

New Hampshire Department of Transportation 7 Hazen Drive, P.O. Box 483 Concord, NH 03302

PROPOSED Overall Disadvantaged Business Enterprise (DBE) Triennial Goal & Methodology Plan for FFY 2021-2023

For Federal Highway Administration (FHWA) assisted projects

CONTENTS

RI	EVISIONS	3
	OVERALL GOAL BACKGROUND (§ 26.45)	4
	GOAL	4
	METHOD OF ATTAINMENT	4
	STEP 1: BASE FIGURE	4
	STEP 2: ADJUSTMENT TO BASE FIGURE	7
	ESTIMATED RACE AND GENDER-NEUTRAL & RACE AND GENDER-CONSCIOUS PARTICIPATION	8
	RACE AND GENDER NEUTRAL MEANS	8
	RACE-CONSCIOUS MEANS	9
	PUBLIC PARTICIPATION	10
	PUBLIC MEETING	10
	GOAL MONITORING	10
	APPENDICES	11
	APPENDIX A –PUBLIC NOTICE	11
	APPENDIX B - PUBLIC MEETING ATTENDANCE AND COMMENTS	12
	Attendees	12
	Question/Comment 1	12
	Question/Comment 2	12

REVISIONS

Only major revisions to the plan are documented.

DATE	REASON	REVISIONS		
10/20/2020	HCR Request	t Updated DBE goal on page 8 to 4.82%		
10/16/2020 HCR Request		Updated Step1 and Step 2 as per HCR request and feedback received by FHWA		
		DO on 10/16/2020.		
		Table 1 on page 5 was updated according to the instructions and a paragraph		
		was added (highlighted in bold) to clarify inclusion/exclusion of lost DBE firms in		
		Table 1.		
		Goal percentage on page 2.		
		Item "G" (pages 6-7) was updated and additional language was added to		
		provide clarification as requested.		
		Page 7, Step 2 section A – amended to provide clarity as instructed.		
		Page 12, Question/Comment 2, second paragraph – removed reference to page		
		6 a sit no longer applies.		
9/2/2020	General	Added "Revisions "section/title.		
		Added FHWA to the text in the footer.		
		Added "Public Meeting" section on page 9.		
		Public Notice Sample in the "Appendices" is changed to "Appendix A."		
	Public Comment 7/31/2020	Added "Appendix B" –on page 11- "Public Meeting Attendance and Comments."		
		Added text and tables 4-7 on page 6, STEP 2: ADJUSTMENT TO BASE FIGURE		

OVERALL GOAL BACKGROUND (§ 26.45)

Pursuant to the USDOT amendment effective March 5, 2010, the New Hampshire Department of Transportation (hereafter the Department or NHDOT) is required to submit to the Federal Highway Administration (FHWA) the Disadvantaged Business Enterprise (DBE) Goal and Methodology Plan at three-year intervals. The Department submitted its first plan to FHWA on August 1, 2011 and at three-year intervals thereafter.

The Department is allowed to make a mid-cycle adjustment to its DBE goal if circumstances that have a significant impact on the current stated goal are experienced. However, any mid-cycle adjustments do not take effect until approved by the FHWA.

GOAL

The Department intends to expend **4.82**% of the amounts received under Titles I, III and V of the Transportation Equity Act for the 21st Century or any subsequently enacted Federal laws, with small business concerns owned and controlled by socially and economically disadvantaged individuals (DBEs). It is the intent of the Department that this expenditure is obtained to the extent practicable, through a race and gender-neutral Program (see 49 CFR § 26.5 for definitions).

METHOD OF ATTAINMENT

The Department calculates the overall goal using the criteria based in 49 CFR § 26.45. The determination is based on a level of DBE participation relative to all businesses ready, willing and able to participate on Federally-assisted contracts, and reflect a level of participation expected in the absence of discrimination. The overall goal setting procedure is based on the following:

- 1. Step 1: Establishing the base figure for the relative availability of DBEs and;
- 2. Step 2: Adjusting the base figure to reflect available data.

STEP 1: BASE FIGURE

Method Selected: The Department uses an Alternative Method.

