



**BI • STATE
DEVELOPMENT**



**Bi-State Development Bi-State Development
Overall DBE Goal Setting Report
FY 2025-2027
Federal Transit Administration**

TABLE OF CONTENTS

I. Introduction.....3

II. Proposed Overall Goal for FFY 2025-2027.....3

III. Overall Goal Setting Methodology.....4

IV. Step One Base Figure Calculation.....6

V. Step Two Base Figure Adjustment.....9

VI. Projection of Race and Gender-Neutral Goal Attainment.....10

VII. Public Notice of Proposed Overall DBE Goals.....11

Acronyms.....14

**OVERALL DISADVANTAGED BUSIENSS ENTERPRISE GOAL-SETTING
METHODOLOGY REPORT FEDERAL FISCAL YEAR 2025-2027**

I. INTRODUCTION

This report details the methodology and the process utilized by Bi-State Development (Bi-State Development) to formulate its three (3) year Fiscal Year (FY) 2025-2027 goal for US DOT-assisted projects. It describes the efforts by Bi-State Development to comply with the goal setting provisions outlined in 49 CFR Part 26.

The office of Supplier Diversity administers the DBE Program for Bi-State Development Agency and tracks DBE participation through the use of an online data collection system (DBE system). Since 2011 Supplier Diversity has been monitoring prime contracts, sub-contracts, contract values, change orders, work categories, contractor payments, and other compliance data through the DBE system. In addition, Supplier Diversity continually monitors and cleans the data uploaded to the DBE system from Bi-State's financial system. As a result, Supplier Diversity has a significant amount of useful, historical data needed to set a meaningful and accurate overall DBE goal.

Planned USDOT-assisted expenditures for FY 2025-2027 encompass a wide range of initiatives meeting the Agency's major priorities. Included in the budget is a three-year program designed to build, maintain or replace Bi-State Development's core infrastructure critical to the efficient operation of the region's public transit system. The capital budget provides the funding to implement necessary improvements and upgrades to the system infrastructures, as well as various expenditures for asset replacements that occur on an infrequent basis. Capital expenditures for FY 2025-2027 include current and future rail projects, vehicle and supporting equipment purchases, transit development (i.e., facility, centers, stations, parking lots, etc.) and information technology improvements.

II. PROPOSED OVERAL GOAL FOR FEDERAL FISCAL YEAR (FFY) 2025-2027

Based on the requirements set forth in 49 CFR Part 26, Bi-State Development is submitting a goal for FFY 2025-2027. The recommended overall DBE goal for the period is 20 percent (20%).

III. OVERALL GOAL SETTING METHODOLOGY AND EVIDENCE

In preparation for the 2025-2027 goal, the Disadvantaged Business Enterprise Liaison Officer (DBELO) evaluated the most recent three years of contract data from the DBE system. Projects evaluated for contracting opportunities cover several NAICS codes-construction, professional services, electric, operating (CMAQ, JARC, ARRA, PM), consulting, materials/supplies, and other areas such as IT equipment.

Table 1 lists all anticipated DOT-assisted contracts by NAICS for projects during the FFY 2025-2027:

TABLE 1. CONTRACTING OPPORTUNITIES

	NAICS Code	NAICS DESCRIPTION	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	236220	Commercial and Institutional Building Construction	\$784,472.00	0.0110
2)	237110	Water and Sewer Line and Related Structures Construction	\$1,672,522.00	0.0235
3)	237130	Power and Communication Line and Related Structures Construction	\$3,498,500.00	0.0492
4)	237310	Highway, Street, and Bridge Construction	\$1,291,380.73	0.0181
5)	237990	Other Heavy and Civil Engineering Construction	\$19,768,826.19	0.2777
6)	238110	Poured Concrete Foundation and Structure Contractors	\$569,247.50	0.0080
7)	238120	Structural Steel and Precast Concrete Contractors	\$356,075.00	0.0050
8)	238160	Roofing contractors	\$1,053,129.72	0.0148
9)	238210	Electrical Contractors and Other Wiring Installation Contractors	\$2,733,342.44	0.0384
10)	238220	Plumbing, Heating, and Air-Conditioning Contractors	\$1,272,419.00	0.0179
11)	238330	Flooring Contractors	\$30,350.00	0.0004
12)	238350	Finish Carpentry Contractors	\$37,500.00	0.0005
13)	238910	Site Preparation Contractors	\$110,900.00	0.0016
14)	238990	All Other Specialty Trade Contractors	\$797,558.96	0.0112
15)	327320	Ready-Mix Concrete Manufacturing	\$175,950.00	0.0025
16)	332312	Fabricated Structural Metal Manufacturing	\$165,645.00	0.0023
17)	332323	Ornamental and Architectural Metal Work Manufacturing	\$139,530.00	0.0020
18)	332999	All Other Miscellaneous Fabricated Metal Product Manufacturing	\$8,400.00	0.0001
19)	423610	Electrical Apparatus and Equipment, Wiring Supplies,	\$15,810.00	0.0002

