



**THE NORTHEAST ILLINOIS REGIONAL COMMUTER
RAILROAD CORPORATION
D/B/A METRA**

Disadvantaged Business Enterprise (DBE) Proposed Goal

**Goal Setting Methodology and Evidence
Federal Fiscal Years 2022 through 2024**



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Goal Overview

In accordance with the U.S. Department of Transportation (US DOT) 49 C.F.R. Part 26, Metra proposes an overall DBE goal of 22% for Federal Fiscal Years 2022 through 2024, for federally assisted contracts.

The proposed goal was established based on data from Metra’s 2016 Availability Study conducted by Colette Holt & Associates.

In accordance with 49 C.F.R. Part 26, Metra used a two-step goal setting process to establish the proposed overall goal.

Methodology and Evidence

Determination of Industry & Geographic Markets

Metra’s 2016 Availability Study examined a sample of approximately \$897 million of agency spending during the period of 2009 through 2013 to determine Metra’s industry market.

Table 1.1 indicates the NAICS codes used to define the industry market for Metra’s contracts data, the total contract dollars paid for each NAICS code in the constrained product market and the share the contract dollars comprise of all industries, for federally assisted contracts.

Table 1.1: NAICS Code Distribution of Contract Dollars (Federal Funds)

NAICS	NAICS Code Description	Total Contract Dollars	Total Contract Dollars (Percent)
237310	Highway, Street, and Bridge Construction	31,277,20	41.01%

NAICS	NAICS Code Description	Total Contract Dollars	Total Contract Dollars (Percent)
236220	Commercial and Institutional Building Construction	8,809,988	11.55%
541512	Computer Systems Design Services	8,709,199	11.42%
541330	Engineering Services	6,444,789	8.45%
531120	Lessors of Nonresidential Buildings (except	3,028,605	3.97%
238210	Electrical Contractors and Other Wiring Installation Contractors	3,005,256	3.94%
238910	Site Preparation Contractors	2,245,952	2.95%
332323	Ornamental and Architectural Metal Work Manufacturing	2,232,706	2.93%
238990	All Other Specialty Trade Contractors	1,584,893	2.08%
238110	Poured Concrete Foundation and Structure Contractors	1,561,807	2.05%
238120	Structural Steel and Precast Concrete Contractors	1,411,512	1.85%
332312	Fabricated Structural Metal Manufacturing	1,380,336	1.81%
541511	Custom Computer Programming Services	966,975	1.27%
541614	Process, Physical Distribution, and Logistics Consulting Services	813,128	1.07%
541310	Architectural Services	760,837	1.00%
238320	Painting and Wall Covering Contractors	497,161	0.65%
237990	Other Heavy and Civil Engineering Construction	437,299	0.57%
561990	All Other Support Services	393,958	0.52%
444190	Other Building Material Dealers	381,847	0.50%
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	231,884	0.30%
541110	Offices of Lawyers	62,204	0.08%
221122	Electric Power Distribution	19,530	0.00%
561621	Security Systems Services (except Locksmiths)	1,170	0.00%
TOTAL			100.0%

To determine the relevant geographic market area, the consultant applied the standard of identifying the firm locations that account for at least 75 percent of contract and subcontract dollar payments in the contract data analyzed.

Within Illinois 98.87% of all agency spending was in Metra's six-county service area (Cook, DuPage, Kane, Lake, McHenry, and Will). Therefore, these 6 counties constituted the geographic market area from which the availability data was drawn.

Table 1.2 presents data on how the contract dollars were spent in percentages across Metra's six-county service area.

Table 1.2: Distribution of Contracts in Metra’s Product Market within Illinois by County

County	Percent Total Contract Dollars Paid
Cook	84.93%
DuPage	8.88%
Will	2.50%
McHenry	1.54%
Kane	1.41%
Lake	0.60%

Tables 1.3a and 1.3b presents the paid contract dollars (total dollars and share of total dollars) by NAICS codes for all industries.

