**Disadvantaged Business Enterprise (DBE) Goal for Federal Fiscal Years 2023-25**

**Iowa Department of Transportation-FTA**

**Name of Recipient:** Iowa Department of Transportation, Office of Public Transit

**Goal Period:** Federal Fiscal Years 2023-2024-2025 (October 1, 2022-September 30, 2025)

An Overall Annual Disadvantaged Business Enterprise Goal has been developed for Disadvantaged Business Enterprise (DBE) participation in Iowa Department of Transportation (Iowa DOT) and its subrecipients’ (including transit systems and planning agencies) Federal Fiscal Year (FFY) 2023-2025 federally assisted contracts. These goals were developed in compliance with federal regulations set forth at 49 CFR Part 26--Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation (DOT) Programs. The goal identifies the relative availability of DBEs based on evidence of ready, willing and able DBE’s in relationship to all comparable businesses which are known to be available to compete for Iowa DOT's U.S. DOT assisted contracts. The overall annual goal reflects staff's determination of the level of DBE participation that would be expected absent the effects of discrimination.

To determine the overall DBE Goal, a two-step process was used. In Steps 1 and 2, base figures were calculated to determine the relative availability of DBE’s in specific areas of expertise using the State of Iowa Directory of Certified Disadvantaged Business. In Step 2, an assessment of known relevant evidence available to Iowa DOT, NAICS Codes was analyzed to determine what adjustments, if any, were needed to narrowly tailor the base figures to Iowa DOT's and its subrecipients’ marketplace. In Step 3, weight and availability was used to calculate the weighted base figure. The Excel worksheet tool provided by FTA was used to do the Step 1-3 calculations. Iowa DOT's data of the actual DBE participation in U.S. DOT-assisted contracts during the previous fiscal year in order to adjust the base figures, and these calculations are included in Table 4.

**DBE 3 Year Overall Goal: 0.15% (all RN as nearly all contracts are prime)**

Sources of data from which DBEs available and total available were obtained include:

Iowa DOT DBE Directory-- https://secure.iowadot.gov/DBE/Home/Index/

North American Industrial Code(NAICS)-- https://data.census.gov/cedsci/

**Use of Race-Neutral Methods and DBE Contract Goal:**

The U.S. DOT regulations require that the maximum feasible portion of the DBE Overall Annual Goal be met by using race-neutral methods. Race-neutral methods will include making efforts to assure that bidding and contract requirements facilitate participation by DBE’s and other small businesses; unbundling large contracts to make them more accessible to small businesses; encouraging prime contractors to subcontract portions of the work that they might otherwise perform themselves; providing technical assistance, communications programs and other support services to facilitate consideration of DBE’s and other small businesses.

Included in the race neutral analysis is a consideration of the amount of dollars awarded to DBE firms as prime contracts and dollars awarded to DBE firms as non-committed DBE’s on projects. The vast majority of FTA assisted projects for which the Iowa DOT sets the goal are operating costs and small purchases so almost all contracts are prime contracts.

Iowa DOT and its subrecipients will continue to advise prospective contractors for new contracts of areas of possible subcontracting, and of the availability of ready, willing and able subcontractors, including DBE firms, to perform such work.

