



COLORADO
Department of
Transportation

Overall Annual DBE Goal for Transit

Federal Fiscal Years 2023 – 2025

US DOT Federal Transit Administration

CDOT Civil Rights & Business Resource Center

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EXECUTIVE SUMMARY

This document details the methodology used by the Colorado Department of Transportation (CDOT) to establish its three-year (FFY 2023-2025) 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 applies to CDOT’s Division of Transit and Rail (DTR), which receives, distributes to subrecipients, 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 26.45*). As described below, CDOT evaluated potential 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 2.44%** for the period of October 1, 2023 through September 30, 2025 (FFY 2023-2025). CDOT expects to meet the full 100% 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. CDOT will also evaluate large transit projects awarded through the competitive process for race-conscious DBE goals, if appropriate.

FTA FUNDING ALLOCATION

CDOT DTR has forecasted the following FTA funding for state fiscal years (SFY) 2023-2025 (July 1, 2023 – June 30, 2025).

Table 1. FTA Funding Forecast (SFY 2023-2025)

Program	SFY 2023	SFY 2024	SFY 2025	Total
FTA-5304	\$545,694	\$562,065	\$578,927	\$1,686,686
FTA-5310	\$2,845,775	\$2,931,148	\$3,019,082	\$8,796,005
FTA-5311	\$16,991,497	\$17,501,242	\$18,026,279	\$52,519,018
FTA-5339	\$5,455,887	\$5,619,564	\$5,788,151	\$16,863,602
FTA Subtotal	\$25,838,853	\$26,614,019	\$27,412,439	\$79,865,311

The total of nearly \$80 million over the next three fiscal years takes into consideration additional funding expected to be received as a result of the Bipartisan Infrastructure Law (BIL). It also reflects a return to normal levels of funding post-pandemic without special stimulus funds such as those received during 2020 – 2021. CDOT excluded projected 5303 funds because those are granted to Metropolitan Planning Organizations (MPO’s) through the CDOT Division of Transportation Development (DTD) and do not represent contracting opportunities. The DBE goal methodology utilized the subtotal of all other expected FTA funding over the next three federal fiscal years to calculate the overall annual goal.

Data Collection

CDOT and its grant partners (subrecipients) use FTA funds for operations, administration, and capital purchases. Subrecipients may contract for goods and services from external vendors creating indirect FTA-assisted contracting opportunities for DBE firms.

To evaluate these contracting opportunities, CDOT conducted an analysis of procurements and reimbursements during calendar years 2017 – 2019. This period was selected as the most representative of potential contracting opportunities anticipated during FFY 2023 – 2025 because it includes a majority of the anticipated subrecipient partners and excludes special stimulus funding that was granted during Q2 2020 – Q4 2021.

CDOT also conducted a survey of subrecipients to gather information about their projected use of FTA funds for contract opportunities over the next three federal fiscal years. The survey was sent to 118 organizations. Of those, 88 completed the survey for a 75% response rate. A total of 61 respondents (52%) indicated that they do expect to receive FTA funding in FFY 2023 – 2025 and 27 (23%) do not.

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 for administration, operating expenses, and TVM vehicle purchases, the potential for DBE contracting opportunities is limited to approximately one-third of the total funding provided by FTA to CDOT.

The following chart shows a breakdown of the anticipated FTA funds allocation and potential DBE contracting opportunities used as the basis for the goal setting methodology:

Chart 1. Forecasted FTA Funding Allocations (FFY 2023-2025)



Because subrecipients draw down CDOT-provided FTA funds over a course of multiple calendar years, there is not always a direct correlation between funds received from FTA and the contracting opportunities made available in the same year. Therefore, CDOT sought to obtain average expenditures of grantees. Any anomalies for special allocations within the year were taken into consideration in determining potential opportunities.

