

CITY OF MADISON WISCONSIN



**ANNUAL OVERALL DBE GOAL SUBMISSION
FEDERAL FISCAL YEARS: 2022, 2023, 2024**

October 1, 2021 – September 30, 2024

For

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

July 30, 2021

City of Madison Department of Civil Rights

SUBMITTED BY: Norman Davis
DBE Liaison Officer

THE CITY OF MADISON’S TRIENNIAL DISADVANTAGED BUSINESS ENTERPRISE GOAL FOR THE FEDERAL TRANSIT ADMINISTRATION – FEDERAL FISCAL YEARS 2022-2024

The City of Madison submits this three-year annual DBE goal for Federal Fiscal Years 2022, 2023, and 2024.

The City of Madison prepared this document in accordance with federal regulatory mandates:

- DBE Program Regulations: Title 49 Code of Federal Regulations Part 26, amended Oct 2014¹
- USDOT General Counsel Guidance: *Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program*

Background

The City of Madison is a recipient of United States Department of Transportation Federal Transit Administration (FTA) funds. The City of Madison has an established and operational Disadvantaged Business Enterprise (DBE) program in accordance with 49 CFR Part 26, “Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.”

The City of Madison utilized demonstrable evidence from Wisconsin’s transportation infrastructure market to establish the availability of businesses. This three-year annual goal document is a comprehensive analysis of opportunity, data, and trends prepared to reflect the relative availability of DBE firms in The City of Madison’s contracting market.

Proposed Overall DBE Goal for FFY 2022-2024

DBE goals are assigned to individual contracts that include federal funding as appropriate. Contracts with assigned goals must include subcontracting opportunities. The City of Madison’s proposed overall DBE goal for each of FFY 2022, FFY 2023, and FFY 2024 is **5.66%**

- 0.87% of the 5.66% goal will be attained using race/gender neutral measures
- 4.79% of the 5.66% goal will be attained using race/gender conscious measures

Applying the projected overall annual DBE goal of 5.66% to the annual average.

¹ 49 CFR 26.45, last amended Oct. 2, 2014 [79 FR 59593]

² Pub. L. No. 114-94, December 4, 2015

ANNUAL DBE GOAL SETTING METHODOLOGY

The annual overall DBE goal is applicable to procurements that include FTA funds. To track procurements and analyze the overall annual DBE goal most effectively, The City of Madison examined the opportunities for DBEs to participate in the different work areas we will be contracting. The DBE goal setting methodology combined all FTA-funded contract opportunities to calculate a single overall annual DBE goal for this submission.

STEP 1: Determine the relative availability of ready, willing, and able DBE firms

In determining the relative availability of ready, willing, and able DBE firms, The City of Madison consulted the *Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program* document produced by the USDOT Office of Small and Disadvantaged Business Utilization. As recommended in the *Tips* for Step 1, City of Madison considered:

- The Most Refined Data Available
- Relevant Data Sources

- Local Market Area
- Apples to Apples Calculation
- Weighting; and Decertification

Table 1 includes data referenced in the following discussion to arrive at the initial base figure for the overall DBE goal. The base figure ratio calculation resulted in a goal of 3.88% ready, willing, and able DBE firms.

Table 1: City of Madison's base figure for the relative availability of DBE Firms

2017 NAICS Code	NAICS Description	# of DBEs	# Total WI Businesses
237310	Highway, street, and bridge construction	37	152
238110	Poured concrete foundation and structure contractors	19	614
238120	Structural steel and precast concrete contractors	15	54
238150	Glass and glazing contractors	5	81
238160	Roofing contractors	17	426
238210	Electrical contractors and other wiring installation contractors	26	1,368
238220	Plumbing, heating, and air-conditioning contractors	19	1,909
238290	Other building equipment contractors	8	180
238310	Drywall and insulation contractors	31	435
238330	Flooring contractors	17	369
238350	Finish carpentry contractors	25	644
238390	Other building finishing contractors	2	131
238910	Site preparation contractors	33	892
334514	Totalizing fluid meter and counting device manufacturing	0	6
335929	Other communication and energy wire manufacturing	0	6
524126	Direct property and casualty insurance carriers	0	269
541330	Engineering services	80	869
541370	Surveying and mapping (except geophysical) services	29	123
541614	Process, physical distribution, and logistics consulting services	7	133
561730	Landscaping services	42	2,110
561990	All other support services	8	239

562910	Remediation services	11	86
	TOTAL	431	11,096
	TOTAL DBEs		431
	TOTAL DBES + non-DBEs		11,096
	RATIO (431÷11,096)		3.88%

Factoring in an adjustment for weighting the construction types, the final proposed overall goal is **5.66%** (see Weighting Analysis).

