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Metropolitan Washington Council of Governments  
Overall Disadvantaged Business Enterprise  
Goal Setting Methodology for Federal Fiscal Years (FFYs) 2022-2024

Metropolitan Washington Council of Governments (COG)

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The Metropolitan Washington Council of Governments (COG) has established an overall goal of 26.5% for Disadvantaged Business Enterprise (DBE) participation for Federal Fiscal Years (FFYs) 2022-2024. The overall combined DBE goal is projected to be achieved through 11.5 percent race/gender-conscious means and 15 percent race/gender-neutral means. The goal includes Federal Transit Administration (FTA) funded projects and is based upon 49 CFR Part 26 “Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs” and the US Department of Transportation’s “Tips for Goal-Setting in the Disadvantaged Business Enterprise Program”.

The following sources of information were utilized in the development of the triennial goal:

- Projected federally funded projects by North American Industry Classification System (NAICS) codes;
- Dollar value of all projected federally funded projects;
- The COG’s market area consisting of the District of Columbia and surrounding jurisdictions; in Maryland the jurisdictions include Charles County, Frederick County, Montgomery County, and Prince George’s County; and in Virginia the jurisdictions include Alexandria, Arlington County, Fairfax County, and Loudoun County;
- The Census Bureau's County Business Patterns (CBP) database (<http://www.census.gov/econ/cbp/>); and
- State Unified Certification Program (UCP) DBE Directories for the District of Columbia, Maryland and Virginia:

**District of Columbia UCP** includes the *District of Columbia Department of Transportation (DDOT) and the Washington Metropolitan Area Transit Authority (WMATA)*;

**Maryland UCP** includes *the Maryland Department of Transportation's Office of Minority Business Enterprise (OMBE)*; and

**Virginia UCP** includes the *Virginia Department of Small Business and Supplier Diversity (DSBSD) and the Metropolitan Washington Airports Authority (MWAA)*.

**I. Background**

The Metropolitan Washington Council of Governments (COG) is an independent, nonprofit association that consists of 22-governmental jurisdictions in Suburban Maryland, Northern Virginia and Washington, District of Columbia. As the administrative agent for the National Capital Region Transportation Planning Board (TPB), COG is both a direct recipient and designated recipient of Federal Transit Administration (FTA) funds through several grant programs such as the Section 5310 Enhanced Mobility Program, Job Access and Reverse Commute (JARC), New Freedom, and Innovative Coordinated Access and Mobility (ICAM) Pilot Program.

COG uses a combination of in-house staff and third-party project management consultants to conduct analysis for the metropolitan transportation planning process, administer the grant awards; and manage related DBE program and other compliance requirements.

COG has projected nineteen (19) project types to be awarded in federal fiscal years 2022-2024, upon which this goal methodology is based - **Table 1**.

**Table 1: COG – List of Projects for Federal Fiscal Years 2022-2024**

	<b>PROJECT</b>	<b>AMOUNT</b>
1	Taxi Vouchers - Special Needs Transportation	\$206,861
2	FTA Section 5310 Enhanced Mobility Project (Sub-recipients)	\$10,989,897
3	ARPA/CRRSSA Subrecipients - Special Needs Transportation	\$85,186
4	A-133 Audit - Special Needs Transportation	\$20,000
5	Public Participation support	\$300,000
6	Long Range Transportation Plan documentation/production/communication	\$300,000
7	“Transportation Land Use Connections (TLC)” technical assistance studies	\$1,500,000
8	“Regional Roadway Safety” technical assistance studies	\$750,000
9	“Transit within Reach” technical assistance studies	\$600,000
10	Congestion Management and Systems Performance Studies and Data Purchases	\$1,000,000
11	Transportation Safety Planning Studies	\$225,000
12	Regional Public Transportation Studies	\$525,000
13	Regional Freight Plan development	\$100,000
14	Regional travel trends research and surveys	\$200,000
15	Regional Air Passenger Survey	\$250,000
16	Highway Performance Monitoring System	\$360,000
17	Travel Demand Model	\$300,000
18	Traffic Counts	\$150,000
19	Street Smart Pedestrian and Bicyclist Safety Campaign	\$2,400,000
	<b>TOTALS</b>	<b>\$20,261,944</b>

