

CITY OF MADISON WISCONSIN



**ANNUAL OVERALL DBE GOAL SUBMISSION
FEDERAL FISCAL YEARS: 2025, 2026, 2027**

October 1, 2024 – September 30, 2027

For

**U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL TRANSIT ADMINISTRATION**

July 30, 2024

City of Madison Department of Civil Rights

SUBMITTED BY: Norman Davis
DBE Liaison Officer

THE CITY OF MADISON’S TRIENNIAL DISADVANTAGED BUSINESS ENTERPRISE GOAL FOR THE FEDERAL TRANSIT ADMINISTRATION – FEDERAL FISCAL YEARS 2025-2027

The City of Madison submits this three-year annual DBE goal for Federal Fiscal Years 2025, 2026, and 2027.

The City of Madison prepared this document in accordance with federal regulatory mandates:

- DBE Program Regulations: Title 49 Code of Federal Regulations Part 26, amended May 2024¹
- USDOT General Counsel Guidance: *Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program*

Background

The City of Madison is a recipient of United States Department of Transportation Federal Transit Administration (FTA) funds. The City of Madison has an established and operational Disadvantaged Business Enterprise (DBE) program in accordance with 49 CFR Part 26, “Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.”

The City of Madison utilized demonstrable evidence from Wisconsin’s transportation infrastructure market to establish the availability of businesses. This three-year annual goal document is a comprehensive analysis of opportunity, data, and trends prepared to reflect the relative availability of DBE firms in The City of Madison’s contracting market.

Proposed Overall DBE Goal for FFY 2025-2027

DBE goals are assigned to individual contracts that include federal funding as appropriate. Contracts with assigned goals must include subcontracting opportunities. The City of Madison’s proposed overall DBE goal for each of FFY 2025, FFY 2026, and FFY 2027 is **17.89%**.

- **1.6% of the 17.89% goal will be attained using race/gender neutral measures**
- **16.29% of the 17.89% goal will be attained using race/gender conscious measures**

Applying the projected overall annual DBE goal of 17.89% to the annual average.

¹ 49 CFR 26.45, last amended May 6, 2024

ANNUAL DBE GOAL SETTING METHODOLOGY

The annual overall DBE goal is applicable to procurements that include FTA funds. To track procurements and analyze the overall annual DBE goal most effectively, The City of Madison examined the opportunities for DBEs to participate in the different work areas we will be contracting. The DBE goal setting methodology combined all FTA-funded contract opportunities to calculate a single overall annual DBE goal for this submission.

STEP 1: Determine the relative availability of ready, willing, and able DBE firms

In determining the relative availability of ready, willing, and able DBE firms, The City of Madison consulted the *Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program* document produced by the USDOT Office of Small and Disadvantaged Business Utilization. As recommended in the *Tips* for Step 1, City of Madison considered:

- The Most Refined Data Available
- Relevant Data Sources

- Local Market Area
- Apples to Apples Calculation
- Weighting; and Decertification

Table 1 includes data referenced in the following discussion to arrive at the initial base figure for the overall DBE goal. The base figure ratio calculation resulted in a goal of 4.62% ready, willing, and able DBE firms.

Table 1: City of Madison’s base figure for the relative availability of DBE Firms

2022 NAICS Code	NAICS Description	# of DBEs	# Total WI Businesses
236210	Industrial Building Construction	12	41
237110	Water and Sewer Line and Related Structures Construction	23	226
237210	Oil and Gas Pipeline and Related Structures Construction	1	54
237310	Highway, Street, and Bridge Construction	49	161
238110	Poured Concrete Foundation and Structure Contractors	19	646
238120	Structural Steel and Precast Concrete Contractors	18	47
238150	Glass and Glazing Contractors	4	81
238160	Roofing Contractors	13	432
238190	Other Foundation, Structure, and Building Exterior Contractors	14	75
238210	Electrical Contractors and Other Wiring Installation Contractors	33	1381
238220	Plumbing, Heating, and Air-Conditioning Contractors	19	1924
238350	Finish Carpentry Contractors	20	633
238910	Site Preparation Contractors	36	899
333310	Commercial and Service Industry Machinery Manufacturing	0	0
336390	Other Motor Vehicle Parts Manufacturing	0	36
524126	Direct Property and Casualty Insurance Carriers	0	263
531320	Offices of Real Estate Appraisers	7	277
541330	Engineering Services	103	858
541620	Environmental Consulting Services	38	123
541990	All Other Professional, Scientific, and Technical Services	24	189
561730	Landscaping Services	43	2205