DBE GOAL METHODOLOGY

The following goal calculations are based on projected contracting opportunities using potential FTA funding allocations during the methodology period and historical contracting activities. 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 transit providers located within Colorado. These grant partners primarily use federal funds to procure goods and services from providers in their local areas. Many subrecipients are in rural communities not serviced by out-of-state vendors. 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. 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), CDOT FHWA DBE Overall Goal Methodology for FFY 2022 – 2024, and the company's website.

The total number of firms within each industry in Colorado was then identified from the most recent *U.S. Census Bureau 2020 County Business Patterns (CPB)*. Consistent with DOT guidance, CDOT only considered DBE firms located in Colorado and did not consider out-of-state firms in order to ensure an "Apples to Apples" comparison with the total number of firms with the specified primary NAICS codes.

Weighted Data

CDOT determined the relative weight of contracting opportunities by NAICS and type of work using historical data and the survey of subrecipients. All reimbursements under 5310 and 5311 fund types were evaluated over the period of 2017 – 2019. Each reimbursement category was calculated as a percentage of the total amount reimbursed during those years. Those percentages were then applied to the amount projected to be eligible for contracting opportunities over the next three federal fiscal years (see Table 2).

Table 2. Projected SFY 2023 – 2025 funding for contracted services using FTA 5310 and 5311 Funds

	5310/5311 FTA Reimbursements (CY 2017-2019)	Percent of Past 5310/5311 (CY 2017-2019)	Projected 5310/5311 Contracting Opportunities (FFY 2023-2025)
Advertising	\$247,040	1.74%	\$342,459
Audit	\$8,313	0.06%	\$11,524
Communications	\$61,584	0.43%	\$85,370
Consultant Services	\$152,873	1.08%	\$211,920
Contracted Services	\$434,617	3.06%	\$602,488
Facility Maintenance	\$573,580	4.04%	\$795,125
Fuel	\$3,494,868	24.61%	\$4,844,764
Materials & Supplies	\$454,336	3.20%	\$629,823
Other Expense	\$177,872	1.25%	\$246,575
Personal Services	\$38,461	0.27%	\$53,317
Transit Services	\$5,263,374	37.06%	\$7,296,356
Training	\$42,514	0.30%	\$58,935
Vehicle Maintenance	\$3,253,862	22.91%	\$4,510,668
Total	\$14,203,294	100%	\$19,689,325

For fund types 5304 and 5339, CDOT evaluated historical data to determine the percentage of funds allocated to TVM vehicle purchases (exempted) and the percent available for contracting opportunities related to planning and building construction. These percentages were applied to the projected funding amounts for FFY 2023 – 2025 resulting in the following dollar value for contracting opportunities.

Table 3. Projected 2023-2025 funding for contracted services using FTA 5304 and 5339 Funds

	Vehicle Procurement	Building Construction	Projected 5304/5339 Contracting Opportunities (FFY 2023-2025)
Planning (5304)	\$0	\$1,686,686	\$1,686,686
Statewide Bus & Facilities (5339)	\$9,550,881	\$3,183,627	\$3,183,627
Small UZA Bus & Facilities (5339)	\$4,129,094	\$0	\$0
Total			\$4,870,313

The combined total of projected contracting activities using fund types 5310, 5311, 5304, and 5339 equals **\$24,559,638** which is equivalent to the 31% indicated in Chart 1 as potential contracting opportunities.

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

Each contracting area was correlated to a NAICS code so that CDOT could determine the relative availability of DBE firms located in Colorado compared to all firms performing that type of work in Colorado. The forecast weight is the percentage that each anticipated contracting opportunity represents of the total estimated FTA-assisted contracting opportunities projected for FFY 2023 - 2025.

The resulting base figure is 1.89%. The table below shows the NAICS categories that represent potential contracting opportunities and the weighted availability of DBE firms to perform the work.

