

**Arkansas State Highway and Transportation Department**



**DRAFT**

**Disadvantaged Business Enterprise (DBE) Participation Goal  
On Federally-Assisted Transit Projects  
for  
Federal Fiscal Year 2010**

Prepared by:  
**Planning and Research Division**  
and  
**Human Resources Division**

In compliance with:  
**Title 49, Part 26 of the Code of Federal Regulations (49 CFR 26)**

Date:  
**June 10, 2009**

# TABLE OF CONTENTS

<b>INTRODUCTION</b>	<b>1</b>
<b>SUMMARY</b>	<b>1</b>
Proposed DBE Goal for Federal Fiscal Year	1
Public Participation Process	2
<b>DESCRIPTION OF METHODOLOGY</b>	<b>2</b>
Background Information	2
<b>STEP ONE: DEVELOPMENT OF BASE GOAL</b>	<b>3</b>
<b>STEP TWO: ADJUSTMENTS</b>	<b>9</b>
Past Participation	9
Average Goal	9
<b>DISPARITY STUDIES AND OTHER EVIDENCE OF DISCRIMINATION</b>	<b>10</b>
<b>RACE/GENDER-NEUTRAL AND RACE/GENDER-CONSCIOUS DETERMINATION</b>	<b>10</b>
Past Race/Gender-Neutral Participation by DBE's on Transit Projects	10
<b>APPENDICES</b>	<b>11</b>
Appendix A – U.S. Dept. of Transportation's Tips for Goal-Setting in the DBE Program	A-1
Appendix B – Local Market Area and Data Sources	B-1
Appendix C – Written Comments Received and Actions Taken	C-1

## **INTRODUCTION**

This report complies with the Disadvantaged Business Enterprise (DBE) rule in Title 49 Code of Federal Regulations Part 26 (49 CFR 26) and details the Arkansas State Highway and Transportation Department's process for setting the Federal Fiscal Year (FFY) 2010 overall goal for DBE participation in federally assisted transit projects.

49 CFR 26 requires that this goal be submitted for review by the Federal Transit Administration. This submission must include 1) A description of the methodology used to establish the goal, including the base figure and evidence with which it was calculated, and the evidence relied on for any adjustments; and 2) A projection of the portions of the overall goal expected to be met through race/gender-conscious measures, respectively; and should include 3) A summary listing of relevant available evidence of disparity and, where applicable, an explanation of why that evidence was not used to adjust the base figure.

## **NOTICE OF NONDISCRIMINATION**

The Arkansas State Highway and Transportation Department (Department) complies with all civil rights provisions of federal statutes and related authorities that prohibited discrimination in programs and activities receiving federal financial assistance. Therefore, the Department does not discriminate on the basis of race, sex, color, age, national origin, religion or disability, in the admission, access to and treatment in Department's programs and activities, as well as the Department's hiring or employment practices. Complaints of alleged discrimination and inquiries regarding the Department's nondiscrimination policies may be directed to James B. Moore, Jr., Section Head - EEO/DBE (ADA/504/Title VI Coordinator), P. O. Box 2261, Little Rock, AR 72203, (501) 569-2298, (Voice/TTY 711), or the following email address: james.moore@arkansashighways.com.

This notice is available from the ADA/504/Title VI Coordinator in large print, on audiotape and in Braille.

For any questions or comments contact:

Mr. Ralph J. Hall  
DBE Liaison Officer  
Assistant to the Director  
P. O. Box 2261  
Little Rock, Arkansas 72203-2261  
Phone: (501) 569-2612

## **SUMMARY**

### **Proposed DBE Goal for Federal Fiscal Year 2010**

The Arkansas State Highway and Transportation Department (AHTD) proposes the following goal for participation by DBEs on federally assisted transit contracts for FFY 2010:

Total DBE Goal	4.62%
----------------	-------

## **Public Participation Process**

Prior to being made available for public comment, a preliminary version of this report was distributed to the DBE Advisory Committee for their review and comments. The DBE Advisory Committee consists of representatives from the AHTD, the Federal Highway Administration (FHWA), non-DBE contractors, AHTD's certified DBE contractors, and the Arkansas - Mississippi Minority Business Council. A DBE Advisory Committee meeting was held to discuss the goal and the methodology used to calculate the goal.

AHTD Certified DBEs have been notified that this report is available and will be provided a copy upon request.

This report was forwarded to various interested groups with an offer to meet and discuss the proposed goal and rationale used to develop the goal.

The Department published a notice in either English or Spanish as appropriate announcing the proposed overall goal in the Arkansas Democrat-Gazette and in available minority focused and trade association publications (El Latino, Enlace Latino, The Morning News, The Stand, South Arkansas Sun, Hola! Arkansas, Asian American Reporter, Noticias Libres). The notice informed the public that the proposed goal and its rationale is available for inspection for 30 days following the date of the notice on the Department's web sight ([www.arkansashighways.com](http://www.arkansashighways.com)) or during normal business hours at the Department's Central Offices, and that written comments will be accepted for 45 days from the date of the notice.