<u>Description of Data Used:</u> The data used in this calculation was obtained from two sources:

- 1. The primary source is the Department's bidders list. This includes all bidders, successful and unsuccessful, prime and subcontractors, DBEs and non-DBEs which were seeking work on state and municipal FHWA-assisted transportation related construction contracts in the local market area during the period of January 1, 2017 through December 31, 2019.
- 2. The secondary data source includes all ready, willing, and able firms, DBE and non-DBE, accepted by the NHDOT Consultant Selection Committee and eligible to participate in environmental, engineering and other FHWA-assisted consulting agreements in the local market area during the period of January 1, 2017 through December 31, 2019. The data collected resulted in a list of prime and subcontractors, DBE and non-DBE, which directly participated in, attempted to participate in, or were ready, willing, and able to participate in FHWA-assisted highway construction projects and environmental, engineering, and other FHWA-assisted consulting contracts.

The Department is the sole DBE certifying agency for the State of New Hampshire. The Department's Office of Federal Compliance (OFC) is responsible for reviewing prime and subcontractors prior to approval for project work. The OFC continuously reviews contractor information submitted during the bidding and approval process on all projects in an effort to identify minority and women-owned non-DBE firms for recruitment and possible DBE certification.

The Department works closely with many stakeholders and women and minority organizations such as the New Hampshire Procurement Technical Assistance Program (NHPTAC), the Small Business Administration (SBA), the Association of General Contractors (AGC), and the National Association for Women in Construction (NAWC), to identify and recruit minority and women-owned firms for potential participation in the DBE Program.

In addition to these ongoing practices, the OFC reviews the ownership and control data from all primes and subcontractors submitting bids or quotes during calendar years 2017-2019 to ascertain if potential DBEs exist for inclusion in the numerator of the base figure calculation. The Department concluded no potential DBEs are present for inclusion in this report during the data collection period.

Collection of the Data: To determine the relative availability of construction contractors, information was collected from the bidders list. The Department maintains a bidders list in accordance with 49 CFR Part 26.11, which includes all DBE and non-DBE prime contractors that have submitted a bid or quote on any state or municipal FHWA-assisted transportation related construction project. The Department sends a notice to each contractor on an annual basis, identifying each project for which they submitted a bid or quote and requires the contractor to provide the names of any subcontractors or material suppliers (DBE and non-DBE), that may have submitted a bid or quote in support of their own proposal.

The response rate for this inquiry is 83.43% and therefore considered reliable. The information is compiled using a spreadsheet to ensure that double counting is eliminated. This information is used for the purpose of establishing the portion of the base figure derived from FHWA-assisted construction contracts. The formula is detailed in below:

Table 1: Contractors and consultants who submitted bids or quotes: 2017-2019

	2017	2018	2019	
Prime contractors that submitted bids or quotes	46	33	57	
Subcontractors that submitted bids or quotes	232	158	184	TOTAL
TOTAL	278	191	241	710
Total available consultants				120
			TOTAL	830

Table 2: DBEs that submitted bids or quotes: 2017-2019

	2017	2018	2019	TOTAL
DBEs that submitted bids or quotes	14	13	13	40

Base Figure Calculation

DBE contractors (40)/Available construction contractors & consultants (830) 40/830 = 4.82%

The calculation of the base figure did account for the loss of six DBE firms which were excluded from the numerator of the ratio (but not the denominator) as per Tips for Goals and Methodology Plan (49 CFR Part 26). Please refer to pages 6 and 7 for further explanation of the effects of decertification.

The Department considered different type of contracts anticipated in the upcoming three-year period against the relative availability of DBEs, projected funding and relevant geographic market area (GMA). The Department anticipates contracts and funding will be similar to those in 2017-2019 and will be taking place in the same Geographic Market Area (GMA).

OTHER CONSIDERATIONS WHEN CALCULATING THE BASE FIGURE:

- A. <u>Past participation:</u> The use of past participation as a tool to establish the base figure is not appropriate because it may not be a reflection of the ready, willing and able DBE population that exists today.
- B. <u>Use of the most refined data available:</u> The Department relies on the contractor data directly associated to Federal-aid transportation related projects. Any ready, willing and able DBE capable of transportation work and identified using specific NAICS codes or census data is also included in the data captured using the bidders list and subcontractor approval process listed above. Any firm (DBE or non-DBE) not identified as submitting a bid or being approved for work on a Federal-aid project is considered by their exclusion, as being not ready, willing and able and therefore, and is not included in the calculations for the DBE goal.
- C. <u>Use of the DBE Directory:</u> The Department does not use the DBE Directory and census data for DBE goal setting purposes. The Department is very proactive in its efforts to identify prospective transportation related DBE firms, however, it only includes a DBE firm in its calculations after it has demonstrated, by bid submission or approval as a subcontractor on a Federal—aid project, that the firm is a ready, willing and able DBE.
- D. Relevant Geographic Market Area (GMA): The Department considers the State of New Hampshire boundaries to be the GMA. Prime and subcontractors have demonstrated their ability to travel throughout state boundaries to perform transportation related work. New Hampshire based prime and subcontractors account for 78.03% of all contracting dollars spent in New Hampshire.

Table 3: GMA	Dollars to In-State Contractors	Total Dollars	Representative State Percentage
Geographic Distribution of Participating primes 2017-2019	\$313,805,405.99	\$402,136,288.43	78.03%

- E. <u>Ensuring DBE goal percentage reflects "apples to apples" calculations:</u> The DBE goal calculation was derived using the same transportation related items of work in both the numerator and denominator, included all DBE and non-DBE prime contractors and subcontractors that submitted a bid or quote or were approved as a subcontractor or material supplier and, regardless of whether or not they were actually awarded the contract or subcontract.
- F. The use of weighting: The Department disaggregated data by work category and availability on spending in those categories and determined not to apply weighting to adjust its Step One goal figure. The scope of services required for each contract include a variety of different categories of transportation related work. An analysis of all work categories on contracts awarded during calendar year 2017-2019 failed to identify specific work categories with the consistency, dollar volume and DBE participation suitable for weighting.
- G. <u>Effects of decertification</u>: During calendar years 2017-2020, the Department **lost six DBE firms** that were actively working and/or bidding on NHDOT projects. Three of the six firms were sold, one decertified for non-compliance, one graduated from the Program as the owner's Personal Net Worth (PNW) exceeded the set threshold and one was decertified due to changes in regulation affecting Native American owner who also could not substantiate his social and economic disadvantage claim as an individual.

During 2017-2019 calendar years, DBEs were awarded a total of \$35,297,105.75 or 8.78% of the total dollars for state and municipal projects. Six decertified DBE firms were awarded 22,605,891.88 or 64% of the total dollars awarded to DBEs over the last three years. Since participation of six decertified firms mentioned in this paragraph accounts for such large past participation and considering that currently there are no DBEs posed to do similar type of work, these six firms were excluded from the numerator of the ratio (but not the denominator) in the Step 1 Base Figure Calculation.

H. Changes in the amount of federal-aid: No adjustments to the DBE goal were made based on changes in the amount of Federal-aid received.

STEP 2: ADJUSTMENT TO BASE FIGURE

Step Two of the goal setting calculation process is used to determine if any adjustments are necessary to further refine the Step One base figure. The following factors were taken into consideration when contemplating making any Step Two adjustments.

A. <u>Past participation:</u> The NHDOT DBE Program is administered in compliance with regulations set forth in 49 CFR 26, therefore, using past participation to adjust the base figure would be appropriate if the adjustment would result in a more precise DBE goal.

As previously stated, during calendar years 2017-2020, NHDOT lost six DBE firms that were actively working and/or bidding on NHDOT projects and these firms were excluded as prime and/or sub-contractors from Table 1 in Step 1 calculation of the base figure. More precisely, six DBE firms were excluded from the numerator of the ratio (but not the denominator) in the Step 1 Base Figure Calculation.

The Department anticipates that the loss of six DBE firms will have a significant and adverse impact on the Department's ability to attain DBE goal in the future as their past participation on NHDOT projects was significant and especially since currently there are no DBEs posed to do similar type of work. Based on this information and similar comments received from the public stakeholders (See Appendix B), the Department believes that it is appropriate to consider past participation of six decertified firms and make an adjustment to the proposed DBE goal as appropriate in Table 1 above.

