



Detroit Department of Transportation Proposed Methodology for Determining DBE Goal (49 CFR 26.45) Federal Fiscal Years 2025-2027

II. INTRODUCTION

The Detroit Department of Transportation (DDOT), as a recipient of United States Department of Transportation (DOT) financial assistance, is required to establish a Disadvantaged Business Enterprise Program (DBE) plan and an overall goal and methodology. DDOT has developed its DBE goal and goal-setting methodology accordance with Title 49 Code of Federal Regulations Part 26, Section 26.45. While DDOT DBE goal and methodology is established every three years, DDOT will conduct semi-annual reviews to ensure that its goal remains justifiable.

II. BACKGROUND

DDOT is a recipient of U.S. Department of Transportation (USDOT), Federal Transit Administration (FTA), funding. As a condition of receiving this assistance, DDOT signed an assurance that it will comply with FTA's DBE requirements. In accordance with Title 49 CFR Part 26 provisions: Participation by DBEs in USDOT Programs, DDOT is required to develop and submit a Triennial Overall DBE Goal for its FTA-assisted projects. DDOT herein presents its Overall DBE Goal Methodology for FFY 2025-2027.

III. FTA-ASSISTED CONTRACTING PROGRAM FOR FFY 2025-2027

Market Area

The Federal DBE Program requires agencies to implement the DBE Program based on information from the relevant geographic market area—the area in which the agency spends the substantial majority of its contracting dollars. The DDOT local market for contracts consists of a geographic area that is:

- where a large majority of contracting dollars are expended, and
- where a substantial number of contractors and subcontractors are located and available to submit bids, quotes, or proposals.

Before beginning the base figure calculation, DDOT determined Metro Detroit as its local market area. According to the US Census, Metropolitan Detroit statistical area is Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne counties.

Anticipated Projects

DDOT has eight (8) FTA-assisted projects listed in Table 1 that are anticipated to be awarded during the triennial period, and which were considered in preparing this goal methodology. These projects and their federal share are listed in Table 1.

**TABLE 1: ANTICIPATED PROJECT**

PROJECT NAME/DESCRIPTION	EST. TOTAL PROJECT COST	EST. FTA \$ SHARE	EST. FTA % SHARE
Bus Stop Assets - Phase 3 – Installation of 100 bus shelters by 2027, including estimating of shelters, design, architecture, and engineering.	\$7,100,000	\$4,080,000	57%
Facility Improvement – Installation of a Paint Booth for Vehicle Maintenance.	\$900,000	\$720,000	80%
Overhead Chargers Improvement 2025 - Acquisition of overhead chargers to support the expansion of the electric vehicle fleet.	\$1,562,500	\$1,250,000	80%
Overhead Chargers Improvement 2026 – Acquisition of overhead chargers to support the expansion of the electric vehicle fleet.	\$1,800,000	\$1,440,000	80%
Rosa Parks Transit Center Renovation - Includes public input analysis, community outreach, architectural and engineering design, environmental analysis, ADA improvements, and plumbing and electrical infrastructure planning.	\$700,000	\$560,000	80%
Rosa Parks Transit Center Renovation – Construction and implementation of Phase 1 Rehabilitation.	\$2,910,000	\$2,327,860	80%
Rosa Parks Transit Center Renovation Phase 2	\$3,610,000	\$2,888,558	80%
Transit Hub Connection Corner - Architecture & Engineering and Design for Transit Hubs.	\$310,000	\$248,000	80%
TOTAL FTA-ASSISTED CONTRACT FUNDS	\$18,892,500	\$13,514,000	72%

Categories of Work

DDOT reviewed each project anticipated to be awarded in the triennial period and determined the applicable categories of work for each project using North American Industry Classification System (NAICS) codes. The corresponding dollar values for each NAICS code for each project were summarized for the purposes of weighting the categories of work based on the staff estimates. Table 2 provides a summary of the categories of work with estimated dollars for each.



