



U.S. Department  
of Transportation  
**Federal Transit  
Administration**

REGION 5  
Illinois, Ohio, Minnesota,  
Wisconsin, Indiana, and  
Michigan

200 West Adams Street,  
Suite 320  
Chicago, IL 60606

September 7, 2018

Larry Buckel  
Manager  
Indiana Department of Transportation,  
100 N Senate Ave., RM N758  
Indianapolis, IN 46204

Re: 2019-2021 Triennial DBE Goal Submission (Recipient ID: 1189)

Dear Mr. Buckel,

The Federal Transit Administration (FTA) has received and reviewed Indiana Department of Transportation's Disadvantaged Business Enterprise (DBE) triennial goal setting methodology for Federal Fiscal Years (FFY) 2019-2021. This DBE goal will be effective October 1, 2018 through September 30, 2021. This submission is required by the Department of Transportation DBE regulations found at 49 C.F.R. Part 26. Your proposed overall goal is 6.2%, with a proposed race-conscious/race-neutral split of 0% RC / 6.2% RN.

Our review considered all elements required by the Department of Transportation regulations found at 49 C.F.R. § 26.45, including the descriptions of the evidence and methods used to calculate, adjust and establish the overall goal. The review assessment attached to this letter identifies the specific areas reviewed, any concerns, and relevant reviewer comments. You must address and correct any identified concerns to assure you are implementing the goal in accordance with the regulations. Your goal status is now *Concur*, and your next triennial goal is due to FTA on August 1, 2021. FTA will verify corrections have been made and implemented at the next oversight opportunity.

You are expected to make a good faith effort to meet your goal each year during the three-year period for which it is in effect. You must document your DBE attainment on FTA-funded contracts and purchases by submitting a semi-annual report via TrAMS on June 1 and December 1 of each year. If you fall short of your overall DBE goal in any given year, you must develop a shortfall analysis and corrective action plan following the guidance in 49 C.F.R. § 26.47(c). Transit vehicles must be purchased from a DBE-certified transit vehicle manufacturer (TVM) and reported to FTA within 30 days of purchase. The current list of DBE-certified TVMs and the online reporting tool can be found on the DBE portion of FTA's website at [www.transit.dot.gov](http://www.transit.dot.gov). Finally, any mid-cycle adjustment to your goal to reflect changed circumstances must be submitted to FTA.

FTA is committed to providing technical assistance to help correct your DBE goal and to implement your program consistent with the regulations and guidance. In order to preserve paper, we are issuing this letter electronically via email and it is attached to your profile in TrAMS. Please do not hesitate to contact me directly at 202-366-9321 or at [gregory.danis@dot.gov](mailto:gregory.danis@dot.gov) if you have any questions.

Sincerely,

Gregory Danis  
Acting Civil Rights Officer, Region 5

cc: Kelley Brookins, FTA Region 5, Regional Administrator  
Monica McCallum, FTA Civil Rights, Director of Regional Operations

## **DBE Goal Review Assessment:**

Items below identified as “YES” are included in the DBE goal, and no changes are needed. Items identified as “NO” were not included or were insufficient and must be corrected. Carefully address all insufficient items, as indicated in this review letter, to ensure you are implementing a goal in accordance with the regulations.

### **Overall Goal Methodology and Submission**

1. Does the overall goal reflect the percentage of DBE participation you expect to have on FTA-funded contracts in the upcoming three years (excludes transit vehicles purchases)?  
*Yes*
2. The overall goal, as stated in the submission is: *6.2%*
3. Is there a description of how much of the goal you anticipate meeting using race/gender conscious (RC) measures (i.e. contract-specific DBE goals), versus race/gender neutral (RN) measures? *N/A - All RN*
4. The RC portion of the goal, as stated in the submission, is: *0%*.
5. The RN portion of the goal, as stated in the submission, is: *6.2%*.
6. Is there a sufficient description of the consultation with minority, women’s and general contractor groups? *Yes*
7. Does the methodology summarize the comments received during consultation with the public and what changes, if any, were made to the goal as a result? *No*
8. Was the proposed overall goal posted on your official agency website before the August 1<sup>st</sup> submission date? *Yes*
9. Does the methodology include your data sources and the assumptions and calculations used to establish the overall goal? *Yes*

