

Indiana Department of Transportation
Methodology for Determining Overall DBE Goal
FY 2019-2021 FAA Goal

Step 1. Determining the Base Figure:

The FAA Airport Improvement Program Grant Assurances requires airport sponsors to implement and maintain a Pavement Management System Program. The State of Indiana is a Channeling Act State and assumes the responsibility for the planning and execution of a pavement management system on behalf of the individual airport sponsors. The pavement management system update will be performed by a pre-qualified airport engineering consultant. This update work is performed yearly on 21-25 airports. Additionally, Indiana may implement an update to the state airport system plan which will also utilize a pre-qualified engineering consultant. We identified only one type of contracting opportunity that exists for a recipient or sub recipient of FAA funds.

The market area is the State of Indiana. According to the 2012 US Census Bureau County Business Patterns (NAICS), there are 2007 firms in the market area for the applicable NAICS code (541330). We also examined the Indiana State Roster of prequalified airport engineering firms and certified airport engineering DBE firms and determined that there are 40 airport engineering firms and only one DBE airport engineering firm in the market area with this NAICS code. To determine the availability for FAA projects we divided the number prequalified firms (40) into the number of DBEs (1) $(1 / 40) = 2.50\%$.

Step 2. Adjustments to the Base Figure:

49 CFR 26.45 (d) states 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 DBE participation for the past five (5) years, which would be a fair indicator of future participation. The median of past participation is 0%. The State has not exceeded the \$250,000 threshold with the recent FAA AIP grants for several years. FAA AIP grants are generally awarded to the airports in the State. Furthermore, there are no applicable aviation disparity studies for the local market area or recent legal case information from the relevant jurisdictions to show evidence of barriers to entry or competitiveness of DBEs in the market area that is sufficient to warrant making an adjustment to the base goal. INDOT does have standard practices that are applied to consultant service practices which is utilized for the FHWA line of business. The participation level for the INDOT standard is a participation at 3.00%. Taking all these circumstances into consideration, the State is making an adjustment to the base figure and is adopting the 3.00% figure as the overall goal.

In establishing the overall goal, the State provided for consultation. This process included consultation with minority, women's, and general engineer consultant groups, community organizations, and other officials or organizations which could be expected to have information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and the State's efforts to establish a level playing field for the participation of DBEs.

The consultation included a scheduled, direct, interactive exchange with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process, and was conducted

before the goal methodology was submitted to the operating administration for review. Details of the consultation are as follows.

The consultation engaged in was a public meeting at the State's office on January 24, 2019.

No comments were received regarding the goal at the January 24, 2019 meeting.

A notice of the proposed goal was posted on the State's Aviation website before the methodology was submitted to FAA.

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

49 CFR 26.51 (c) requires INDOT to submit with our overall goal a projection of what portion is expected to be met through race-neutral means. The DOT sets contract goals as a race-conscious means of achieving the overall goal. We also implement the following race-neutral means of achieving the overall goal:

1. Arranging solicitations, times for the presentation of proposals, quantities, specifications, and delivery schedules in ways that facilitates DBE, and other small businesses, participation;
2. Providing assistance in overcoming limitations such as inability to obtain bonding or financing;
3. Providing technical assistance and other services;
4. Carrying out information and communications programs on contracting procedures and specific contract opportunities;
5. Providing services to help DBEs and other small businesses improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly significant projects, and achieve eventual self-sufficiency;
6. Ensuring distribution of DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors;
7. Assist DBEs and other small businesses, to develop their capability to utilize emerging technology and conduct business through electronic media;

The State estimates that in meeting the established overall goal of 3.0%, it will obtain 0% from RN participation and 3.0% through RC measures. The breakout is based on: The State does not have a history of recent DBE participation on FAA funded contracts or over-achievement of goals to reference and expects to obtain its DBE participation through the use of DBE contract goals or a conscious effort to obtain DBE participation. Therefore, the entire goal of 3.0% is to be obtained through race-conscious participation.

The State will adjust the estimated breakout of RN and RC DBE participation as needed to reflect actual DBE participation. For reporting purposes, RN DBE participation includes, but is not necessarily limited to the following: DBE participation through a prime contract obtained through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry a DBE goal, DBE participation on a prime contract exceeding a contract goal, and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.