Table 1.3a: Distribution of Total Contract Dollars Federal Funds

NAICS	DBE	Non-DBE	TOTAL
221122	19,530	0	19,530
236220	41,971	8,768,017	8,809,988
237310	5,080,533	26,196,670	31,277,203
237990	0	437,299	437,299
238110	584,689	977,118	1,561,807
238120	1,330,332	81,180	1,411,512
238210	2,766,454	238,802	3,005,256
238320	467,661	29,500	497,161
238910	2,055,190	190,762	2,245,952
238990	540,310	1,044,583	1,584,893
332312	0	1,380,336	1,380,336
332323	0423610	2,232,706	2,232,706
423610	50,918	180,966	231,884
444190	327,318	54,529	381,847
531120	0	3,028,605	3,028,605
541110	0	62,204	62,204
541310	730,237	30,600	760,837
541330	1,428,428	5,016,361	6,444,789
541511	0	966,975	966,975
541512	8,540,762	168,437	8,709,199
541614	0	813,128	813,128
561621	0	1,170	1,170
561990	59,428	334,530	393,958
TOTAL	24,023,762	52,234,477	76,258,239

Table 1.3b: Distribution of Contract Dollars Federal Funds (Share of Total Dollars)

NAICS	DBE	Non-DBE	TOTAL
221122	100.0%	0.0%	100.0%
236220	0.5%	99.5%	100.0%
237310	16.2%	83.8%	100.0%
237990	0.0%	100.0%	100.0%
238110	37.4%	62.6%	100.0%
238120	94.2%	5.8%	100.0%
238210	92.1%	7.9%	100.0%
238320	94.1%	5.9%	100.0%
238910	91.5%	8.5%	100.0%
238990	34.1%	65.9%	100.0%
332312	0.0%	100.0%	100.0%
332323	0.0%	100.0%	100.0%
423610	22.0%	78.0%	100.0%
444190	85.7%	14.3%	100.0%
531120	0.0%	100.0%	100.0%
541110	0.0%	100.0%	100.0%
541310	96.0%	4.0%	100.0%
541330	22.2%	77.8%	100.0%
541511	0.0%	100.0%	100.0%
541512	98.1%	1.9%	100.0%
541614	0.0%	100.0%	100.0%
561621	0.0%	100.00%	100.0%
561990	15.1%	84.9%	100.0%
TOTAL	31.5%	68.5%	100.0%

Step 1: Base Figure for the Relative Availability of DBEs

The consultant applied the “custom census” approach to estimating availability, to determine the availability of DBEs.

To conduct the custom census for this study, the consultant took the following steps:

1. Created a database of representative, recent, and completed contracts;
2. Identified Metra’s relevant geographic market by counties;
3. Identified Metra’s unconstrained product market by 6-digit NAICS codes;
4. Counted all businesses in the relevant markets using Dun & Bradstreet/Hoovers databases;

5. Identified listed minority-owned and female-owned businesses in the relevant markets; and
6. Assigned ownership status to all other firms in the relevant markets.

Once the relevant counties by 6-digit NAICS codes were identified, the estimates of DBE availability were calculated. The estimates of DBE availability for each relevant 6-digit NAICS code in our geographic market was defined by:

$$\frac{\text{Number of DBEs} \times 100}{\text{Number of All Businesses (including DBEs and Non-DBEs)}}$$

Table 1.6a presents data on the unweighted availability by race and gender and by NAICS codes for all industries, for federally assisted contracts in the constrained product market.

Table 1.6a: Unweighted Availability Federal Funds (Total Dollars)