TABLE 2: ANTICIPATED PROJECT BY NAICS CODES

PROJECT NAME	EST. FTA \$ SHARE	NAICS CODE	NAICS CODE TITLE	AMOUNT OF FTA FUNDS ON PROJECT
Bus Stop Asset	\$4,080,000	541310	Engineering and Planning	\$720,000
		236220	Shelter Manufacturing	\$2,240,000
		238210	Electrical Signage	\$80,000
		238910	Concrete & Demolition	\$480,000
		236220	Shelter Installation	\$560,000
Paint Booth	\$720,000	541310	Engineering and Planning	\$72,000
		238910	Site Work	\$28,000
		236210	Manufacturing	\$372,000
		238220	Ventilation & HVAC	\$80,000
		238210	Electrical Work	\$64,000
		238220	Fire Suppression	\$48,000
		339113	Personal Safety Equipment	\$40,000
		238320	Training	\$16,000
Overhead Chargers	\$1,250,000	541310	Engineering and Planning	\$82,000
		541330	Construction & Civil Engineering	\$124,000
		335999	Manufacturing	\$704,000
		238210	Electrical Work	\$132,000
		238910	Safety Signage, Right of Way Designation & Marking	\$40,000
		238220	Fire Suppression	\$48,000
		335999	Safety & Security Measures	\$120,000
Overhead Chargers	\$1,440,000	541310	Engineering and Planning	\$120,000
		541330	Construction & Civil Engineering	\$160,000
		335999	Manufacturing	\$704,000
		238210	Electrical Work	\$288,000
		238910	Safety Signage, Right of Way Designation & Marking	\$40,000
		235999	Fire Suppression	\$48,000
		335999	Safety & Security Measures	\$80,000
Rosa Parks Transit Center A&E and Outreach	\$560,000	541820	Engineering & Planning	\$560,000
Rosa Parks Transit Center Renovation – Phase 1	\$2,328,000	236210	General Contractor	\$100,000
		238110	Concrete Contractor	\$300,000
		238330	Flooring Installer	\$64,000
		238290	Elevator Vendor (Otis/Kone)	\$152,000
		238990	Signage Vendor	\$36,000
		238290	Door Hardware Installer	\$48,000



PROJECT NAME	EST. FTA \$ SHARE	NAICS CODE	NAICS CODE TITLE	AMOUNT OF FTA FUNDS ON PROJECT
		238210	Electrical Contractor	\$72,000
		541350	Specialty Inspector	\$28,000
		238220	Mechanical Contractor	\$268,000
		562998	Sewer & Drainage Crew	\$320,000
		238220	Fixture Installer	\$200,000
		541370	Utility Locator/Surveyor	\$36,000
		238220	Backflow Specialist	\$20,000
		238220	Plumbing Controls Vender	\$48,000
		238210	Testing & Commissioning	\$48,000
		238150	Glazing Contractor	\$80,000
		332321	Door & Frame Manufacturer	\$96,000
		561621	Access Control Vendor	\$64,000
		561621	Security Integrator	\$248,000
		238210	Electrical Contractor	\$48,000
		238350	Carpenter/Installer	\$52,000
Rosa Parks Transit Center Renovation Phase 2	\$2,888,000	541330	Engineering & Planning	\$240,000
		236220	Lobby Renovation General Contractor	\$264,000
			Sewer & Drainage Crew	\$228,000
		236220	Employee Lounge General Contractor	\$792,000
		314910	Canopy Renovation & Improvement/General Contractor	\$880,000
		238110	Concrete Contractor	\$484,000
Transit Hub/Connection Corner	\$248,000	541310	Architectural Engineering	\$248,000
Total	\$13,514,000			\$13,514,000

Table 3 is a summary of each NAICS code and the total dollar values for each NAICS code based on projects listed in Table 2.

