

## **METHODOLOGY USED IN DETERMINATION OF AC TRANSIT'S THREE-YEAR OVERALL DBE GOAL FOR 10/1/13 THROUGH 9/30/16**

Step 1 – Federal funding projections were obtained from AC Transit's Grants Department spanning the relative three year federal fiscal year of the overall goal-setting period.

Step 2 – Anticipated projects were categorized by North American Industry Classification System (NAICS) codes.

Step 3 – The California Uniform Certification Program (CUCP) data base was utilized to identify DBEs from the nine (9) bay area counties that are registered per the selected NAICS codes.

Step 4 – The U.S. Census data base was utilized to identify all firms available in the nine (9) bay area counties per individual NAICS code.

Step 5 – Due to the volume of NAICS codes and projects, "Work Codes" were established by grouping NAICS codes that share the same prefixes, e.g., heavy and civil engineering (237xxx); specialty trade contractors (238xxx), etc. NAICS code 561730 remained as its own Work Code because only one type of work type (Landscape & Hardscape) was identified by Project Managers.

Step 6 – The number of all available firms per Work Codes was divided by the number of all DBEs in corresponding Work Codes to arrive at individual base figures.

Step 7 – Weights were added to the base figures of Work Codes, based upon the projected dollar value of each group. This was accomplished by dividing the aggregate value of all federal dollars by the value in the individual Work Code, then taking that percentage and multiplying it by the percentage of available DBEs per Work Code. For example:

Heavy & Civil Engineering Construction Value: \$24,729,496

Aggregate (estimated) Value of all Federal Share of Projects: \$45,186,925

Heavy & Civil Engineering Construction Weight: 54.7%

DBEs: 34

All Firms: 338

Relative DBE Availability: 10.1%

Calculation:  $54.7\% \times 10.1\% = 5.5\%$

Step 7 – Weighted base figures of all Work Codes were added to arrive at 7.9%

Step 8 – Other local transit agencies projections were analyzed along with past District procurements to assess the reasonableness of the proposed 3-YR goal, and to determine if any adjustments are warranted.