**DBE GOAL METHODOLOGY FOR FY 2023/2024/2025**

**Iowa Department of Transportation – FTA**

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

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **NAICS Code** | **Project** | **Total Amount of Funds Projected for DOT-Assisted Projects** | **% of Total DOT Funds (weight)** |
| **1)** | 524114 | Direct Health & Medical Ins. Carriers | $8,901,595 | 0.1349389 |
| **2)** | 524113 | Insurance Carriers; Direct Life Ins. & Disability Direct | $3,420,548 | 0.051851942 |
| **3)** | 525190 | Other Insurance Funds | $1,165,433 | 0.017666749 |
| **4)** | 524292 | Ins. & Pension Funds, Third Party Admin. | $835,349 | 0.01266302 |
| **5)** | 541810 | Advertising Agencies | $422,317 | 0.006401885 |
| **6)** | 541110 | Office of Lawyers | $281,759 | 0.004271173 |
| **7)** | 541211 | Office of Certified Public Accountants | $908,620 | 0.013773732 |
| **8)** | 621111 | Office of Physicians | $267,268 | 0.004051504 |
| **9)** | 518210 | Data Processing, Hosting, & Related Services | $209,127 | 0.003170147 |
| **10)** | 54121 | Acctg., Tax Prep., Bookkeeping, & Payroll Services | $363,753 | 0.005514116 |
| **11)** | 561320 | Temporary Help Services | $558,554 | 0.008467096 |
| **12)** | 811212 | Computer & Office Machine Repair & Maintenance | $1,094,490 | 0.016591327 |
| **13)** | 561720 | Janitorial Services | $385,078 | 0.005837381 |
| **14)** | 811111 | General Automotive Repair and Maintenance | $3,774,304 | 0.057214514 |
| **15)** | 811198 | All Other Automotive Repair & Mtnc. | $403,202 | 0.006112122 |
| **16)** | 488410 | Motor Vehicle Towing | $68,735 | 0.001041951 |
| **17)** | 562111 | Solid Waste Collection | $83,525 | 0.001266152 |
| **18)** | 561110 | Management Services | $835,008 | 0.012658 |
| **19)** | 561621 | Security System Services | $0 | 0.000000 |
| **20)** | 4471 | Gasoline Stations | $16,713,921 | 0.253366 |
| **21)** | 441320 | Tire Dealers | $1,186,572 | 0.017987 |
| **22)** | 453210 | Office Supplies & Stationary Stores | $735,240 | 0.011145 |
| **23)** | 441310 | Automotive Parts & Accessories | $2,035,839 | 0.030861 |
| **24)** | 524126 | Direct Property & Casualty Ins. Carriers | $6,031,878 | 0.091437 |
| **25)** | 485991 | Special Needs Transportation | $8,849,756 | 0.134153 |
| **26)** | 5615 | Travel Arrangements & Reservation Services | $752,116 | 0.011401 |
| **27)** | 722110 | Restaurants - Full service | $0 | 0.000000 |
| **28)** | 541810 | Advertising Agencies | $533,654 | 0.008090 |
| **29)** | 523110 | Investment Banking & Securities Dealing | $0 | 0.000000 |
| **30)** | 531190 | Lessors of Other Real Estate Property | $0 | 0.000000 |
| **31)** | 532490 | Other Commercial & Industrial Machinery & Equip. Rental & Leasing | $0 | 0.000000 |
| **32)** | 531120 | Lessors of non-Residential Bldgs. | $0 | 0.000000 |
| **33)** | 336211 | Motor Vehicle Body Manufacturing | $21,775 | 0.000330 |
| **34)** | 811111 | General Automotive Repair | $0 | 0.000000 |
| **35)** | 333991 | Power-driven Hand-tool Manufacturing | $0 | 0.000000 |
| **36)** | 236220 | Commercial & Institutional Bldg. Construction | $0 | 0.000000 |
| **37)** | 238110 | Concrete Contractors | $80,000 | 0.001213 |
| **38)** | 332999 | All Other Misc. Fabricated Metal Product Manufacturing | $0 | 0.000000 |
| **39)** | 441310 | Automotive Parts, Accessories, & Tire Stores | $0 | 0.000000 |
| **40)** | 443120 | Computer and Software Stores | $17,490 | 0.000265 |
| **41)** | 332311 | Prefab Metal Bldg. & Component Mfg. | $124,864 | 0.001893 |
| **42)** | 333319 | Other Commercial & Service Industry Machinery Manufacturing | $0 | 0.000000 |
| **43)** | 811121 | Automotive Body, Paint, & Interior Repair & Maintenance | $0 | 0.000000 |
| **44)** | 423420 | Office Equipment & Merchant Wholesalers | $50,290 | 0.000762 |
| **45)** | 423690 | Other Electronic Part & Equipment Merchant Wholesalers | $0 | 0.000000 |
| **46)** | 334220 | Radio & TV Broadcasting/Wireless Communication Eq. Manufacturing | $0 | 0.000000 |
| **47)** | 51211 | Motion picture and video production | $0 | 0.000000 |
| **48)** | 54133 | Engineering services | $4,855,537 | 0.073605 |
|  | **Total FTA-Assisted Contract Funds** | $65,967,597 | 1.000000 |