### **Step 1 – Developing the Base Figure**

10. Is there a description of the FTA-funded projects or contracts you project for the next three years? *Yes*
11. Are larger projects broken down or described to evaluate possible sub-contracting opportunities? *Yes*
12. If applicable, are all of the prime and sub-contracting opportunities included for sub-recipients? *No*
13. Did you “show your work” when calculating the percentage of DBE availability as compared to all available firms? *Yes*
14. FTA identified that the following strategies were used to narrowly tailor this goal:  
*The most refined data (such as 6-digit NAICS) is used to focus the goal on firms that are most likely to bid on contracts as either a prime contractor or sub-contractor,*

*Contracting opportunities are associated with the correct and appropriate NAICS codes,*

*NAICS codes or projects or contracts are associated with the amount of anticipated FTA funds,*

## **DBE Goal Review Assessment (continued):**

*The number of ready willing and able DBEs is included for each NAICS code or project or contract,*

*The number of all firms (DBE and non-DBE) is included for each NAICS code or project or contract,*

*The local market area (the area where a substantial majority of the contractors you do business with are) is described,*

*Weighting was used to ensure the Step 1 Base Figure is as accurate as possible*

15. Does the data, evidence, and methodology presented clearly describe and verify how you arrived at the Step 1 Base Figure? *Yes*

### **Step 2 – Adjusting the Base Figure**

16. Is the Step 1 Base Figure adjusted? *Yes*
17. Was past participation used to adjust the goal? *Yes*
18. The following was considered when adjusting the goal with Past participation:  
*Used the historical median (not average) to measure past participation*
19. Does the methodology suggest that all available evidence was considered to determine what, if any, adjustments to the Base Figure were needed? *No*
20. The evidence considered in Step 2 was:  
*No other Step 2 considerations were included in the submission*
21. Does the goal appear to be narrowly tailored? *Yes*

### **Calculating the Race and Gender-Neutral Projection for the Goal, Which Determines the Portion of the Goal that Can Be Achieved Through Race-Neutral Measures (i.e. contracts with no DBE goals.)**

22. Did you calculate the portion of the goal you project to meet using only RN means of facilitating DBE participation? *No*
23. FTA verified the following elements were included when projecting the RC and RN participation:  
*No Race/Gender-Neutral or Race/Gender-Conscious calculation elements were included in the submission*
24. Does the evidence presented suggest you can meet the RN portion of your goal without the use of contract specific DBE goals? *Yes*

#### **FTA Reviewer Comments:**

*Please describe comments received from your public outreach.*

**Also, please visit the FTA Civil Rights webpage for more information:**

<https://www.transit.dot.gov/regulations-and-guidance/civil-rights-ada/civil-rightsada>

## **GOAL SETTING METHODOLOGY**

### **Step One: Base Goal**

In order to set a realistic goal, we researched and requested potential contracting opportunities by our sub grantees. The information indicated that there were twenty areas in which opportunities were available; Auto Parts (423120), Janitorial items (423850), Janitorial Materials and Supplies (561720) Fire extinguishers (423990), Office Supplies (424120), Tires (441300), Medical Equipment/Supplies (446199), Data Processing/Hosting (518210), Insurance (524210), Office Equipment Rental (532420), Legal Services (541110), CPA Services (541211), Payroll Services (541214), Computer Systems Design (541512), Consulting Services (541611), Advertising (541810), Temporary Help (561320), Services to Building (561790), Automotive Repair (811111), and Uniform Rental (812332).

Each of these areas was matched with an NAICS (North American Industry Classification System) Code per the NAICS website; <http://www.naics.com/search.htm> . We searched each NAICS code in Indiana's UCP Directory located at <https://entapps.indot.in.gov/DBELocator/> as described in the DBE Goal Setting Methodology Requirements. This yielded the number of Ready, Willing and Able Contractors that were available within the geographic area available.

We then searched each NAICS Code in US Census data in order to determine the total number of contractors available in each NAICS area.

This allowed us to calculate a simple ratio of Available M/W/DBE's agencies to total number of agencies, giving us a ratio for each NAICS area.