562910	Remediation Services	16	79
	TOTAL	492	10,630
	TOTAL DBEs		492
	TOTAL DBES + non-DBEs		10,630
	RATIO (492÷10630)		4.62%

Factoring in an adjustment for weighting the construction types, the final proposed overall goal is **17.89%** (see Weighting Analysis).

Most Refined Data Available

The most refined data available was from the Census Bureau as well as the Wisconsin Unified Certification Program (WI UCP) DBE Directory.

Relevant Data Sources

Census

The City of Madison obtained the number of firms in Wisconsin that work in the above NAICS codes through table “All Sectors: County Business Patterns, including ZIP Code Business Patterns, by Legal Form of Organization and Employment Size Class for the U.S., States, and Selected Geographies: 2020”.

Wisconsin Unified Certification Program (WI UCP) DBE Directory

The City of Madison utilized the WI UCP DBE Directory as the primary data source to validate the number of ready, willing, and able DBE firms by converting City of Madison work types to North American Industry Classification System (NAICS) codes. The WI UCP DBE Directory was searched using NAICS codes that corresponded with projected City of Madison construction contract and consultant professional service opportunities, including firms certified by WI UCP partner agencies. Only firms with approved NAICS codes in the work areas in which City of Madison does business were included in calculation of the base figure as shown in Table 1.

Local Market Area

The City of Madison recognizes our local market area as the area in which the substantial majority of the contractors and subcontractors with which we do business are located, *and* is the area in which The City of Madison spends the substantial majority of contracting dollars.

The majority of contract work is completed by Wisconsin-based contractors, so the Wisconsin Market data was included.

Out-of-state contractors participate in City of Madison work as well, however, there are many Wisconsin contractors that can do this work and we do not anticipate bids from out of state.

Apples to Apples Calculation

The City of Madison is deeply aware of the importance of including all applicable DBE and non-DBE firms in the base figure calculation. We have made sure to include firms from the data sources listed above in both the numerator and denominator where indicated, as shown in Table 1.

Weighting

The City of Madison utilized multiple work types to organize projects and estimate federal funding allocation. Table 2 includes the categories of work The City of Madison anticipates completing in the 2025-2027 Fiscal Years. Weighting analysis was performed based on the available estimates for our Bus Rapid Transit (BRT) and facilities projects for this time period.

Table 2: City of Madison Projected Spending by Work Type FFY 2025-2027

2022 NAICS CODE	NAICS DESCRIPTION	Total Dollars Projected to be Spent on this NAICS Code	Percent of Total Projected Spend
236210	Industrial Building Construction	\$29,000,000.00	.14
237110	Water and Sewer Line and Related Structures Construction	\$14,663,750.00	.07
237210	Oil and Gas Pipeline and Related Structures Construction	\$6,893,788.00	.03
237310	Highway, Street, and Bridge Construction	\$62,810,404.00	.31
238110	Poured Concrete Foundation and Structure Contractors	\$1,548,176.00	.007
238120	Structural Steel and Precast Concrete Contractors	\$6,192,703.00	.03
238150	Glass and Glazing Contractors	\$4,334,892.10	.02
238160	Roofing Contractors	\$6,192,703.00	.03
238190	Other Foundation, Structure, and Building Exterior Contractors	\$750,000.00	0
238210	Electrical Contractors and Other Wiring Installation Contractors	\$38,442,017.00	.19
238220	Plumbing, Heating, and Air-Conditioning Contractors	\$309,635.15	0
238350	Finish Carpentry Contractors	\$3,096,351.50	.02
238910	Site Preparation Contractors	\$2,098,876.00	.01
333310	Commercial and Service Industry Machinery Manufacturing	\$1,740,000.00	.01
336390	Other Motor Vehicle Parts Manufacturing	\$1,500,000.00	.01
524126	Direct Property and Casualty Insurance Carriers	\$1,546,260.00	.01
531320	Offices of Real Estate Appraisers	\$359,333.00	0
541330	Engineering Services	\$14,023,375.00	.07
541620	Environmental Consulting Services	\$598,889.00	0
541990	All Other Professional, Scientific, and Technical Services	\$1,201,528.00	.01
561730	Landscaping Services	\$175,937.00	0
562910	Remediation Services	\$881,383.00	0
Total Projected Spend		\$198,360,000.75	