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The proposed project list for the federal fiscal year is provided by COG’s Department of Transportation Planning and grouped by NAICS code, description/activity, and dollar amount. The projected activities are for Taxi Service, Special Needs Transportation, Certified Public Accountants, Urban Planning, Engineering, and Advertising Agency services. The NAICS codes and project activities are listed in **Table 2**. These projects will be directly solicited, awarded and administered by COG; however, the Section 5310 Enhanced Mobility Program may include a combination of individual contracts to be administered by various non-profit organizations or agencies as sub-recipients.

**Table 2: Project/Activity Listing by NAICS Code Description**

<b>NAICS Code</b>	<b>NAICS Code Description Projects/Activities</b>	<b>Estimated Project Cost</b>
<b>485310</b>	<b>Taxi Service</b>	<b>\$206,861</b>
	Taxi Vouchers - Special Needs Transportation	
<b>485991</b>	<b>Special Needs Transportation</b>	<b>\$11,075,083</b>
	FTA Section 5310 Enhanced Mobility Project (Sub-recipients)	
	ARPA/CRRSSA Subrecipients - Special Needs Transportation	
<b>541211</b>	<b>Certified Public Accountants</b>	<b>\$20,000</b>
	A-133 Audit - Special Needs Transportation	
<b>541320</b>	<b>Urban Planning Services</b>	<b>\$5,750,000</b>
	Public Participation support	
	Long Range Transportation Plan documentation/production/communication	
	“Transportation Land Use Connections (TLC)” technical assistance studies	
	“Regional Roadway Safety” technical assistance studies	
	“Transit within Reach” technical assistance studies	
	Congestion Management and Systems Performance Studies and Data Purchases	
	Transportation Safety Planning Studies	
	Regional Public Transportation Studies	
	Regional Freight Plan development	
	Regional travel trends research and surveys	
	Regional Air Passenger Survey	
<b>541330</b>	<b>Engineering Services</b>	<b>\$810,000</b>
	Highway Performance Monitoring System	
	Travel Demand Model	
	Traffic Counts	
<b>541810</b>	<b>Advertising Agencies</b>	<b>\$2,400,000</b>
	Street Smart Pedestrian and Bicyclist Safety Campaign	
	<b>TOTALS</b>	<b>\$20,261,944</b>

## II. Methodology Used to Calculate Overall Goal

### Step 1 – Determining Availability of Ready, Willing and Able DBEs

The available pool of ready, willing and able firms to participate in COG’s FTA-funded contracting opportunities is analyzed based on the specific NAICS codes and descriptions. The data sources used to derive the relative availability of DBEs in COG’s market area are the Census Bureau County Business Patterns<sup>1</sup> (CBP) database ([www2.census.gov/programs-surveys/cbp/data/2019](http://www2.census.gov/programs-surveys/cbp/data/2019)) and the Unified Certification Program (UCP) DBE Directories from the District of Columbia, Maryland and Virginia as of June 2021. Based on past participation, COG’s market area was determined to be the District of Columbia and surrounding jurisdictions; in Maryland the jurisdictions include Charles County, Frederick County, Montgomery County, and Prince George’s County; and in Virginia the jurisdictions include the City of Alexandria, Arlington County, Fairfax County, and Loudoun County. Information from those sources is displayed in **Tables 3 and 4**.

Data from the UCP DBE Directories was carefully reviewed to avoid double counting listed DBE firms.