OTHER CONSIDERATIONS FOR STEP 2 GOAL ADJUSTMENTS

- 1. Additional sources of information: Additional Step Two adjustments may be considered to counter any past effects of discrimination. However, the Department has maintained a race and gender-neutral DBE Program and has not evidenced any reports of discrimination in the award of subcontracts, availability of insurance, bonding or any other business related complaints resulting from discriminatory practices. The Department has ongoing dialog with DBEs, state and local agencies with ties to minority and women's groups, and has not discovered any examples of discrimination that may warrant a Step Two adjustment to rectify a particular problem.
- **2. Evidence from a disparity study:** The Department has not commissioned or conducted a disparity study. The Department contacted a variety of community stakeholders to determine if any relevant disparity studies have been conducted in the local market area in the past three years. No relevant disparity studies or similar analyses have been found that may provide information relative to discrimination in the local market area by the Department or similar contracting agencies.
- <u>3. Local market area firm characteristics:</u> The Department is always in search of new transportation related potential DBE firms with characteristics that would benefit the transportation field and increase the offerings of DBE related firms. At this time, there is no evidence that an adjustment of this type is necessary.

4. Other relevant data: There has been no other data that suggests additional Step Two adjustments are warranted. The Department has no record of suits involving discrimination of minority or women owned businesses in the past three years. Current DBEs have not expressed any concern with the availability of work and awarding of subcontracts.

ESTIMATED RACE AND GENDER-NEUTRAL & RACE AND GENDER-CONSCIOUS PARTICIPATION

The Department has established a statewide DBE goal of 4.82%. The Department intends to attain this goal through race and gender-neutral DBE participation. The NHDOT has successfully administered a primarily race and gender-neutral DBE Program, consistently meeting DBE goals in previous years.

RACE AND GENDER NEUTRAL MEANS

The NHDOT continues to work with prime contractors to assist their efforts to facilitate race and gender-neutral DBE participation. Race and gender-neutral participation includes any time a DBE wins a prime contract through customary competitive procurement procedures, is awarded a subcontract on a prime contract that does not carry a DBE contract goal, or even if there is a DBE contract goal, wins a subcontract from a prime contractor that did not consider its DBE status in making the award (e.g. a prime contractor that uses a strict low bid system to award subcontracts).

Race and gender-neutral means include, but are not limited to, the following:

- 1. Carrying out information and communication Programs on contracting procedures and specific contract opportunities, such as ensuring the inclusion of DBEs, and other small businesses, on mailing lists for bidders; ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors;
- 2. Providing a copy of the Invitation for Bids, when requested to the Department's certified DBE's for each bid letting;
- 3. Providing introductions to help DBEs, and other small businesses with access to prime contractors in an effort to develop working relationships;
- 4. Ensuring distribution of the Department's DBE Directory, through print and electronic means, to potential prime contractors and subcontractors;
- 5. Providing technical assistance and other services;
- 6. The OFC works with prime contractors (by phone, e-mail, and in person) that take out sample proposals for upcoming Department's projects, to search for DBEs capable of subcontracting on the project. The Department identifies potential items of work with subcontracting opportunities and contact DBEs capable of performing this work and encourage them to submit a bid to the prime. In this manner, our office is able to proactively incorporate DBEs into the initial proposal stage for the project.

Each time the Department submits its overall goal for review and approval by the USDOT, the Department also submits the portion of the overall goal that is expected to be attained through race and gender-conscious means and the basis for that position.

The Department assesses the percent of DBE participation on a quarterly basis. If it is determined the 4.46 % overall DBE goal will not be achieved, the Department may place contract goals on future projects as a race and gender-conscious means of meeting any portion of the overall goal not achieved by use of race and gender-neutral means.

RACE-CONSCIOUS MEANS

The Department may elect to place specific contract goals on selected large-scale projects, if failure of the selected projects to attain the overall statewide DBE goal would have a disproportionate weight and affect the state's ability to meet its overall race and gender-neutral DBE goal.

The following provisions apply to the use of race-conscious contract goals:

- 1. The Department will use contract goals only on those federally assisted projects that have subcontracting possibilities.
- 2. The goal for a specific contract may be higher or lower than that percentage level of the overall goal, depending on such factors as the type of work involved, the location of the work, and the availability of DBEs for the work of the particular contract. However, over the period covered by NHDOT's overall goal, the Department will set contract goals so that they will cumulatively result in meeting any portion of NHDOT's overall goal not obtainable through the use of race and gender-neutral means.
- 3. Contract goals will provide for participation by all certified DBEs and not be subdivided into group-specific contract goals.