NAICS	Black	Hispanic	Asian	Native American	White Women	DBE	Non- DBE	TOTAL
221122	4.8%	0.0%	4.8%	0.0%	9.5%	19.0%	61.9%	100.0%
236220	6.3%	4.4%	3.7%	0.1%	7.2%	21.8%	56.4%	100.0%
237310	5.6%	6.4%	2.8%	0.1%	7.4%	22.3%	55.3%	100.0%
237990	3.4%	3.1%	1.8%	0.0%	9.7%	17.9%	64.1%	100.0%
238110	4.9%	4.2%	1.7%	0.0%	6.0%	16.8%	66.4%	100.0%
238120	8.6%	5.3%	2.2%	0.0%	16.1%	32.3%	35.5%	100.0%
238210	3.7%	1.6%	1.8%	0.0%	8.1%	15.3%	69.4%	100.0%
238320	2.5%	1.4%	0.8%	0.0%	4.8%	9.6%	80.8%	100.0%
238910	4.0%	4.0%	2.1%	0.0%	8.2%	18.3%	63.4%	100.0%
238990	1.8%	1.7%	1.0%	0.1%	5.3%	10.0%	80.1%	100.0%
332312	3.6%	3.4%	1.8%	0.0%	7.1%	15.9%	68.1%	100.0%
332323	3.6%	2.1%	2.4%	0.0%	8.1%	16.3%	67.4%	100.0%
423610	2.3%	1.3%	1.4%	0.0%	8.2%	13.1%	73.8%	100.0%
444190	1.1%	0.6%	0.5%	0.0%	7.1%	9.5%	81.1%	100.0%
531120	1.2%	0.4%	1.2%	0.0%	5.4%	8.2%	83.6%	100.0%
541110	0.8%	0.5%	0.4%	0.0%	5.0%	6.7%	86.6%	100.0%
541310	3.2%	2.2%	2.7%	0.2%	7.7%	16.0%	68.0%	100.0%
541330	4.8%	2.9%	5.5%	0.0%	5.1%	18.2%	63.5%	100.0%
541511	4.4%	2.1%	4.7%	0.0%	4.8%	16.1%	67.8%	100.0%
541512	5.8%	3.2%	4.2%	0.1%	6.7%	19.9%	60.2%	100.0%
541620	7.2%	2.4%	3.0%	0.0%	9.9%	22.6%	54.7%	100.0%
561621	3.7%	2.6%	2.1%	0.0%	5.7%	14.2%	71.6%	100.0%
561990	0.3%	0.2%	0.2%	0.0%	1.6%	2.4%	95.3%	100.0%
TOTAL	1.8%	1.1%	1.2%	0.0%	4.0%	8.3%	83.5%	100.0%

Metra’s aggregated availability was determined to be 19.7 for federal funded contracts by using the “custom census” approach.

Table 1.6b presents the weighted availability data for various racial and gender categories for federally funded contracts.

Table 1.6b: Aggregated Weighted Availability Federal Funds (Total Dollars)

NAICS	Black	Hispanic	Asian	Native American	White Women	DBE	Non-DBE	TOTAL
TOTAL	5.1%	4.4%	3.0%	0.1%	7.1%	19.7%	80.2%	100.0%

Source: CHA analysis of Metra data; Hoovers; CHA Master Directory

Step 2: Consideration of Adjustment to Base Figure

Step 2 requires Metra to examine all evidence in its jurisdiction to determine what adjustments, if any, is needed to the base figure to ensure it is as precise as possible. Metra considered the following factors in determining if the base figure should be adjusted:

- past participation (the volume of work DBEs have performed in recent years) or other measures of demonstrated capacity;
- evidence from disparity studies conducted in your market area;
- statistical disparities in the ability of DBEs to get financing, bonding, and insurance;
- data on employment, self-employment, education and training, union, apprenticeship programs;
- any other data that would help to better measure the percentage of work that DBEs would be likely to obtain in the absence of discrimination.

Evidence from Availability Study

Metra relied on the evidence from the availability study conducted to determine whether firms owned by non-Whites and White women face disparate treatment in our marketplace.

The consultant utilized datasets from the U.S. Bureau of the Census to explore the existence of any disparities by analyzing the following datasets:

- The Census Bureau’s Survey of Business Owners
- The Census Bureau’s American Community Survey

After analyzing both data sets, the consultant found disparities for minorities and women across most industry sectors in Metra’s marketplace. Metra considered whether to “adjust” the base figure of 19.7%, however based on the data from the availability study and the analysis of past participation for FFY 2018-2020 it was determine no adjustment was needed.

Past DBE Participation

Metra's Past DBE Participation FFY 2018-2020

Federal Fiscal Year	DBE Goal	DBE Goal Attainment	Race Neutral Participation	Race Conscious Participation
2018	19%	23.96%	19.24%	4.72%
2019	21%	21.17%	13.30%	7.87%
2020	21%	26.70%	9.48%	17.22%
Total		71.83%	42.02%	29.81%
Median		23.96%	13.30%	7.87%
Average		23.94%	14.01%	9.94%

To determine the overall goal, the weighted base figure of 19.7%, was added to the average DBE participation for FFY 2018-2020 of 22.2% and divided by 2 (*see below*).

Average of Past DBE Participation FFY 2018-2020

$$19.7\% + 23.94\% = 43.64\% \quad 43.64\% / 2 = 21.82\%$$

Based on the calculations above and the average past participation, Metra's proposed overall DBE goal for FFY 2022-2024 is 22%.

Metra estimates achieving **14%** DBE participation using race neutral measures and the reminder percentage of **8%** using race conscious measures.