**TABLE 3: NAICS CODE SUMMARY**

NAICS CODE	CATEGORY OF WORK	EST. FTA SHARE NAICS	NAICS FUNDING WEIGHT
236210	General Contractor	\$125,000	0.92%
236220	General Contractor	\$4,930,000	36.4%
238110	Concrete Contractor	\$3,985,698	29.5%
238150	Glazing Contractor	\$100,000	0.73%
238210	Electrical	\$910,000	6.73%
238220	HVAC	\$950,000	7.02%
238290	Elevator	\$250,000	1.84%
238320	Training	\$20,000	0.14%
239330	Flooring	\$80,000	0.59%
239350	Carpenter	\$65,000	0.48%
238910	Concrete & Demolition	\$1,335,000	9.87%
238990	Signage	\$45,000	0.33%
314910	Canopy Renovation	\$605,698	4.48%
332321	Door & Frames	\$120,000	0.88%
335999	Safety	\$2,010,000	14.87%
423450	Personal Safety Equipment	\$50,000	0.36%
541310	Architectural/Engineering	\$2,149,990	15.9%
541330	Construction	\$655,000	4.84%
541350	Specialty Inspector	\$35,000	0.26%
541370	Surveyor	\$45,000	0.33%
541820	Engineering & Planning	\$700,000	5.18%
561621	Security/Access Control	\$390,000	2.88%
526998	Sewer/Drainage	\$1,390,000	10.28%
TOTAL		\$13,514,000	

Goal Methodology**STEP 1 - Determination of the Base Figure**

To establish the Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBE) available to bid or propose on DDOT FTA-assisted contracting opportunities projected to be solicited during the triennial goal period, DDOT followed the prescribed federal methodology to determine relative availability. This was accomplished by assessing the Michigan Unified Certification Program (MUCP) DBE Database of Certified Firms and the 2022 U.S. Census Bureau County Business Patterns Database within the DDOT market area for each of the categories of work defined in Table 2.

$$\text{Base Figure} = \frac{\text{Number of Ready, Willing, and Able DBEs}}{\text{Number of All Firms Ready, Willing and Able}} \times \text{Estimated NAICS \%}$$

For the numerator: MUCP DBE Database of Certified Firms

For the denominator: 2022 U.S. Census Bureau's Business Patterns Database

In accordance with the formula listed above, the Base Figure is derived by:



- Relative Availability: dividing the number of ready, willing and able DBE firms identified for each NAICS work category by the number of all firms identified within the market are for each corresponding work category,
- Weighted Relative Availability: weighting the relative availability of each work category by the corresponding work category weight from Table 2 (NAICS %) to determine the Weighted Ratio for each NAICS work category and adding the weighted ratio figures together.

A concerted effort was made to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator.

The relative availability of DBEs is calculated in Table 4 below.

TABLE 4: DBE Relative Availability

NAICS CODE	CATEGORY OF WORK	DBEs	ALL FIRMS AVAILABLE (INCLUDING DBEs)	WEIGHTED RATIO
236210	General Contractor	9	57	15.78
236220	General Contractor	53	431	12.29
238110	Concrete Contractor	16	233	6.87
238150	Glazing Contractor	4	76	57.14
238210	Electrical	21	656	3.20
238220	HVAC	12	928	1.29
238290	Elevator	6	92	6.52
238320	Training	18	396	80.30
239330	Flooring	7	175	4.00
239350	Carpenter	4	382	1.04
238910	Concrete & Demolition	43	186	23.11
238990	Signage	38	439	8.65
314910	Canopy Renovation	0	19	0
332321	Door & Frames	2	6	33.33
335999	Safety	2	22	9.09
423450	Personal Safety Equipment	10	107	9.34
541310	Architectural/Engineering	14	194	7.21
541330	Construction	57	876	6.50
541350	Specialty Inspector	6	50	12.00
541370	Surveyor	9	36	25.00
541820	Engineering & Planning	18	61	29.51
561621	Security/Access Control	8	83	9.63
562998	Sewer/Drainage	2	19	10.53
TOTAL		359	5525	6.49%

The relative availability of DBEs from Table 4 is 6.49%. However, to make the Base Figure more accurate, weighting was used to take into account the amount of work that is available for each category of work (NAICS). The weighted relative availability of DBEs is calculated in Table 5 below.