Each NAICS area market share figure was then weighted based on the proportions of projected amounts spent on those areas with the total projected amount to be spent on all areas using the procedure provided by the FTA in the document "Disadvantaged Business Enterprise Program Goal Setting Process", located at

<https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

The FTA provided spreadsheets below were used to determine the FY 2019 – 2021 DBE Goal.

**Step 1.1 - Determine the weight of each type of work by NAICS Code:**

\* Enter all the FTA-assisted projects below. Project amounts should be assigned relevant NAICS Code(s).

	<b>NAICS</b>	<b>Project</b>	<b>Amount of</b>	<b>% of total</b>
<b>1</b>	423120	Auto Parts	\$1,201,985.18	0.0953
<b>2</b>	423850	Janitorial	\$152,841.08	0.0121
<b>3</b>	561720	Janitorial Materials and	\$195,547.00	0.0155
<b>4</b>	423990	Fire Extinguishers	\$16,542.29	0.0013
<b>5</b>	424120	Office Supplies	\$269,001.96	0.0213
<b>6</b>	441300	Tires	\$696,402.87	0.0552
<b>7</b>	446199	Medical	\$24,813.00	0.0020
<b>8</b>	518210	Data Processing/Hosting	\$74,778.53	0.0059
<b>9</b>	524210	Insurance	\$4,719,660.77	0.3742
<b>10</b>	532420	Office Equipment	\$97,901.73	0.0078
<b>11</b>	541110	Legal Services	\$40,516.70	0.0032
<b>12</b>	541211	CPA Services	\$393,762.11	0.0312
<b>13</b>	541214	Payroll Services	\$122,593.56	0.0097
<b>14</b>	541512	Computer System	\$330,157.65	0.0262
<b>15</b>	541611	Consulting Services	\$1,500,000.00	0.1189
<b>16</b>	541810	Advertising	\$172,741.97	0.0137
<b>17</b>	561320	Temporary Help	\$8,147.09	0.0006
<b>18</b>	561790	Services to Buildings	\$0.00	0.0000
<b>19</b>	811111	Automotive Repair	\$2,572,056.66	0.2039
<b>20</b>	812332	Uniform Rental	\$23,971.37	0.0019
	<b>Total FTA-Assisted Contract Funds</b>		<b>\$12,613,421</b>	<b>1</b>

**Step 1.2 - Determine the relative availability of DBE's by NAICS Code:**

\* Use DBE Directory, census data and/or a bidders list to enter the number of available DBE firms and the number of available firms.

	<b>NAICS</b>	<b>Project</b>	<b>Number of</b>	<b>Number of all</b>	<b>Relative</b>	
<b>1</b>	423120	Auto Parts	5	301	0.0166	
<b>2</b>	423850	Janitorial	8	92	0.0870	
<b>3</b>	561720	Janitorial Materials and	14	1079	0.0130	
<b>4</b>	423990	Fire Extinguishers	20	138	0.1449	
<b>5</b>	424120	Office Supplies	8	76	0.1053	
<b>6</b>	441300	Tires	1	390	0.0026	
<b>7</b>	446199	Medical	0	196	0.0000	
<b>8</b>	518210	Data Processing/Hosting	5	160	0.0313	
<b>9</b>	524210	Insurance	4	3,029	0.0013	
<b>10</b>	532420	Office Equipment Rental	3	3	1.0000	
<b>11</b>	541110	Legal Services	3	2,555	0.0012	
<b>12</b>	541211	CPA Services	7	894	0.0078	
<b>13</b>	541214	Payroll Services	1	97	0.0103	
<b>14</b>	541512	Computer System	32	698	0.0458	
<b>15</b>	541611	Consulting Services	66	912	0.0724	
<b>16</b>	541810	Advertising	16	210	0.0762	
<b>17</b>	561320	Temporary Help	9	739	0.0122	
<b>18</b>	561790	Services to Buildings	22	193	0.1140	
<b>19</b>	811111	Automotive Repair	1	1,790	0.0006	
<b>20</b>	812332	Uniform Rental	2	47	0.0426	
	<b>Combined Totals</b>		<b>227</b>	<b>13,599</b>	0.0167	<b><i>Overall availability of DBEs</i></b>

