

DBE Goal Methodology

OTO submits its overall goal to USDOT annually beginning with the base year 2015. In accordance with Federal Regulations CFR 49§26.45, OTO employs a two-step process to calculate its DBE Program Goal.

OTO 2017 DBE GOAL = 0%

Step 1

Involves determining a “base figure” for the relative availability of DBEs in the area. The base figure is a percentage calculated as the ratio of available DBEs. The data sources used to derive available DBEs is as follows:

1. “Available DBEs” is derived from the total number of certified DBEs in the Missouri Regional Certification Committee (MRCC)¹ DBE directory with the North American Industry Classification (NAICS) Codes of 23 - Construction; 54 - Professional, Scientific, and Technical Services; 56 – Administrative and Support; and 42 - Wholesale Trade for the (5) counties within the Metropolitan Statistical Area (MSA).

Step one Formula: $\frac{\text{Number of Springfield MSA DBE listed by the MoDOT MRCC Directory}}{\text{Number of Springfield MSA business establishments listed by the US Census}} = \text{DBE Goal}$

Appendix D indicates there are 12 companies listed in the MRCC Directory within the Springfield MSA.

2. “All available” companies is derived from the total number of companies with the NAICS codes above found in the Census Bureau’s County Business Patterns (CBP) database in the five (5) counties within the Metropolitan Statistical Area (MSA).

Appendix D indicates there are 3,234 businesses listed in the US Census.

$$\frac{12}{3,234} = .003780$$

Step 2

The second step involves examining available evidence to determine what adjustment, if any is needed to the base figure in order to arrive at the overall goal that reflects as accurately as possible the DBE participation OTO would expect in the absence of discrimination.

- A. Proposed OTO 2017 Goal
- B. OTO 2016 Goal
(A X B)/2 = Goal Adjustment

¹ MRCC – regional certification committee is the Missouri “one stop” DBE certification group. The Committee (MoDOT, KCMO, KCATA< Metro and Lambert Airport St. Louis, EWGCC, and MARC) is the statewide DBE certification certifiers. If certified by one of these agencies your certification is good throughout MO.

To determine what types of adjustments, if any are needed to the base figure, additional sources of evidence was examined:

1. The current capacity of DBEs to perform work in OTO's DOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years.
2. Reviewed the last three (2) year bi-annual reports (years 2014 through 2016) of DBE participation (0%) reported to FTA.

Last 2 Years	Goal	Achieved Goal
2014	0% - goal set by MoDOT	0%
2015	0% - OTO 2015 Goal	0%
2016	0% - OTO 2016 Goal	0%

To calculate the DBE goal, OTO averaged the base figure calculation 0% was averaged with the median of the volume of work DBEs performed in recent years (0%) thus providing the average of the two measures.

There were no adjustments needed since OTO's 2016 goal was 0%.

APPENDIX D – OVERALL 2017 DBE GOAL 49 CFR §26.45

OTO uses the two step process outlined in 49 CFR §26.45. OTO utilizes the MRCC Directory to establish the base figure in step one. *The MSA area includes Christian, Dallas, Greene, Polk and Webster counties.*

STEP ONE – DBE Calculation

Step one Formula: $\frac{\text{Number of Springfield MSA DBE listed by the MoDOT MRCC Directory}}{\text{Number of Springfield MSA business establishments listed by the US Census}} = \text{DBE Goal}$

OTO Step one: Formula: $\frac{12}{3,234} = 0.003710 = \text{rounds to } 0 = \text{Goal of } 0$

Number of DBE business in the MSA*												
DBE Companies in MSA	NAICS	Description	Type 1 NAICS	Type 2 NAICS	Type 3 NAICS	Type 4 NAICS	Type 5 NAICS	Type 6 NAICS	Type 7 NAICS	Type 8 NAICS	Type 9 NAICS	Total Activity by NAICS
Company 1	23	Construction	238110	237310								2
Company 2	23	Construction	238990									1
Company 3	54	Professional, Scientific, and Technical Services	541219									1
Company 4	54	Professional, Scientific, and Technical Services	541370	541330								2
Company 5	54 & 48	Professional, Scientific, and Technical Services; Transportation and Warehousing	541990	484220								2
Company 6	54,71,23	Professional, Scientific, and Technical Services; Arts, Entertainment, and Recreation; Construction	541611	711510	237310							3
Company 7	23	Construction; Administrative and Support	238110	238990	237310	561730	237990					5
Company 8	56,23	Administrative and Support; Construction	561730	237310								2
Company 9	23,54	Construction; Professional, Scientific, and Technical Services	236220	541310								2
Company 10	42,23,54	Wholesale Trade; Construction; Professional, Scientific, and Technical Services	423310	424690	425120	238330	238340	238390	541611	541613	541614	9
Company 11	54	Professional, Scientific, and Technical Services	541310									1
Company 12	54	Professional, Scientific, and Technical Services	541310									1
Total Activity by types			12	8	3	2	2	1	1	1	1	31

*MSA includes: Christian, Dallas, Green, Polk and Webster County

http://contribute.modot.mo.gov/business/contractor_resources/External_Civil_Rights/mrcc.htm

**NAICS Type is the specific line of business a company conducts in an industry. For example, NAICS Code 23 is Construction. Company 1 located in the Springfield MSA specializes in two different types of construction: #238110 - Poured Concrete Foundation and structure Contractors & #237310 - Power and Communication Line and Related Structures Construction.

Number of Business identified by NAICS Code in the MSA		
NAICS Code	Primary Business Category	Total Establishments in the MSA
23	Construction	987
54	Professional, Scientific, and Technical Services	1,065
56	Administrative and Support	589
42	Wholesale Trade	593
Total		3,234
* NAICS Indicates 3,234 established Small Businesses by relevant sectors.		
http://censtats.census.gov/		

STEP TWO – Review for Needed Adjustments

Step two involves examining available evidence determining what adjustments to the base figure are needed, if any.

- OTO utilizes the MRCC database.

No adjustments needed. OTO's 2016 goal was 0.

- OTO records and takes into consideration the DBE activities performed in DOT assisted contracts.

No DBE activities performed in the DOT assisted contracts, so no additional consideration required for 2017.

No adjustments needed.