		and Related Equipment		
20)	423850	Service Establishment Equipment and Supplies Merchant Wholesalers	\$35,939.28	0.0005
21)	484220	Specialized Freight (except Used Goods) Trucking, Local	\$228,907.50	0.0032
22)	485999	All Other Transit and Ground Passenger Transportation	\$1,344,247.07	0.0189
23)	541310	Architectural (except landscape) design services	\$1,652,790.01	0.0232
24)	541330	Engineering Services	\$1,537,957.93	0.0216
25)	541370	Survey and Mapping (except Geophysical Services)	\$370,313.59	0.0052
26)	541380	Testing Laboratories and Services	\$17,398.50	0.0002
27)	541613	Marketing consulting services	\$75,124.93	0.0011
28)	541618	Other Management Consulting Services	\$79,800.00	0.0011
29)	561110	Executive management services	\$178,924.64	0.0025
30)	561311	Employment Placement Agencies	\$523,307.50	0.0074
31)	561320	Temporary help services	\$240,000.00	0.0034
32)	561612	Security guards and patrol services	\$16,687,754.31	0.2345
33)	561720	Janitorial services	\$13,431,549.70	0.1887
34)	561730	Landscaping Services	\$70,264.00	0.0010
35)	561990	All other Support Services	\$8,000.00	0.0001
36)	562910	Lead paint abatement services	\$214,000.00	0.0030
	Total FTA-Assisted Contract Funds		\$71,177,837.50	1

49 CFR §26.45 requires a two-step process for setting the DBE goal that reflects the level of DBE participation on Bi-State Development contracts expected absent the effects of discrimination. Bi-State Development examined the relevant market area. The overall goal is based upon the availability of DBE firms ready, willing and able to work in the local market area. The local market area for Bi-State Development is known as the St. Louis Metropolitan Statistical Area (SMSA) which consists of Missouri counties of Crawford (only the City of Sullivan), Franklin, Jefferson, Lincoln, St. Charles, St. Louis, St. Louis City and Warren; Illinois counties of Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe, and St. Clair.

In order to determine the base figure for the availability of DBEs, Bi-State Development carefully examined the Missouri Unified Certification Program (MUCP)-Missouri Regional Certification Committee (MRCC) DBE directory. However, to ensure the goal reflects the actual availability of ready, willing and able DBEs in the SMSA, Bi-State Development examined the MBE/WBE Directories of the City of St. Louis, State of Missouri-Office of Administration/Office of Equal Opportunity and the Illinois UCP Directory to determine whether they contained firms which should be considered ready, willing and able DBEs within

the NAICS identified within Bi-State Development’s contracting opportunities. Additionally, Bi-State Development obtained data on the availability of all firms available, including DBEs, from the United States Census Bureau – 2021 County Business Patterns database.

IV. STEP 1-BASE FIGURE CALCULATION

The initial phase of the Step 1 analysis requires that recipient’s first step is the calculation of a base figure for the relative availability of able, willing and ready DBEs. Bi-State Development utilized the number of DBEs within the relevant market area and NAICS codes determined to be within Bi-State Development’s anticipated federally funded projects for FY 2025-2027. The number of ready, willing and able DBE firms within the market area totaled 466 (see Table 2). Bi-State Development examined the total number of establishments, including DBEs, available to perform within the same NAICS. The total number of establishments based on data reviewed in the County Business Patterns database totaled 7,829 (see Table 2). US DOT Tips requires the calculation of the relative base figure by dividing the total number of available, willing and able DBEs in the market area (466) by the total number of all market area businesses (7,829) multiplied by 100. The base figure estimate of DBE availability equals 5.95% as shown in Table 2.

