

FTA FFY 2012-14 DBE Goals



DISCLAIMER

This Milwaukee County Federal Transportation Administration (FTA) Disadvantaged Business Enterprise (DBE) Goal report (June 2011) is a document in the making and is a draft report based upon preliminary data analysis. The data contained in this report (on which the DBE goal is based) is in the process of being fine tuned. As a result the DBE percentages shown in this report may change based upon new findings from further data analysis and verification of anticipated revenues that the County anticipates from the Federal Transit Administration.

INTRODUCTION

This report describes the methodology and the process used by Milwaukee County to formulate its three (3) year Federal Fiscal Year (FFY) 2012-2014 goals for FTA federally assisted projects. It also describes the efforts of the County to comply with the goal setting provisions contained in 49 CFR Part 26.

This report contains goals for FTA funded projects based upon anticipated revenues not yet approved by the Milwaukee County Board. In previous years the FTA required their recipients to submit annual goals. A USDOT rule change now requires FTA recipients to submit three (3) year goals. The Board approves its annual budget in November of each year and the County budget for 2012 will be approved in November 2011, which is two months into FFY 2012. This scenario will be repeated in 2012 and 2013. There is a possibility that some projects included in the goal setting may not be undertaken, if the County Board does not provide approval.

Based upon the projects eventually approved by the County Board, Milwaukee County may submit revised annual DBE goals to reflect the actual projects that will be undertaken by Milwaukee County Transit.

FEDERAL FISCAL YEAR 2012-2014 DBE PROGRAM GOALS

OVERALL GOALS FOR FTA ASSISTED PROJECTS

The following tables display the DBE goals for FFY 2012-2014 and show the race-neutral and race-conscious components of the overall goal for FTA assisted projects.

**TABLE 1a
 ANNUAL OVERALL DBE GOALS FOR FFY 2012-2014**

TYPE OF PROJECTS	RACE-NEUTRAL GOAL	RACE-CONSCIOUS GOAL	OVERALL GOAL
Construction	3.82% \$5,581,000x.0382=213,194	30.5% \$5,581,000x.305=\$1,702,205	34.32% \$5,581,000x.3432=\$1,915,399
Professional Services	0.00% 48,000,000x0=0%	17.00 % \$48,000,000x.17=\$8,160,000	17.00% \$48,000,000x.17=\$8,160,000
Procurement	0.00% \$11,747,000x0=0%	3.92% \$11,747,000x.0392=\$460,482	3.92% \$11,747,000x.0392=\$460,482
Totals	0.32% $\frac{\$213,194}{\$65,328,000} = 8.54\%$	15.80% $\frac{\$10,322,687}{\$65,328,000} = 15.80\%$	16.12% $\frac{\$10,535,881}{\$65,328,000} = 16.12\%$

TABLE 1b

ANTICIPATED FFY 2012-2014 FEDERAL EXPENDITURES FOR FTA ASSISTED PROJECTS

FFY	Construction	Professional Services	Procurement	Total Contractible Dollars
2012	\$700,000	\$16,000,000	\$4,672,000	\$21,372,000
2013	\$3,246,000	\$16,000,000	\$3,525,000	\$22,771,000
2014	\$1,635,000	\$16,000,000	\$3,550,000	\$21,185,000
TOTAL	\$5,581,000	\$48,000,000	\$11,747,000	\$65,328,000

Note: Milwaukee County anticipates expending \$ 65,328,000 on FTA assisted projects for FFY 2012-2014. Of this total \$5,581,000 will be expended on Construction projects; \$48,000,000 will be expended on professional services and \$11,747, 000 will be available for procurement projects

Overall Goals

The overall FTA goal for Milwaukee County for FFY 2012-2014 is the following:

Milwaukee anticipates receiving \$65,328,000 Federal financial assistance from FTA. Of this amount \$10,535,881 will be expended with DBE firms for FFY 2012-2014.

Given the amount of USDOT-assisted contracts Milwaukee County expects to let during this period, which is \$ **65,328,000**, Milwaukee County has set a goal of expending **16.12%** with DBE firms during these fiscal years.

