

DBE Goal Methodology

MARC submits its overall goal to USDOT on August 1 every 3 years. In accordance with Federal Regulation CFR 49§26.45, MARC employs a three-step process to calculate its DBE program goal.

MARC 2025-2027 DBE Goal = 20 %

Step 1

Involves determining a “base figure” for the relative availability of DBEs in the area. The base figure is a percentage calculated as the ratio of available and potentially eligible DBEs to all available firms. The data sources used to derive available DBEs and “all available” firms are as follows:

1. The number of “Available DBEs” is derived from the total number of certified DBEs in the KDOT’s and Missouri Regional Certification Committee (MRCC)¹, DBE directories with the North American Industry Classification (NAICS) of 541820, 541330 and 541320 or whose work type was listed as public relations, architecture and engineering and/or landscape architecture for the nine (9) counties within the Metropolitan Statistical Area (MSA). The 2025 DBE program limited the search to these fields based on the types of contracts anticipated for the upcoming year.

$$\text{Step One Base Figure} = \frac{\text{Ready, willing, and able DBEs}}{\text{All firms ready, willing, and able (including DBEs and non-DBEs)}}$$

2. The number of “all available” firms is derived from the total number of firms with the NAICS of 541820, 54320 and 541330 found in Census Bureau’s County Business Patterns (CBP) database in the nine (9) counties within the Metropolitan Statistical Area (MSA).

Total # of Available Firms 2018 County Business Patterns (NAICS)				
Industry code	Industry code description	DBE Firms	Total Firms	DBE%
541820	Public Relations	22	44	50.00%
541320	Landscape Architecture	16	28	57.14%
541330	Architecture & Engineering (A&E)	24	410	5.85%

3. The number of “Potentially eligible” DBEs is determined based upon the CBP, regional Disparity Study² and the City of Kansas City, Missouri’s Disadvantaged/Minority and

¹ MRCC – regional certification committee is the Missouri “one stop” DBE certification group. The Committee (MoDOT, KCMO, KCATA, Metro and Lambert Airport St. Louis, EWGCC, and MARC) is the statewide DBE certification certifiers. If certified by one of these agencies their certification is good throughout MO and those state that have reciprocal certifications with MO.

² Regional Disparity Study completed for the Kansas City region in 2017. Study conducted under the guidance of the City of Kansas City, Kansas City Area Transportation Authority, Jackson County, MO and the Kansas City Public Schools to evaluate minority owned firms availability in the Kansas City region.

Women’s Business Enterprise Directory. Listed firms’ functions were evaluated to determine their eligibility to bid for proposed contracts (as listed below), and the resulting list was checked to ensure that no firms listed in the certified DBE list was repeated.

% of funding for Contracting		
Contract Type	Contracting Opportunities	Contract % of Funds
Public Relations*	\$ 456,795	10%
Landscape Architecture*	\$ 685,193	16%
A&E*	\$ 3,425,963	75%
Available funds for contracting	\$ 4,567,951	100%

* Anticipated

Weighted Base Rate = 13.66% (rounded to 14%)			
Industry code	DBE Firms**	Total Firms	DBE%
541820	22	44	50.00%
541320	16	28	57.14%
541330	24	410	5.85%
Total	62	454	13.66%

** Current KS & MO DBE Directories

Regulations encourage “Wherever Possible, Use Weighting” in recipients base figure goal calculation. Weighting helps ensure accuracy of the “Step One Base Figure.” While weighting is not required by regulation, it makes the goal calculation more accurate. For instance, since 75% of MARC contract dollars will be spent on Architect/Engineering related projects and 10% on marketing/public engagement, MARC weighted the calculation of the relative availability of firms by the same percentages. This method resulted in a weighted base percent of 17.96%.

Weighted Rate =		17.96%		
		% of industry	% of contracting \$\$	Weighted %
541820	(21/49) =	50.00%	10%	5.00%
541320	(15/19) =	57.14%	16%	8.57%
541330	(21/421) =	5.85%	75%	3.49%
Total				17.96%

Therefore, the base goal 13.66% (rounded to 14%) is increased to 17.96% (rounded to 18%).

Step 2:

The second step involves examining available evidence to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall goal that reflects as

accurately as possible the DBE participation MARC would expect in the absence of discrimination.

$$\begin{array}{l} \text{A. Proposed Goal} \\ \text{B. MARC 3yr} \\ \hline \text{(A X B)/2 = Goal Adjustment} \end{array}$$

To determine what types of adjustments, if any, are needed to the base figure, additional sources of evidence was examined:

4. The current capacity of DBEs to perform work in MARC’s DOT- assisted contracting program, as measured by the volume of work DBEs have performed in recent years.
5. Reviewed the last three (3) year bi-annual reports (years 2021 through 2023) of DBE participation (20%) reported to the FTA.

Last 3 Year	Goal	Achieved Goal
2021	20%	20%
2022	20%	20%
2023	20%	20%

To calculate the DBE goal, MARC averaged the base figure calculation (18%) was averaged with the median of the volume of work DBEs performed in recent years (22%) thus providing the average of the two measures.

$$\frac{18\% + 20\%}{2} = 19\%$$

6. The Step 2 adjustment to the base figure the goal is **19%**.
- To validate the Step 2 calculation MARC completed one additional calculation averaging goals established by the regional MRCC partner agencies (24% + 16% + 24% + 20% + 15%)/5 = 20%

Regional Agencies	Goals
KCATA	24.00%
KCMO (MCI Airport)	16.00%
KCMO (Streetcar)	24.00%
MARC	20.00%
MoDOT	15.00%
Average	20.00%

- Conclusion: comparing the Step 2 calculations to prior years goal attained average and the weighted adjustment MARC determines that the Step 2 adjustment is required to the weighted average.

MARC 2025 to 2027 DBE Goal = 20%

Step 3:

Regulations state that recipients must demonstrate the percentage of their goal met solely through race- neutral measures, or whether race-conscious program elements such as DBE contract goals are also needed. Race-neutral program elements are initiatives that help all businesses or small businesses in general, including – but not limited to – DBEs. Recipients must meet the maximum feasible portion of their overall DBE goal by using race/gender-neutral means.

- Race Conscious = 15%
- Race Neutral = 5%

The following is a summary of the basis of our estimated breakout of race-neutral and race- conscious DBE participation:

Last 3 Year	Goal	Race* Neutral (R/N)	Race Conscious	Achieved Goal
2021	20%	4%	16%	20%
2022	20%	4%	16%	20%
2023	20%	4%	16%	20%

*Anything over 16% is considered achieved by race - neutral means

- A) Third party contracting % of funds for A&E = 75%
- B) DBE Goal subcontracting opportunities = 20%
- C) A * B = Race Conscious 15%
- D) C - B = Race Neutral 5%

Race Conscious 15%
Race Neutral 5%