To ensure that the Department's DBE Program continues to be narrowly tailored to overcome the effects of discrimination, use of contract goals will be adjusted as follows:

- 1. If the Department concludes that it can meet its overall goal through race and gender-neutral means, contracting goals will not be used.
- If, during the course of any year in which the Department uses contract goals, and/or determines that
 the overall goal will be exceeded, the Department will reduce or eliminate the use of contract goals to
 the extent necessary to ensure that the overall use of contract goals does not result in exceeding the
 overall goal.

To ensure that prime contractors demonstrate good faith efforts necessary to fulfill contract goals (race and gender-conscious measures) assigned to Federally-assisted projects, they will be required to incorporate the following measures pursuant to the bidding process:

- 1. <u>Offering Assistance.</u> The prime contractor may offer assistance to DBEs and small businesses in the areas of interpreting plans, preparing proposals, providing advice to obtain bonding and insurance, etc. Any assistance requested or provided shall be documented.
- 2. <u>Discussions with Small Businesses.</u> The prime contractor shall respond to all requests from DBEs and small businesses that are submitting quotes including, but not limited to: quantities, expected overtime, project scheduling, pit information, method of measurement, payment schedule, items of work included in the quote.
- 3. Accepting and Evaluating All Bids Offered. Prime contractors, DBEs and small businesses shall accept and evaluate all bids offered, regardless of work elements intended to be subcontracted. DBEs and small businesses should not be limited to smaller subcontracts because a larger amount of work is intended to be subcontracted to a larger business.
- 4. **Specific DBE Goal Reporting Requirements.** For race and gender-conscious projects with a specific DBE goal, the prime contractor submitting the apparent low bid must submit a DBE Commitment Form within three (3) business days of bid award. The DBE Commitment Form must indicate the total dollar value of DBE commitments. This form is provided by the OFC and includes the following; name and address of each DBE to be used, items numbers and descriptions of the work to be completed by each

DBE, the estimated dollar value of each participating DBE and the total DBE commitment in dollars and expressed as a percentage of the total contract. Additionally, the prime contractor must submit a Letter of Intent for each DBE listed on the DBE Commitment form. The letter of intent confirms the information submitted on the DBE commitment form and is signed by both the prime contractor and each DBE firm.

PUBLIC PARTICIPATION

The Department works cooperatively to promote DBE Program participation with transportation related contractors and associations, women and minority groups, and appropriate state and local agencies. The intent of these ongoing conversations is to inform, educate and involve contractors, minority and women's groups and other concerned interests in the DBE Program. This open dialogue has resulted in the successful implementation of a race and gender neutral DBE Program goal and an environment where DBE's can fairly compete for work on transportation related projects.

The Department has published a notice announcing the proposed overall goal to the official department website and social media, shared the proposed plan with stakeholders by email, as well as a notice about upcoming public outreach meeting to discuss the triennial DBE goal and methodology and obtain information relevant to the goal setting process. See Appendix A for a copy of the public notice.

The plan and the notice were sent to a diverse range of individuals and organizations, including currently certified DBEs, DBE and non-DBE prime and subcontractors, consultants, the NH Association of General Contractors, NH Procurement Technical Assistance Program, NH Small Business Administration, NH Small Business Development Center, NH Chapter of NAACP in Portsmouth, Manchester and Nashua, NH Chapter of the National Association of Women in Construction, NH Regional Planning Commissions and various towns and municipalities.

A notice announcing the proposed DBE goal was posted on the NHDOT website on July 14, 2020. The notice also stated the proposed DBE goal and methodology plan would be available to the public for review and comment for a 30-day period beginning July 14, 2020 and ending September 1, 2020, at the Department's Office at 7 Hazen Drive, Concord, NH 03302.

PUBLIC MEETING

See Appendix B for public meeting attendance and comments.

GOAL MONITORING

The Department will continue to monitor DBE participation by requesting monthly reports of payments made from prime and subcontractors to DBEs to gauge participation on active federally assisted projects. If the rate of participation indicates that the Department will not attain or exceed its race and gender-neutral DBE goal at any time during the 3-year cycle, the Department will increase proactive efforts to increase DBE participation. If additional efforts at DBE involvement are unsuccessful, the Department may implement specific project goals as a race and gender-conscious measure to reach its overall statewide goal.