Weighting Analysis

The City of Madison performed weighting analysis to ensure accuracy of the base figure. Weighting was accomplished through determining the ratio of protected spend by DBEs to the availability of DBEs calculated in the relative availability above.

Table 3: City of Madison Weighted Analysis

A. 2022 NAICS Code	B. NAICS Description	C. Total Dollars Projected to be Spent on this NAICS Code	D. Percent of Total Projected Spend	E. Number of DBEs	F. Number of DBEs + Number of WI Total Businesses	G. Number of DBEs/(Number of DBEs + Number of WI Total Businesses)	H. Percent of Total Projected Spend x (Number of DBEs/(Number of DBEs + Number of WI Total Businesses))	I. x 100
236210	Industrial Building Construction	\$29,000,000	.14	12	41	.29	.04	4.27
237110	Water and Sewer Line and Related Structures Construction	\$14,663,750	.07	23	226	.1	.007	.75
237210	Oil and Gas Pipeline and Related Structures Construction	\$6,893,788	.03	1	54	.01	.0006	.06
237310	Highway, Street, and Bridge Construction	\$62,810,404	.31	49	161	.3	.09	9.63
238110	Poured Concrete Foundation and Structure Contractors	\$1,548,176	.007	19	646	.02	.0002	.02
238120	Structural Steel and Precast Concrete Contractors	\$6,192,703	.03	18	47	.38	.01	1.19
238150	Glass and Glazing Contractors	\$4,334,892	.02	4	81	.04	.001	.1
238160	Roofing Contractors	\$6,192,703	.03	13	432	.03	.0009	.09
238190	Other Foundation, Structure, and Building Exterior Contractors	\$750,000	0	14	75	.18	.0007	.07
238210	Electrical Contractors	\$38,442,017	.19	33	1381	.02	.004	.46

	and Other Wiring Installation Contractors							
238220	Plumbing, Heating, and Air-Conditioning Contractors	\$309,635	0	19	1924	.009	0	.001
238350	Finish Carpentry Contractors	\$3,096,351	.02	20	633	.03	.0004	.04
238910	Site Preparation Contractors	\$2,098,876	.01	36	899	.04	.0004	.04
333310	Commercial and Service Industry Machinery Manufacturing	\$1,740,000	.01	0	0	0	0	0
336390	Other Motor Vehicle Parts Manufacturing	\$1,500,000	.01	0	36	0	0	0
524126	Direct Property and Casualty Insurance Carriers	\$1,546,260	.01	0	263	0	0	0
531320	Offices of Real Estate Appraisers	\$359,333	0	7	277	.02	0	.004
541330	Engineering Services	\$14,023,375	.07	103	858	.12	.008	.84
541620	Environmental Consulting Services	\$598,889	0	38	123	.3	.0009	.09
541990	All Other Professional, Scientific, and Technical Services	\$1,201,528	.01	24	189	.12	.0007	.07
561730	Landscaping Services	\$175,937	0	43	2205	.01	0	.001
562910	Remediation Services	\$881,383	0	16	79	.2	.0008	.08
Total Projected Spend		\$198,360,000						17.89 %

The weighting analysis result of 17.89% suggests an adjustment is needed to the base figure of 4.62% to 17.89%.

Decertification & Withdrawal

Two hundred and forty-five (245) DBE firms withdrew from the program, went out of business, were removed, or exceeded the USDOT (SBA) DBE size standards between 2021 and 2023 and are not included in the base number calculation for FFY 2025-2027.