TABLE 2. DBE AVAILABILITY ANALYSIS

	NAICS Code	NAICS DESCRIPTION	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
1)	236220	Commercial and Institutional Building Construction	13	353	0.0368
2)	237110	Water and Sewer Line and Related Structures Construction	14	90	0.1556
3)	237130	Power and Communication Line and Related Structures Construction	2	53	0.0377
4)	237310	Highway, Street, and Bridge Construction	22	82	0.2683
5)	237990	Other Heavy and Civil Engineering Construction	16	25	0.6400
6)	238110	Poured Concrete Foundation and Structure Contractors	16	215	0.0744
7)	238120	Structural Steel and Precast Concrete Contractors	7	17	0.4118
8)	238160	Roofing contractors	6	232	0.0259
9)	238210	Electrical Contractors and Other Wiring Installation Contractors	25	498	0.0502
10)	238220	Plumbing, Heating, and Air-Conditioning Contractors	21	825	0.0255
11)	238330	Flooring Contractors	10	146	0.0685

12)	238350	Finish Carpentry Contractors	15	240	0.0625
13)	238910	Site Preparation Contractors	47	286	0.1643
14)	238990	All Other Specialty Trade Contractors	31	405	0.0765
15)	327320	Ready-Mix Concrete Manufacturing	1	62	0.0161
16)	332312	Fabricated Structural Metal Manufacturing	2	34	0.0588
17)	332323	Ornamental and Architectural Metal Work Manufacturing	2	18	0.1111
18)	332999	All Other Miscellaneous Fabricated Metal Product Manufacturing	2	22	0.0909
19)	423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment	8	133	0.0602
20)	423850	Service Establishment Equipment and Supplies Merchant Wholesalers	2	41	0.0488
21)	484220	Specialized Freight (except Used Goods) Trucking, Local	55	290	0.1897
22)	485999	All Other Transit and Ground Passenger Transportation	1	22	0.0455
23)	541310	Architectural (except landscape) design services	6	179	0.0335
24)	541330	Engineering Services	27	466	0.0579
25)	541370	Survey and Mapping (except Geophysical Services)	11	48	0.2292
26)	541380	Testing Laboratories and Services	4	54	0.0741
27)	541613	Marketing consulting services	14	310	0.0452
28)	541618	Other Management Consulting Services	15	49	0.3061
29)	561110	Executive management services	0	267	0.0000
30)	561311	Employment Placement Agencies	4	51	0.0784
31)	561320	Temporary help services	2	327	0.0061
32)	561612	Security guards and patrol services	6	59	0.1017
33)	561720	Janitorial services	22	616	0.0357
34)	561730	Landscaping Services	21	1118	0.0188
35)	561990	All other Support Services	3	134	0.0224
36)	562910	Lead paint abatement services	13	62	0.2097
Combined Totals			466	7829	0.0595

The number of DBEs ready, willing and able to bid on Bi-State Development's contracting opportunities is 466. The number of all establishments (DBEs and non-DBEs) within the appropriate NAICS codes associated with Bi-State Development's contracting opportunities is 7,829. 466 divided by 7,829 multiplies by 100 indicates that the overall availability of DBEs is 5.95%.

In the application of the overall DBE goal, not all DBEs have equal opportunity for participation as opportunity depends on the spend in each NAICS code. Weighting is recommended in USDOT tips to ensure the overall goal accurately reflects the scope of work. NOTE: The USDOT Tips for Goal Setting advises recipients to look to relevant data sources to supplement your DBE directory. When using the DBE directory and census data in goal setting and there is concern that the directory does not accurately reflect the number of potential DBEs in your area, you should seriously consider supplementing the number of firms in your DBE directory for the purposes of goal-setting. One of the listed tips is to examine lists of other DBEs and MBE/WBEs from other sources to ensure your list of DBEs and potential DBEs is accurate. Bi-State Development weighted the availability of firms based on the spend in each NAICS, which resulted in a weighted step one base figure of 23% as indicated in Table 3.