|  |  |  |  |
| --- | --- | --- | --- |
| **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 number of available DBE firms and the number of available firms. |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **NAICS Code** | **Project** | **Number of DBEs available to perform this work** | **Number of all firms available (including DBEs)** | **Relative Availability** |
| **1)** | 524114 | Direct Health & Medical Ins. Carriers | **0** | **78** | 0.0000 |
| **2)** | 524113 | Insurance Carriers; Direct Life Ins. & Disability Direct | **0** | **383** | 0.0000 |
| **3)** | 525190 | Other Insurance Funds | **0** | **0** | 0 |
| **4)** | 524292 | Ins. & Pension Funds, Third Party Admin. | **1** | **64** | 0.0156 |
| **5)** | 541810 | Advertising Agencies | **5** | **99** | 0.0505 |
| **6)** | 541110 | Office of Lawyers | **0** | **1389** | 0.0000 |
| **7)** | 541211 | Office of Certified Public Accountants | **0** | **483** | 0.0000 |
| **8)** | 621111 | Office of Physicians | **0** | **1238** | 0.0000 |
| **9)** | 518210 | Data Processing, Hosting, & Related Services | **4** | **107** | 0.0374 |
| **10)** | 54121 | Acctg., Tax Prep., Bookkeeping, & Payroll Services | **2** | **1113** | 0.0018 |
| **11)** | 561320 | Temporary Help Services | **1** | **346** | 0.0029 |
| **12)** | 811212 | Computer & Office Machine Repair & Maintenance | **0** | **48** | 0.0000 |
| **13)** | 561720 | Janitorial Services | **4** | **608** | 0.0065 |
| **14)** | 811111 | General Automotive Repair and Maintenance | **2** | **1101** | 0.0018 |
| **15)** | 811198 | All Other Automotive Repair & Mtnc. | **1** | **23** | 0.0000 |
| **16)** | 488410 | Motor Vehicle Towing | **1** | **68** | 0.0000 |
| **17)** | 562111 | Solid Waste Collection | **0** | **184** | 0.0000 |
| **18)** | 561110 | Management Services | **0** | **215** | 0.0000 |
| **19)** | 561621 | Security System Services | **0** | **3630** | 0.0000 |
| **20)** | 4471 | Gasoline Stations | **0** | **1769** | 0.0000 |
| **21)** | 441320 | Tire Dealers | **0** | **257** | 0.0000 |
| **22)** | 453210 | Office Supplies & Stationary Stores | **0** | **64** | 0.0000 |
| **23)** | 441310 | Automotive Parts & Accessories | **0** | **1074** | 0.0000 |
| **24)** | 524126 | Direct Property & Casualty Ins. Carriers | **0** | **223** | 0.0000 |
| **25)** | 485991 | Special Needs Transportation | **0** | **36** | 0.0000 |
| **26)** | 5615 | Travel Arrangements & Reservation Services | **0** | **128** | 0.0000 |
| **27)** | 722110 | Restaurants - Full service | **0** | **2425** | 0.0000 |
| **28)** | 541810 | Advertising Agencies | **1** | **770** | 0.0013 |
| **29)** | 523110 | Investment Banking & Securities Dealing | **0** | **6** | 0.0000 |
| **30)** | 531190 | Lessors of Other Real Estate Property | **0** | **126** | 0.0000 |
| **31)** | 532490 | Other Commercial & Industrial Machinery & Equip. Rental & Leasing | **0** | **53** | 0.0000 |
| **32)** | 531120 | Lessors of non-Residential Bldgs. | **0** | **342** | 0.0000 |
| **33)** | 336211 | Motor Vehicle Body Manufacturing | **0** | **20** | 0.0000 |
| **34)** | 811111 | General Automotive Repair | **2** | **1101** | 0.0018 |
| **35)** | 333991 | Power-driven Hand-tool Manufacturing | **0** | **4** | 0.0000 |
| **36)** | 236220 | Commercial & Institutional Bldg. Construction | **5** | **510** | 0.0098 |
| **37)** | 238110 | Concrete Contractors | **10** | **524** | 0.0191 |
| **38)** | 332999 | All Other Misc. Fabricated Metal Product Manufacturing | **1** | **40** | 0.0250 |
| **39)** | 441310 | Automotive Parts, Accessories, & Tire Stores | **0** | **1074** | 0.0000 |
| **40)** | 443120 | Computer and Software Stores | **0** | **105** | 0.0000 |
| **41)** | 332311 | Prefab Metal Bldg. & Component Mfg. | **0** | **10** | 0.0000 |
| **42)** | 333319 | Other Commercial & Service Industry Machinery Manufacturing | **0** | **18** | 0.0000 |
| **43)** | 811121 | Automotive Body, Paint, & Interior Repair & Maintenance | **0** | **507** | 0.0000 |
| **44)** | 423420 | Office Equipment & Merchant Wholesalers | **0** | **92** | 0.0000 |
| **45)** | 423690 | Other Electronic Part & Equipment Merchant Wholesalers | **1** | **83** | 0.0120 |
| **46)** | 334220 | Radio & TV Broadcasting/Wireless Communication Eq. Manufacturing | **1** | **5** | 0.2000 |
| **47)** | 51211 | Motion picture and video production | **0** | **57** | 0.0000 |
| **48)** | 54133 | Engineering services | **19** | **351** | 0.0448 |
|  | **Combined Totals** | **61** | **22951** | ***0.0026*** |

