

**County of Riverside
Transportation Department**

**Disadvantaged Enterprise Program
Federal Fiscal Year 2009/2010
Annual Anticipated DBE Participation Level (AADPL)
Methodology and Calculations**

I. DOT-Assisted Contracting Program for Federal Fiscal Year 2009/2010

Work Category	NAICS ⁽¹⁾	Est. Contracts FY 2009/2010	% of Federal Funding by Work Category
Construction (incl. Materials and Trucking)	23	\$101,000,000	97.1%
Consulting Services	54	\$3,000,000	2.9%
Totals:		\$104,000,000	100%

Federal DOT Projects currently scheduled for advertisement during FY 09/10:

Construction:

- A. Palm Drive / I-10 Interchange (Reconstruction)
- B. Market Street at Agua Mansa Rd. (Signal)
- C. Valley Way at SR60 (EB Ramps)
- D. El Sobrante Rd, Mockingbird Canyon Rd. to Cajalco Rd.
- E. El Sobrante Rd., McAllister Street to 1.00 mile easterly
- F. Mountain View Rd., Varner Rd. to Nly of Club House Drive
- G. Rubidoux Blvd. at 28th Street (Signal)
- H. Leon Rd., Keller Rd. to Scott Rd.
- I. Route 86, 66th Ave. interchange
- J. Winchester Rd., Scott Rd. to Domenigoni Rd.

Engineering:

- A. Clay Street, General Dr. to Linares Ave. (RR Grade Separation)

Work under the County of Riverside construction contracts consists of those categories of work under category 23 of the North American Industry Classification System (NAICS), as used by the United States Census Bureau.

Work under the County of Riverside construction engineering contracts consists of those categories of work under category 54 of the North American Industry Classification System (NAICS), as used by the United States Census Bureau.

The County of Riverside's market area has been determined to encompass the Counties of Riverside, Los Angeles, Orange and San Bernardino. This market area is based on the Department's bid history.

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II. Goal-Methodology

A. Construction (UDBE):

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⁽²⁾.
3. Filtered for Underutilized Disadvantaged Business Enterprises (UDBE's)

Which results in 389 identified available DBE firms.

Denominator: The total number of construction companies within Riverside County’s four County market area⁽²⁾ based on the U.S. Census Bureau “County Business Patterns” statistics for 2006 (NAICS⁽¹⁾ Code 23), which is the most recent available year of data:

<u>Caltrans DBE County Code</u>	<u>NAICS⁽¹⁾ County Code</u>	<u>County Name</u>	<u>Number of firms</u>
19	037	Los Angeles	13,827
30	059	Orange	7,050
33	065	Riverside	4,686
36	071	San Bernardino	<u>3,649</u>
Total Construction firms:			29,212

Ratio (Construction): $\frac{389}{29,212} = 1.33\%$

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B. Consulting Services (UDBE):

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⁽²⁾.
3. Filtered for Underutilized Disadvantaged Business Enterprises (UDBE's)

Which results in 1274 identified available DBE firms.

Denominator: The total number of consulting companies within Riverside County’s four County market area⁽²⁾ based on the U.S. Census Bureau “County Business Patterns” statistics for 2006 (NAICS⁽¹⁾ Code 54), 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	31,135
30	059	Orange	13,918
33	065	Riverside	3,063
36	071	San Bernardino	<u>2,440</u>
Total Consulting firms:			50,556

Ratio (Consulting): $\frac{1274}{50,556} = 2.52\%$

C. Base figure calculations (UDBE):

Base figure = $.971 \left(\frac{389}{29,212} \right) + 0.029 \left(\frac{1,274}{50,556} \right) = 0.013661$

Base figure (Race Conscious) = 1.37%

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A. Construction (All DBEs):

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

4. Filtered for construction work codes
5. Filtered for contractors that operate within the four-County market area that generally serves Riverside County’s contracting needs⁽²⁾.
6. Filtered for Disadvantaged Business Enterprises (DBE's)

Which results in 796 identified available DBE firms.