**Table 3: Number of All Firms - Census Bureau County Business Patterns Database - By NAICS Code**

Number of Total Firms	NAICS Code	Description
54	485310	Taxi Service
47	485991	Special Needs Transportation
962	541211	Certified Public Accountants
88	541320	Urban Planning Services
1754	541330	Engineering Services
761	541613	Advertising Agencies
<b>3666</b>	<b>Total Firms From Census Data Business Patterns Database</b>	

**Table 4: Number of DBE Firms – DC/MD/VA Unified Certification Program DBE Directories**

Number of Total Firms	NAICS Code	Description
3	485310	Taxi Service
5	485991	Special Needs Transportation
66	541211	Certified Public Accountants
12	541320	Urban Planning Services
281	541330	Engineering Services
219	541613	Advertising Agencies
<b>586</b>	<b>Total DBE Firms From DC/MD/VA DBE Directories</b>	

<sup>1</sup> Published in April 2021 using 2019 data. The Census Bureau County Business Patterns data is published on an annual schedule.

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Based upon the above total number for all firms and DBE firms, the unweighted relative DBE availability is calculated as follows:

$$\text{Unweighted base figure} = \frac{586 \text{ (Ready, Willing and Able DBEs)}}{3,666 \text{ (Total Firms Ready, Willing and Able)}} = 15.98\%$$

Step 1 Base Figure Weighting – Weighting can help ensure that the Step 1 Base Figure is as accurate as possible. To establish the “Weighted Base Goal”, the availability of DBEs in each NAICS code is computed and used to determine DBE contractible dollars. The total DBE contractible dollars are then divided by the total projected contracting dollars to determine the weighted base DBE goal, expressed as a percentage - **Table 5**.

**Table 5 – Calculation of COG’s Annual Goal for Federal Fiscal Years 2022-2024**

NAICS Code	NAICS Code Description	Estimated Project Costs	Number of Firms		DBE %	DBE Dollars
			DBE	Total		
485310	Taxi Service	\$206,861	3	54	5.56%	\$11,492
485991	Special Needs Transportation	\$11,075,083	5	47	10.64%	\$1,178,200
541211	Certified Public Accountants	\$20,000	66	962	6.86%	\$1,372
541320	Urban Planning Services	\$5,750,000	12	88	13.64%	\$784,091
541330	Engineering Services	\$810,000	281	1754	16.02%	\$129,766
541613	Advertising Agencies	\$2,400,000	219	761	28.78%	\$690,670
<b>TOTALS</b>		\$20,261,944	586	3666		<u>\$2,795,592</u>

Base Triennial Goal

Total DBE Dollars	\$2,795,592	<b>13.80%</b>
Total Estimated Project Costs	\$20,261,944	

**Step 2 – Adjusting the Base Figure**

Once the DBE base figure has been calculated, 49 CFR Part 26.45(d) requires that “all of the evidence available” in your jurisdiction must be examined to determine what adjustment, if any, is needed to the base figure to arrive at your overall goal.

The regulations further state that there are several types of evidence that must be considered when adjusting the base figure. The following summarizes COG’s review of each item noted:

- The current capacity of DBEs to perform work in your DOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years.

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- This measure was examined in light of COG’s past participation. USDOT’s Tips for Goal-setting notes that if using past participation, the median level of participation should be considered. Because contracting opportunities projected are similar in nature to those in the past, COG does believe an adjustment should be made for this factor. The calculation for this is noted at the end of this section.
- Evidence from disparity studies conducted anywhere within your jurisdiction, to the extent it is not already accounted for in your base figure.
  - The following disparity studies were found in our jurisdiction; however adjustments were not made based on these studies for the reasons stated below:
    - **State of Maryland and the Maryland Department of Transportation’s disparity study published on February 8, 2017 and updated on June 25, 2018.** The focus of this study was construction-related contracts and not specifically relatable to the type of work that COG nor its subrecipients contract for directly. Additionally, the data that supported this study primarily covered the period from 2010-2014.
    - **District of Columbia Department of Small and Local Business Development (DSLBD)** - A disparity study was initiated; however, it was determined that there was insufficient data to complete the analysis. A report was prepared with high level recommendations (dated October 2019) for the District to align its data collection to plan for and implement a more comprehensive, legally defensible disparity study. In May 2021, the District re-initiated the disparity study to collect and analyze contracting data from 2017-2020. However the results of that study are not yet available.
    - **Commonwealth of Virginia Department of Small Business and Supplier Diversity** - Disparity study was initiated in February 2020. Study was anticipated to complete by the end of 2020; however it appears that the study has been delayed and information is not yet available.
- If your base figure is the goal of another recipient, you must adjust it for differences in your local market and your contracting program.
  - Because COG’s base figure was not that of another recipient, no adjustment was made for this factor.
- Available evidence from related fields that affect the opportunities for DBEs to form, grow and compete, such as statistical disparities in the ability of DBEs to get the financing, bonding and insurance required to participate in your program and data on employment, self-employment, education, training and union apprenticeship programs, to the extent you can relate it to the opportunities for DBEs to perform in your program.