In accordance with Section 26.43 Milwaukee County will not use quotas or set asides to meet the overall goals.

Pursuant to Section 26.45, the overall goals are based upon the availability of DBE firms ready, willing, and able to work in the local market area. The local market area for Milwaukee County consists of nine Counties in the South Eastern region of Wisconsin.¹ Milwaukee County expends approximately 90% of its contracting dollars in this region. DBE firms and non-DBE firms contained in the bidders list were used to calculate the baseline availability figure in the Step 1 goal setting process.

In compliance with Section 26.51(a), Milwaukee County will meet the maximum feasible portion of the overall goals through race neutral means of facilitating DBE participation. Currently, the County uses the following race neutral approaches in ensuring DBE participation: (a) encouraging prime contractors to subcontract portions of their work which they might otherwise perform with their own forces, (b) providing assistance to prime contractors in contacting prospective DBE firms, (c) carrying out information and communication programs on contracting procedures and specific contract opportunities through mailings to DBEs and through public notices, and (d) ensuring the distribution of the DBE Directory to all pre-qualified prime contractors.

¹ The nine Counties are: Dane, Kenosha, Milwaukee, Ozaukee, Racine, Sheboygan, Walworth, Waukesha, and Washington.

SECTION II

PROCESS FOR GOAL SETTING

The County, in keeping with past precedent, used the methodology developed with the input of all stakeholder groups. In 1999, the County had established a 22 member DBE Advisory Task Force to recommend to the County a goal setting methodology in accordance with 49 CFR Part 26.

By June 2000, the Task Force, with assistance from the County's Disadvantaged Business Development Division, completed the selection and development of a goal setting formula in accordance with 49 CFR Part 26 provisions.

In June 2011, the County's Disadvantaged Business Development Division used the two step approved goal setting methodology contained in 49 CFR Part 26 and formulated a preliminary three (3) year goal for FTA assisted projects. The County had a preliminary meeting with various stakeholder groups² to apprise them of the goal setting methodology and to give the group the opportunity to provide input to the goal setting process. This DBE goal report is a result of this meeting with the stakeholder groups. Copies of the goals were presented to the stakeholder groups for comment and to give them an opportunity to provide input to the County on the preliminary DBE goals.

The County has a 45 day comment period, during which any comments received by the Office of Community Business Development Partners will be reviewed and input received will be taken into account as warranted in the goal setting process. Therefore our final DBE goals will represent the input from stakeholder groups during the preliminary meetings held with them. The County has made every attempt to be inclusive and has solicited the input from diverse groups within DBE, as well as the non-DBE, communities.

An explanation and the rationale used for developing the goals appear in the following sections. In previous years, before establishing the overall annual goal, Milwaukee County also consulted with various organizations to obtain and assess information concerning the availability of DBE firms and non-DBE firms, the effects of discrimination on opportunities for DBEs, and Milwaukee County's efforts at establishing a level playing field for the participation of DBEs. Consultation included but was not limited to the following organizations, listed alphabetically:

- African American Chamber of Commerce
- American Indian Chamber of Commerce
- Associated General Contractors of Greater Milwaukee

² Please refer to Appendix A for the list of the stakeholder groups invited to the meeting.

- Hispanic Chamber of Commerce
- Milwaukee Building and Construction Trade Council
- Milwaukee Urban League
- NAACP-Milwaukee Branch
- National Association of Minority Contractors
- Wisconsin Association of Consulting Engineers
- Wisconsin Black Chamber of Commerce
- Wisconsin Society of Architects
- Wisconsin Transportation Builders Association
- Wisconsin Women's Business Initiative Corporation
- Wisconsin Women Entrepreneurs Inc.

