**Calculating Disadvantaged Business Enterprise Goal for**

**ITH-ACA PROJECT**

**Project ID# D2012-BUSP-155**

**PIN: 382409**

**Summary**

The goal for Disadvantaged Business Enterprise (DBE) utilization on the ITH-ACA project shall be 4.8%.

**Local Market Area**

In determining the Local Market Area, consideration was given to the types of trades required for construction and past City of Ithaca experience on construction projects of this type and scale. After consideration, it was decided that the Local Market Area would include the following counties: Tompkins, Cortland, Broome, Chemung, Onondaga, and Monroe. It is unlikely that contractors will travel farther than this area for this work and the other counties within a closer distance, such as Cayuga and Seneca counties are rural and not likely to be home to businesses of the scale and experience required for this public work.

**Identifying DBE and Non-DBE Firms within Local Market Area**

Based on the scope of work for the ITH-ACA project, a list of 2012 NAICS codes was produced.

### 237310 - Highway, Street, and Bridge Construction

238210 - Electrical Contractors and Other Wiring Installation Contractors

238990 - All Other Specialty Trade Contractors

237110 - Water and Sewer Line and Related Structures Construction

238140 - Masonry Contractors

561730 - Landscaping Services

238910 - Site Preparation Contractors

Information on the total number of businesses for each NAICS code was then obtained from the 2010 County Business Patterns Economic Profile[[1]](#footnote-1) for each county in the Local Market Area. These figures, shown in the attached Table 1, included both DBE and non-DBE businesses. Information on the number of DBEs within the Local Market Area was obtained from the New York State Unified Certification Program (NYSUCP) Disadvantaged Business Enterprise (DBE) Directory <www.nysucp.net>. This information is presented in Table 2.

Table 2. DBE and Non-DBE firms by NCAIS code

|  |  |  |  |
| --- | --- | --- | --- |
| **NAICS 2012 Code** | **NAICS NAME** | **TOTAL FIRMS** | **Cert DBEs** |
| 237310 | Highway, Street, and Bridge Construction | 69 | 16 |
| 238210 | Electrical Contractors and Other Wiring Installation Contractors | 292 | 0 |
| 238990 | All Other Specialty Trade Contractors | 187 | 7 |
| 237110 | Water and Sewer Line and Related Structures Construction | 41 | 1 |
| 238140 | Masonry Contractors | 121 | 4 |
| 561730 | Landscaping Services | 528 | 4 |
| 238910 | Site Preparation Contractors | 140 | 8 |

The number of certified DBE firms by NAICS code was then revised based on a more in-depth review of the description of each firm, as provided by the NYSUCP. There were some firms lists as certified DBEs that would not work on the project. For example, a pavement marking company was listed as a Highway, Street and bridge Construction firm, but there are no pavement markings in the scope of work for the project, so the firm would not be appropriate to count as an eligible DBE firm. If there was a question as to whether a firm would be appropriate, they were counted as eligible. The revised numbers are shown in Table 3, which follows.

Table 3. Revised DBE count by trade

|  |  |  |  |
| --- | --- | --- | --- |
| **NAICS 2012 Code** | **NAICS NAME** | **TOTAL FIRMS** | **Cert DBEs (revised)** |
| 237310 | Highway, Street, and Bridge Construction | 69 | 9 |
| 238210 | Electrical Contractors and Other Wiring Installation Contractors | 292 | 0 |
| 238990 | All Other Specialty Trade Contractors | 187 | 7 |
| 237110 | Water and Sewer Line and Related Structures Construction | 41 | 1 |
| 238140 | Masonry Contractors | 121 | 4 |
| 561730 | Landscaping Services | 528 | 2 |
| 238910 | Site Preparation Contractors | 140 | 7 |

**Calculating a Weighted Goal**

To calculate the weighted goal the cost estimate for each type of work by NAICS code was divided by the total cost estimate for the project to give the weight for each type of work. This weight was then multiplied by the relative availability of DBEs (number of DBEs divided by total number of businesses) for each contract type, and these numbers were added to give the final weighted result. The following Table 4 shows the data. The final weighted goal is calculated according to the following methodology.

FWG = ∑ RA

RA = (% of total work by cost) \* (Cert DBEs/Total Firms)

Where:

FWG = Final Weighted Goal

RA = Relative Ability for each NAICS code

Based upon this calculation the ITH-ACA project’s DBE utilization goal is 4.8% totaling $417,800.

1. Available from the U.S. Census Bureau State & County QuickFacts

   <http://censtats.census.gov/cbpnaic/cbpnaic.shtml> [↑](#footnote-ref-1)