STEP 2: Examine all the evidence available in your jurisdiction to determine whether an adjustment is needed

Based off of the weighted analysis, an adjustment to the base figure was needed. During our previous triennial period, we started the East-West Bust Rapid Transit project which included projects that we typically don't see in our triennial periods. We are continuing to focus on road construction to support the finishing of the East-West Bus Rapid Transit project and develop the North-South Bus Rapid Transit project. There has been an increase in BRT funding, which includes an increase in construction hard costs. Those areas, like NAICS Codes 236210 (Industrial Building Construction), 237310 (Highway, Street, and Bridge Construction), and 238120 (Structural Steel and Precast Concrete Contractors) make up the majority of the weighted goal, and are large areas for DBE participation. It is for that reason that we feel the weighted goal of 17.89% is a more accurate representation of the work available for this triennial period.

STEP 3: Calculating the Race/Gender-Neutral and Race/Gender-Conscious Split

The calculation of the race/gender neutral and race/gender conscious split of the DBE goal requires that the maximum feasible portion of the overall goal be met using neutral means according to 49 CFR Part 26.51. As recommended in the *Tips* for Step 3, we considered and include description of:

- Other ways to Calculate Race/Gender-Conscious Split
- Monitor DBE Participation to Determine Whether You Need to Adjust Your Use of Race/Gender-Conscious Measures

Other ways to Calculate Race/Gender-Conscious Split

This Triennial Goal calculation continues to be unique given the heavy emphasis on the Bus Rapid Transit projects. The area in which we can compare previous participation is Industrial Building Construction (NAICS Code 236210) and Engineering Services (NAICS Code 541330), where a DBE could potentially bid as a DBE Prime Contractor. Because most of our projects in the next triennial period revolve around the BRT, we have identified one project that has a budget where a DBE might successfully bid as a Prime contractor for Industrial Building Construction. DBE's have been successful bidding as Primes is in NAICS code 541330 (Engineering Services), so this whole NAICS code is being used in the race/gender neutral calculation.

Table 4: City of Madison Race/Gender Neutral Availability

A. 2022 NAICS Code	B. NAICS Description	C. Total Dollars Projected to be Spent on this NAICS Code	D. Percent of Total Projected Spend	E. Number of DBEs	F. Number of DBEs + Number of WI Total Businesses	G. Number of DBEs/(Number of DBEs + Number of WI Total Businesses)	H. Percent of Total Projected Spend x (Number of DBEs/(Number of DBEs + Number of WI Total Businesses))	I. x 100
236210	Industrial Building Construction	\$6,000,000 Hanson Road Roof Project	.03	12	41	.29	.008	.8
541330	Engineering Services	\$14,023,375	.07	103	858	.12	.008	.8
Total								1.6%

Given this calculation, out of the 17.89% triennial goal, 1.6% will be Race/Gender-Neutral and 16.29% will be Race/Gender-Conscious.

Monitor DBE Participation to Determine Whether You Need to Adjust Your Use of Race/Gender-Conscious Measures

The City of Madison believes it is critically important to monitor DBE participation during the year to determine whether projections are on target. It is our aim to meet as much of the goal possible through race/gender-neutral means. Should we determine part way through the fiscal year that we are on track, corrections will be made.

Final Race/Gender-Neutral and Race/Gender-Conscious Split

Given the data available of the Small Business Enterprise race/gender-neutral program at the City of Madison, 1.6% of this triennial goal is race/gender-neutral, 17.89% is race/gender-conscious.

CONSULTATION AND PUBLICATION

DBE Regulations: 49 CFR Part 26.45(g) Requirements

Publication & Consultation Efforts

49 CFR Part 26.45 (g): In establishing an overall goal, you must provide for consultation and publication. 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 disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and your efforts to establish a level playing field for the participation of DBEs.

The consultation must include a scheduled, direct, interactive exchange (e.g., a face-to-face meeting, video conference, teleconference) with as many interested stakeholders as possible focused on obtaining information relevant to the goal setting process, and it must occur before you are required to submit your methodology to the operating administration for review pursuant to paragraph (f) of this section.

Summary of Public Feedback

Comments and questions received from the public and stakeholder groups can be organized into the following themes:

1. To Be Determined

The City of Madison recognizes that it is critical to continue to provide high quality support services to small businesses. In addition, we are committed to increased outreach and education efforts that will contribute to a strong and successful future for the DBE program and the transportation industry.