Table 4. Weighted Availability Calculation

Contracting Opportunity	NAICS Code	NAICS Description	# of DBEs	Total Firms	Relative Availability	Forecast Weight	Weighted Availability
Advertising and Marketing	541810	Advertising Agencies	12	368			
	541850	Bus/transit Advertising	0	45			
	541840	Media Representatives	2	18			
		Subtotal	14	431	3.25%	1.39%	0.05%
Audit	541211	Auditor/CPA	3	1459			
		Subtotal	3	1,459	.21%	.05%	0.00%
Communications	541613	Marketing Consulting Services	47	1666			
	541820	Public Relations Agencies	13	264			
	541430	Graphic Design Services	21	511			
		Subtotal	81	2,411	3.32%	0.35%	0.01%
Consultant Services	541330	Planning/Engineering Services	88	2386			
	541310	Architectural Services	28	796			
	541620	Environmental Consulting	34	488			
	541690	Other/Safety Consulting	7	947			
		Subtotal	157	4,617	3.4%	.86%	.03%
Contracted Services	323111	Printing	14	306			
	488410	Motor Vehicle Towing	1	187			
	532120	Bus Rental or Leasing	0	99			
	541511	Computer Programming (IT)	11	5144			
	541512	Computer Design (Audio/Visual)	19	1858			
	561320	Temporary Staffing	29	821			
	561611	Background Check Services	0	101			
	621999	Drug and Alcohol Testing	3	106			
		Subtotal	77	5,622	1.37%	2.45%	.03%

Contracting Opportunity	NAICS Code	NAICS Description	# of DBEs	Total Firms	Relative Availability	Forecast Weight	Weighted Availability
Facility Maintenance	561720	Janitorial Services	88	2386			
	561730	Landscaping	25	2344			
	561790	Exterior Cleaning	2	271			
		Subtotal	51	4,160	1.23%	3.24%	.04%
Building Construction	236220	Commercial and Institutional Building Construction	23	793			
	237110	Sewer, Water, Utility Line Construction	10	282			
	238110	Poured Concrete Foundation and Structure Contractors	15	561			
	238120	Structural Steel Contractors	11	107			
	238140	Masonry Contractors	7	441			
	238150	Glass and Glazing Contractors	2	158			
	238160	Roofing Contractors	8	925			
	238190	Other Foundation, Structure, and Building Exterior Contractors	8	207			
	238210	Electrical Contractors and Other Wiring Installation Contractors	47	2057			
	238220	Plumbing, Heating, and Air-Conditioning Contractors	22	2475			
	238290	Other Building Equipment Contractors	4	160			
	238310	Drywall and Insulation Contractors	17	561			
	238320	Painting and Wall Covering Contractors	15	1039			
	238330	Flooring Contractors	8	475			
	238350	Finish Carpentry Contractors	2	1025			
	238390	Other Building Finishing Contractors	6	215			
	238910	Site Preparation Contractors	27	951			
	238990	All Other Specialty Trade Contractors	36	925			
	339950	Sign manufacturing	7	131			
	484220	Dump trucking, hauling	156	701			
	561990	Other support services (flagging, traffic control)	26	253			
	541370	Surveying and mapping	13	262			
		Subtotal	470	14,704	3.20%	12.96%	0.41%
Fuel	424710	Petroleum Bulk Stations and Terminals	0	49			
	424720	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations)	2	54			
	447190	Other Gasoline Stations	0	139			
	454310	Fuel Dealers	0	98			
		Subtotal	2	340	.59%	19.73%	.12%

