

Overall DBE Three-Year Goal Methodology

[49 CFR 26.37]



Tri-County Metropolitan Transportation District of Oregon (TriMet) Proposed FFY 2023 - 2025 Disadvantaged Business Enterprise (DBE) Goal

TriMet proposes an overall DBE goal for its Federal Transportation Administration (FTA) funded contracting of 14.85% for federal fiscal years (FFYs) 2023 through 2025; this 14.85% will be a completely race neutral goal.

DBE Utilization with Federal Funds

TriMet operates the Federal DBE Program to assist Disadvantaged Business Enterprises (DBEs) on contracts that use U.S. Department of Transportation (USDOT) funds. Federal regulations 49 CFR 26.45 seeks to ensure nondiscrimination in the award and administration of USDOT-funded contracts in the FTA's transit programs and to create equal opportunities for which DBEs can compete fairly for USDOT-funded contracts.

Overall DBE Goal Setting Methodology

Federal regulations 49 CFR 26.45 direct how TriMet sets its overall FFY 2023-2025 DBE goal. The process includes two steps:

1. Determine a base figure for the relative availability of DBEs
2. Adjust the base figure, if necessary

The base figure is intended to be a measurement of the current ready, willing, and able DBEs as a percentage of all businesses ready, willing, and able to perform the recipient's anticipated FTA-funded contracts in its geographic 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 TriMet and its grant partners do 75% of their annualized business are located, and the area in which TriMet and its grant partners spend the substantial majority of its contracting dollars.

The vast majority of contracts awarded by TriMet were to contractors and service providers located within Oregon. These contractors primarily use our federal funds to procure goods and services from providers in our local area. Therefore, TriMet determined that the relevant market is the state of Oregon

The external data we used for these calculations were:

- North American Industry Classification System (NAICS) from the United States Census Bureau.
- Certification Office for Business Inclusion and Diversity (COBID) from the State of Oregon.
- County Business Pattern (CBP) data from the United States Census Bureau.

1. Step One- Determination of Base Figure

Pursuant to 49 CFR 26.45(c), to determine the baseline figure for its FFY 2023-2025 DBE goal TriMet used the most recent data available in the State of Oregon’s Certification Office for Business Inclusion and Diversity (COBID) and the Census Bureau’s County Business Pattern data (CENSUS) to determine the percentage of ready, willing, and able DBEs in TriMet’s market area. These sources provide for analysis of labor concentration in specific business categories as designated by 6 digit North American Industrial Classification System code (NAICS). TriMet has made preliminary assumptions regarding which NAICS codes will have relevance to the projects receiving FTA funding in the next three federal fiscal years.

Table 1: Relative Base Figure

NAICS CODE 2020	TRADE SCOPE OF WORK	COBID DBE FIRMS	CENSUS DATA ALL FIRMS	DBE AVAILABILITY %
236220	Commercial and Institutional Building Construction	81	489	16.56%
237110	Water and Sewer Line and Related Structures Construction	47	154	30.52%
237130	Power and Communication Line and Related Structures Construction	13	76	17.11%
237310	Highway, Street, and Bridge Construction	57	198	28.79%
237990	Other Heavy and Civil Engineering Construction	19	62	30.65%
238110	Poured Concrete Foundation and Structure Contractors	51	295	17.29%
238120	Structural Steel and Precast Concrete Contractors	22	45	48.89%
238210	Electrical Contractors and Other Wiring Installation Contractors	42	932	4.51%
238220	Plumbing, Heating, and Air-Conditioning Contractors	21	1,238	1.70%
238320	Painting and Wall Covering Contractors	54	972	5.56%
238910	Site Preparation Contractors	116	770	15.06%
238990	All Other Specialty Trade Contractors	115	528	21.78%
332312	Fabricated Structural Metal Manufacturing	5	53	9.43%
333921	Elevator and Moving Stairway Manufacturing	0	0	0.00%
334290	Other Communications Equipment Manufacturing	0	0	0.00%
336999	All Other Transportation Equipment Manufacturing	0	7	0.00%
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	0	153	0.00%
423130	Tire and Tube Merchant Wholesalers	0	15	0.00%
457210	Fuel Dealers	1	62	1.61%
485991	Special Needs Transportation	1	100	1.00%
488210	Support Activities for Rail Transportation	0	20	0.00%
541310	Architectural Services	66	357	18.49%
541330	Engineering Services	100	806	12.41%
541370	Surveying and Mapping (except Geophysical) Services	33	123	26.83%
541611	Administrative Management and General Management Consulting Services	313	872	35.89%
561210	Facilities Support Services	3	50	6.00%
561612	Security Guards and Patrol Services	12	115	10.43%
561720	Janitorial Services	24	1,195	2.01%
561730	Landscaping Services	64	1,730	3.70%
561990	All Other Support Services	24	161	14.91%
811111	General Automotive Repair	3	1,076	0.28%
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	6	304	1.97%
812320	Drycleaning and Laundry Services (except Coin-Operated)	0	143	0.00%
	TOTALS	1,293	13,101	9.87%

