

ATTACHMENT G. DBE Contract Goal Setting Methodology

Arizona Department of Transportation Business Engagement and Compliance Office (BECO) DBE Contract Goal Methodology Guidelines

1. To obtain a DBE goal for projects in which ADOT is the recipient of federal funds, ADOT PMs, Local Public Agencies, COGs, and MPOs must request a DBE Goal by logging into ADOT's online DBE Goal Setting System (System) and completing detailed information about the project, indicating the total dollars estimated for each work category involved in the project.
2. When submitted, an initial calculation is performed by the System on the goal submittal using a standardized percentage of potential subcontractable work for the dollars estimated for each work category (percentages were determined with input from prime contractors, subcontractors, DBEs, ADOT staff and ADOT/LPA subcontracting project history).
3. An additional automated adjustment is made by the System to reduce the standardized percentage of any category that has less than 3 DBE firms available.
4. Additional adjustments to the System calculated goal may also be made on a case-by-case basis by a Goal Setting Committee of compliance staff that meet weekly to set DBE project goals. The Committee evaluates a number of factors and may make adjustments, as applicable, to help ensure that the goal is narrowly tailored for each project/contract. These general factors include the project type, location of project, availability of DBE's and subcontractable opportunities. Some specific adjustment factors may include, if applicable:
 - a. Changes to the standardized subcontractable percentage for specified work categories, as needed, based on project type and industry practice.
 - b. Adjustment to calculated total subcontracting percentage if it exceeds the maximum percentage of work the Prime contractor is required to perform based on ADOT or LPA contract requirements.
 - c. Division of total subcontracting percentage by 3, 2, or 1.5 to reflect subcontracting opportunities for DBEs, SBCs, and non-DBE/SBC subcontractors.
 - d. Adjustments based on project size with the assumption that larger projects have more subcontractable and DBE opportunities than smaller projects.
 - e. Project type adjustments when the project scope has limited subcontracting opportunities, for example, pavement preservation or certain professional services or planning projects.
 - f. Project location adjustment based on the lack of availability or concentration of available DBE firms in certain locations.
 - g. Cost overrun adjustment might be made, when a project/contract has high potential for contract modifications. This adjustment could raise the goal based on the previous year's overrun average.
 - a. "Running Tally" adjustment that considers the overall agency DBE goal and looks at the average of DBE goals that have already been set during the year to see how the project contract goal being set supports the overall Agency goal. Project DBE goal may be adjusted up or down to better support the overall goal.
5. If any of the adjustments listed in item 4 above are made, the adjustments are inputted into the DBE Goal Setting System at the Committee meetings with the justification for the adjustment documented, and the goal calculation is then automatically re-calculated by the System. Once all adjustments are made, the goal is "finalized" in the System and an automated email is sent to the Goal requestor indicating the assessed goal. All DBE goal assessments are valid for 120 days from the date the goal was finalized. Any assessed goal that is more than 120 days old is considered "expired" and a new DBE goal assessment must be requested.