Contracting Opportunity	NAICS Code	NAICS Description	# of DBEs	Total Firms	Relative Availability	Forecast Weight	Weighted Availability
Materials and Supplies	424120	Office supplies	3	74			
	423120	Vehicle Supplies	3	180			
	423860	Transportation Equipment	0	19			
		Subtotal	6	273	2.2%	2.56%	.06%
Other Expense	423430	Computers and software	0	161			
	541890	Promotional items	2	151			
	459999	Recognition and awards	1	658			
	424340	Boots	0	15			
	315210	Uniforms	0	23			
		Subtotal	2	340	.30%	1.00%	0.00%
Personal Services	541611	Administrative and General Management Consulting	48	2943			
	541614	Transportation Management Consulting	11	211			
		Subtotal	59	3,154	1.87%	.22%	0.00%
Planning Statewide and Rural	541330	Transportation Planning	88	2386			
	541320	Urban Planning	24	214			
		Subtotal	112	2,600	4.31%	6.87%	.30%
Transit Services	485113	Bus Transit Services	0	7			
	485210	Intercity and Rural Bus Service	0	5			
	485991	Paratransit Services	2	56			
	485999	Other Ground Transportation	1	43			
		Subtotal	3	111	2.7%	29.71%	.80%
Training	611430	Professional Development	8	363			
	611519	Bus Driver Training	0	116			
		Subtotal	8	479	1.67%	.24%	0.00%
Vehicle Maintenance	811111	General Automotive Repair	2	1519			
	811112	Body Shops and Repair	1	23			
	811113	Automotive Transmission Repair	0	87			
		Subtotal	3	1,629	.18%	18.37%	0.03%
	TOTAL		1,049	43,028		100%	1.89%

STEP 2: ADJUSTMENTS TO THE BASE FIGURE

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

Past DBE Participation

CDOT evaluated past participation compared to the Step 1 base figure to determine if an adjustment was warranted. Table 5 shows CDOT’s annual DBE participation for the past five (5) federal fiscal years. CDOT elected to use a five-year period because of the large fluctuation in DBE participation over the last three years. These variations were determined to be caused by two primary factors:

1. In 2019, CDOT was continuing to implement a more rigorous reporting process and had narrowed the scope of what costs could be claimed for FTA-funded reimbursement by subrecipients. There were also only two prime contracts awarded to DBEs in 2018 which was a significant reduction from previous years (see Table 8). These factors resulted in lower reported DBE participation and a shortfall for the year.
2. In 2020-2021, the COVID-19 pandemic caused a significant disruption for transit operators. Many CDOT subrecipients struggled to maintain service during this time. Federal stimulus funds were primarily directed to administration and overhead expenses such as salaries and rent in an effort to keep operations open. As a result, external contracting activities were significantly reduced, lowering the denominator for DBE participation. The award of just one (1) DBE contract (numerator) resulted in the highest achieved DBE participation to date.

By using a median of just the last three years, the extreme outliers caused by atypical conditions would be eliminated and only the middle year, which was the start of the pandemic, would be used for comparison. Using a five-year period allows CDOT to more accurately compare a pattern of DBE participation over a time with normal contracting activity. This also represents contracting activity that is more consistent with what is anticipated over the next three federal fiscal years.

Table 5. Past CDOT FTA DBE Goal Achievement

Federal Fiscal Year	Annual Overall FTA DBE Goal	Actual DBE Achievement (FTA-Assisted Projects Only)
2017	2.88%	3.14%
2018	2.88%	2.98%
2019	2.88%	.51%
2020	2.50%	6.85%
2021	2.50%	18.93%
	Historical Median	2.98%

Pursuant to DOT guidance, CDOT is adjusting the Step 1 base figure by using the median DBE participation of 2.98%. This was averaged with the base figure of 1.89% resulting in a revised overall annual DBE goal of 2.44%.

FTA Region 8 Comparison

To add context for establishing a reasonable DBE goal, CDOT conducted a comparison of FTA DBE goals of DOTs in FTA Region 8. The Region 8 area includes Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming. These mid-western states share similar geographic and rural demographics. CDOT’s previously established FTA DBE goal versus comparative states is 150% to 700% higher.

While this provides justification to lower the goal by 60% - 75%, CDOT is confident that it can meet the proposed adjusted goal of 2.44% based upon historical DBE participation.

CDOT determined that an adjustment to the base figure using this comparison is not warranted.

