Half of FFY

Year	CDOT Awards (Federal Portion Only)	DBE Participation (Federal Portion Only)	DBE Participation (Percentage)
2015	\$248,170,591	\$23,569,798	9.50 %
2014	\$119,061,841	\$14,455,599	12.14 %

While CDOT is confident the DBE community can and will grow as part of the changes caused by RAMP, it appears there is lag in DBE capacity development at this time. Additionally, the increase in funding from RAMP is occurring concurrently with a significant amount of transportation-related projects in CDOT’s Region 1. Region 1 consists of the Denver metro area and has the highest DBE population in the state. The following table is an estimate of contracting opportunities in calendar years 2012-2020. Therefore, it is expected that capacity will be a concern over the remainder of 2015 and into 2016.



More importantly, for CDOT’s calculation, there is a concern that we will have a spike in highway contracting in 2017 due to two major large projects that will both be under construction at that time: C-470 Express Lanes and I-70 East. C-470 is expected to present \$212 million in contracting opportunities and I-70 East is expected to present approximately \$1 billion in contracting opportunities.



While CDOT is beginning a targeted effort to build capacity and help transition DBE firms from other construction fields into highway related work, the spike in CDOT projects in the metro area raises concerns over the dollar amount of work to be fulfilled by the DBE community. There will be less diverse opportunities for DBE participation, which may present capacity problems. Additionally, although DBEs have the potential to grow with the increase in heavy highway construction dollars, there is a concern the relevant DBE community may not be able to immediately absorb the increases in the amount of available work.

This concern has been documented by the construction industry which conducted a survey reporting a significant decrease in the amount of responsive and available DBE firms for construction work. Of the 28 prime firms that responded, the responses to the number of quotes they receive from DBEs was as follows: 5 responded about the same; 10 said 1-2 less per opportunity; 9 said three or more less per opportunity; 1 said more; 1 said less across the board; and 2 answers were unclear. When asked what reason DBEs provide for being nonresponsive, they state that they are at capacity to perform additional work. While data does not justify a pro-rata reduction in the base figure, as there has traditionally been untapped capacity within the market, CDOT has determined that this data, combined with CDOT's current participation levels warrants an adjustment to the construction portion of the goal.

The current DBE participation for 2015 is 9.5%. If the DBE participation trends as it did in 2014 stays on the same track as 2014, CDOT expects to obtain only 9.81% participation, and this number is even lower if we use the data from the halfway point in the year. Therefore, 2015 participation is expected to be the lowest that it has been during the current triennial goal period.

While a more aggressive adjustment may be warranted, could only find one method to calculate an adjustment based upon the impacts of RAMP to the construction industry. Using the tips for goal setting provided by USDOT, and assuming 9.81% participation in the current year, CDOT is making the following modification to the goal based upon past/current participation:

Year	Goal	Percentage
2013	10.25%	12.59%
2014	10.25%	11.70%
2015	10.25%	9.81%



The median past participation is 11.7%.

$$11.7\% + 12.52\% = 24.22\%$$

Divided by 2, the revised construction portion of the goal = 12.11%

CDOT Professional Services Prequalification List

In 2014, CDOT implemented a new policy that requires all consulting firms seeking work on CDOT professional services contracts to obtain prequalification through CDOT. The data shows 19.25% are DBE certified. Given the significant disparity between the original base figure for this type of work (5.30%) and the prequalification listing, CDOT determined that the two data sets should be treated as equal weights in the calculation and averaged to determine a base figure for availability in professional services. The resulting figure of 12.28% appears consistent with commitments made on CDOT professional services contracts.

It was requested that CDOT evaluate the capacity of prequalified consulting firms based upon number of employees. CDOT evaluated the data provided by the prequalification process and found that this data is not available. The questionnaire asks for key employee data, but all firms seem to interpret this request differently and it is not a reliable indicator of capacity.

d. City and County of Denver Disparity Study

In 2013, the City and County of Denver (CCD) conducted a disparity study in order to evaluate the continuation of its local minority and woman owned business programs. The market area for CCD’s disparity study was primarily the Denver-Boulder-Aurora CSA. However, one table, Appendix A presented an estimate of statewide availability of woman and minority owned firms.

