



Introduction and Summary

This document presents the methodology used by CATS to develop its Overall Disadvantaged Business Enterprise (DBE) Goal for the Federal Fiscal Years (FFYs) 2021 through 2023. The three-year DBE goal was developed according to the methodology prescribed by Title 49, Part 26 of the Code of Federal Regulations (CFR), specifically 49 CFR Part §26.45.

The prescribed methodology requires a two-step process in which a weighted base figure is calculated according to the federally-funded contracting opportunities that are anticipated over the next three federal fiscal years (i.e., October 1, 2020 through September 30, 2023).

Over the next three federal fiscal years, CATS anticipate awarding \$74,375,421 in federal funds in prime contracts. These prime contracting opportunities are distributed among 82 separate North American Industrial Classification System (NAICS) codes.

The following are the results of the methodology for CATS' DBE goals for FFY 2021 through FFY 2023.

- Overall Goal: 11%
- Race-Neutral Goal: 5%
- Race-Conscious Goal: 6%

The details of the two-step process are described in the following sections of this report.

DBE Goal Methodology

The required methodology for calculating a DBE goal is a two-step process, as illustrated in Exhibit 1.

- Step 1 – Calculation of Weighted Base Figure. This includes the following activities:
 - (1) Identify the federally funded projects anticipated to be awarded for the three-year goal period, and the federal funding allocation amounts for each project.
 - (2) Determine the number of ready, willing, and able DBE firms in the recipient's market area certified by the State Unified Certification Program (UCP) doing work in each category (determined by North American Industrial Classification System [NAICS]) of anticipated contracting opportunities.
 - (3) Determine the number of all (DBE and non-DBE) firms doing work in the same NAICS categories within the recipient's market area (e.g., using U.S. Census County Business Patterns database).
 - (4) Divide (2) by (3) in each NAICS category and multiply by the percentage of anticipated contract dollars in federal projects for the same category.
 - (5) Total the individual percentages for each NAICS category to arrive at the "Weighted Base Figure".

The details of the weighted base figure calculation are summarized in the Appendix in Exhibit A-1 through Exhibit A-3.

- Exhibit A-1 presents the weighted percentage of all of CATS' anticipated federal contracting opportunities classified by NAICS code.
- Exhibit A-2 presents the relative availability of ready, willing, and able DBE firms in the CATS' market area as identified by the State of Louisiana's Unified Certification Program (UCP).
- Exhibit A-3 presents the calculation of the weighted base figure for all federal contracting opportunities by NAICS code for FFY2021 through FFY 2023, as well as activities with subcontracting opportunities.
- Step 2 – Adjusting the Weighted Base Figure. This includes the following activities:
 - (6) Consideration of past DBE goal attainment in each category of anticipated contract opportunities.
 - (7) Consideration of DBE representation as bidders, or proposers for federally-assisted contracts during the prior three-year period.

- (8) Consideration of the results from any disparity studies in the recipient's market areas that may inform the decision to adjust the Weighted Base Figure.
- (9) Consider any other relevant evidence that might have a material effect on the availability of DBEs in the recipient's market area.

It is in Step 2 that CATS has the opportunity to adjust the weighted base figure and also determine whether to divide the overall goal into a race-neutral portion versus a race-conscious portion.

Based on CATS' DBE goal attainment over the last five federal fiscal years (i.e., FFY 2016 through FFY 2020), it was determined that adjusting CATS over DBE goal either upward, or downward is not warranted. Although CATS did not achieve its overall goal in every year, it has demonstrated its ability to achieve in excess of its overall goal in those years in which the goal was attained (see Exhibit A-4).

Based on the number of federal contracting opportunities for which there are subcontracting opportunities (see Exhibit A-3), it was determined that CATS overall goal be divided into a 6% race-conscious portion and a 5% race-neutral portion in order to ensure DBE participation, particularly on large construction projects, which represents a significant portion of CATS' federal contracting opportunities over the next three years.