State of Hawaii

Department of Transportation
Disadvantaged Business Enterprise (DBE)
FFY 2015 – 2017
Three Year Goal & Methodology

August 22, 2014

Hawaii State Department of Transportation

Federal Transit Administration
Three year DBE Goal and Methodology
FY 2015 - 2017

In compliance with 49 CFR 26.45 an overall goal for DBE participation must be determined for recipients anticipating prime contracts of $250,000 or more with DOT assistance. Transit vehicle purchases are excluded from the DBE goal requirements.

On November 4, 2011 the Hawaii Department Of Transportation (HDOT) requested a waiver of the requirement in 49 C.F.R. § 26.51(e)(4) that states "Your contract goals must provide for participation by all certified DBEs and must not be subdivided into group-specific goals." HDOT has conducted a disparity study to meet the requirements of *Western States Paving vs. Washington State Department of Transportation* and 49 C.F. R § 26.45.[1] The Study, *The State of Minority- and Women-Owned Business Enterprise: Evidence from Hawai'i*, was completed in October 2010 by NERA Economic Consulting. The Study found that only certain racial and ethnic groups experienced disparities during HDOT's implementation of a fully race neutral program. Therefore, based on these results, HDOT requested a waiver to include only these racial or ethnic groups for credit towards meeting DBE contract goals, beginning in Federal Fiscal Year 2013.

On August 8, 2013, the HDOT received confirmation of approval on its FTA DBE waiver request. "The DBE regulation and Office of General Counsel guidance on disparity studies and the Western States decision permits the use of data from a valid, applicable disparity study, "using the goal of another DOT recipient in the same or substantially similar market" (49 CFR 26.45). The Office of General Counsel has indicated that if Hawaii DOT is relying on the same body of evidence to support setting contract goals of limited application on FTA assisted contracts that was relied upon to support its existing waiver approved by the Secretary, there is no need to obtain a second waiver. In other words, if the group(s) shown to be over utilized on FTA assisted contracts is/are the same group(s) shown to be over utilized on the FHWA assisted contracts that form the basis for the waiver, then that waiver authorizes Hawaii DOT to implement its FTA DBE program in a way that comports with the evidence contained in its disparity study. Apart from the waiver, FTA must examine and approve the Hawaii DOT goal-setting methodology used to establish the annual overall goal for FTA funded projects."

The HDOT, Statewide Transportation Planning Office (STPO) administers and manages the Federal Transit Administration (FTA) grant funds for the HDOT.

[1] 407 F.3d 983 (9th Cir. 2005).

I. 2015 – 2017 DBE Goal Summary.

A. The overall three year DBE Goal for FY 2015 - 2017 is 28 percent of the federal financial assistance in FTA assisted contracts.

B. The STPO anticipates the total dollar value of completed FTA assisted contracts for this three year period to be $57,289,146. Of this total, DBEs shall be paid approximately $16,040,961 (28%) for work completed on such contracts.

C.

Race Conscious	$12,030,721 (21%)
Race Neutral	$ 4,010,240 (7%)

II. Public Participation Efforts.

A. The HDOT published a notice announcing the proposed overall goal. The notice stated that the proposed goal and its rationale would be available for inspection at HDOT during normal business hours for 30 days following the date of the notice. HDOT indicated that comments on the goals be directed to their office and would be accepted for 45 days from the date of the notice. The notice was published in the following publications:

- Honolulu Star Advertiser
- West Hawaii Today
- Hawaii Tribune Herald
- Maui News
- Garden Isle

III. Methodology for Goal Establishment.

The overall DBE goal is based on demonstrable evidence of the availability of ready, willing and able local DBEs relative to all businesses ready, willing and able to participate on FTA assisted contracts in the State of Hawaii. The DBE goal is reflective of the level of DBE participation, absent the effects of discrimination.

The Race-Conscious DBE goal is based on the availability of Under-Utilized DBE (UDBE). UDBE firms are firms owned by African Americans, Hispanic Americans, Native Americans, Asian-Pacific Americans as a whole, and non-minority women in both construction and construction-related professional services.

The base figure was derived by utilizing the HDOT DBE Directories and United States Census Bureau Data. The number of DBEs in the DBE Directory were categorized into general NAICS codes and used as the numerator. The denominator was derived from 2012 Economic Census.

A. For 2015 - 2017, the Sub-recipients of FTA funds include the County of Kauai Transportation Agency (Island of Kauai), the County of Maui Department of Transportation (Island of Maui), the County of Hawaii Mass Transit Agency (Island of Hawaii), and the State of Hawaii Department of Land and Natural Resources (DLNR).