## **DESCRIPTION OF METHODOLOGY**

The methodology used to calculate the AHTD's FFY 2010 DBE Goal was based on the Department of Transportation's Office of Small and Disadvantaged Business Utilization's "Tips for Goal Setting in the DBE Program" (Appendix A) utilizing information obtained from the 2006 Economic Census and the Department's Certified Disadvantaged Business Enterprise Directory.

## **Background Information**

The Arkansas State Highway and Transportation Department administers federally assisted transit programs in Arkansas. Most of the federal funds are passed through the AHTD to various public and private nonprofit transit systems. Only the public transit systems receive operating and capital funds. Even after attempts by both the AHTD and the public transit systems to identify minority contractors for certification as disadvantaged business enterprises, the number of certified DBE contractors has continued to decline.

**STEP ONE: DEVELOPMENT OF THE BASE GOAL**

In Step One of the goal setting process, contractible items were identified and a weighted average figured for each item. Then the Base Goal was figured using the relative availability (percentage) of DBEs in Arkansas to perform contracts (both prime and sub) scheduled for FFY 2010. In simplest terms, this percentage, or base goal, can be calculated as follows:

Table 1  
2010 Transit Program

	<b>Description of Work</b>	<b>Amount</b>	<b>Percent of Total (Weight)</b>
(1)	Accounting/Audit	\$13,617	0.17%
(2)	Administrative/Office Supplies	\$50,883	0.64%
(3)	Advertising	\$13,835	0.17%
(4)	Architect	\$113,517	1.42%
(5)	Asphalt Paving, Roofing, & Satureated Materials	\$300,000	3.76%
(6)	Auto Repair & Maintenance	\$96,479	1.21%
(7)	Auto Part & Supply	\$91,587	1.15%
(8)	Building Material & Repair	\$543,074	6.80%
(9)	Building Rehabilitation	\$700,072	8.77%
(10)	Camera & Photographic Supplies	\$231,422	2.90%
(11)	Clothing/Uniforms	\$11,475	0.14%
(12)	Communication Equipment	\$15,000	0.19%
(13)	Computers & Software	\$467,885	5.86%
(14)	Contractor	\$850,000	10.65%
(15)	Construction-Commercial Buildings	\$500,000	6.26%
(16)	Construction-Brick,Stone,etc.- Wholesale	\$100,000	1.25%
(17)	Construction Materials Merchant Wholesalers	\$1,075,000	13.46%
(18)	Dry Cleaning & Laundry Services	\$200	0.00%
(19)	Drywall & Installation Contractors	\$100,000	1.25%
(20)	Electrical Apparatus & Equip, Wiring Supplies, Etc.	\$300,000	3.76%
(21)	Electrical Contractor	\$30,000	0.38%
(22)	Electronic & Appliances	\$5,000	0.06%

(23)	Engineering Services	\$112,500	1.41%
(24)	Finish Carpentry Contractors	\$30,000	0.38%
(25)	Furniture/Flooring	\$60,206	0.75%
(26)	Insurance Agencies & Brokers	\$246,117	3.08%
(27)	Janitorial	\$4,493	0.06%
(28)	Landscaping Services	\$3,742	0.05%
(29)	Painting - Paint & Wall Covering	\$10,305	0.13%
(30)	Pest Control	\$612	0.01%
(31)	Petroleum - Retail	\$654,856	8.20%
(32)	Petroleum - Wholesale	\$268,189	3.36%
(33)	Printing	\$6,266	0.08%
(34)	Plumbing, Heating & AC	\$25,971	0.33%
(35)	Poured Concrete Foundation/Structure Contractors	\$250,000	3.13%
(36)	Professional Services	\$68,505	0.86%
(37)	Roofing Contractors	\$75,000	0.94%
(38)	Roofing Materials	\$100,000	1.25%
(39)	Siding Contractors	\$100,000	1.25%
(40)	Site Preparation	\$249,997	3.13%
(41)	Tires	\$27,273	0.34%
(42)	Translation & Interpretation	\$4	0.00%
(43)	Transportation Management	\$31,770	0.40%
(44)	Water & Sewer Line & Related Structures Construction	\$50,000	0.61%
	<b>Totals</b>	<b>\$7,984,851</b>	<b>100.00%</b>

To further refine this percentage, weighting was applied using both the percentage of work to be done and the availability of DBEs to perform each work category. This data was obtained using the 2006 Economic Census – County Business Patterns for Arkansas Tables (Construction, Retail and Wholesale) and the AHTD’s Disadvantaged Business Enterprise Directory.