*Census CBP data uses 2017 NAICS codes. The code was different CBP only for Fuel Dealers. The Census data NAICS codes for Fuel Dealers is 454310.

Divide the total number of DBEs by the total number of all firms = Relative Base Figure

$$\frac{DBE Firms Ready Willing \& Able \ 1,293}{13,101} = \text{Relative Base Figure } 9.87\%$$

TriMet believes this relative base figure calculation under counts the number of available DBEs as it assumes that every DBE has an equal opportunity and equal weight to perform on TriMet’s contracts. However, in the practical application, not all DBEs have equal opportunity for participation, as opportunity is dependent on the amount of dollars spent in each NAICS code. Therefore, to reflect the relative availability of DBE firms more accurately, as recommended by U.S. DOT, TriMet performed a weighted calculation of availability. This calculation is based on an estimation of TriMet’s future projects with FTA-funded expenditures in each NAICS code.

Better Red (Max Redline)	\$148,934,899
Powell-Division Corridor Safety & Access to Transit Project	\$1,938,168
Division Transit Project	\$17,422,752
82nd Ave BRT	\$1,100,000
TV Highway BRT	\$650,000
PMLR Park Ave Garage Expansion	\$12,500,000
Beaverton Transit Center	\$6,250,000
Columbia Bus Base	\$30,000,000
Willamette Shore Line Trestles	\$1,800,000
Operations & Prevention Maintenance	\$378,090,386
TOTAL	\$598,686,205