B. Although our sub-recipient's FTA-funded vehicle procurement are not factored into HDOT DBE Goal setting, applicable contracting categories for active projects anticipated for the Federal Fiscal Year 2015 – 2017 include: a) Design, b) Construction, c) Construction Management, d) Operations, e) pier and landside improvements, f) GPS technology to support operations, g) Bus Shelters and Bus Stop improvements, h) Smart Cards, i) Audio Visual and Voice systems for buses, j) Americans with Disabilities Act (ADA) Paratransit Services, k) Development of Short-Range Transit Plans, and l) Special Needs Transportation Services

C. The HDOT DBE Goal was calculated in four phases (see attached tables for calculations).

1. Determine the weight of each type of work by NAICS code:
    a. Breakdown each project in years 2015 – 2017 by funding per NAICS codes
    b. List each NAICS code, the projects and federal funding applicable to that code.
    c. Calculate the weight of Each NAICS code:

$$\frac{\text{Federal Funding NAICS code}}{\text{Total Federal Funding}}$$

2. Determine the relative availability of DBE's by NAICS code.
    a. Overall DBE Goal.
    List each NAICS code, the projects, ready willing and able local DBEs, and all businesses ready, willing and able to participate on FTA assisted contracts in the State of Hawaii applicable to that code
    b. Calculate relative availability:

$$\frac{\text{Ready willing and able local DBEs}}{\text{All businesses ready, willing and able to participate}}$$

3. Race Conscious DBE Goal.
   a. List each NAICS code, the projects, ready willing and able local UDBEs, and all businesses ready, willing and able to participate on FTA assisted contracts in the State of Hawaii applicable to that code
   b. Calculate relative availability:

$$\frac{\text{Ready willing and able local UDBEs}}{\text{All businesses ready, willing and able to participate}}$$

4. Calculate the Weighted (WTD) Base Figures
   a. Overall WTD DBE Goal.

$$\frac{\text{WTD Base Figure}}{\text{Overall relative availability}}$$

   b. WTD Race Conscious DBE Goal.

$$\frac{\text{WTD Base Figure}}{\text{Race Conscious relative availability}}$$

5. Determine the WTD Race Neutral Figure
   a. Overall WTD DBE Goal
      - WTD Race Conscious DBE Goal

D. Participation Method

The STPO will utilize race-neutral measures to the maximum extent feasible to meet the goals. However; when practical, race conscious means will be utilized by setting contract goals. The following race-neutral strategies will be used to provide for DBE participation:

1. Arrange solicitation, bid presentation and contract negotiations to facilitate DBE and other small business participation;
2. Provide assistance in overcoming limitations such as inability to obtain bonding of financing;
3. Disseminate information and communications on DBE contract opportunities and procedures;

4. Provide assistance to DBEs and other small businesses for the long-term development in work diversification and larger contract work to achieve eventual self-sufficiency; and
5. Provide technical assistance and other services.

Step 1 - Determine the weight of each type of work by NAICS Code:

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

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	236210	5,6	$725,000.00	1.27%
2)	236220	2,12	$2,800,000.00	4.89%
3)	237110	12,16	$588,748.00	1.03%
4)	237120	12	$400,000.00	0.70%
5)	237130	12,16	$288,748.00	0.50%
6)	237210	12	$100,000.00	0.17%
7)	237310	12,16	$527,496.00	0.92%
8)	237990	2,12	$9,903,194.00	17.29%
9)	238110	16,18,21	$1,860,618.00	3.25%
10)	238130	12	$2,000,000.00	3.49%
11)	238140	16,18,21	$788,748.00	1.38%
12)	238160	12	$1,000,000.00	1.75%
13)	238190	12,16	$588,748.00	1.03%
14)	238210	12	$1,000,000.00	1.75%
15)	238220	12,16	$1,094,374.00	1.91%
16)	238290	12	$800,000.00	1.40%
17)	238310	12	$500,000.00	0.87%
18)	238320	12,16	$500,000.00	0.87%
19)	238330	12,16,22,25	$500,000.00	0.87%
20)	238350	12,23	$500,000.00	0.87%
21)	238390	12,18,21	$1,100,000.00	1.92%
22)	238910	12	$250,000.00	0.44%
23)	238990	12	$250,000.00	0.44%
24)	485210	4	$6,800,000.00	11.87%
25)	485310	8	$2,040,000.00	3.56%
26)	485991	19	$10,126,500.00	17.68%
27)	518210	10	$90,000.00	0.16%
28)	541330	1,3	$3,702,492.00	6.46%
29)	541410	7	$0.00	0.00%
30)	541511	13,17	$2,763,844.00	4.82%
31)	541512	10,11,13,17	$3,030,896.00	5.29%
32)	541513	10	$90,000.00	0.16%
33)	541519	10,11	$140,000.00	0.24%
34)	541690	20	$0.00	0.00%
35)	541990	17	$439,740.00	0.77%
	Total FTA-Assisted Contract		**$57,289,146.00**	**90.52%**

