

**County of Riverside  
Transportation Department**

**Disadvantaged Enterprise Program  
Federal Fiscal Year 2004/2005 Goal Methodology and Calculations**

**I. DOT-Assisted Contracting Program for Federal Fiscal Year 2004/2005**

Work Category	NAICS <sup>(1)</sup>	Est. Contracts FY 2004/2005	% of Federal Funding by Work Category
Construction (incl. Materials and Trucking)	23	\$30,347,000	100.00%
Consulting Services	54	\$0.00	0.00%
Totals:		\$30,347,000	100.00%

**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 989 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 2001 (NAICS<sup>(1)</sup> Code 23), which is the most recent available year of data:

Caltrans DBE County Code	NAICS <sup>(1)</sup> County Code	County Name	Number of firms
19	037	Los Angeles	12,078
30	059	Orange	6,081
33	065	Riverside	3,452
36	071	San Bernardino	2,885
Total Construction firms:			24,496

Ratio (Construction):  $\frac{989}{24,496} = 4.04\%$

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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 1,502 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 2001 (NAICS<sup>(1)</sup> Code 54), which is the most recent available year of data:

Caltrans DBE County Code	NAICS <sup>(1)</sup> County Code	County Name	Number of firms
19	037	Los Angeles	26,046
30	059	Orange	11,271
33	065	Riverside	2,201
36	071	San Bernardino	<u>1,819</u>
Total Consulting firms:			41,337

Ratio (Consulting):  $\frac{1,502}{41,337} = 3.63\%$

**C. Base figure calculations:**

$$\text{Base figure} = 1.00 \left( \frac{989}{24,496} \right) + 0.00 \left( \frac{1,502}{41,337} \right) = .04037$$

Base figure = 4.04%

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

**1. Current Capacity of DBE's measured by actual attainments**

Recent DBE statistics for the Riverside County Transportation Department are as follows:

	1/1/2001 Through 6/30/2004 (Cumulative)
Cumulative Project Goal:	<b>4.844%</b>
Cumulative DBE Participation:	<b>7.322%</b>
Difference:	<b>2.477%</b>
No. of FHWA Contracts:	<b>18</b>

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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, and is proposed as the race/gender-neutral component.

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**

No disparity studies have been found or are known to exist which reflect the Riverside County market. Therefore, no adjustment to the base figure is proposed.

## **3. Public Comment Period**

During the summer of 2004, the County of Riverside will publish its DBE program, goals and methodology for Fiscal Year 2004/2005, and will accept comments from the public for a period of 45 days. Consideration will be given to modification of the annual goal based on substantive comments or information received from the public.

## **E. Goal Adjustment and Final Race/Gender-Conscious Goal:**

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 final race/gender-conscious goal is established at **4.04%**.

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**III. Utilization of Race/Gender-Neutral and Race/Gender-Conscious 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> FY 2000 / 2001 through FY 2003/2004 (New DBE Program - Effective as of 1/1/01)	
Number of FHWA Projects:	18
Cumulative Project Goal to-date:	4.844%
Cumulative Attainment to-date:	7.322%
<b>Cumulative Race/Gender-Neutral Attainment:</b>	<b>2.477%</b>

The difference between the cumulative DBE project goal to date and the cumulative attainment to date is 2.477%, which we attribute to the race/gender-neutral methods that the County and its bidding contractors employ in their normal respective bidding practices.

The County has established a 2.48% Race/Gender-Neutral component of the annual goal.

**IV. Establishment of Goals**

The County of Riverside Transportation Department hereby establishes an annual overall DBE goal of 6.52% for Federal Fiscal Year 2004 / 2005. This annual goal is intended to be met through:

Race/Gender-Conscious Methods:	4.04%
Race/Gender-Neutral Methods:	2.48%
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<b>Total Annual DBE Goal:</b>	<b>6.52%</b>

**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).