TABLE 3-DBE GOAL ANALYSIS

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	236220	Commercial and Institutional Building Construction	0.01102	x	0.03683	0.0004
2)	237110	Water and Sewer Line and Related Structures Construction	0.02350	x	0.15556	0.0037
3)	237130	Power and Communication Line and Related Structures Construction	0.04915	x	0.03774	0.0019
4)	237310	Highway, Street, and Bridge Construction	0.01814	x	0.26829	0.0049
5)	237990	Other Heavy and Civil Engineering Construction	0.27774	x	0.64000	0.1778
6)	238110	Poured Concrete Foundation and Structure Contractors	0.00800	x	0.07442	0.0006
7)	238120	Structural Steel and Precast Concrete Contractors	0.00500	x	0.41176	0.0021
8)	238160	Roofing contractors	0.01480	x	0.02586	0.0004
9)	238210	Electrical Contractors and Other Wiring Installation Contractors	0.03840	x	0.05020	0.0019
10)	238220	Plumbing, Heating, and Air-Conditioning Contractors	0.01788	x	0.02545	0.0005
11)	238330	Flooring Contractors	0.00043	x	0.06849	0.0000
12)	238350	Finish Carpentry Contractors	0.00053	x	0.06250	0.0000
13)	238910	Site Preparation Contractors	0.00156	x	0.16434	0.0003
14)	238990	All Other Specialty Trade Contractors	0.01121	x	0.07654	0.0009
15)	327320	Ready-Mix Concrete Manufacturing	0.00247	x	0.01613	0.0000
16)	332312	Fabricated Structural Metal Manufacturing	0.00233	x	0.05882	0.0001
17)	332323	Ornamental and Architectural Metal Work Manufacturing	0.00196	x	0.11111	0.0002
18)	332999	All Other Miscellaneous Fabricated Metal Product Manufacturing	0.00012	x	0.09091	0.0000
19)	423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment	0.00022	x	0.06015	0.0000
20)	423850	Service Establishment Equipment and Supplies Merchant Wholesalers	0.00050	x	0.04878	0.0000
21)	484220	Specialized Freight (except Used Goods) Trucking, Local	0.00322	x	0.18966	0.0006
22)	485999	All Other Transit and Ground Passenger Transportation	0.01889	x	0.04545	0.0009
23)	541310	Architectural (except landscape) design services	0.02322	x	0.03352	0.0008

24)	541330	Engineering Services	0.02161	x	0.05794	0.0013
25)	541370	Survey and Mapping (except Geophysical Services)	0.00520	x	0.22917	0.0012
26)	541380	Testing Laboratories and Services	0.00024	x	0.07407	0.0000
27)	541613	Marketing consulting services	0.00106	x	0.04516	0.0000
28)	541618	Other Management Consulting Services	0.00112	x	0.30612	0.0003
29)	561110	Executive management services	0.00251	x		
30)	561311	Employment Placement Agencies	0.00735	x	0.07843	0.0006
31)	561320	Temporary help services	0.00337	x	0.00612	0.0000
32)	561612	Security guards and patrol services	0.23445	x	0.10169	0.0238
33)	561720	Janitorial services	0.18870	x	0.03571	0.0067
34)	561730	Landscaping Services	0.00099	x	0.01878	0.0000
35)	561990	All other Support Services	0.00011	x		
36)	562910	Lead paint abatement services	0.00301	x	0.20968	0.0006
					Total	0.2325
					Expressed as a % (*100)	23.25%
					Rounded, Weighted Base Figure:	23%

V. STEP 2-CONSIDERATION OF ADJUSTMENT TO THE BASE FIGURE

Bi-State Development examined all evidence in its jurisdiction to determine what adjustment, if any, is needed to the base figure to arrive at the overall goal. Included among the types of evidence that must be considered are the current capacity of DBEs to perform work on Bi-State Development’s federally-assisted contracts, as measured by the volume of work DBEs have performed in recent years, and input from interested parties.

Bi-State Development determined that an adjustment to the Step-One base figure was necessary. The methodology includes past participation in 2021, 2022, and 2023. The 2021 annual goal was 18% and achievement was 13.3%; 2022 annual goal was 11.5% and achievement was 17% and 2023 annual goal was 11.5% and achievement was 21%. Bi-State Development determined that the median number from 2021-2023 to be 17% (middle number) and averaged this number with the Step-One base figure weighted value of 23%. The result was 20% as shown in Table 4.

TABLE 4 – ADJUSTMENT TO BASE FIGURE

GOAL LAST THREE YEARS	AWARDS/COMMITMENTS	AMOUNT EXCEEDED
2021 (18% goal)	13.3%	-4.7
2022 (11.5% goal)	17%	5.5
2023 (11.5% goal)	21%	9.5

Median Past Participation (MPP) values from lowest to highest: 13.3%, **17%**, 21%

Adjusted Base Figure

Step 1 Goal: Weighted Base Figure (BF)	23%
Step 2 Adjustment: (BF +MPP)/2	23%
	<u>+17%</u>
	40%/2
Adjusted Base Figure	20%

VI. PROJECTION OF RACE-NEUTRAL VS. RACE CONSCIOUS GOAL ATTAINMENT

The final requirement of the goal setting process is to determine the portion of the overall goal that will be achieved by race and gender-neutral means. As outlined in 49 CFR § 26.51, the maximum feasible portion of the overall DBE goal should be achieved using race and gender-neutral means.