Step 2 - Determine the relative availability of DBE's by NAICS Code:

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

	NAICS Code	Project	Number of UDBEs available to perform this work (total listed firms)	Number of all firms available (including DBEs) (total establishments)	Relative Availability	
1)	236210	5,6	4	3	1.3333	
2)	236220	2,12	26	211	0.1232	
3)	237110	12,16	8	38	0.2105	
4)	237120	12	2	3	0.6667	
5)	237130	12,16	3	11	0.2727	
6)	237210	12	0	31	0.0000	
7)	237310	12,16	22	37	0.5946	
8)	237990	2,12	11	10	1.1000	
9)	238110	16,18,21	8	46	0.1739	
10)	238130	12	5	19	0.2632	
11)	238140	16,18,21	9	56	0.1607	
12)	238160	12	1	92	0.0109	
13)	238190	12,16	7	27	0.2593	
14)	238210	12	12	335	0.0358	
15)	238220	12,16	4	349	0.0115	
16)	238290	12,16	1	28	0.0357	
17)	238310	12	2	69	0.0290	
18)	238320	16	6	145	0.0414	
19)	238330	16,22,25	1	64	0.0156	
20)	238350	23	4	110	0.0364	
21)	238390	12,18,21	3	28	0.1071	
22)	238910	12	7	100	0.0700	
23)	238990	12	25	89	0.2809	
24)	485210	4	0	4	0.0000	
25)	485310	8	1	18	0.0556	
26)	485991	19	1	16	0.0625	
27)	518210	10	1	52	0.0192	
28)	541330	1,3	29	286	0.1014	
29)	541410	7	4	30	0.1333	
30)	541511	13,17	9	133	0.0677	
31)	541512	11,13,17	9	185	0.0486	
32)	541513	10	6	31	0.1935	
33)	541519	10,11	5	31	0.1613	
34)	541690	20	11	51	0.2157	
35)	541990	17	8	34	0.2353	
	Combined Totals		**255**	**2772**	***0.0920***	***Overall availability of DBEs***

Step 3 - (Weight) x (Availability) = Weighted Base Figure

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	**236210**	5,6	0.01266	x	1.33333	0.0169
2)	**236220**	2,12	0.04887	x	0.12322	0.0060
3)	**237110**	12,16	0.01028	x	0.21053	0.0022
4)	**237120**	12	0.00698	x	0.66667	0.0047
5)	**237130**	12,16	0.00504	x	0.27273	0.0014
6)	**237210**	12	0.00175	x	0.00000	0.0000
7)	**237310**	12,16	0.00921	x	0.59459	0.0055
8)	**237990**	2,12	0.17286	x	1.10000	0.1901
9)	**238110**	16,18,21	0.03248	x	0.17391	0.0056
10)	**238130**	12	0.03491	x	0.26316	0.0092
11)	**238140**	16,18,21	0.01377	x	0.16071	0.0022
12)	**238160**	12	0.01746	x	0.01087	0.0002
13)	**238190**	12,16	0.01028	x	0.25926	0.0027
14)	**238210**	12	0.01746	x	0.03582	0.0006
15)	**238220**	12,16	0.01910	x	0.01146	0.0002
16)	**238290**	12,16	0.01396	x	0.03571	0.0005
17)	**238310**	12	0.00873	x	0.02899	0.0003
18)	**238320**	16	0.00873	x	0.04138	0.0004
19)	**238330**	16,22,25	0.00873	x	0.01563	0.0001
20)	**238350**	23	0.00873	x	0.03636	0.0003
21)	**238390**	12,18,21	0.01920	x	0.10714	0.0021
22)	**238910**	12	0.00436	x	0.07000	0.0003
23)	**238990**	12	0.00436	x	0.28090	0.0012
24)	**485210**	4	0.11870	x	0.00000	0.0000
25)	**485310**	8	0.03561	x	0.05556	0.0020
26)	**485991**	19	0.17676	x	0.06250	0.0110
27)	**518210**	10	0.00157	x	0.01923	0.0000
28)	**541330**	1,3	0.06463	x	0.10140	0.0066
29)	**541410**	7	0.00000	x	0.13333	0.0000
30)	**541511**	13,17	0.04824	x	0.06767	0.0033
31)	**541512**	11,13,17	0.05291	x	0.04865	0.0026
32)	**541513**	10	0.00157	x	0.19355	0.0003
33)	**541519**	10,11	0.00244	x	0.16129	0.0004
34)	**541690**	20	0.00000	x	0.21569	0.0000
35)	**541990**	17	0.00768	x	0.23529	0.0018
				Total		0.2806
				Expressed as a % (*100)		28.06%
				Rounded, Weighted Base		**28%**

