

MIAMI-DADE TRANSIT  
DISADVANTAGED BUSINESS ENTERPRISE GOAL METHODOLOGY  
FOR FISCAL YEARS 2015, 2016 and 2017

**SUMMARY**

Please be advised that pursuant to §26.45 of 49 Code of Federal Regulations (CFR) Part 26, Miami-Dade Transit (MDT) submits this methodology to the Federal Transit Administration (FTA) for review and approval of its overall Disadvantaged Business Enterprise (DBE) goal for Fiscal Years 2015, 2016, and 2017. MDT has established a proposed overall DBE goal of **18%**, which includes an adjustment for race-neutral measures.

**DETERMINATION OF NORMAL MARKET AREA**

The implementation of the Unified Certification Program and the current condition of our market area consisting primarily of Miami Dade, Broward and Monroe Counties, were key variants that affected the goal methodology calculation formula. The overall goal was derived by following methodologies described in 49 CFR Part 26.45, which requires that recipients of FTA funds utilize a two-step process in the development of its DBE goal, and using the best universally available current data on both the presence of DBE's and the presence of all businesses in our normal Market Area.

The following is a summary of the method MDT used to calculate this goal.

**STEP ONE: ESTABLISHMENT OF AVAILABILITY ESTIMATE FOR A BASE FIGURE**

Pursuant to 49 CFR 26.45(c) (1), to arrive at the Base Figure, MDT elected to use the "weighing method" by groups of NAICS codes to determine the relative availability of DBE's in various fields, based on data derived from past and prospective projects. Additionally, we examined our contracting program to determine the subcategories in which we let the majority of our contracts and subcontracts, and established that the majority of our contractors are drawn from Miami Dade, Broward and Monroe Counties. Finally, we divided the total number of DBE firms in the respective NAICS codes from the primary market area deemed ready, willing and able, by the total number of firms obtained from the Unified Certification Program, that provide services under the same NAICS codes. As a result, the **Base Figure** for MDT is 15%.

$$\text{Base Figure} = 549 \div 3569 = 15\%$$

**STEP TWO: ADJUSTMENT OF BASE FIGURE**

To adjust the Base Figure in Step One, MDT considered the current capacity of DBEs to perform work in its DOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years, illustrated as follows:

**(a) PAST DBE PARTICIPATION**

FISCAL YEAR	TOTAL DBE CONTRACTS	TOTAL ASSISTED CONTRACTS	FTA-ACTUAL DBE PARTICIPATION
2008	\$5,012,543	\$23,013,593	22%
2009	\$881,856	\$7,406,802	12%
2010	\$265,737	\$1,346,766	19.7%
2011	\$14,496,543	\$30,838,069	47%
2012	\$3,914,253	\$10,005,875	39%
2013	\$17,254,235	\$21,342,765	80%
<b>Actual Median Past Participation</b>			<b>18 %</b>

**(b) ARRIVING AT THE MEDIAN PAST PARTICIPATION:**

MDT arrived at the median by arranging the percentages of past participation above from low to high, as follows: 12%, 19.7%, 22%, 39%, 47% and 80%, and excluded the three highest outliers 39%, 47%, and 80%. The remarkably high levels of DBE participation for the 2011-2013 fiscal years were due to federally assisted ARRA projects. However, the feasibility to sustain DBE participation in the upcoming triennial period is significantly reduced with many of the ARRA projects concluding and the projected comparative reduced availability of upcoming projects. Therefore, we used 12%, 19.7%, and 22% and divided their sum by 3 to obtain the following:

$$\frac{12 + 19.7 + 22}{3} = 17.9\%$$

**(c) ADJUSTING STEP ONE BASE FIGURE:**

MDT added Step One Base Figure to the median and divided their sum by two (2), as illustrated in the calculation below and resulting in the **overall goal**:

$$\frac{15\% + 18\%}{2} = 16.5\%$$

**RACE-NEUTRAL PROJECTION:**

MDT's race-neutral percentage consists of DBEs who were successfully awarded contracts through the customary competitive process, based only on qualifications and without contract specific goals. Race-Neutral participation for the previous fiscal year is as follows:

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### **PAST RACE-NEUTRAL PARTICIPATION**

<b>FISCAL YEAR</b>	<b>TOTAL DBE RACE NEUTRAL DOLLARS</b>	<b>TOTAL DOLLARS EXPENDED</b>	<b>ACTUAL DBE PAST PARTICIPATION</b>
2013	\$16,336,865	\$21,332,764	8%

This past fiscal year experienced an unprecedented amount of bids being successfully awarded to DBEs through the standard competitive process. This was due in part to a significant increase in projects stemming from ARRA funding. However, these ARRA funded projects are not projected to be sustained in the upcoming triennial period as many of these projects are concluding. Therefore, MDT proposes a 1% participation for Race-Neutral.

Notwithstanding the conclusion of these projects, MDT will continue to engage in aggressive outreach efforts and business development, such as providing technical assistance, capital and bonding assistance to DBEs and other disadvantaged small firms. Among other means, MDT encourages prime contractors to disseminate subcontract information in geographical areas that have been perennially neglected. Also, our solicitations are structured in such a manner as to facilitate participation by all small minority firms, by inclusion of known DBE's on our mailing list and providing our DBE directory listing to those present at pre-bid conferences and publishing the same on the Miami-Dade County internet web portal; <http://www.miamidade.gov/transit/>.

### **PROCESS AND PUBLICATION**

MDT recognizes the importance of public participation in the establishment of the DBE goal. The DBE goal will be published each year, and is available for inspection during normal business hours. MDT maintains a relationship and consults with local chambers of commerce, local minority and general contractor groups to obtain input, comments, suggestions and feedback on the effects of discrimination on opportunities for DBE's. Further, MDT will publish a notice of the proposed overall goal, and inform the public at large that the proposed goal and its rationale are available for inspection at its offices. The same information is also available on the County website.