Most Refined Data Available

The most refined data available was from the Census Bureau as well as the Wisconsin Unified Certification Program (WI UCP) DBE Directory.

Relevant Data Sources

Census

The City of Madison obtained the number of firms in Wisconsin that work in the above NAICS codes through table “All Sectors: County Business Patterns, including ZIP Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2019”.

Wisconsin Unified Certification Program (WI UCP) DBE Directory

The City of Madison utilized the WI UCP DBE Directory as the primary data source to validate the number of ready, willing, and able DBE firms by converting City of Madison work types to North American Industry Classification System (NAICS) codes. The WI UCP DBE Directory was searched using NAICS codes that corresponded with projected City of Madison construction contract and consultant professional service opportunities, including firms certified by WI UCP partner agencies. Only firms with approved NAICS codes in the work areas in which City of Madison does business were included in calculation of the base figure as shown in Table 1.

Local Market Area

The City of Madison recognizes our local market area as the area in which the substantial majority of the contractors and subcontractors with which we do business are located, *and* is the area in which The City of Madison spends the substantial majority of contracting dollars.

The majority of contract work is completed by Wisconsin-based contractors, so the Wisconsin Market data was included.

Out-of-state contractors participate in City of Madison work as well, however, there are many Wisconsin contractors that can do this work, and we do not anticipate bids from out of state.

Apples to Apples Calculation

The City of Madison is deeply aware of the importance of including all applicable DBE and non-DBE firms in the base figure calculation. We have made sure to include firms from the data sources listed above in both the numerator and denominator where indicated, as shown in Table 1.

Weighting

The City of Madison utilized multiple work types to organize projects and estimate federal funding allocation. Table 2 includes the categories of work The City of Madison anticipates completing in the 2022-2024 Fiscal Years. Weighting analysis was preformed based on the available estimates for our Bus Rapid Transit (BRT) and facilities projects for this time period.

Table 2: City of Madison Projected Spending by Work Type FFY 2022-2024

2017 NAICS CODE	NAICS DESCRIPTION	Total Dollars Projected to be Spent on this NAICS Code	Percent of Total Projected Spend
237310	Highway, street, and bridge construction	5,002,171.28	7.54%
238110	Poured concrete foundation and structure contractors	25,645,970.08	38.68%
238120	Structural steel and precast concrete contractors	1,203,781.17	1.82%
238150	Glass and glazing contractors	130,486.56	0.20%
238160	Roofing contractors	228,351.48	0.34%
238210	Electrical contractors and other wiring installation contractors	10,322,385.72	15.57%
238220	Plumbing, heating, and air-conditioning contractors	3,556,593.85	5.36%
238290	Other building equipment contractors	771,252.00	1.16%
238310	Drywall and insulation contractors	87,827.49	0.13%
238330	Flooring contractors	195,118.51	0.29%
238350	Finish carpentry contractors	108,055.87	0.16%
238390	Other building finishing contractors	46,502.12	0.07%
238910	Site preparation contractors	2,678,567.57	4.04%
334514	Totalizing fluid meter and counting device manufacturing	940,000.00	1.42%
335929	Other communication and energy wire manufacturing	745,200.00	1.12%
524126	Direct property and casualty insurance carriers	869,811.41	1.31%
541330	Engineering Services	5,218,868.48	7.87%
541370	Surveying and mapping (except geophysical) services	434,905.71	0.66%
541614	Process, physical distribution, and logistics consulting services	3,044,339.95	4.59%
561730	Landscaping services	239,700.00	0.36%
561990	All other support services	3,791,715.51	5.72%
562910	Remediation services	1,036,931.43	1.56%
Total Projected Spend		66,298,536.18	

Weighting Analysis

The City of Madison performed weighting analysis to ensure accuracy of the base figure. Weighting was accomplished through determining the ratio of protected spend by DBEs to the availability of DBEs calculated in the relative availability above.