Denominator: The total number of construction companies within Riverside County’s four County market area⁽²⁾ based on the U.S. Census Bureau “County Business Patterns” statistics for 2006 (NAICS⁽¹⁾ Code 23), which is the most recent available year of data:

<u>Caltrans DBE County Code</u>	<u>NAICS⁽¹⁾ County Code</u>	<u>County Name</u>	<u>Number of firms</u>
19	037	Los Angeles	13,827
30	059	Orange	7,050
33	065	Riverside	4,686
36	071	San Bernardino	<u>3,649</u>
Total Construction firms:			29,212

Ratio (Construction): $\frac{796}{29,212} = 2.72\%$

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B. Consulting Services (All DBEs):

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

4. Filtered for consulting services work codes
5. Filtered for consultants that operate within the four-County market area that generally serves Riverside County’s consulting needs⁽²⁾.
6. Filtered for Underutilized Disadvantaged Business Enterprises (UDBE's)

Which results in 1,761 identified available DBE firms.

Denominator: The total number of consulting companies within Riverside County’s four County market area based on the U.S. Census Bureau “County Business Patterns” statistics for 2006 (NAICS Code 54), 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	31,135
30	059	Orange	13,918
33	065	Riverside	3,063
36	071	San Bernardino	<u>2,440</u>
Total Consulting firms:			50,556

Ratio (Consulting): $\frac{1,761}{50,556} = 3.483\%$

C. Base figure calculations (All DBEs):

$$\text{Base figure} = .971 \left(\frac{796}{29,212} \right) + 0.029 \left(\frac{1,761}{50,556} \right) = .02747$$

Base figure = 2.75%
 (Race Conscious + Race Neutral)

The base figure for the Race Neutral component of the AADPL is the difference between the base figure for all DBE firms and the base figure for UDBE firms.

Base figure (Race Neutral) = .02747 - 0.01366 = .01381

Base figure (Race Neutral) = 1.38%

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D. Adjustments to the base figure:

1. 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 Transportation Department's bidder's list provides no additional data that appears to be relevant to the establishment of the base goal. However, the DBE participation during the recent race-conscious DBE program period 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. Based on recently published information by Caltrans, we understand that the current Statewide Goal is 13.5% (6.75% race-neutral and 6.75% race-conscious.).

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 Underutilized Disadvantaged Business Enterprise firms in excess of the base figure calculated herein. Therefore, no adjustment to the base figure is proposed for this calculation.

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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 Race Conscious portion of the AADPL is established at 1.37%, which is established for those firms that meet the qualifications of being an Underutilized Disadvantaged Business Enterprise.

III. Utilization of Race/Gender-Neutral Methods

The County of Riverside Transportation Department’s race-neutral DBE attainment to-date, since the inception of the Race-Neutral DBE program in May, 2006, is as follows:

Cumulative Goals and Attainment May 1, 2006 through June 30, 2009 (Race-Neutral DBE Program - Effective as of 5/1/2006)	
Number of FHWA Projects:	16
Race/Gender-Neutral Attainment Since inception of Race Neutral Program (5/1/06 – 6/30/09)	4.32%

The cumulative DBE participation since the inception of the recent race-neutral DBE program is the direct result of 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 race-conscious and the base race neutral portions of the AADPL.

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

Based on available data, as described above, the County of Riverside Transportation Department's UDBE goal and AADPL goals are summarized as follows:

Race/Gender-Conscious Methods (UDBE goal):	1.37%
Non-UDBE Goal (Race-Neutral):	1.38%
Race/Gender-Neutral Methods:	4.32%
Subtotal (Race-Neutral)	5.70%

Total AADPL:	7.07%

The County of Riverside Transportation Department hereby establishes an annual overall DBE AADPL of 7.07% for Federal Fiscal Year 2009 / 2010, and anticipates a higher actual participation through the continued utilization of race and gender-neutral methods.