Table 6. Region 8 FTA DBE Goal Comparison of DOTs

State DOT	DBE Goal	Race-Neutral	Race-Conscious
Colorado	2.50%	2.50%	0.0%
Montana	0.70%	0.70%	0.0%
North Dakota	0.38%	0.38%	0.0%
South Dakota	0.99%	0.99%	0.0%
Utah	0.33%	0.28%	0.05%
Wyoming	1.0%	1.00%	0.0%

Large Transit Projects, Building Construction, and Competitive Grants

Similar to data collected during the last methodology, the largest contracting opportunities had little to no DBE availability. As shown in Table 4, there are a small percentage of certified DBEs in several NAICS codes that have the highest weighted contract opportunities. These include Transit Services (29.71%), Fuel (19.73%), and Vehicle Maintenance (18.37%). Collectively, these NAICS represent 68% of forecasted contracting opportunities for which there are only eight (8) DBE certified firms in Colorado. This results in a lower overall goal relative to FHWA-funded projects that have higher availability for the types of work contracted for highway design and construction.

However, Building Construction is one area where there is a relatively high availability of DBE firms (3.20%) and good potential for contracting opportunities (12.96%). The dollar value projected by CDOT for bus facilities using formula-based 5339 funds is \$3,183,627 (see Table 3). This amount was used to weight the opportunity for Building Construction. In the survey, CDOT asked subrecipients to estimate future contracting opportunities for Building Construction using FTA funds. Respondents reported a significantly higher projected amount of \$116,960,000. This included a “wish list” of large transit projects that may be awarded under FTA’s competitive 5339(b) grant process.

CDOT cannot predict how many of these competitive 5339(b) projects may actually be awarded or how much of the total projected cost would be funded by FTA through CDOT because of the discretionary nature of these awards. CDOT does not know if they will have oversight of these projects on behalf of the subrecipient until after FTA awards the discretionary funds. Therefore, these “special scenarios” are not accounted for in the DBE goal methodology. Rather, CDOT plans to establish a formal process to work with subrecipients to evaluate these opportunities for a race-conscious DBE goal when they are awarded. Currently, competitively awarded grants do not have race-conscious goals because CDOT’s overall annual goal is 100% race-neutral. CDOT believes that the projects awarded competitive 5339(b) funds represent the greatest potential for DBE participation because of the relatively availability for the types of work. Setting project-specific, race-conscious goals on these types of projects may increase overall DBE participation on FTA-assisted contracts.

Subrecipients are also more likely to conduct outreach and encourage general contractors to recruit DBE subcontractors when the work better aligns with the firms on the DBE Directory. One subrecipient with

an upcoming \$13.5 million transit facility construction project commented, “There are very few DBE businesses in our area outside of the road construction businesses. This is the first construction grant funding that we have had and will look for eligible DBE businesses to participate.”

In summary, CDOT is not making an adjustment to the base figure to account for potential large transit projects, building construction, or competitively awarded grants. However, CDOT will evaluate these projects for race-conscious DBE goals when they are awarded to a subrecipient. Examples include:

- Town of Snowmass Transit Center
- City of Cripple Creek Streetcar Maintenance and Storage Facility
- Summit County Transit Facility
- City of Trinidad Streets and Intersection Improvements

Survey of DBE Firms

In parallel to the survey of subrecipients, CDOT also sent a survey to all 1,737 firms listed on the Colorado UCP DBE Directory as of March 11, 2022. A total of 332 DBE firms (19%) completed the survey. A majority of respondents provide services related to Engineering, Building Construction, Transportation Planning, and Other Professional Services.