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- No additional information or analysis was found relating to these to subjects that would lead COG to adjust their goal.

After examining all available evidence, COG determined that past participation was the only factor to consider in making an adjustment to the goal. **Table 6** below shows the past participation from our semi-annual reports for the past three years, which yields a median past participation of 39.27 percent. When averaged with the base goal of 13.8 percent, an overall goal of **26.5 percent** is proposed.

**Step 3 – Determining the Race/Gender-Neutral and Race/Gender-Conscious Split**

DBE Program guidelines at 49 CFR Part 26.51(a) states, *“You must meet the maximum feasible portion of your overall goal by using race-neutral means of facilitating race-neutral DBE participation. Race-neutral DBE participation includes any time a DBE wins a prime contract through customary competitive procurement procedures or is awarded a subcontract on a prime contract that does not carry a DBE contract goal.”*

An examination of COG’s DBE utilization reported in the Transit Award Management System (TrAMS) during the past three (3) year period (**Table 6**) have shown that race/gender-neutral participation have been achieved by DBEs as prime and subcontractors. COG’s 3-year history of race/gender-neutral participation indicates that it is reasonable to assume that a portion of the overall annual DBE goal can be achieved through race/gender-neutral means. Based on the past three-year results, COG has achieved approximately 57 percent of its DBE participation using race/gender neutral measures. Therefore, COG projects that 57 percent of the current proposed goal can be achieved in a race/gender-neutral manner. This yields a 15 percent race/gender neutral and 11.5 percent race/gender-conscious goal.



**Table 6: DBE Participation Race-Conscious / Race-Neutral Goal Achievement – FFYs 2018-2020**

Federal Fiscal Year (FFYs)	Total Dollars Reported	Race-Conscious DBE Dollars Reported	Race-Neutral DBE Dollars Reported	Total DBE Dollars	DBE Goal	DBE Goal Achievement
2018	\$2,632,949	\$381,892	\$93,747	\$475,638	28.00%	18.06%
2019	\$942,276	\$68,975	\$419,880	\$488,855	28.00%	51.88%
2020	\$1,623,293	\$67,397	\$410,349	\$637,462	28.00%	39.27%
<b>Totals</b>	\$5,198,518	\$518,264	\$923,976	\$1,601,955		
<b>DBE %</b>		9.97%	17.77%	30.82%		

### III. Consultation and Publication of the Overall Goal

DBE Regulations 49 CFR Part 26.45 requires that: *“In establishing an overall goal, you must provide for consultation and publication. This includes: Consultation with minority, women's and general contractor 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 your efforts to establish a level playing field for the participation of DBEs.”*

COG’s proposed goal will be posted on the agency’s website. On November 9, 2021, a public meeting was held with interested stakeholders from the District of Columbia Small and Local Business Development organization, minority contractors and other community organizations to receive input regarding the proposed goal and its rationale. The meeting was advertised on COG’s website, in the Washington Post, sent to the 25,000 businesses in the Vendor Registration System, and through the minority chambers of commerce. **A copy of the announcement, meeting agenda, meeting summary, and attendee list are an attachment to this report. <<to be updated after consultation meeting>>**

At the conclusion of the consultation meeting, **<<to be updated after consultation meeting>>**