



Disadvantaged Business Enterprise Program

DBE GOAL
FOR
FEDERAL FISCAL YEARS
2019, 2020 & 2021

Pursuant to Title 49, Code of Federal Regulations, Part 26.45, the Kansas Department of Transportation (KDOT) has established an overall DBE goal for FFY 2019, 2020 & 2021, from October 1, 2018 through September 30, 2021, of 13.09 percent of the federal-aid highway funds to be awarded on Federal Highway Administration (FHWA)-assisted contracts.

Goal Setting Methodology: 49 CFR 26.45

In establishing its overall goal for DBE participation of 9.31 percent the Kansas Department of Transportation (KDOT) has considered the availability of ready, willing, and able Disadvantaged Business Enterprises (DBEs) relative to all businesses ready, willing, and able to participate on its federal-aid contracts.

Step 1: Base Figure, 49 CFR 26.45 (c)

KDOT first determined that the relevant geographic market area (GMA) for its DBE Program is the state of Kansas. KDOT based its determination on data from the KDOT Bureau of Construction and Maintenance, which covered federal-aid construction contracts between October 1, 2014 and September 30, 2018. The data reviewed revealed that the majority, 85.8% of the dollars going to prime contractors on KDOT transportation construction projects went to firms located in Kansas.

GMA: 2014 - 2017	
Kansas Dollars	\$602,509,602
Total Dollars	\$702,520,156
Kansas Market	85.76%

49 CFR 26.45(c) (2) Method selection: Use a bidders list. To determine the base figure for the KDOT goal setting methodology, KDOT has chosen the bidders list method. The KDOT bidders list is compiled from prime and subcontractors information on construction contracts. The bidders list constitutes data from the KDOT Office of Civil Rights Compliance. All contractors working KDOT construction projects are required to maintain an active EEO policy on file in the Office of Civil Rights Compliance. Contractors are required to annually update their EEO policy during the months of January through April. Data collected from each contractor includes:

- Company EEO Policy
- Company EEO Officer
- Contact information
- Year Formed
- FEIN Number
- Gross Receipts
- Business Type & Activity

This review revealed 535 construction firms in our GMA have had an active EEO policy in the last two years. These firms constitute a head count of ready, willing, and able firms. KDOT has 539 firms who are DBE certified (listed on the KDOT

Directory as of May 16, 2018). Of those, 78 are ready, willing, and able to bid on KDOT projects (had an active KDOT EEO policy within the last two years).

Submission of an EEO policy in compliance with KDOT standards is required before a firm is allowed to perform work on a KDOT let contract. A policy remains current for one year from the date of submission. If a firm fails to submit a current policy for two years after expiration, it is assumed the firm is no longer interested in obtaining highway work and the firm is placed on an inactive list and removed from the denominator. There are 535 (78 DBEs and 457 non-DBEs) contractors with EEO policies.

The resulting base figure is $78 / 535 (78+457) = 14.58\%$

Step 2: Adjustment to Base Figure, 49 CFR 26.45 (d)

“Step 2” considers an adjustment to the base figure. This adjustment will consider the capacity of DBE firms to perform work in Kansas as measured by the volume of work DBEs have performed in the last five years on federal-aid projects.

This adjustment considers the past volume of work performed by DBE firms in Kansas. A summary of DBE participation for FFY 2013 through 2017 follows:

FF Year	DBE Prime	DBE Subcontract	Total DBE Participation	Total Construction Federal-Aid	DBE %
2013	\$7,941,195	\$24,458,187	\$32,399,382	\$315,608,531	10.27%
2014	\$13,376,421	\$14,898,951	\$28,275,372	\$156,862,984	18.03%
2015	\$6,016,487	\$19,337,853	\$21,908,080	\$221,962,292	12.58%
2016	\$2,022,887	\$21,4131,590	\$23,154,477	\$199,773,085	11.59%
2017	\$5,485,733	\$3,953.114	\$9,438,847	\$89,777,088	10.51%
Median Past Participation Figure: 11.59%					

The above data reflects the DBE committed amount on the federal share only. Compiled data is from The Uniform Report of DBE Commitments/Awards and Payments submitted semi-annually by KDOT.

The “DBE %” indicates the percentage of DBE participation. The Median of Past DBE participation (MPP) is 11.59%.

KDOT’s number of active (those who have worked on KDOT federally assisted projects during FFY 2013 and FFY 2017 YTD) DBE firms has increased since FFY 2016-2018 goal setting. During goal setting time in 2015, we had 57 active DBEs. For goal setting FFY 2019-2021, we still have 78 active DBEs.

While the majority of DBEs continue to perform as subcontractors, 31 DBE firms are prequalified to bid as prime contractors as of June 2018. Of these, eleven DBEs were

successful low bidders on a total of 38 contracts during FFY 2016 through 2018 Year-To-Date.

Considering the 14.58% base figure established in “Step 1” and the anticipated federal aid for FFY 2019, which is \$380 M, the projected total DBE dollar participation would be \$55,404,000.

49 CFR 26.45 (d)(1)(i) Adjustment based on current capacity.

Based on the disparate past participation of DBEs to perform work as evidenced by the MPP and the current DBE capacity, the base figure is warranted. The median of 11.59% of past participation will be averaged with the 14.58% base figure to make this adjustment. This results in an adjusted figure of 13.09%.

Median Past Participation Adjustment	
Step 1 Base Figure	14.58%
MPP Figure	+ 11.59%
MPP Adjustment	26.17%
	Divided by 2
Final Adjusted Overall DBE Goal	13.09%

KDOT therefore adopts a DBE goal for FFY 2019 - 2021 of 13.09% of the federal-aid highway construction dollars.

Public Participation, 49 CFR 26.45(g)

49 CFR 26.45(g)(1) Public Consultation

(To be completed after public participation activities)

Breakout of Estimated Race/Gender-Neutral and Race/Gender-Conscious Participation, 49 CFR 26.51

KDOT strives to meet the maximum feasible portion of the KDOT overall goal by using race/gender neutral means. Race/gender neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures, is awarded a subcontract on a prime contract that does not carry a DBE goal or is awarded a subcontract on a prime contract that exceeds the DBE goal.

The race/gender-neutral participation for DBEs over the past five years has ranged from approximately 2.44% to 11.11%. Race/gender neutral participation occurs when KDOT considers the median of the past five years’ race/gender-neutral participation of 6.27% to be a reasonable estimate of the FFY 2019 - 2021 race-neutral participation.

FF Year	R/G Neutral
2013	2.44%
2014	11.11%
2015	6.87%
2016	6.27%
2017	8.89%
Median R/G Neutral Participation 6.27%	

Therefore, KDOT estimates that in meeting its overall goal of 13.09%, we will obtain 6.27% from race/gender-neutral participation and 6.82% through race/gender-conscious measures.

DRAFT