The Department will continue to monitor attainment of the overall goal and the contract goals to determine whether the intent of project goals has been met and will make a determination whether the project goals need to be continued. In any year in which the Department meets part of the goal through race and gender-neutral means and the remainder through contract goals, the Department will maintain data separately on DBE payments in those contracts with and without contract goals, respectively. The Department will report this data to DOT as provided in 49 CFR § 26.11

APPENDICES

APPENDIX A -PUBLIC NOTICE



New Hampshire Department of Transportation (NHDOT) PROPOSED Disadvantaged Business Enterprise (DBE) Goal and Methodology Plan for Federal Highway Administration (FHWA) Federal Fiscal Years 2021-2023

The New Hampshire Department of Transportation (NHDOT) proposes a goal of 4.73 % for Disadvantaged Business Enterprise (DBE) participation for projects assisted with Federal Highway Administration (FHWA) funds.

NHDOT invites all interested parties to participate, review and comment on the proposed DBE goal during the virtual public meeting which will be held on Friday, July 31, 2020 at 10:00 am.

Comments will also be accepted by e-mail or by mail until Tuesday, September 1, 2020 at 4:00 pm. Comments may be sent to Larisa.Djuvelek-Ruggiero@dot.nh.gov,

or NHDOT attn.: Larisa Djuvelek-Ruggiero, 7 Hazen Drive, PO Box 483, Concord, NH 03302.

If you wish to attend the virtual public meeting, please send an email to Larisa.Djuvelek-Ruggiero@dot.nh.gov
to register and obtain a link to the meeting.

Any individuals needing assistance or auxiliary communication equipment due to sensory impairment or other disability, should contact Larisa Djuvelek-Ruggiero at (603) 271-2216, or NHDOT, P.O. Box 483, Concord, NH 03302-0483 - TDD Access: Relay N.H. 1-800-735-2964.

NHDOT is an Equal Opportunity Employer. If you need this information in an alternative format, please contact NHDOT at Larisa.Djuvelek-Ruggiero@dot.nh.gov , (603) 271-2216 or TDD: Relay NH: 1.800.735.2964.

Date of Notice: July 17, 2020.

APPENDIX B - PUBLIC MEETING ATTENDANCE AND COMMENTS

Attendees:

- 1. Karen Smith, R.S. Audley
- 2. Gary Abbott, Association of General Contractors
- 3. Catrina Swirko, Association of General Contractors
- 4. Meghan Butts, Upper Valley Lake Sunapee Regional Planning Commission
- 5. Denise Presby, NHDOT Office of Federal Compliance
- 6. John Ankenbrock, NHDOT Office of Federal Compliance
- 7. Larisa Djuvelek-Ruggiero, NHDOT Office of Federal Compliance

Question/Comment 1

A contractor wanted to know if there was a plan in place to help contractors meet the 4.73% goal with regard to the large value projects. With the recent loss of one of the major DBE firms that perform guardrail, paving and striping for majority of NHDOT projects, the contractor expressed that they have to get creative in finding new DBE firms that can do the work. Companies the contractor reached out to in order to replace lost DBEs, were not only preferred companies, but also companies who don't perform work on highways, only secondary roads and were costlier. Similarly, since many of the engineering is done in-house, there is a less opportunity to contract with DBE certified engineering firms. The contractor wondered what the Department is doing to recruit DBEs. The contractor also refers potentially qualified companies to the Department so they can obtain DBE certification and help with the attainment of project specific and/or overall DBE state goals.

Question/Comment 2

Association of General Contractors (AGC) expressed their concern regarding the number of DBE firms and the percentage of the volume that they represent in the contract dollars awarded to DBE firms. They inquired about the methodology of coming up with the total percentage that those firms represented and if the figure was adjusted after decertification or graduation of the firms. AGC suggested that the loss of firms in 2020 be considered as an adjustment to the base figure.

The Department answered questions of the stakeholders who attended the public meeting and considered the suggestion in Question/Comment 2 as described above and made necessary adjustments.

The public meeting recording and slides were posted on the NHDOT OFC website and shared with stakeholders; https://www.nh.gov/dot/org/administration/ofc/dbe.htm