Table 3: City of Madison Weighted Analysis

A. 2017 NAICS Code	B. NAICS Description	C. Total Dollars Projected to be Spent on this NAICS Code	D. Percent of Total Projected Spend	E. Number of DBEs	F. Number of DBEs + Number of WI Total Businesses	G. Number of DBEs/(Number of DBEs + Number of WI Total Businesses)	H. Percent of Total Projected Spend x (Number of DBEs/(Number of DBEs + Number of WI Total Businesses))	I. x 100
237310	Highway, street, and bridge construction	\$ 5,002,171.28	0.08	37	189	0.24	0.02	1.84
238110	Poured concrete foundation and structure contractors	\$ 25,645,970.08	0.39	19	633	0.03	0.01	1.20
238120	Structural steel and precast concrete contractors	\$ 1,203,781.17	0.02	15	69	0.28	0.01	0.50
238150	Glass and glazing contractors	\$ 130,486.56	0.00	5	86	0.06	0.00	0.01
238160	Roofing contractors	\$ 228,351.48	0.00	17	443	0.04	0.00	0.01
238210	Electrical contractors and other wiring installation contractors	\$ 10,322,385.72	0.16	26	1394	0.02	0.00	0.30
238220	Plumbing, heating, and air-conditioning contractors	\$ 3,556,593.85	0.05	19	1928	0.01	0.00	0.05
238290	Other building equipment contractors	\$ 771,252.00	0.01	8	188	0.04	0.00	0.05
238310	Drywall and insulation contractors	\$ 87,827.49	0.00	31	466	0.07	0.00	0.01
238330	Flooring contractors	\$ 195,118.51	0.00	17	386	0.05	0.00	0.01
238350	Finish carpentry contractors	\$ 108,055.87	0.00	25	669	0.04	0.00	0.01
238390	Other building finishing contractors	\$ 46,502.12	0.00	2	133	0.02	0.00	0.00

238910	Site preparation contractors	\$ 2,678,567.57	0.04	33	925	0.04	0.00	0.15
334514	Totalizing fluid meter and counting device manufacturing	\$ 940,000.00	0.01	0	6	0.00	0.00	0.00
335929	Other communication and energy wire manufacturing	\$ 745,200.00	0.01	0	6	0.00	0.00	0.00
524126	Direct property and casualty insurance carriers	\$ 869,811.41	0.01	0	269	0.00	0.00	0.00
541330	Engineering services	\$ 5,218,868.48	0.08	80	949	0.09	0.01	0.72
541370	Surveying and mapping (except geophysical) services	\$ 434,905.71	0.01	29	152	0.24	0.00	0.15
541614	Process, physical distribution, and logistics consulting services	\$ 3,044,339.95	0.05	7	140	0.05	0.00	0.24
561730	Landscaping services	\$ 239,700.00	0.00	42	2152	0.02	0.00	0.01
561990	All other support services	\$ 3,791,715.51	0.06	8	247	0.03	0.00	0.19
562910	Remediation services	\$ 1,036,931.43	0.02	11	97	0.13	0.00	0.20
Total Projected Spend		\$ 66,298,536.18						5.66%

The weighting analysis result of 5.66% suggests an adjustment is needed to the base figure of 3.88 to 5.66%.

Decertification & Withdrawal

One hundred forty-two (142) DBE firms withdrew from the program, went out of business, or exceeded the USDOT (SBA) DBE size standards between 2018 and 2020 and are not included in the base number calculation for FFY 2022-2024.

STEP 2: Examine all the evidence available in your jurisdiction to determine whether an adjustment is needed

Based off of the weighted analysis, an adjustment to the base figure was needed. First, the contracts that will be letting during this period are extremely different than recent years. Over the past several years, we have completed facilities

improvements. Starting this fiscal year, the City of Madison will shift its focus to road construction to support the development of a Bus Rapid Transit project.