Milwaukee County will begin using the overall three (3) year goals on October 1, 2011

SECTION III

METHODOLOGY USED FOR DETERMINING FFY 2012-2014 GOALS

Milwaukee County adopted the two-step goal setting methodology as outlined in 49 CFR Part 26 Section 26.45. This methodology was discussed with the DBE Task Force in April 2000, with consensus being obtained by the County through the numerous meetings held with the Task Force that followed. In the initial development of its goal setting methodology and databases, the County also sought assistance from the following industry organizations to provide names of firms that may have been excluded from the County's marketplace lists and databases:

- African American Chamber of Commerce
- American Indian Chamber of Commerce
- Associated General Contractors of Greater Milwaukee
- Hispanic Chamber of Commerce
- Milwaukee Building and Construction Trade Council
- Milwaukee Urban League
- NAACP-Milwaukee Branch
- National Association of Minority Contractors
- Wisconsin Association of Consulting Engineers
- Wisconsin Black Chamber of Commerce
- Wisconsin Society of Architects
- Wisconsin Transportation Builders Association
- Wisconsin Women's Business Initiative Corporation
- Wisconsin Women Entrepreneurs Inc.

The County continues to use this methodology created with stakeholder consensus.

STEP 1: Determining the Base Figure for the Overall Goal

In accordance with the provisions contained in Section 26.45, Milwaukee County used the best evidence available to determine the number of ready, willing, and able DBE and non-DBE firms.

Through 1999 and 2000, the DBE Task Force and the stakeholder groups considered various data sources for determining the base figure besides the County's databases. As explained on page 6 Milwaukee County had extensive public participation. The Task Force explored the feasibility of using US Census Bureau data. Census data was observed and evaluated. It was the general consensus of the Task Force members that using the US Census Bureau recorded data on SIC Codes at the two-digit level would greatly distort the number of DBE firms who would actually be ready, willing, and able

to perform work on County projects. The Task Force was also of the opinion that inclusion of all firms, DBE and non-DBE, at the two-digit level would not yield a narrowly tailored numerator or denominator. Instead, it was agreed upon that a more accurate and realistic approach would be to use the County's own databases since they contained data on DBE and non-DBE firms at the four-digit SIC Code level. This, it was agreed upon, would provide a more accurate number of firms available to perform on County projects. The County has converted the SIC Codes to reflect the new requirement of using NAICS codes for certifying DBE firms.

This agreed upon methodology was utilized to set FFY 2012-2014 DBE goals. After review of the County's comprehensive lists no additional names of firms have been provided by any of these organizations. The County is in communication with these groups on an on-going basis and will update its databases if new firms are created or become known. This will cause the goal to be adjusted as changes occur. The County has been using this approved and agreed upon goal setting methodology to set its annual goals.

Due to the fact that Milwaukee County did not have a single centralized repository for data on DBE participation and all County procurement activities, the Office of Community Business Development Partners relies both on manual records and computerized data to determine the baseline figure. The County has a computerized database on all certified DBE firms and has a bidders list consisting of pre-qualified prime contractors and sub contractors who have (1) worked on Milwaukee County projects, (2) have quoted on Milwaukee County projects, or (3) have contacted the County and expressed an interest in performing on Milwaukee County projects. The County used these sources of data to obtain the numerator and denominator for the goal setting formula.

IDENTIFICATION OF PROJECTS FOR FFY 2012-2014

The County first identified the anticipated FTA assisted projects slated for FFY 2012-2014 to determine (1) the type of projects where DBE participation was possible, and (2) the number of DBE and non-DBE firms available in the relevant North American Industry Classification System (NAICS) Codes for inclusion in the baseline formula. For FFY 2012-2014 the County's anticipated spending is shown in Table 2 on page 9.

TABLE 2
ANTICIPATED FTA EXPENDITURES FOR FFY 2012-2014

FFY	Construction	Professional Services	Procurement	Total Contractible Dollars
2012	\$700,000	\$16,000,000	\$4,672,000	\$21,372,000
2013	\$3,246,000	\$16,000,000	\$3,525,000	\$22,771,000
2014	\$1,635,000	\$16,000,000	\$3,550,000	\$21,185,000
TOTAL	\$5,581,000	\$48,000,000	\$11,747,000	\$65,328,000

SELECTION OF RELEVANT NAICS CODES

The selection of relevant NAICS Codes for FFY 2012-2014 was based upon the anticipated projects proposed for design and construction projects. Table 3a on page 10 displays the projects anticipated for the three (3) year period. Actual projects undertaken will depend on final approval by the County Board.