Although the sample was statistically small, it did provide insight into the interest of DBE firms in contracting on transit projects. A majority of those who responded (88%) indicated that they are interested in working with CDOT and subrecipients on transit-related projects. However, more than half (65%) do not know how to find transit-related contracting opportunities and half (50%) never or infrequently respond to transit bids/RFPs. The reasons cited were primarily;

- Lack of relationships with transit agencies (35%)
- Unsure of how to begin the process (30%)
- Don't know where to find transit opportunities (29%)

When asked how CDOT could help them get more work on transit-related projects, the majority responded;

- Provide information about upcoming opportunities (56%)
- Set higher DBE goals (48%)
- Break down large projects into smaller work codes (41%)
- Facilitate introductions to transit providers (38%)

It is apparent that DBE certified firms are interested in working on transit-related projects but need more information about opportunities and how to find them, as well as introductions to decision-makers within transit organizations. The fact that nearly half of respondents indicated that setting higher DBE goals would improve their ability to obtain work supports CDOT's proposed efforts to evaluate large and competitive projects funded under 5339.

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 directory, and increased outreach to DBE firms about contracting opportunities.

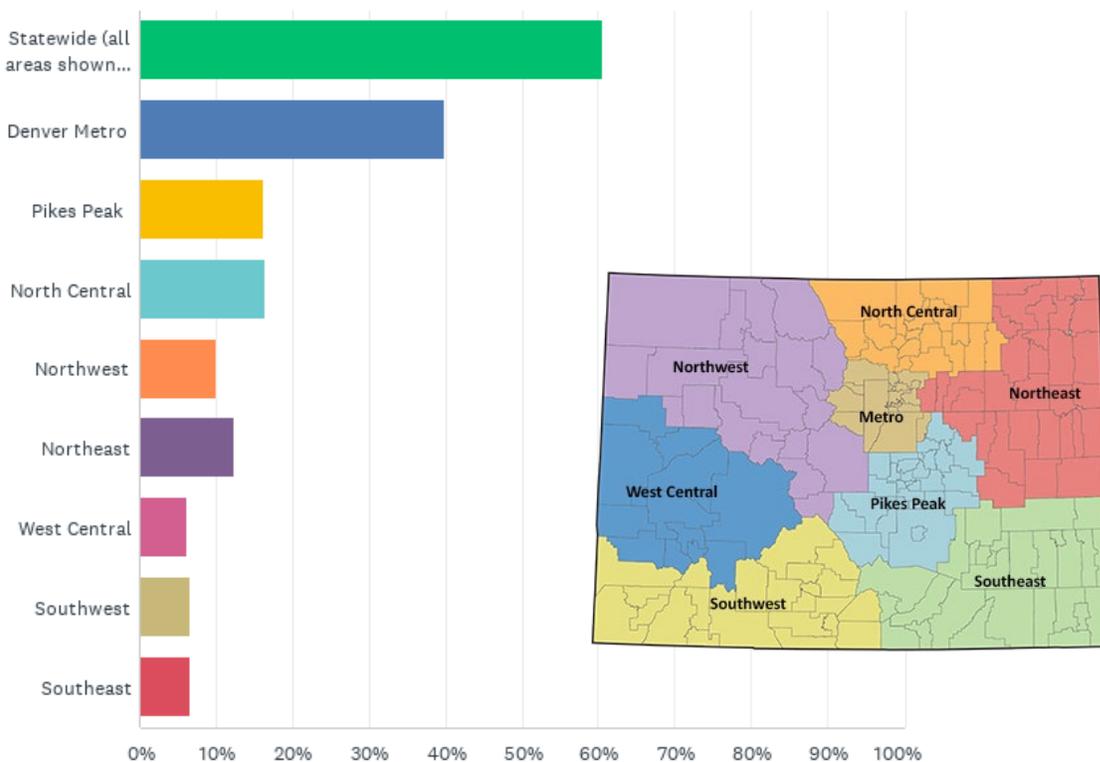
CDOT determined that the feedback captured on the survey of DBE firms will help inform future program activities but it does not warrant an adjustment to the base figure.

DBE Geographic Distribution

Several subrecipients commented on the survey that there is a lack 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 one mentioned, "There is very limited availability of DBE-certified firms within our small, remote region. More often there are no DBE-certified firms available, thus drastically reducing our ability to contract with DBE-certified firms."