**Step 1.3 - (Weight) x (Availability) = Weighted Base Figure**

	<b>NAIC</b>	<b>Project</b>	<b>Weight</b>	<b>x</b>	<b>Availabilit</b>	<b>Weighte</b>
<b>1</b>	42312	Auto Parts	0.0953	x	0.0166	0.0016
<b>2</b>	42385	Janitorial	0.0121	x	0.0870	0.0011
<b>3</b>	56172	Janitorial Materials	0.0155	x	0.0130	0.0002
<b>4</b>	42399	Fire Extinguishers	0.0013	x	0.1449	0.0002
<b>5</b>	42412	Office Supplies	0.0213	x	0.1053	0.0022
<b>6</b>	44130	Tires	0.0552	x	0.0000	0.0000
<b>7</b>	44619	Medical	0.0020	x	0.0000	0.0000
<b>8</b>	51821	Data	0.0059	x	0.0313	0.0002
<b>9</b>	52421	Insurance	0.3742	x	0.0000	0.0000
<b>10</b>	53242	Office Equipment	0.0078	x	1.0000	0.0078
<b>11</b>	54111	Legal Services	0.0032	x	0.0012	0.0000
<b>12</b>	54121	CPA Services	0.0312	x	0.0078	0.0002
<b>13</b>	54121	Payroll Services	0.0097	x	0.0103	0.0001
<b>14</b>	54151	Computer System	0.0262	x	0.0458	0.0012
<b>15</b>	54161	Consulting Services	0.1189	x	0.0724	0.0086
<b>16</b>	54181	Advertising	0.0137	x	0.0762	0.0010
<b>17</b>	56132	Temporary Help	0.0006	x	0.0122	0.0000
<b>18</b>	56179	Services to		x	0.1140	
<b>19</b>	81111	Automotive Repair	0.2039	x	0.0000	0.0000
<b>20</b>	81233	Uniform Rental	0.0019	x	0.0426	0.0001
<b>Total</b>						0.0245
<b>Expressed as a % (*100)</b>						2.45%
<b>Rounded, Weighted Base Figure:</b>						<b>2%</b>

## **Step Two: Adjustment of Base Figure**

Past participation in the previous three years was as follows:

2015 9.38%  
2016 10.39%  
2017 14.58%

The Median (10.39%) is selected to be averaged with calculated Base Figure per instructions in FTA Document "Disadvantaged Business Enterprise Program Goal Setting Process".

**$((10.39\% + 2\%) / 2) = 6.20\% = \text{Adjusted DBE Participation Goal}$**

## **Race-Conscious / Race Neutral Breakdown**

### *Past Median Race-Neutral Participation*

INDOT will meet its DBE goal of six point two percent (6.20%) through race-neutral measures solely. INDOT does not let contracts for the rural transit systems. The rural transit systems let and award all contracts regardless of contract type themselves. Based on past history, most (if not all) of the contracting opportunities for transit are through the procurement process. Most transit systems do not typically set DBE goals for contracts; therefore, most (if not all) DBE participation is by race-neutral measures. INDOT will strive to encourage all rural transit systems to continue to find additional opportunities for DBEs when contracting opportunities arise to achieve of DBE goal.

### *Race-Neutral Initiatives*

INDOT provides business development training for its certified and potential DBE firms in many ways. First, INDOT staff provides ongoing support and technical assistance to DBE firms throughout the year. In addition to on-demand phone and email support, INDOT provides DBE firms with information, as well as access to INDOT's DBE email listserv. Second, INDOT provides assistance to DBE firms through its Supportive Services Section. The Supportive Services Manager surveys DBE firms annually to determine common concerns, barriers to entry, and specific requests as the bases for specific program development targets. Then, through the financial support of USDOT, INDOT works with its professional consultant to create effective, relevant, and customer-driven DBE development programs.

## **Utilization of Certified DBEs**

All transit systems are required to ensure that solicitation of DBEs will be from the Directory published by the Indiana Department of Transportation – Economic Opportunity Division. INDOT is the official certifying agent for the State of Indiana. This directory lists the firm's name, address, phone number and the type of work the firm has been certified to perform as a DBE. This directory is updated at least monthly and is available via the internet at <https://www.in.gov/indot/2674.htm>