STEP 3: Calculating the Race/Gender-Neutral and Race/Gender-Conscious Split

The calculation of the race/gender neutral and race/gender conscious split of the DBE goal requires that the maximum feasible portion of the overall goal be met using neutral means according to 49 CFR Part 26.51. As recommended in the *Tips* for Step 3, we considered and include description of:

- Other ways to Calculate Race/Gender-Conscious Split
- Monitor DBE Participation to Determine Whether You Need to Adjust Your Use of Race/Gender-Conscious Measures

Other ways to Calculate Race/Gender-Conscious Split

This Triennial Goal calculation is very unique given the heavy emphasis on the Bus Rapid Transit project, which does not lend itself to high DBE participation. The one area in which we can compare previous participation is Engineering Services (NAICS code 541330) and other professional services such as surveying (NAICS code 541370). Businesses in these have successfully competed in projects in the past.

Table 4: City of Madison Race/Gender Neutral Availability

A. 2017 NAICS Code	B. NAICS Description	C. Total Dollars Projected to be Spent on this NAICS Code	D. Percent of Total Projected Spend	E. Number of DBEs	F. Number of DBEs + Number of WI Total Businesses	G. Number of DBEs/(Number of DBEs + Number of WI Total Businesses)	H. Percent of Total Projected Spend x (Number of DBEs/(Number of DBEs + Number of WI Total Businesses))	I. x 100
541330	Engineering services	\$ 5,218,868.48	0.08	80	949	0.09	0.01	0.72
541370	Surveying and mapping (except geophysical) services	\$ 434,905.71	0.01	29	152	0.24	0.00	0.15
Total								0.87

Given this calculation, out of the 5.66% triennial goal, 0.87% will be Race/Gender-Neutral and 4.79% will be Race/Gender-Conscious.

Monitor DBE Participation to Determine Whether You Need to Adjust Your Use of Race/Gender-Conscious Measures

The City of Madison believes it is critically important to monitor DBE participation during the year to determine whether projections are on target. It is our aim to meet as much of the goal possible through race/gender-neutral means. Should we determine part way through the fiscal year that we are on track, corrections will be made.

Final Race/Gender-Neutral and Race/Gender-Conscious Split

Given the data available of the Small Business Enterprise race/gender-neutral program at the City of Madison, 0.87% of this triennial goal is race/gender-neutral, 4.79% is race/gender-conscious.

CONSULTATION AND PUBLICATION

DBE Regulations: 49 CFR Part 26.45(g) Requirements

Publication & Consultation Efforts

49 CFR Part 26.45 (g): In establishing an overall goal, you must provide for consultation and publication. 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.

The consultation must include a scheduled, direct, interactive exchange (e.g., a face-to-face meeting, video conference, teleconference) with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process, and it must occur before you are required to submit your methodology to the operating administration for review pursuant to paragraph (f) of this section.

PUBLIC NOTICE

City of Madison Proposed Annual DBE Goals for Federal Transit Authority (FTA) Funded Contracts for October 1, 2021 – September 30, 2024

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Request for Report Feedback and Evidence of Ongoing Discrimination

This memorandum communicates the department's preliminary calculations report outlining the proposed Triennial Disadvantaged Business Enterprise [DBE] Participation Goal for The City of Madison contracts funded with federal dollars to be executed in federal fiscal years 2022, 2023, and 2024. This DBE Goal Proposal is presented to the public for review, comment, and the addition of evidence or data documenting the ongoing effects of discrimination in The City of Madison's contracting environment.

This DBE Goal percentage is calculated to reflect the relative availability of Wisconsin's DBE certified firms and DBE certification-eligible firms who specialize in transportation-related work types.

City of Madison's projected DBE goal calculation is 5.66% for October 1, 2021 – September 30, 2024.

We strongly encourage you to review our proposal and submit any evidence of ongoing discrimination in the City of Madison contract administration activities during this public review period.

According to the USDOT's guidance on DBE program implementation, The City of Madison must provide opportunity for your feedback and evidence which may include:

- Comments on this report, methodology, proposed goals, and the City of Madison's contracting practices
- Documentation of the effects of discrimination in financial markets
- Any data relevant to DBEs' ability or opportunity to participate on contracts

If you have evidence that we should include with this report, please submit it via email by July 29, 2021 to:

Norman Davis
dcr@cityofmadison.com
608-266-4910

In addition, please join the City of Madison for a virtual FY 2022-2024 Triennial Goal Open Comment Period on Zoom on July 22, 2021 and 9:00am. <https://cityofmadison.zoom.us/j/99963560923?pwd=Q3FydWdzcnhRVWp5UjNVdHhka1VHZz09>