Overall the data provided in the disparity study implies significantly more availability in the state than compared to the directory or our bidders list data. For example, according to Appendix A there is the following availability within CDOT’s primary contracting areas:

237310	Highway, Street, and Bridge Construction	35.15%
541330	Engineering Services	40.64%

Given the high relative availability implied by the disparity study, CDOT sought to evaluate whether the numbers represented ready, willing and able firms to participate. The numbers provided by the disparity study represent a “custom census” conducted by the consultants performing the disparity study. They began with using Dun & Bradstreet as a source of business availability. However, as stated in the study, the “limits of Dun & Bradstreet are that: (1) the ethnic/gender identification are weak, (2) Dun & Bradstreet does not indicate whether the firm is interested in work with City departments, and (3) Dun & Bradstreet does not indicate whether a firm is primarily a subcontractor or prime contractor. These deficiencies are addressed by conducting a short survey of a random sample of firms supplied by Dun & Bradstreet in contracting and concessions.”

In evaluating the analysis provided in the disparity study, CDOT determined that the evidence does not support a finding that the availability numbers provided in Appendix A are a reasonable calculation of ready, willing and able firms to participate on CDOT contracting opportunities. CDOT determined that



the analysis did not fully explain how a statewide calculation was derived from city-focused data and that it was not clear that respondents were limited to selection of a primary area of work. Additionally, CDOT ultimately concluded that the data reflects a potential pool of candidates for the DBE program, many of which are not currently certified and may not be eligible for certification. While this creates a good starting point for supportive services, it does not replace or justify modifications to the base figure calculation.

Revised Goal Calculation

Based upon the adjustments described above, the following is CDOT’s revised goal calculation:

Construction Opportunities	12.11%	\$213,989,166.46
Professional Services Opportunities	12.28%	\$76,403,144.34
Total Amount of Goal in Dollars		\$290,392,310.81
Total Contracting Opportunities		\$2,389,220,583
Revised Goal Calculation		12.15%

Race Neutral/Race Conscious Split

a. Past Race-Neutral Participation

Over the past three years, on construction contracts CDOT has exceeded its overall goal by a median of 1.58% on construction contracts, with an average of 4.76% DBE race-neutral participation per year. This is fairly consistent with CDOT’s current split of 4.15% race-neutral and 6.10% race-conscious participation.

Table 8: DBE Prime Construction Awards

FFY	Total Award Amount (Federal Dollars Only)	DBE Prime Awards (Race Neutral)	% of Total Award Amt
2012	\$200,695,546	\$3,615,562	1.80%
2013	\$354,470,196	\$5,014,132	1.41%
2014	\$329,015,893	\$2,388,592	0.73%

Table 9: DBE Race Neutral Construction Subcontract Amounts

FFY	Total Award Amount (Federal Dollars Only)	DBE Race Neutral Subcontract Amount	% of Total Award Amt
2012	\$200,695,546	\$8,789,101	4.38%
2013	\$354,470,196	\$8,460,840	2.39%
2014	\$329,015,893	\$11,787,438	3.58%

Therefore the total race neutral participation for each of the past three years is:



2012: 6.18%
2013: 3.80%
2014: 4.31%

The median race-neutral participation is 4.31 %.

b. CDOT's Emerging Small Business Program

In 2011, CDOT revamped its race-neutral Emerging Small Business (ESB) Program. As part of this effort it implemented the restricted project program. Under the ESB Program rules, any construction project under \$1,000,000 and any professional services project under \$150,000 may be restricted for award to an ESB firm. The firm must still be prequalified and meet the other eligibility criteria required by CDOT.

Over the course of the past three years, CDOT discovered the following challenges with the ESB restricted project program: (1) the projects selected were not always suitable for small businesses since they required significant capital, included high risk or required a specific area of expertise; (2) the estimates provided by CDOT were often too low, resulting in the project not being awarded; and (3) due to RAMP, the restricted project program became less of a priority than the other business demands.

