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Technical Report:

Methodology for Computing Proposed FTA DBE Goals Minnesota  
Department of Transportation (MnDOT) FY2022-2024

**Submitted to:**

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# EXECUTIVE SUMMARY

This report provides proposed DBE goal and race neutral participation for the Minnesota Department of Transportation (MnDOT) for fiscal years 2022-2024 on Federal Transportation Administration funded expenditures. To satisfy the requirements set forth in the USDOT regulations, availability rates of willing, able and qualified firms must be computed for well-defined geographic market areas. This report was constructed based on the best available information received from MnDOT as well as the government-published secondary data.

The analysis undertaken suggests a proposed agency-wide DBE goal of 6.82 percent for 2022-2024 on FTA-funded projects.

This goal was derived in the following manner:

- A base goal of 6.27 percent was computed.
- An adjustment to the base goal was made to account for disparities in prime and subcontract awards that cannot be attributed to differences in industry, location, firm size, credit risk, or other characteristics of DBE versus non-DBE contracts. The adjustment was to increase the base goal by 8.70 percent, resulting in the adjusted goal of 6.82 percent ( $= 6.27 \times 1.0877$ ).
- The maximum portion of the adjusted goal deemed to be achievable by race-neutral means was found to be equal to 27.55 percent. Therefore, the race neutral goal was computed to be equal to 1.88 percent ( $= 6.82 \times 0.0275$ ) and the race-conscious goal was computed to be equal to 4.94 percent ( $= 6.82 \times (1 - 0.9725) = 6.82 \times 0.0275$ ).

Table 1 provides the detailed breakdowns:

**Table 1. Proposed MnDOT FTA DBE Goal FY2022-2024**

	Goals
<b>Base Goal</b>	<b>6.27%</b>
Discrimination Gap for Adjustment	8.70%
<b>Adjusted Goal</b>	<b>6.82%</b>
Race-Neutral Portion	27.55%
<b>Race-Neutral Goal</b>	<b>1.88%</b>
Race-Conscious Portion	72.45%
<b>Race-Conscious Goal</b>	<b>4.94%</b>