TABLE 3a
Anticipated FTA Projects for 2012- 2014

	Construction Projects	2012	2013	2014
1	Replace Bus Vacuum System –KK		\$650,000	
2	Replace Bus Wash System-KK		\$400,000	
3	Replace HVAC- KK		\$480,000	
4	Replace Bus Vacuum System- FBZ		\$250,000	
5	Replace Bus Wash System –FBZ		\$200,000	
6	Repair Façade Masonry and Parapet – FBZ		\$159,000	
7	Replace Fire Alarm System – FDL		\$175,000	
8	Replace Facade and Foundation –FDL		\$222,000	
9	Replace Bus Wash System- FDL			\$600,000
10	Repair Steel Column in Bus Storage Building – FDL			\$100,000
11	Upgrade Lighting Administration Building			\$125,000
12	Update network cabling Administration Building			\$100,000
13	Install Bus Shelters (15)	\$100,000	\$110,000	\$110,000
14	Maintenance Contracts	\$600,000	\$600,000	\$600,000
	TOTAL CONSTRUCTION PROJECTS	\$700,000	\$3,246,000	\$1,635,000
	Professional Services Projects			
1	Para transit Contract	\$16,000,000	\$16,000,000	16,000,000
2	Professional Services Related to Construction			
3				
4				
	TOTAL PROFESSIONAL SERVICES	\$16,000,000	\$16,000,000	\$16,000,000
	Procurement Projects			
1	Upgrade HASTUS Payroll System	\$770,000		
2	Enhance upgrade voice/data system	\$75,000	\$75,000	\$75,000
3	Replace routers, PCs, tape library	\$170,000	\$50,000	\$25,000
4	Replace Desktop phones			\$50,000
5	Purchase Cutter	\$90,000		
6	Purchase Line Printer	\$37,000		
7	Bus Roof Access Scaffolding	\$75,000		
8	Replace Salt Plow	\$130,000		
9	Bus Parts Maintenance	\$3,400,000	\$3,400,000	\$3,400,000
	TOTAL PROCUREMENT PROJECTS	\$4,672,000	\$3,525,000	\$3,550,000
	TOTAL ALL PROJECTS	\$21,372,000	\$22,771,000	\$21,185,000

After identification of the projects, the relevant NAICS Codes were selected for determining the number of ready, willing, and able firms to be counted in the baseline calculation.

TABLE 3b
RELEVANT NAICS CODES FOR FAA ASSISTED PROJECTS

TYPE OF PROJECT	NAICS CODES	DESCRIPTION
CONSTRUCTION PROJECTS		
	236220	Bus Shelter
	238110	Concrete and Structures
	238120	Steel Contractors
	238160	Roofing Contractors
	238210	Electrical Contractors
	238220	Plumbing Contractors
	238290	Other Building Contractors
	238310	Insulation Contractor
	238320	Painting Contractor
	238910	Site Preparation and Demolition
	327320	Ready mix concrete
	423730	HVAC Contractor
	561730	Landscaping
CONSULTING SERVICES		
	541310	Architectural Services
	541330	Architectural and Engineering Services
	541512	IT Consulting Services
	562190	Asbestos Remediation
PROCUREMENT PROJECTS	333293	Printing machines
	336399	Motor Vehicle Parts Manufacturer
	423120	Motor Vehicle Parts Supplier
	423420	Wholesale office equipment
	423430	Computer Equipment
	423690	Other electronic parts
	423810	Scaffolding Wholesalers
	441229	Motor Vehicle Dealer
	561621	Fire Alarm Equipment

DATA SOURCES

The County used its DBE Directory, a Unified Certification Program (UCP) Directory, which contains a listing of all currently certified DBE firms with a description of the NAICS Codes in which they are qualified to perform. The County expends approximately 90% of its contracting dollars within the aforementioned nine-county region.