CDOT is currently in the process of hiring a new staff member with the primary responsibility of increasing race-neutral participation. In addition to the restricted project program, CDOT is considering the following to increase ESB participation on CDOT projects:

- Bid preferences for ESBs;
- Small business professional service contract pool; and
- Revised professional services scoring;

These new measures will take some time to implement and it is expected that most will not gain traction until mid to late 2016. In the meantime, CDOT will continue to use its other race-neutral efforts to generate race-neutral participation.

c. CDOT's Supportive Services: Connect2DOT and Leading Edge

CDOT uses DBE supportive service funds for the Connect2DOT Program which is a cooperative agreement with the Colorado Small Business Development Centers (SBDCs). The program offers technical assistance to DBEs in accordance with 23 CFR 230.204. Connect2DOT services include: one-on-one consulting, classroom and online training, contractor outreach events, kiosk workstations, website resources, a bid matching service, and access to CDOT project plans. There are 20 SBDCs that offer program services across the state and 225 business consultants available throughout the network. A complete description of the program can be found at www.connect2dot.org.

Since program inception in July 2012, Connect2DOT has provided one-on-one consulting to 319 small businesses (166 DBE/76 ESB). Consultants directly assisted 26 firms with obtaining DBE certification and 16 firms with ESB certification. Another 15 firms were able to become prequalified by CDOT with the help of support services. Many of these businesses have also increased capacity by adding a collective 117 jobs over the past two years.



Connect2DOT also partners with industry organizations such as local and minority chambers, contracting associations, surety and insurance agents, workforce development centers, and support programs such as the West Central Small Business Transportation Resource Center (SBTRC), Procurement Technical Assistance Center (PTAC), and Minority Business Development Agency (MBDA). These partnerships ensure comprehensive support to help DBEs increase competitiveness, build capacity, and perform successfully as prime and subcontractors on CDOT projects.

One of the premier offerings provided through Connect2DOT is the LEADING EDGE™ for Transportation program. It is based upon the Colorado SBDC Network's flagship strategic planning series LEADING EDGE and customized for contractors and professional service providers. The program is an intensive 10-week course combined with individual consulting and designed to develop leadership skills, facilitate key introductions with the business community, generate strategies for growth, and help DBEs perform successfully on CDOT projects. The course covers topics such as finance, marketing, management, bidding, workforce, operations, and more. Each student graduates with a viable business plan reviewed by a consultant team and assessed again during quarterly check-ups.

To assist with potential DBE capacity issues during FFY 2017, CDOT intends to offer the LEADING EDGE for Transportation program specifically for potential subcontractors on the C-470 Express Lanes and I-70 East projects. The curriculum will be customized address project-specific requirements and transitioning or adapting services from other local agency projects. Joint efforts with other organizations such as the Black Chamber of Commerce/Hispanic Contractors of Colorado Contractor Academy are also being explored.

d. Determination

As the amount of contracting opportunities increase over the next three years, it is possible that CDOT will encounter challenges in obtaining race-neutral participation. However, given that race-neutral percentages remained constant in 2014, and that CDOT has successfully implemented Connect2DOT and elements of its race-neutral small business program, CDOT will strive to maintain this level of race-neutral participation going forward. Therefore, based upon available contracting data, CDOT suggests a race-neutral/race-conscious split of 8.96% race conscious and 3.19% race neutral participation.

Construction Race Neutral Average (4.31%) x Construction Total (\$1,767,045,140.08) =

Total Race Neutral (\$76,159,645.53)/Total Contracting (\$2,389,220,583) = **3.19%**

Consultation, Notification and 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. CDOT attended the following meetings to present its findings and discuss data relevant to the overall goal:

- Colorado Contractors Association, Transportation Policy Meeting (May 2015)
- American Council of Engineering Companies, Transportation Committee (May 2015)
- Hispanic Contractors of Colorado, Transportation Committee Meeting (May 2015)
- City and County of Denver, Construction Empowerment Initiative Meeting (May 2015)



- Colorado Asphalt Pavement Association (May 2015)

In addition, CDOT held a stakeholder meeting in May to obtain feedback on the base figure and data being considered. The following groups were invited to attend and were represented at the meeting:

- Colorado Contractors Association
- Connect2DOT/Colorado Small Business Development Centers
- Black Construction Group (a division of the Black Chamber of Commerce)
- Hispanic Contractors of Colorado
- Regional Transportation District DBE Advisory Committee
- Conference of Minority Transportation Officials
- ACEC of Colorado (invited but did not attend)

CDOT published the overall goal on its website and directly notified relevant stakeholder groups and DBEs. Comments were accepted via email and a public meeting was held on June 30, 2015 to discuss the overall goal and the proposed methodology.

Please contact Katherine Williams, CDOT Small Business Programs Supervisor, with any questions or comments regarding this methodology:

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