

**County of Riverside  
Transportation Department**

**Disadvantaged Enterprise Program  
Federal Fiscal Year 2008/2009  
Annual Anticipated DBE Participation Level (AADPL)  
Methodology and Calculations**

I. DOT-Assisted Contracting Program for Federal Fiscal Year 2008/2009

Work Category	NAICS <sup>(1)</sup>	Est. Contracts FY 2008/2009	% of Federal Funding by Work Category
Construction (incl. Materials and Trucking)	23	\$31,963,000	100%
Consulting Services	54	\$0	0%
Totals:		\$31,963,000	100%

II. Goal-Methodology

**A. Construction:**

Numerator: Caltrans DBE directory of firms, with the following modifications made:

1. Filtered for construction work codes
2. Filtered for contractors that operate within the four-County market area that generally serves Riverside County’s contracting needs<sup>(2)</sup>.

Which results in 809 identified available DBE firms.

Denominator: The total number of construction companies within Riverside County’s four County market area<sup>(2)</sup> based on the U.S. Census Bureau “County Business Patterns” statistics for 2005 (NAICS<sup>(1)</sup> Code 23), which is the most recent available year of data:

<u>County Code</u>	<u>County Code</u>	<u>County Name</u>	<u>Number of firms</u>
19	037	Los Angeles	13,272
30	059	Orange	6,818
33	065	Riverside	4,408
36	071	San Bernardino	3,465
Total Construction firms:			27,963

Ratio (Construction):  $\frac{809}{27,963} = 2.89\%$

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**B. Consulting Services:**

Numerator: Caltrans DBE directory of firms, with the following modifications made:

1. Filtered for consulting services work codes
2. Filtered for consultants that operate within the four-County market area that generally serves Riverside County’s consulting needs<sup>(2)</sup>.

Which results in 1,725 identified available DBE firms.

Denominator: The total number of consulting companies within Riverside County’s four County market area<sup>(2)</sup> based on the U.S. Census Bureau “County Business Patterns” statistics for 2005 (NAICS<sup>(1)</sup> Code 54), which is the most recent available year of data:

<u>Caltrans DBE County Code</u>	<u>NAICS<sup>(1)</sup> County Code</u>	<u>County Name</u>	<u>Number of firms</u>
19	037	Los Angeles	29,820
30	059	Orange	13,330
33	065	Riverside	2,956
36	071	San Bernardino	<u>2,326</u>
Total Consulting firms:			48,432

Ratio (Consulting):  $\frac{1,725}{48,432} = 3.56\%$

**C. Base figure calculations:**

$$\text{Base figure} = 1.00 \left( \frac{809}{27,963} \right) + 0.00 \left( \frac{1,725}{48,432} \right) = 0.0289$$

Base figure = 2.89%

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**D. Adjustments to the base figure:**

1. Current Capacity of DBE's measured by actual attainments are as shown in Section III.

It is the opinion of the Transportation Department that the current DBE program data is representative of the local market capacity.

The County of Riverside bidder's list provides no additional data that appears to be relevant to the establishment of the base goal. However, the difference between the attainment ratio and the cumulative project goals is indicative of race and gender neutral effects on the bidding process in achieving DBE participation.

It has been observed that DBE utilization by prime contractors tends to be primarily in certain types of construction, such as paving, minor concrete construction, reinforcing steel fabrication, traffic control, trucking and furnishing certain types construction materials, and appears to be absent and difficult to attain in some types of subcontract work, such as storm water pollution prevention (SWPP), rip rap, clearing and grubbing, pipe installation and materials, fencing, major concrete paving, pile driving and drilling, and cold planing.

The Transportation Department does not have any data that would provide a more accurate measurement of the "current capacity of DBE's" for the Riverside County market area than that which is described in Section II "Goal-Methodology". Therefore, no adjustment to the base figure is proposed.

2. Disparity Study Results

A State-wide disparity study has been completed by a consultant under contract to the State of California Department of Transportation (Caltrans). That study indicated that the State of California should consider a State-wide base figure of 13.5% for its AADPL calculations. The study also revealed that the Caltrans contract DBE participation level has been at 9.0% for the years 2002 through 2006 compared to the Caltrans cumulative goal of 10.5%.

The County of Riverside Transportation Department, in reviewing data for its 4-County market area, does not have any factual data to indicate that there are ready and available Disadvantaged Business Enterprise firms in excess of the base figure calculated herein. However, the County of Riverside Transportation Department's DBE attainment since May 1, 2006, under the current race-neutral DBE program, is 13.542%, which is consistent with the base-figure recommendation of the Disparity Study, and which

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exceeds Caltrans' achievement in the Disparity Study period (2002-2006) during which race conscious goals were in place.

This is an indication that race neutral measures are working, which is consistent with the findings of the Ninth Circuit Court of Appeals in *Western States Paving Co. v. Washington State DOT* that "the regulations require a state to 'meet the maximum feasible portion of [its] overall goal by using race neutral means.'"

Therefore, no adjustment to the base figure is proposed for this calculation.

**E. Base Figure Adjustment:**

As described in sub-section D "Adjustments to the base figure", no adjustments are proposed to the base goal that was calculated in Section II "Goal-Methodology". Therefore, the Base Figure is established at 2.89%.

**III. Utilization of Race/Gender-Neutral Methods**

The County of Riverside Transportation Department's DBE attainment to-date for the current Federal Fiscal year is as follows:

<b>Cumulative Goals and Attainment</b> January 1, 2001 through June 30, 2008 (New DBE Program - Effective as of 1/1/01)	
Number of FHWA Projects:	35
Cumulative Project Goal to-date: Note: No goals have been set since implementation of the race-neutral program in 2006.	3.112%
Cumulative Attainment to-date:	11.217%
<b>Cumulative Race/Gender-Neutral Attainment:</b>	<b>8.105%</b>
<b>Race/Gender-Neutral Attainment Since inception of Race Neutral Program (5/1/06 – 6/30/08)</b>	<b>13.542%</b>

The difference between the cumulative DBE project goal to date and the cumulative attainment to date is 8.105%, which we attribute to the race/gender-neutral methods that the County and its bidding contractors employ in their normal respective bidding practices, and is indicative of additional attainment that is possible above and beyond the AADPL.

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IV. Establishment of Annual Anticipated DBE Participation Level (AADPL)

The County of Riverside Transportation Department hereby establishes an annual overall DBE AADPL of 2.89% for Federal Fiscal Year 2008 / 2009, and anticipates a higher actual participation through the continued utilization of race and gender-neutral methods.

**Notes:**

- (1) NAICS means the “North American Industry Classification System”, as used by the United States Census Bureau.
- (2) Riverside, Los Angeles, Orange and San Bernardino Counties (Very few contractors bid on County contracts from outside of this four-County area).

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