

Disadvantaged Business Enterprises (DBE)

Percent of ODOT-Awarded Contract Dollars to Oregon Disadvantaged Business Enterprises (DBEs)

Our strategy

As a recipient of US Department of Transportation (USDOT) financial assistance, the Oregon Department of Transportation (ODOT) is required to implement a Disadvantaged Business Enterprise (DBE) program according to the requirements explained in 49 CFR 26. The DBE program is intended to ensure ODOT and our contractors comply with state and federal non-discrimination laws, create a level playing field for disadvantaged businesses to compete fairly for contracts, narrowly tailor the DBE program in accordance with applicable law, require only eligible firms benefit from the program, help develop firms to compete successfully in the

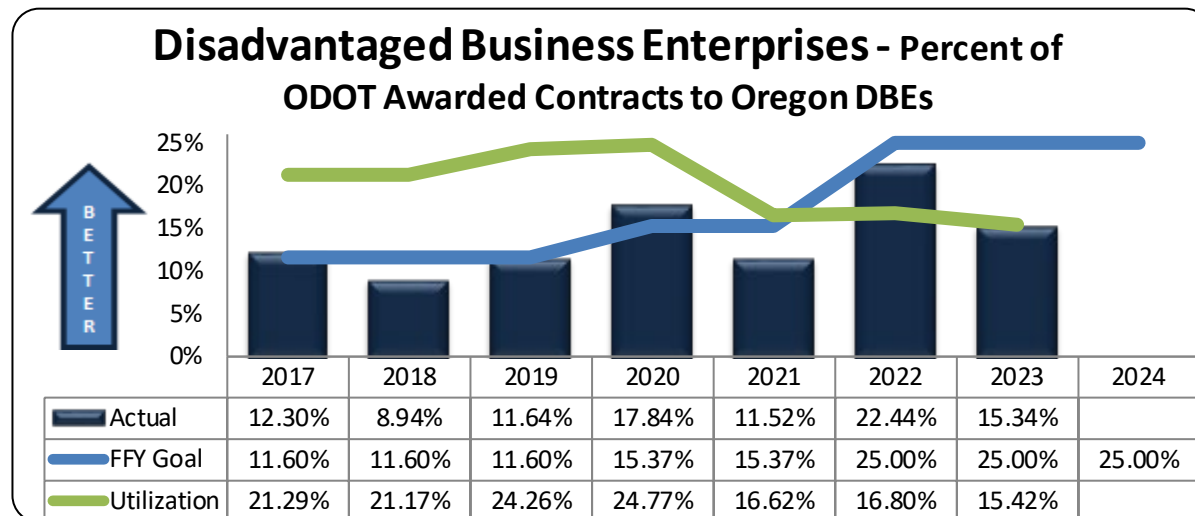
marketplace outside the DBE program, and assist DBEs in overcoming barriers to participation in ODOT's procurement and contracting processes.

About the target

ODOT is required to set an overall goal for DBE participation in USDOT-assisted contracts. Based on demonstrable evidence by a 2022 Disparity Study of ready, willing, and able DBEs, ODOT has established an overall goal of 23.43% for Fiscal Years 2023 through 2025 and approved by FHWA.

How we are doing and how we compare

ODOT is committed to the requirements of 49 CFR 26. The DBE goal was exceeded in Fiscal Years 2022, 2020, & 2019, however it was not met in Fiscal Years 2023, 2021 & 2018. The Uniform Report is also able to track the utilization of firms, defined as the number of DBEs given contracts out of all ODOT/FHWA contracts. ODOT had 15.42% DBE contract utilization in Fiscal Year 2023. The percentage of DBE work awarded is at a 5-year low due to various challenges including decertification of many DBEs who were engaged in a statewide construction environment.



Fact

We provide statewide training for project management and field staff and reach out to certified firms to let them know about opportunities and resources for working on ODOT projects.

Disadvantaged Business Enterprises, Cont.

Factors affecting results and what needs to be done

ODOT offers a variety of supportive services for DBEs. Supportive services are defined as professional training, mentoring, and consulting services which help develop a

firm's ability to perform successfully on ODOT contracts. This is a new Legislative Key Performance Measure that was approved as a replacement for Certified Firms.

In addition, the following factors affected our performance this past year:

(1) Low DBE Participation on Race-Conscious Utilization: DBE goals of a significant number of projects awarded in the first half of FFY2023 were actually set in FFY2022 considering a much lower overall goal of 15.37%. Reviewing the FFY2023 DBE commitment breakdown of race-conscious and race-neutral participation illustrates that race-neutral method over performed the target breakout (6.10%) of the overall goal while underperformed the race-conscious target of 17.33%.

Nonetheless, the RN participation is

2.82% less than that of FFY2022, making it harder to achieve the annual goal. To meet the overall goal, it is important to ensure that improving participation through race-conscious contract goals does not reduce race-neutral participation.



(2) Limited Number of Types of Firms Relied On: The most common types of work committed to DBE subcontractors is greatly limited to a small set of disciplines such as traffic control, erosion control

& landscaping, excavation, and trucking. While this work is available on many traditional highway construction projects, it creates limitations for growth of firms. In addition, as ODOT continues to build a multimodal transportation system we have increased frequency of projects in which these work disciplines are a smaller portion of the total estimate. Expanding work types will also require increasing DBE certified firms in additional disciplines. Moreover, a significant number of DBE firms became ineligible last year due to ownership changes and other causes also contributed to limiting the growth and availability of DBE firms.

(3) Lack of DBE Prime Contractors: The DBE goal cannot be met only through assigning contract goals and using DBE subcontractors. The participation of DBE firms as primes on mid-sized projects supports the objectives of the DBE program, increasing overall dollars and the growth of DBE businesses. In addition to larger dollar commitments at bid, when DBE firms are primes, they are more likely to see their work increase if there are contract changes during construction project design or scope.

Contact information

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Data sources

Trns*port which is downloaded to the Civil Rights Compliance Tracking system, Purchasing & Contract Management System (PCMS), and Local Agencies