

South Dakota Department of Transportation
Methodology for Determining Overall DBE Goal
FFY 2010
Goal – 7.20%

Race neutral – 3.78% Race conscious – 3.42%

Step 1. Determining the Base figure:

We first determined the availability of DBEs from information supplied by all bidders on Federal-aid contracts from March 25, 2008 to March 26, 2009. We divided the total number of bidders and quoters (491) into the number of DBEs (32) giving us a figure of **6.52%** ($32/491 = .065173$ or 6.52% rounded) for a relative availability of DBEs. South Dakota does not weight firms on the bidders list because the number of DBEs in each work category is too small to accurately weight. Also, information relative to work categories is not available for non-DBE firms.

Step 2. Adjustments to the base figure

49 CFR 26.45 (d) says once we have calculated a base figure, we must examine evidence available in our jurisdiction to determine what adjustment, if any, is needed to the base figure in order to arrive at our overall goal. We examined participation percentages for the past eight years, which should be a fair indicator of future participation. That participation is as follows:

FY	Fed-Aid dollars	DBE Part. \$	DBE %
2001	143,163,709	10,904,821	7.62
2002	200,540,949	15,286,133	7.62
2003	162,203,081	14,038,729	8.66
2004	204,497,095	17,144,475	8.38
2005	218,113,572	17,201,914	7.89
2006	203,121,132	15,946,101	7.85
2007	142,394,109	9,834,210	6.90
2008	200,897,984	21,071,233	10.49

To determine the median DBE participation for the past eight years, we eliminated the three lowest percentages of 6.90% for 2007, 7.62% for 2001 and 7.62% for 2002; and the three highest percentages of 10.49% for 2008, 8.66% for 2003, 8.38% for 2004. We then averaged the two middle percentages of 7.89% for 2005 and of 7.85% for 2006 and arrived at a median DBE participation of percentage of **7.87%** ($7.89 + 7.85 = 15.74/2 = 7.87$).

We feel that both availability and past participation should be considered equally in adjusting the Step 1 base figure. We averaged the availability of 6.52% from Step 1 and past participation of 7.87%, to arrive at an overall DBE goal of 7.20% ($6.52 + 7.87 = 14.39/2 = 7.195$ or 7.20 rounded). We feel that an overall DBE goal of 7.20% accurately reflects the DBE potential for highway work in South Dakota for the FFY 2010.

Race neutral and race-conscious means to meet the overall goal

49 CFR 26.51 (c) requires us to submit with our overall goal a projection of what we expect to meet through race-neutral means. The DOT sets contract goals as a race-conscious means of achieving the overall goal. We also implemented the following race-neutral means of achieving the overall goal:

1. Provide a monthly DBE newsletter with business articles and advice.
2. Provide an in-color DBE directory with the owners' photographs and business profile to contractors and on the internet. This served as an excellent advertising tool because it added the owner's face to the company name.
3. Provide one-on-one and group training and technical assistance to enhance DBEs' business skills.
4. Arrange for DBEs to job shadow out-of-state firms to assist DBEs to expand their line of work into a new work category.
5. Conduct business reviews, analyses and recommendations to DBE firms.

For reporting purposes, race-neutral participation includes:

1. DBE prime contract awards.
2. DBE participation on contracts without individual contract goals.
3. DBE achievement on contracts when actual participation exceeded the contract goal.

Race-conscious participation includes the amounts of commitments or awards on contracts with DBE goals.

We feel that previous year's DBE participation is the best method of projecting future race-conscious and race-neutral DBE participation (see figures below).

	Fed-Aid dollars	DBE Part.	R/N	RN %	R/C
2001	143,163,709	10,904,821	7,775,105	71.30	3,129,716
2002	200,540,949	15,286,133	8,734,340	57.14	6,551,793
2003	162,203,081	14,038,729	6,834,819	48.69	7,203,910
2004	204,497,095	17,144,475	9,659,225	56.34	7,485,250
2005	218,113,572	17,201,914	6,542,104	38.03	10,659,810
2006	203,121,132	15,946,101	4,523,895	28.37	11,422,206
2007	142,394,109	9,834,210	3,847,662	39.13	5,986,548
2008	200,897,984	21,071,233	12,217,334	57.98	8,853,897

We determined the median race-neutral participation by eliminating the three lowest percentages of 28.37% for 2006, 38.03% for 2005 and 39.13% for 2007; and the three highest percentages of 71.30% for 2001, 57.98% for 2008, and 57.14% for 2002. We averaged the two middle percentages of 48.69% for 2003 and 56.34% for 2004 arriving at a median race neutral participation of 52.52% ($48.69 + 56.34 = 105.03 / 2 = 52.514$ or 52.52 rounded). Using past performance as our best indicator of future performance, we project meeting 52.52% of the 7.20% proposed goal through race-neutral means. ($.5252 \times 7.20 = 3.78144$ or 3.78% rounded) The remaining 3.42% of the 7.20% proposed goal would be achieved through race-conscious means ($7.20 - 3.78 = 3.42$).

Therefore, we project meeting **3.78%** of the goal through race-neutral means and **3.42%** through race-conscious means.

To the extent possible, we will meet the overall goal through race-neutral means (with outreach and technical assistance). The use of race-conscious measures, like contract goals, will be used to make up the difference.

Comments

Comments are for informational purposes only and should be addressed to:

Department of Transportation
DBE Program
700 E Broadway Ave
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Comments will be accepted until June 30, 2009.