

INDOT

Indiana Department of Transportation

OFFICE OF TRANSIT

Disadvantaged Business Enterprise

Goal Setting Methodology

2025 – 2027

Prepared: 06-06-2024

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), Fuel (424720), 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 Buildings (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; <https://www.naics.com/search/> . 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>

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.

	NAICS Code	Project	Number of DBEs available to perform this work	Total of all firms available (including DBEs)	Relative Availability
1	423120	Auto Parts	2	315	0.0063
2	423850	Janitorial	7	84	0.0833
3	561720	Janitorial Materials and Supplies	18	1191	0.0151
4	423990	Fire Extinguishers	18	140	0.1286
5	424120	Office Supplies	7	54	0.1296
6	424720	Fuel	5	40	0.1250
7	441300	Tires	0	1,255	0.0000
8	446199	Medical Equipment/Supplies	0	219	0.0000
9	518210	Data Processing/Hosting	11	237	0.0464
10	524210	Insurance	0	3,073	0.0000
11	532420	Office Equipment Rental	4	10	0.4000
12	541110	Legal Services	3	2,302	0.0013
13	541211	CPA Services	6	839	0.0072
14	541214	Payroll Services	4	93	0.0430
15	541512	Computer System Design	43	750	0.0573
16	541611	Consulting Services	99	1,135	0.0872
17	541810	Advertising	18	198	0.0909
18	561320	Temporary Help	19	848	0.0224
19	561790	Services to Buildings	18	230	0.0783
20	811111	Automotive Repair	0	1,844	0.0000
21	812332	Uniform Rental	1	49	0.0204
	Combined Totals		283	14,906	0.0190
					Overall availability of DBEs

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

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1	423120	Auto Parts	0.0960	x	0.0063	0.0006
2	423850	Janitorial	0.0107	x	0.0833	0.0009
3	561720	Janitorial Materials and Supplies	0.0063	x	0.0151	
4	423990	Fire Extinguishers	0.0014	x	0.1286	0.0002
5	424120	Office Supplies	0.0133	x	0.1296	0.0017
6	424720	Fuel	0.2732	x	0.1250	0.0342
7	441300	Tires	0.0260	x		
8	446199	Medical Equipment/Supplies	0.0034	x		
9	518210	Data Processing/Hosting	0.0063	x	0.0464	0.0003
10	524210	Insurance	0.2443	x		
11	532420	Office Equipment Rental	0.0069	x	0.4000	0.0028
12	541110	Legal Services	0.0010	x	0.0013	0.0000
13	541211	CPA Services	0.0222	x	0.0072	0.0002
14	541214	Payroll Services	0.0042	x	0.0430	0.0002
15	541512	Computer System Design	0.0477	x	0.0573	0.0027
16	541611	Consulting Services	0.1256	x	0.0872	0.0110
17	541810	Advertising	0.0141	x	0.0909	0.0013
18	561320	Temporary Help	0.0006	x	0.0224	0.0000
19	561790	Services to Buildings	0.0001	x	0.0783	0.0000
20	811111	Automotive Repair	0.0950	x		
21	812332	Uniform Rental	0.0018	x	0.0204	0.0000
					Total	0.0560
					Expressed as a % (*100)	5.60%
					Rounded, Weighted Base Figure:	6%

Step Two: Adjustment of Base Figure

The contracts for the upcoming period are expected to be substantially similar to those of the previous period.

Past participation in the previous three years was as follows:

2021:	15.48%
2022:	47.50%
2023:	18.94%

The Median (18.94%) is selected to be averaged with calculated Base Figure per instructions in FTA Document "Disadvantaged Business Enterprise Program Goal Setting Process". $((18.94\% + 6\%) / 2) = 12.48\% = \text{Adjusted DBE Participation Goal}$

Race-Conscious / Race Neutral Breakdown

Past Median Race-Neutral Participation

INDOT will meet its DBE goal of six point two percent (12.48%) 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://entapps.indot.in.gov/DBELocator/>