**TABLE 5: DBE WEIGHTED RELATIVE AVAILABILITY**

NAICS CODE	CATEGORY OF WORK	NAICS FUNDING WEIGHT	ALL FIRMS AVAILABLE (INCLUDING DBEs)	WEIGHTED RATIO
236210	General Contractor	0.92%	15.78	0.15%
236220	General Contractor	36.40%	12.29	4.47%
238110	Concrete Contractor	29.50%	6.87	2.03%
238150	Glazing Contractor	0.73%	57.14	0.42%
238210	Electrical	6.73%	3.2	0.22%
238220	HVAC	0.06%	1.29	0.00%
238290	Elevator	1.84%	6.52	0.12%
238320	Training	0.14%	80.3	0.11%
239330	Flooring	0.59%	4	0.02%
239350	Carpenter	0.48%	1.04	0.00%
238910	Concrete & Demolition	9.87%	23.11	2.28%
238990	Signage	0.33%	8.65	0.03%
314910	Canopy Renovation	4.48%	0	0.00%
332321	Door & Frames	0.88%	33.33	0.29%
335999	Safety	14.87%	9.09	1.35%
423450	Personal Safety Equipment	0.36%	9.34	0.03%
541310	Architectural/Engineering	15.90%	7.21	1.15%
541330	Construction	4.84%	6.5	0.31%
541350	Specialty Inspector	0.26%	12	0.03%
541370	Surveyor	0.33%	25	0.08%
541820	Engineering & Planning	5.18%	29.51	1.53%
561621	Security/Access Control	2.88%	9.63	0.28%
562998	Sewer/Drainage	10.28%	10.53	1.08%
TOTAL				16%

V. PROPOSED OVERALL DBE GOAL

STEP 2 - Determining if an Adjustment is Needed

After calculating the original base figure of the relative availability of DBE's, DDOT examined all the evidence available to determine what adjustment was needed to the base figure to arrive at the overall goal. DDOT reviewed the DBE past participation in FTA-funded contracts from FY 2020 through 2024 (see Table-6 below). The historical median for past participation (race neutral and race conscious) is 11%.



TABLE 6 – DBE PART PARTICIPATION

Year	FTADBE GOAL %	Total DBE AWARDS %
2020	6%	54%
2021	6%	0%
2022	6%	0%
2023	15%	1.08%
2024	15%	0
Median DBE Goal		11%

DDOT reviewed the types of projects awarded in past Federal fiscal years and compared them to anticipated projects for this upcoming triennial period. DDOT determined that the anticipated projects to be awarded during the triennial period are similar to those awarded in the recent past.

DDOT used the Weighted Base Figure of 16% plus the Historical Median Past Participation of 11% = $29.9\% \div 2 = 13.5\%$.

$$16\% + 11\% \text{ (base figure)} / 2 = 13.5 = 14\% \text{ Rounded Overall DBE Goal}$$

VI. RACE/GENDER-NEUTRAL IMPLEMENTATION MEASURES

STEP 3 - Race-neutral and Race-Conscious Determination

An additional step is to identify what portion of the overall is race-neutral and race-conscious. The DBE rules suggest that agencies/recipients meet the “maximum feasible portion” of its overall DBE utilization goal through race-neutral means of facilitating race-neutral DBE participation.

DDOT estimates that in meeting the overall goal of 14% will obtain 100% from race-neutral participation and 0.0% from race-conscious measures. The following race-neutral means will be utilized by DDOT to increase opportunities for DBEs:

- Unbundling various work categories on projects to allow for subcontractors’ participation, awarding contracts to DBE prime contractors and subcontractors as the lowest responsible bidders.
- Providing technical assistance and other outreach services.
- Holding public meetings to discuss upcoming fiscal year projects and work categories.

For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to the following:

- DBE participation through a prime contract that a DBE obtains through customary competitive procurement procedures.
- DBE participation through a subcontract on a prime contract that does not carry a DBE goal.
- DBE participation in prime contract exceeding a contract goal.

The last step is sharing the proposed DBE overall goal and the methodology to establish the proposed DBE overall goal with the public. The purpose of the public consultation is to:

- 1) Obtain information concerning the availability of disadvantaged and non-disadvantaged businesses,



- 2) To the effects of discrimination on opportunities for DBEs,
- 3) To include DDOT's efforts to establish a level playing field for the participation of DBEs.

VII. PUBLIC PARTICIPATION AND FACILITATION

The public will be asked to provide comments during a 30-day period. A DBE Goal Notice will be posted on DDOT's website. Following the public consultation period and considering the public's comments, DDOT will adjust the proposed overall goal, if applicable. DDOT will submit the final goal and methodology to FTA by August 1, 2025.

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