To obtain the number of non-DBE firms the County used its bidders list which contains a listing of all prime contractors who are pre-qualified to perform work on County projects and subcontractors who have (1) performed work on County projects, (2) have quoted on Milwaukee County projects but were unsuccessful, and (3) those that have expressed an interest in doing County work. In addition, for FTA projects, the County used the Department of Public Work's listing of all contractors and consultants who received monies for work performed on non-federal and federally funded County projects. Listings maintained by the Office of Community Business Development Partners were also utilized for determining the number of firms eligible for inclusion on FTA assisted projects.

SELECTION OF READY, WILLING, AND ABLE DBE AND NON-DBE FIRMS

The County defined ready, willing, and able DBE firms as those firms (1) currently certified in the UCP Directory. Ready, willing, and able non-DBE firms were defined as those contractors, suppliers and consultants who are (1) pre-qualified with the County, (2) have performed work on County projects in the past three years, or (3) have sought work on County projects. Based upon the data sources described above, only those firms meeting the screening criteria described above were selected for inclusion in the baseline formula.

CALCULATION OF STEP 1 BASE FIGURE

The following formula was used to calculate the baseline figure/goal:

$$\frac{\text{Number of DBE firms in relevant NAICS Codes}}{\text{Number of DBE+ Non-DBE firms in relevant NAICS Codes}} = \text{Baseline figure/goal}$$

The results of application of this formula described above are displayed in Table 4 below

**TABLE 4
 CALCULATION OF BASELINE GOAL FOR FTA ASSISTED PROJECTS**

Firms	Construction	Professional Services	Procurement	Aggregate Totals
DBE FIRMS	286	89	11	386
NON-DBE FIRMS	197	81	220	498
ALL FIRMS	483	170	231	884
Goals = # of DBEs ----- # of ALL FIRMS	286 ----- =59.21 % 483	89 ---- = 52.35% 170	11 ---- = 4.76% 231	386 ---- = 43.66% 884

Only those DBE firms that met 49 CFR Part 26 eligibility standards were included in the baseline figure.

STEP 2 ADJUSTMENT

To adjust the baseline goal the County considered the following adjustment factors:

- DBE capacity, as measured by the DBE performance and achievement for the past eight years.
- Past and present anecdotal information on discrimination
- Statistical disparities in lending practices and business formation

The effects of this adjustment factors will result in either a decrease or increase to the baseline goal and provide a final goal. This translates into the following formula:

$$\frac{\# \text{ DBE firms}}{\# \text{ DBE firms} + \# \text{ all non-DBE firms}} = \text{Baseline Goal (+) or (-) Adjustment Factor} = \text{Adjusted Goal \%}$$

Application of the adjustments to the baseline goal yielded the results displayed in Table 5a below.

TABLE 5a

ADJUSTMENT OF BASELINE GOAL FOR FTA ASSISTED PROJECTS

	Construction	Professional Services	Procurement	Overall Goal
1. Enter Step #1 Goals targeted for DBEs	43.66%	52.35 %	4.76%	43.66%
2. Anecdotal Information on Discrimination	Due to the lack of a disparity study and the difficulty of assigning a numerical value to the effects of discrimination this factor was not used to adjust the final goal.			
3. Statistical Disparities	Information presented by the University of Wisconsin – Milwaukee on the rate of minority and woman-owned business formation was considered but not incorporated into the adjustment of the final goals due to the difficulty of assigning a numerical value.			
4. DBE Capacity and Local Market Conditions	DBE capacity as indicated by the last 10 years ³ of DBE participation was a significant adjustment factor in obtaining the final goal.			
➤ Adjusted Total as Percentages	34.32%	17.00%	3.92%	16.12%

³ See Appendix B (10 year DBE achievements)

Adjustments for FTA projects based upon DBE Capacity as measured by past achievements