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

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **NAICS Code** | **Project** | **Weight** | **X** | **Availability** | **Weighted Base Figure** |
| **1)** | 524114 | Direct Health & Medical Ins. Carriers | 0.1349389 | x | 0 | 0 |
| **2)** | 524113 | Insurance Carriers; Direct Life Ins. & Disability Direct | 0.051851942 | x | 0 | 0 |
| **3)** | 525190 | Other Insurance Funds | 0.017666749 | x | 0 | 0 |
| **4)** | 524292 | Ins. & Pension Funds, Third Party Admin. | 0.01266302 | x | 0.0156 | 0.000197543 |
| **5)** | 541810 | Advertising Agencies | 0.006401885 | x | 0.0505 | 0.000323295 |
| **6)** | 541110 | Office of Lawyers | 0.004271173 | x | 0 | 0 |
| **7)** | 541211 | Office of Certified Public Accountants | 0.013773732 | x | 0 | 0 |
| **8)** | 621111 | Office of Physicians | 0.004051504 | x | 0 | 0 |
| **9)** | 518210 | Data Processing, Hosting, & Related Services | 0.003170147 | x | 0.0374 | 0.000118563 |
| **10)** | 54121 | Acctg., Tax Prep., Bookkeeping, & Payroll Services | 0.005514116 | x | 0.0018 | 9.92541E-06 |
| **11)** | 561320 | Temporary Help Services | 0.008467096 | x | 0.0029 | 2.45546E-05 |
| **12)** | 811212 | Computer & Office Machine Repair & Maintenance | 0.016591327 | x | 0 | 0 |
| **13)** | 561720 | Janitorial Services | 0.005837381 | x | 0.0065 | 3.7943E-05 |
| **14)** | 811111 | General Automotive Repair and Maintenance | 0.057214514 | x | 0.0018 | 0.000102986 |
| **15)** | 811198 | All Other Automotive Repair & Mtnc. | 0.006112122 | x | 0 | 0 |
| **16)** | 488410 | Motor Vehicle Towing | 0.001041951 | x | 0 | 0 |
| **17)** | 562111 | Solid Waste Collection | 0.001266152 | x | 0 | 0 |
| **18)** | 561110 | Management Services | 0.012658 | x | 0 | 0 |
| **19)** | 561621 | Security System Services | 0 | x | 0 | 0 |
| **20)** | 4471 | Gasoline Stations | 0.253366 | x | 0 | 0 |
| **21)** | 441320 | Tire Dealers | 0.017987 | x | 0 | 0 |
| **22)** | 453210 | Office Supplies & Stationary Stores | 0.011145 | x | 0 | 0 |
| **23)** | 441310 | Automotive Parts & Accessories | 0.030861 | x | 0 | 0 |
| **24)** | 524126 | Direct Property & Casualty Ins. Carriers | 0.091437 | x | 0 | 0 |
| **25)** | 485991 | Special Needs Transportation | 0.134153 | x | 0 | 0 |
| **26)** | 5615 | Travel Arrangements & Reservation Services | 0.011401 | x | 0 | 0 |
| **27)** | 722110 | Restaurants - Full service | 0 | x | 0 | 0 |
| **28)** | 541810 | Advertising Agencies | 0.00809 | x | 0.0013 | 0.000010517 |
| **29)** | 523110 | Investment Banking & Securities Dealing | 0 | x | 0 | 0 |
| **30)** | 531190 | Lessors of Other Real Estate Property | 0 | x | 0 | 0 |