Bi-State Development examined the achievement of its goal for FFY2022-2024 since contracting opportunities are similar. The race neutral and race conscious components were determined by analyzing the DBE achievements against the actual goals set for federally-funded projects. Race-neutral includes, but is not limited to, the following: anytime a DBE wins a prime contract through customary competitive procurement procedures; a DBE is awarded a subcontract on a prime contract that does not carry a goal; DBE participation on a prime contract exceeding a contract goal; and DBE participation through a subcontract from a prime contract that did not consider a firm’s DBE status in making the award.

Based on the last three years of projects, Bi-State Development determined that the race neutral and race-conscious split would utilize the adjusted base figure of 20%. Based on the past race-neutral median, Bi-State Development has identified it will achieve the maximum feasible portion of the goal using race-neutral measures and that percentage is 14%.

The race-conscious percentage is 6%. Therefore, the breakdown is as follows: 20% adjusted base figure: 14% RN and 6% RC as shown in table 5.

TABLE 5 – RACE-NEUTRAL PROJECTION

1. Tally total RN DBE Achievement percentage for 3 years.

	RN DBE Amount	Total Contract Amount	RN DBE%
2021	\$1,370,318.00	\$22,643,303.00	6%
2022	\$3,664,983.00	\$25,602,326.00	14%
2023	\$4,450,611.00	\$23,365,847.00	19%

2. Choose median RN percentage:

	RN DBE%
2021	6%
2022	14%
2023	19%

3. Apply to adjusted base figure for final goal:

Adjusted base figure: 20% = 6% RC
 14% RN

The triennial overall goal stated above is an aspirational target for expending federal funds with DBE firms. Funding, local market conditions and capacity of DBE firms in specific industry classifications may make ongoing adjustments of the overall goal necessary.

VII. PUBLIC NOTICE OF PROPOSED OVERALL GOALS

In accordance with 49 CFR §26.45(g), the goal setting process used by recipients to establish their overall goal submitted to the operating administrations for approval must include 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 DBEs and non-DBEs. This consultation process is also intended to gather information concerning the effects of discrimination on opportunities for DBEs, if present, and establishing a level playing field for the participation of DBEs.

On April 5, 2024, Bi-State Development invited the following minority, women and general contractor groups, community organizations and other officials (interested parties) within Bi-State Development's contracting market to attend a virtual meeting aimed at gathering input relative to the goal-setting process:

Asian American Chamber of Commerce
Associated General Contractors of Missouri
Hispanic Chamber of Commerce
Mid-States Minority Supplier Development Council
Missouri Department of Transportation
Missouri Office of Administration
Missouri Women in Trades
MOKAN
Small Business Association
Small Business Development Center
Small Business Transportation Resource Center
St. Louis Council of Construction Consumers
St. Louis County M/WBE Program Office
St. Louis Economic Development Partnership
St. Louis Lambert International Airport
St. Louis NAACP
St. Louis Regional Chamber of Commerce
Washington University

A virtual meeting was held on Friday April 26, 2024. Attendees included St. Louis County M/WBE Program Office and Small Business Transportation Resource Center. During the meeting, Bi-State Development provided an overview of the DBE Program (certification, goal setting, contract compliance, monitoring & enforcement, reporting), discussed the methodology utilized to set the 2025-2027 overall DBE goal and how to provide comments.

St. Louis County commented they were pleased to learn Bi-State sets contract goals per project and doesn't use a static approach. Additionally stated this work isn't easy and appreciates all of Bi-State's efforts.

Additionally, Bi-State Development published its FY 2025-2027 DBE goal on the agency's [website](#) This notice informed the public the proposed goal is 20% and its rationale is available for inspection.

Bi-State Development took public comments and stakeholder groups' recommendations and/or comments into consideration as warranted in the goal setting process. Bi-State Development's final DBE goal is representative of the input provided by the stakeholder groups during the public consultation and comment periods. Bi-State Development made

every attempt to be inclusive and solicit input from a diverse group of community organizations within the local contracting area.

Bi-State Development will begin using the overall three-(3) year goal on October 1, 2024.

ACRONYMS

49 CFR PART 26:	Code for Federal Regulation that governs the DBE Program
DBE:	Disadvantaged Business Enterprise
DBELO:	DBE Liaison Officer
IL UCP:	Illinois Unified Certification Program
MBE:	Minority Business Enterprise
MRCC:	Missouri Regional Certification Committee (Missouri UCP)
NAICS:	North American Industry Classification System
SMSA:	St. Louis Bi-State Metropolitan Statistical Area
USDOT:	United States Department of Transportation
WBE:	Women Business Enterprise