CDOT took the geographic availability of DBE firms into consideration and posed the question about work area to DBE firms on the survey. More than half (60%) indicated that they are willing and able to work statewide (see Chart 2). Only 2% of survey respondents said they don't provide goods/services to rural areas. This data has remained consistent from the last methodology period. CDOT also identified several contracting opportunities for services such as Planning that are not location dependent and DBE consultants said they are willing to perform services statewide.

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 an ongoing issue of only a few DBE certified firms located in rural areas, but the willingness of DBEs to work statewide supports the proposed overall statewide DBE goal.

CDOT determined 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. 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 five years (see Table 7).

Table 7. 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 % by DBE Primes
2017	\$2,856,363	360	10	\$89,615	3.14%
2018	\$1,862,352	266	6	\$38,159	2.05%
2019	\$2,896,878	52	2	\$10,765	0.51%
2020	\$328,401	20	3	\$22,486	6.85%
2021	\$424,399	22	1	\$80,330	18.93%

As noted previously, there was a significant drop in the number of FTA-assisted contracts awarded by subrecipients during the COVID-19 pandemic. This reduced the overall pool of contracting opportunities available to DBE firms. The number of prime contract awards to DBEs fell 90% from 2017. However, CDOT achieved the highest percentage of race-neutral DBE participation in 2021 with nearly 19% coming from just one prime contract. It is evident that compared to 2017 – 2019, this is not a typical scenario.

While there has been a steady downturn in overall contracting activity, CDOT does not expect this trend to continue as funding levels and transit operations return to normal. In fact, CDOT anticipates higher levels of contracting of up to \$24.5 million as shown in Chart 1.

CDOT determine that there is ample opportunity for DBE firms to be awarded prime contracts to meet the proposed 2.44% overall annual DBE goal using 100% race-neutral methods. However, CDOT will evaluate large building construction projects for race-conscious goals, if appropriate.

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's 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
- 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 participates in **monthly virtual meetings with subrecipients** to review DBE requirements and encourage research, outreach, and utilization of DBE firms to meet the overall annual goal. This includes a quarterly DBE spotlight where a DBE firm is invited to share their capabilities and experience working with transit organizations.
- 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 such as the Snowmass Transit Center project.

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 surveys also provided a means to gather general comments from subrecipients and DBE firms about contracting opportunities on transit projects.

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

- February 23: FTA DBE Goal Survey of Subrecipients
- March 3: CDOT DTR Monthly Subrecipient Meeting
- March 11: FTA DBE Goal Survey of DBE Firms
- March 28: CDOT Small Business Collaborative Quarterly Construction Forum

- April 6: Hispanic Contractors of Colorado Infrastructure Committee Monthly Meeting
- April 12: ACEC/CDOT Quarterly Meeting
- April 14: CDOT Small Business Collaborative Quarterly Professional Services Meeting
- April 20: Hispanic Contractors of Colorado General Member Meeting
- April 21: COMTO Colorado Monthly Member Meeting
- April 27: ACEC Annual Conference 2022
- May 18: Hispanic Contractors of Colorado (HCC) Contractor Academy Board Meeting
- May 26: 2022 CASTA Spring Training Conference
- **June 7: Publish Proposed DBE Goal Notice**
- July 20: Public comment period concludes prior to Transportation Commission review
- August 1: Submit DBE Methodology to FTA

Public Comments

CDOT will publish the overall goal methodology on June 7, 2022 on the Civil Rights and Business Resource website. An email notice will also be sent to all DBE firms, industry organizations, and grant partners. Information about availability of the methodology will also be included in the June edition of the Connect2DOT monthly eNewsletter which has over 5,500 subscribers and can be viewed at <https://sites.google.com/state.co.us/connect2dot/resources/newsletter-archive>.

Comments related to the proposed FTA DBE overall goal or draft methodology should be directed to the CDOT DBE Program Manager shown below.

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