The County reviewed DBE achievements for FFY 2001 through 2010 and obtained the median. The median was then added to the step 1 base line goal and then averaged. The result was then used as the final adjusted goal. Applying this formula we get a median of 24.99% for Construction. The step 1 goal was 43.66%. Adding the two figures we get 68.65%. The average of this figure is 34.32%. Based upon the nature of the contracts, the number of DBE firms available and the past DBE Achievements, the adjusted final goal is 34.32%. Milwaukee County has had few Para-transit contracts related to professional services and for this reason there is limited historical data to rely on to get past DBE achievements. The step 1 goal of 52.35% is high given the nature of the type of contracts expected to be let during this three (3) year period. Upon reviewing the type of projects anticipated, we find that Milwaukee County will be soliciting a multi-year Para-transit contract. This contract will provide opportunities for DBE participation and based upon past DBE achievements on the Para-transit project we anticipate that we will achieve similar results. On past Para-transit projects, the DBE goal attainment has been about 17%. Therefore it is appropriate to adjust the Step 1 52.35% goal downwards to 17%. To make the final adjustment to the Procurement goal, the County analyzed the nature of procurements projects, past DBE achievements, and the number of DBE firms available. As a result, the decision was to adjust the goal downwards. The median achievement of 3.08% was added to the Step 1 goal of 4.76%. The result was 7.84%, which was then averaged to get the adjusted goal of 3.92% for procurement projects. The final overall DBE goal for all projects is 16.12%.

SECTION IV

DETERMINATION OF RACE-NEUTRAL AND RACE-CONSCIOUS COMPONENTS

To break down the overall goal into the race-neutral and race-conscious components the County relied on its past experience. In the past, before implementing 49 CFR Part 26 requirements in 2001, the County had a 25% goal for construction, a 21 % goal for professional services and a 17% goal for procurement contracts. Data after FFY 2000 was used to compute the race-neutral and race-conscious components.

To get a breakdown of the race-neutral and race-conscious components, the County looked at the achievement of the goals for FFY 2001 through 2010. The race neutral and race conscious components were determined by analyzing the DBE achievements against the actual goals set for FTA funded projects.⁴ The median achievements above the assigned goal, or the median under-achievements, are used to get a breakdown of race neutral and race conscious components of the goal. The median over achievement can reasonably be used to determine the race-neutral component of the overall goal. Under-achievement is an indication that the race-conscious portion should constitute a larger component of the overall goal.

RACE-NEUTRAL AND RACE-CONSCIOUS GOALS FOR FTA ASSISTED PROJECTS

Using the rationale described above, the final overall goal was adjusted to show the race-conscious and race-neutral components as displayed in Table 6 below.

The County will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation in accordance with Section 26.51(f). The County will track and report race neutral and race-conscious separately. For reporting purposes race-neutral includes, but is not limited to, the following: DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry a goal; DBE participation on a prime contract exceeding a contract goal; and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

Breakdown of Overall Goal Into Race-Neutral and Race-Conscious Components

For FTA assisted construction projects, the ten (10) year history of DBE goal attainment from FFY 2001 to FFY 2010 indicates that the County exceeded the DBE Goal every year except in FFY 2001, FFY 2002 and FFY 2008. The DBE overage for FFY 2005 and FFY 2006, which were 61.40% and 80.02%, was highly unusual. The median overage for the ten years (2001 through 2010) is 3.82%. For FFY 2012-2014, we anticipate that

⁴ Please refer to Appendix B.

the race-neutral achievement will come close to the median of 3.82%. For this reason, the race-neutral component of the overall goal of 34.32% was set at 3.82% and the remaining 30.5% of the goal will be achieved through the assignment of race-conscious contract goals.

For professional services, the County has rarely met its contract goals and for this reason the goal of 17% will be met entirely through race-conscious means. For procurement projects the County under achieved its goals in six out of the ten years in this historic data period. In FFY 2010 the County experienced an overage by 2.21%, which is the highest percentage for the ten (10) year period. In 2004 the under-achievement was -3.01%. Based upon this historical data it was decided that the goal of 3.92 % would be achieved entirely through race-conscious means.