Table 2: Weighted Base Figure

NAICS CODE 2020	TRADE SCOPE OF WORK	FTA ASSISTED CONTRACT FUNDS	% OF TOTAL FTA FUNDS	COBID DBE FIRMS	CENSUS DATA ALL FIRMS	DBE AVAILABILITY %	WEIGHTED BASE FIGURE
236220	Commercial and Institutional Building Construction	\$4,460,600	0.75%	81	489	16.56%	0.12%
237110	Water and Sewer Line and Related Structures Construction	\$5,300,000	0.89%	47	154	30.52%	0.27%
237130	Power and Communication Line and Related Structures Construction	\$11,000,000	1.84%	13	76	17.11%	0.31%
237310	Highway, Street, and Bridge Construction	\$51,000,000	8.52%	57	198	28.79%	2.45%
237990	Other Heavy and Civil Engineering Construction	\$92,030,000	15.37%	19	62	30.65%	4.71%
238110	Poured Concrete Foundation and Structure Contractors	\$11,234,550	1.88%	51	295	17.29%	0.32%
238120	Structural Steel and Precast Concrete Contractors	\$3,459,000	0.58%	22	45	48.89%	0.28%
238210	Electrical Contractors and Other Wiring Installation Contractors	\$1,798,800	0.30%	42	932	4.51%	0.01%
238220	Plumbing, Heating, and Air-Conditioning Contractors	\$503,245	0.08%	21	1,238	1.70%	0.00%
238320	Painting and Wall Covering Contractors	\$128,000	0.02%	54	972	5.56%	0.00%
238910	Site Preparation Contractors	\$1,355,890	0.23%	116	770	15.06%	0.03%
238990	All Other Specialty Trade Contractors	\$1,980,078	0.33%	115	528	21.78%	0.07%
332312	Fabricated Structural Metal Manufacturing	\$475,600	0.08%	5	53	9.43%	0.01%
333921	Elevator and Moving Stairway Manufacturing	\$3,454,500	0.58%	0	0	0.00%	0.00%
334290	Other Communications Equipment Manufacturing	\$2,460,000	0.41%	0	0	0.00%	0.00%
336999	All Other Transportation Equipment Manufacturing	\$23,540,000	3.93%	0	7	0.00%	0.00%
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers	\$1,084,434	0.18%	0	153	0.00%	0.00%
423130	Tire and Tube Merchant Wholesalers	\$3,484,434	0.58%	0	15	0.00%	0.00%
457210	Fuel Dealers	\$94,097,957	15.72%	1	62	1.61%	0.25%
485991	Special Needs Transportation	\$43,700,000	7.30%	1	100	1.00%	0.07%
488210	Support Activities for Rail Transportation	\$38,909,000	6.50%	0	20	0.00%	0.00%
541310	Architectural Services	\$2,544,148	0.42%	66	357	18.49%	0.08%
541330	Engineering Services	\$37,898,498	6.33%	100	806	12.41%	0.79%
541370	Surveying and Mapping (except Geophysical) Services	\$537,605	0.09%	33	123	26.83%	0.02%
541611	Administrative Management and General Management Consulting Services	\$38,420,000	6.42%	313	872	35.89%	2.30%
561210	Facilities Support Services	\$2,780,152	0.46%	3	50	6.00%	0.03%
561612	Security Guards and Patrol Services	\$12,198,000	2.04%	12	115	10.43%	0.21%
561720	Janitorial Services	\$3,695,812	0.62%	24	1,195	2.01%	0.01%
561730	Landscaping Services	\$3,125,826	0.52%	64	1,730	3.70%	0.02%
561990	All Other Support Services	\$1,496,614	0.25%	24	161	14.91%	0.04%
811111	General Automotive Repair	\$96,068,562	16.05%	3	1,076	0.28%	0.04%
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	\$3,406,360	0.57%	6	304	1.97%	0.01%
812320	Drycleaning and Laundry Services (except Coin-Operated)	\$1,058,540	0.18%	0	143	0.00%	0.00%
	TOTALS	\$598,686,205		1,293	13,101	9.87%	12.49%

*Census CBP data uses 2017 NAICS codes. The code was different only for Fuel Dealers. The Census data NAICS codes for Fuel Dealers is 454310.

(Total FTA Funds Weight % x Relative Availability %) Sum = **Weighted Base Figure 12.49%**

2. Step Two- Adjustment of Base Figure

DBE regulation 49 CFR 26.45 (d) requires an examination of available evidence in the local market to determine what adjustment to the base figure is needed, if any, to establish the overall goal.

TriMet considered the capacity of DBEs to perform work as measured by the median past participation of DBEs on FTA-funded contracts from FFY 2018 through FFY 2021. The achieved DBE participation was 7.14%, 16.24%, 19.57%, and 27.26%. This participation was achieved using only race neutral program initiatives. The median number for these amounts is 17.20%.

Table 3: Median Past Participation of DBEs

FFY	FTA \$	DBE \$	DBE %
2018	\$37,549,355.00	\$2,682,890.00	7.14%
2019	\$44,790,553.00	\$7,273,230.00	16.24%
2020	\$29,322,279.00	\$5,739,727.00	19.57%
2021	\$27,012,630.00	\$7,364,897.00	27.26%
		MEDIAN	17.20%

To arrive at an overall goal, we averaged our Step 1 weighted base figure 12.49% with our Step 2 past participation median accomplishment of 17.20% to further refine our goal to arrive at an overall goal of 14.85%. We feel this adjusted goal will accurately reflect DBE participation that can be achieved for the type of project work that will be awarded during FFY 2022 - 2025.

Weighted Base Figure 12.49% + Median Past Participation 17.20%

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= Adjusted Base Figure 14.85%

From these calculations TriMet establishes a 100% race neutral goal for FY2023-2025 of 14.85%

Public Review and Comments

TriMet will post the 2022 DBE Program Goal update on its website and solicit feedback from Contractors participating in the Oregon Association of Minority Entrepreneurs (OAME), LatinoBuilt, NAMC of Oregon, and the Professional Builders Development Group.

Public Comments will be accepted through December 15, 2022.

To submit written comments:

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