Step 2 - Determine the relative availability of UDBE's by NAICS Code:

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

	NAICS Code	Project	Number of UDBEs available to perform this work (total listed firms)	Number of all firms available (including DBEs) (total establishments)	Relative Availability	
1)	236210	5,6	4	3	1.3333	
2)	236220	2,9,12	13	211	0.0616	
3)	237110	9,12,16	7	38	0.1842	
4)	237120	12	2	3	0.6667	
5)	237130	12,16	3	11	0.2727	
6)	237210	12	0	31	0.0000	
7)	237310	12,16	18	37	0.4865	
8)	237990	2,9,12	8	10	0.8000	
9)	238110	16,18,21	8	46	0.1739	
10)	238130	12	2	19	0.1053	
11)	238140	9,16,18,21	7	56	0.1250	
12)	238160	12	0	92	0.0000	
13)	238190	12,16	4	27	0.1481	
14)	238210	12	9	335	0.0269	
15)	238220	12,16	4	349	0.0115	
16)	238290	12,16	1	28	0.0357	
17)	238310	12	0	69	0.0000	
18)	238320	16	2	145	0.0138	
19)	238330	16,22,25	1	64	0.0156	
20)	238350	23	1	110	0.0091	
21)	238390	12,18,21	1	28	0.0357	
22)	238910	12	5	100	0.0500	
23)	238990	12	16	89	0.1798	
24)	485210	4	0	4	0.0000	
25)	485310	8	1	18	0.0556	
26)	485991	19	1	16	0.0625	
27)	518210	10	1	52	0.0192	
28)	541330	1,3	18	286	0.0629	
29)	541410	7	3	30	0.1000	
30)	541511	13,17	7	133	0.0526	
31)	541512	11,13,17	7	185	0.0378	
32)	541513	10	5	31	0.1613	
33)	541519	10,11	5	31	0.1613	
34)	541690	20	10	51	0.1961	
35)	541990	17	7	34	0.2059	
	Combined Totals		**181**	**2772**	***0.0653***	***Overall availability of DBEs***

Step 3 - (Weight) x (Availability) = Weighted Base Figure (Race Conscious)

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	**236210**	5,6	0.01266	x	1.33333	0.0169
2)	**236220**	2,9,12	0.04887	x	0.06161	0.0030
3)	**237110**	9,12,16	0.01028	x	0.18421	0.0019
4)	**237120**	12	0.00698	x	0.66667	0.0047
5)	**237130**	12,16	0.00504	x	0.27273	0.0014
6)	**237210**	12	0.00175	x	0.00000	
7)	**237310**	12,16	0.00921	x	0.48649	0.0045
8)	**237990**	2,9,12	0.17286	x	0.80000	0.1383
9)	**238110**	16,18,21	0.03248	x	0.17391	0.0056
10)	**238130**	12	0.03491	x	0.10526	0.0037
11)	**238140**	9,16,18,21	0.01377	x	0.12500	0.0017
12)	**238160**	12	0.01746	x	0.00000	
13)	**238190**	12,16	0.01028	x	0.14815	0.0015
14)	**238210**	12	0.01746	x	0.02687	0.0005
15)	**238220**	12,16	0.01910	x	0.01146	0.0002
16)	**238290**	12,16	0.01396	x	0.03571	0.0005
17)	**238310**	12	0.00873	x	0.00000	
18)	**238320**	16	0.00873	x	0.01379	0.0001
19)	**238330**	16,22,25	0.00873	x	0.01563	0.0001
20)	**238350**	23	0.00873	x	0.00909	0.0001
21)	**238390**	12,18,21	0.01920	x	0.03571	0.0007
22)	**238910**	12	0.00436	x	0.05000	0.0002
23)	**238990**	12	0.00436	x	0.17978	0.0008
24)	**485210**	4	0.11870	x	0.00000	
25)	**485310**	8	0.03561	x	0.05556	0.0020
26)	**485991**	19	0.17676	x	0.06250	0.0110
27)	**518210**	10	0.00157	x	0.01923	0.0000
28)	**541330**	1,3	0.06463	x	0.06294	0.0041
29)	**541410**	7	0.00000	x	0.10000	0.0000
30)	**541511**	13,17	0.04824	x	0.05263	0.0025
31)	**541512**	11,13,17	0.05291	x	0.03784	0.0020
32)	**541513**	10	0.00157	x	0.16129	0.0003
33)	**541519**	10,11	0.00244	x	0.16129	0.0004
34)	**541690**	20	0.00000	x	0.19608	0.0000
35)	**541990**	17	0.00768	x	0.20588	0.0016
				Total		0.2102
				Expressed as a % (*100)		21.02%
				Rounded, Weighted Base		**21%**