The County will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation in accordance with Section 26.51(f). The County will track, and report, race-neutral and race-conscious achievements separately. For reporting purposes, race-neutral includes, but is not limited to, the following: DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry a goal; DBE participation on a prime contract exceeding a contract goal; and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

**TABLE 6
 FINAL ANNUAL OVERALL FTA DBE GOALS FOR FFY 2012-2014**

TYPE OF PROJECTS	RACE-NEUTRAL GOAL	RACE-CONSCIOUS GOAL	OVERALL GOAL
Construction	3.82% \$5,581,000x.0382=213,194	30.5% \$5,581,000x.305=\$1,702,205	34.32% \$5,581,000x.3432=\$1,915,399
Professional Services	0.00% 48,000,000x0=0%	17.00 % \$48,000,000x.17=\$8,160,000	17.00% \$48,000,000x.17=\$8,160,000
Procurement	0.00% \$11,747,000x0=0%	3.92% \$11,747,000x.0392=\$460,482	3.92% \$11,747,000x.0392=\$460,482
Totals	0.32% $\frac{\$213,194}{\$65,328,000} = 8.54\%$	15.80% $\frac{\$10,322,687}{\$65,328,000} = 15.80\%$	16.12% $\frac{\$10,535,881}{\$65,328,000} = 16.12\%$

The annual overall goals stated above are an aspirational target for expending federal funds with DBE firms. Local market conditions and capacity of DBE firms in specific industry classifications may make ongoing adjustments of the overall goal necessary.

The County will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation in accordance with Section 26.51(f). The County will track and report race-neutral and race-conscious achievements separately. For reporting purposes, race-neutral includes, but is not limited to, the following: DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry a goal; DBE participation on a prime contract exceeding a contract goal; and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

Contract Goals

Following Section 26.51(e) (1) and (2) contract goals will be used to meet any portion of the overall goal that the County projects cannot be met through race-neutral participation. The County will assign contract goals only on those projects that have subcontracting possibilities. In accordance with Section 26.51(e)(4) the County will also ensure that the assignment of contract goals provide for the participation of all certified DBEs and will not be sub-divided into group specific goals.

Milwaukee County in compliance with Section 26.51(f) will continue to monitor DBE participation and will make necessary adjustments to ensure that the program is narrowly tailored.

Milwaukee County will express contract goals as a percentage of the total amount of a USDOT assisted contract, i.e., including local and federal funds.

Good Faith Efforts

In accordance with Section 26.53, Milwaukee County will require a prime contractor to submit a good faith waiver request in instances where the prime contractor is unable to meet the contract goal.

In determining whether a prime contractor has demonstrated good faith in meeting the goal, the goal will follow provisions contained in Section 26.53. The County has implemented policies and procedures to provide administrative reconsideration to contractors deemed not to have demonstrated good faith in meeting the goal. As part of this administrative reconsideration, the contractor is afforded an opportunity to provide written documentation or argument concerning the issue of whether it met the goal, or made adequate good faith efforts to do so. Contractors can request a hearing before a three-member Committee within two days of the notification of denial.

The three-member panel consists of officials who did not participate in the original determination that the contractor failed to demonstrate good faith efforts, or meet the goal.

Contractors therefore have the opportunity to meet with the reconsideration officials to discuss the issue and to present additional evidence or information to enable the panel to make a final determination as to whether or not the contractor has demonstrated good faith efforts in not meeting the goal. The panel will issue its final decision in writing within three days of the informal hearing. The decision will contain the basis for finding that the contractor did, or did not; demonstrate good faith in meeting the goal.

The result of the reconsideration will not be administratively appealable to the United States Department of Transportation (USDOT).

Counting DBE participation towards the overall and contract goals

Milwaukee County will follow crediting and counting provisions contained in Section 26.55 to determine DBE participation on USDOT assisted projects.