$$\text{Base Goal} = \frac{\text{Ready, Willing, and Able DBEs}}{\text{All Firms Ready, Willing, and Able (DBEs and non-DBEs)}} = \text{Relative Availability}$$

Table 2  
2006 Census County Business Patterns for Arkansas  
Relative Availability Chart

	<b>Description of Work</b>	<b>Directory Number of Certified DBEs</b>	<b>Number of Firms</b>	<b>Relative Availability</b>
(1)	Accounting/Audit	1	540	0.0019
(2)	Administrative/Office Supplies	0	560	0.0000
(3)	Advertising	1	97	0.0103
(4)	Architect	4	155	0.0258
(5)	Asphalt Paving, Roofing, & Saturated Materials	0	186	0.0000
(6)	Auto Repair & Maintenance	0	1,455	0.0000
(7)	Auto Part & Supply	0	568	0.0000
(8)	Building Material & Repair	0	777	0.0000
(9)	Building Rehabilitation	0	186	0.0000
(10)	Camera & Photographic Supplies	0	1	0.0000
(11)	Clothing/Uniforms	0	32	0.0000
(12)	Communication Equipment	0	482	0.0000
(13)	Computers & Software	0	73	0.0000
(14)	Contractor	1	78	0.0128
(15)	Construction-Commercial Buildings	7	412	0.0170
(16)	Construction-Brick,Stone,etc.- Wholesale	1	44	0.0227
(17)	Construction Materials Merchant Wholesalers	10	27	0.3704
(18)	Dry Cleaning & Laundry Services	1	315	0.0032
(19)	Drywall & Installation Contractors	3	158	0.0190
(20)	Electrical Apparatus & Equipment, Wiring Supplies, Etc.	1	77	0.0130
(21)	Electrical Contractor	4	711	0.0056
(22)	Electronic & Appliances	0	482	0.0000
(23)	Engineering Services	9	323	0.0279

(24)	Finish Carpentry Contractors	1	191	0.0052
(25)	Furniture/Flooring	0	218	0.0000
(26)	Insurance Agencies & Brokers	2	263	0.0076
(27)	Janitorial	6	360	0.0167
(28)	Landscaping Services	3	502	0.0060
(29)	Painting - Paint & Wall Covering	6	224	0.0268
(30)	Pest Control	0	149	0.0000
(31)	Petroleum - Retail	0	1,542	0.0000
(32)	Petroleum - Wholesale	0	104	0.0000
(33)	Printing	0	32	0.0000
(34)	Plumbing, Heating & AC	2	982	0.0020
(35)	Poured Concrete Foundation/Structure Contractors	38	218	0.1743
(36)	Professional Services	2	72	0.0278
(37)	Roofing Contractors	2	104	0.0192
(38)	Roofing Materials	1	25	0.0400
(39)	Siding Contractors	1	89	0.0112
(40)	Site Preparation	39	436	0.0894
(41)	Tires	0	270	0.0000
(42)	Translation & Interpretation	0	5	0.0000
(43)	Transportation Management	2	296	0.0068
(44)	Water & Sewer Line & Related Structures Construction	2	183	0.0109
	<b>Combined Totals</b>	<b>150</b>	<b>14,004</b>	

Table 3  
Transit Program DBE Goal Calculation

	<b>Description of Work</b>	<b>Percent of 2010 Transit Program (A)</b>	<b>Relative Availability (B)</b>	<b>Step One Base Goal (AxB)</b>
(1)	Accounting/Audit	0.17%	0.19%	0.00%
(2)	Administrative/Office Supplies	0.64%	0.00%	0.00%
(3)	Advertising	0.17%	1.03%	0.00%
(4)	Architect	1.42%	2.58%	0.04%
(5)	Asphalt Paving, Roofing, & Saturated Materials	3.76%	0.00%	0.00%
(6)	Auto Repair & Maintenance	1.21%	0.00%	0.00%
(7)	Auto Part & Supply	1.15%	0.00%	0.00%
(8)	Building Material & Repair	6.80%	0.00%	0.00%
(9)	Building Rehabilitation	8.77%	0.00%	0.00%
(10)	Camera & Photographic Supplies	2.90%	0.00%	0.00%
(11)	Clothing/Uniforms	0.14%	0.00%	0.00%
(12)	Communication Equipment	0.19%	0.00%	0.00%
(13)	Computers & Software	5.86%	0.00%	0.00%
(14)	Contractor	10.65%	1.28%	0.14%
(15)	Construction-Commercial Buildings	6.26%	1.70%	0.11%
(16)	Construction-Brick,Stone,etc.- Wholesale	1.25%	2.27%	0.03%
(17)	Construction Materials Merchant Wholesalers	13.46%	37.04%	4.99%
(18)	Dry Cleaning & Laundry Services	0.00%	0.32%	0.00%
(19)	Drywall & Installation Contractors	1.25%	1.90%	0.02%
(20)	Electrical Apparatus & Equipment, Wiring Supplies, Etc.	3.76%	1.30%	0.05%
(21)	Electrical Contractor	0.38%	0.56%	0.00%
(22)	Electronic & Appliances	0.06%	0.00%	0.00%
(23)	Engineering Services	1.41%	2.79%	0.04%
(24)	Finish Carpentry Contractors	0.38%	0.52%	0.00%
(25)	Furniture/Flooring	0.75%	0.00%	0.00%
(26)	Insurance Agencies & Brokers	3.08%	0.76%	0.02%
(27)	Janitorial	0.06%	1.67%	0.00%
(28)	Landscaping Services	0.05%	0.60%	0.00%
(29)	Painting - Paint & Wall Covering	0.13%	2.68%	0.00%