| **31)** | 532490 | Other Commercial & Industrial Machinery & Equip. Rental & Leasing | 0 | x | 0 | 0 |
| **32)** | 531120 | Lessors of non-Residential Bldgs. | 0 | x | 0 | 0 |
| **33)** | 336211 | Motor Vehicle Body Manufacturing | 0.00033 | x | 0 | 0 |
| **34)** | 811111 | General Automotive Repair | 0 | x | 0.0018 | 0 |
| **35)** | 333991 | Power-driven Hand-tool Manufacturing | 0 | x | 0 | 0 |
| **36)** | 236220 | Commercial & Institutional Bldg. Construction | 0 | x | 0.0098 | 0 |
| **37)** | 238110 | Concrete Contractors | 0.001213 | x | 0.0191 | 2.31683E-05 |
| **38)** | 332999 | All Other Misc. Fabricated Metal Product Manufacturing | 0 | x | 0.025 | 0 |
| **39)** | 441310 | Automotive Parts, Accessories, & Tire Stores | 0 | x | 0 | 0 |
| **40)** | 443120 | Computer and Software Stores | 0.000265 | x | 0 | 0 |
| **41)** | 332311 | Prefab Metal Bldg. & Component Mfg. | 0.001893 | x | 0 | 0 |
| **42)** | 333319 | Other Commercial & Service Industry Machinery Manufacturing | 0 | x | 0 | 0 |
| **43)** | 811121 | Automotive Body, Paint, & Interior Repair & Maintenance | 0 | x | 0 | 0 |
| **44)** | 423420 | Office Equipment & Merchant Wholesalers | 0.000762 | x | 0 | 0 |
| **45)** | 423690 | Other Electronic Part & Equipment Merchant Wholesalers | 0 | x | 0.012 | 0 |
| **46)** | 334220 | Radio & TV Broadcasting/Wireless Communication Eq. Manufacturing | 0 | x | 0.2 | 0 |
| **47)** | 51211 | Motion picture and video production | 0 | x | 0 | 0 |
| **48)** | 54133 | Engineering services | 0.073605 | x | 0.0448 | 0 |
|  |  |  |  |  | **Total** | 0.0008485 |
|  |  |  |  |  | Expressed as a % (\*100) | **0.08485%** |
|  |  |  |  |  |   |   |
|  |  |  |  |  | **Rounded, Weighted Base Figure:** | **0.085%** |

**Adjustments, Past Participation, Median (TABLE 4)**

We chose to adjust our base rate goal to incorporate past DBE participation by the rural and small urban transit agencies in Iowa that comprise our system. We believe this will project a more realistic goal to strive for by our constituents.

**DBE Participation**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Report Date** | **DBE Percentage** | **DBE Funds** | **Total Spending** | **Yearly Percentage** |
|  | 6/1/2019 | 0.0754% | $2,815.00 | $3,731,029.00 |  |
|  | 12/1/2019 | 0.1537% | $8,201.00 | $5,335,435.00 | 0.1215% |
|  | 6/1/2020 | 0.1070% | $5,125.00 | $4,789,041.00 |  |
|  | 12/1/2020 | 0.1359% | $7,160.00 | $5,268,189.19 | 0.1222% |
|  | 6/1/2021 | 0.5398% | $22,950.14 | $4,251,349.00 |  |
|  | 12/1/2021 | 0.1387% | $5,389.00 | $3,886,659.64 | 0.3482% |
| **Totals:** |  |  | $51,640.14 | $27,261,702.83 | **0.1894%** |