(30)	Pest Control	0.01%	0.00%	0.00%
(31)	Petroleum - Retail	8.20%	0.00%	0.00%
(32)	Petroleum - Wholesale	3.36%	0.00%	0.00%
(33)	Printing	0.08%	0.00%	0.00%
(34)	Plumbing, Heating & AC	0.33%	0.20%	0.00%
(35)	Poured Concrete Foundation/Structure Contractors	3.13%	17.43%	0.55%
(36)	Professional Services	0.86%	2.78%	0.02%
(37)	Roofing Contractors	0.94%	1.92%	0.02%
(38)	Roofing Materials	1.25%	4.00%	0.05%
(39)	Siding Contractors	1.25%	1.12%	0.01%
(40)	Site Preparation	3.13%	8.94%	0.28%
(41)	Tires	0.34%	0.00%	0.00%
(42)	Translation & Interpretation	0.00%	0.00%	0.00%
(43)	Transportation Management	0.40%	0.68%	0.00%
(44)	Water & Sewer Line & Related Structures Construction	0.61%	1.09%	0.01%
	<b>Combined Totals</b>	<b>100.00%</b>		<b>6.38%</b>

## STEP TWO: ADJUSTMENTS

To determine if adjustments are necessary, include past participation and evidence of disparity studies, as well as any other data available that would help to measure the percent of DBE participation in the absence of discrimination.

### Past Participation:

Table 4  
DBE Median Participation (FFY 2000 – 2008)

	<b>DBE CONTRACT</b>	<b>ACTUAL ANNUAL</b>
<b>FFY</b>	<b>GOALS</b>	<b>PARTICIPATION</b>
2002	5.10%	0.00%
2003	5.00%	0.02%
2007	2.28%	1.25%
2004	5.01%	2.44%
2006	3.50%	2.85%
2001	6.00%	3.50%
2005	2.78%	3.73%
2000	7.00%	5.80%
2008	1.79%	8.40%
<b>MEDIAN</b>		<b>2.85%</b>

The median participation FFYs 2000 - 2008 and Step One Base Goal is

<u>DBE MEDIAN PARTICIPATION (2000 – 2008)</u>	2.85%
<u>STEP ONE BASE GOAL (2010)</u>	6.38%
Total	9.23%
	÷ 2
<b>GOAL</b>	<b>4.62%</b>

## **DISPARITY STUDIES AND OTHER EVIDENCE OF DISCRIMINATION**

There were no available disparity studies performed within the market area.

## **RACE/GENDER-NEUTRAL AND RACE/GENDER CONSCIOUS DETERMINATION**

The next step is to forecast the race/gender-neutral and race/gender-conscious portion of the Step Two Adjusted Goal. As stated in 49 CFR Section 25.51, the maximum feasible portion of the overall goal must be met by using race/gender-neutral means of facilitating DBE participation. Race/gender-neutral participation includes: 1) DBEs who win prime contracts through customary competitive procurement procedures; 2) DBEs who are awarded subcontracts on prime contracts that do not carry a DBE goal; and 3) DBEs who are awarded subcontracts in excess of the stated project goal.

The following considerations were made when determining the race/gender-neutral and race/gender conscious component of the goal setting process.

### **Past Race/Gender-Neutral Participation by DBEs on Transit Projects**

The AHTD passes through federal funds to public and private non-profit transit systems that procure items using procurement processes because of governing legislation or fiscal restraints by funding agencies. Due to low participation by DBEs in the certification process, it has been difficult at best to identify ready, willing, and able DBEs to participate in small procurements. Efforts will be made to increase DBE participation on transit projects. However, due to the lack of race/gender-neutral participation in the past, there is no race/gender-neutral goal assigned at this time. Therefore, **the Total DBE Goal for FFY 2010 is 4.62%.**

## **APPENDICES**

- A - U.S. Dept. of Transportation's Tips for Goal-Setting in the DBE Program
- B - Local Market Area and Data Sources
- C - Written Comments Received and Actions Taken