**Base Rate Goal: 0.08%**

**Past participation average: 0.1894%**

Adjusted Goal = 0.085+0.1894 = 0.137% ~**0.14%**
 2

**Adjusted Goal =0.14%**

**Proposed Goal: 0.14% (RN)**

**FTA Overall Annual DBE Goal**

The base figures were weighted according to the expected amount of contract dollars to be expended in each NAICS Code summarized above. The base goal was adjusted based on past participation over three years. Based on this information, the DBE relative availability for FTA assisted contracts is 0.08%.

Although statistics indicate a possible 0.08% participation rate for FFY 2023-25 contracting opportunities, staff will continue to make efforts to include DBE goals in federally assisted procurements and work with vendors to obtain good-faith efforts to meet or exceed this goal. Because we have attained higher DBE spending achievement in recent years, we utilized our adjustment to raise this goal within the framework allowed to the 0.14% threshold. This is a complex goal, because at this level any contract of significance that is DBE-eligible would very likely lead to the semi-annual and annual achievement for that time period to be an outlier.

We realize this goal is low, however in Iowa (where minority population is very low) we have struggled with soliciting DBE businesses for transit programs. One main reason is that most of our expenditures are operational and not construction related, where there is a lack of appropriate certified DBE firms. Additionally, our most significant areas of spending—fuel and bus parts—have no DBE businesses within the scope of our geographical region. For many of the needed goods and services for transit agencies, it is cost prohibitive and/or simply infeasible for rural transit agencies to solicit DBE businesses that are a large distance from their local areas. (The Iowa DOT transit office only sets goals for our small urban (less than 50,000 population) and rural agencies—our state’s large urban transit agencies are direct FTA funding recipients and set their own goals.) Some of our transit systems do acquire services from minority- or women-owned businesses, but these small enterprises are not interested in becoming DBE-certified so we are unable to count these contracts in our reporting.

To reduce a general lack of understanding of the DBE program by our transit systems we are working with our Iowa DOT Civil Rights Bureau, which has undergone several recent changes in both in personnel and operations, to provide better outreach to existing DBEs and transit systems, and also provide better education for our transit managers. We have, in the recent years, participated in the annual DBE conference hosted by the Civil Rights Bureau and have seen increased participation at this conference by transit agencies. We have also had multiple trainings hosted by the Public Transit Bureau to educate subrecipients about the DBE program. All these efforts have helped us increase our DBE participation over the past three years and our goal is set to a higher number for the upcoming three-year period. We will continue to urge and require documentation of “good faith effort” by transit agencies to reach out to existing DBEs and solicit more businesses to become certified.

This goal is applicable to FFY 2023-25 FTA-assisted contracts totaling approximately $65,967,597, an expectation that this will be met race neutral means. Staff recommends 0.14% as the Overall Annual DBE Goal applicable to FFY 2023-2025 FTA­ assisted contracts totaling approximately $65,967,597.

**Public Notice, DBE Goal**

The DBE goal was published on the Iowa DOT Office of Public Transit web site

**Public notice: Iowa Department of Transportation’s DBE goal for federal fiscal years 2020-22**

In accordance with requirements of the U.S. Department of Transportation as set forth in 49 C.F.R. Part 26, as amended, the Iowa Department of Transportation’s Office of Public Transit in Ames, Iowa, hereby notifies the public that it is recommending the following Disadvantaged Business Enterprise (DBE) goal for applicable federal-transit-agency-assisted professional services, construction, and procurement contracts during federal fiscal years 2020-22 beginning Oct. 1, 2022 and ending Sept. 30, 2025. The overall total DBE goal for this period is 0.14 percent all of which is proposed to be met using race neutral methods.

Written comments about this goal will be accepted for 30 calendar days and must be received by 4:30 p.m. Monday, July 21, 2022. Comments should be sent to Travis Estep, DBE Program Manager, Office of Public Transit, Iowa Department of Transportation, 800 Lincoln Way, Ames, Iowa 50010, or emailed to travis.estep@iowadot.us.