

**Overall Disadvantaged Business Enterprise Triennial
Goal for the Federal Highway Administration**

Fiscal Years 2025-2027

Bureau of Small Business Enterprises

Introduction

The Illinois Department of Transportation (“IDOT”) submits this report on its Disadvantaged Business Enterprise (“DBE”) triennial goal, and the methods used to calculate that goal, to the United States Department of Transportation’s (“USDOT”) Federal Highway Administration (“FHWA”) for review in accordance with 49 C.F.R. §26.45, as amended by Docket No. OST-2010-0021.

This submission covers Federal Fiscal Years (“FFY”) 2025-2027 and supports an overall DBE goal of 20.27%. IDOT plans to satisfy this overall goal by combining a 16.83% race-conscious component with a 3.44% race-neutral component.

IDOT’s goal methodology consists of two steps:

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

IDOT commissioned an availability analysis¹ from Colette Holt & Associates (“CHA”), attached hereto as Exhibit A.

CHA determined the base figure of DBE availability. The data and results are discussed below.

Step One: Base Figure

CHA analyzed data from IDOT contracts funded with monies from FHWA for fiscal years 2017 through 2021. This data set contained 8,713 contracts worth \$5,078,380,506. The Final Contract Data File for analysis contained a total award amount of \$4,653,919,258, representing 8,713 contracts to primes. The Final Contract Data File was used to determine the geographic and product markets for the analyses, to estimate the utilization of DBEs on those contracts, and to calculate DBE availability in IDOT’s marketplace.

The DBE regulations require that IDOT empirically determine the industries that comprise its product or industry market. This is also a requirement under the DBE program regulations¹ official guidance. The accepted approach is to analyze those detailed industries, as defined by six-digit North American Industry Classification System (“NAICS”) codes² that make up at least 75% of the prime contract and subcontract payments for the study period.³

¹ Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program: see also 49 C.F.R. § 26.45.

² www.census.gov.

³ "Guidelines for Conducting a Disparity and Availability Study for the Federal DBE Program," Transportation Research Board of the National Academy of Sciences, NCHRP Report, Issue No. 644, 2010, pp. 50-51 ("National Disparity Study Guidelines").

IDOT's Constrained Product Market for FHWA Funded Contracts

Contracts were disaggregated by level of contract (*i.e.*, was the firm receiving the contract as a prime vendor or a subcontractor), the label for each NAICS code, and the industry percentage distribution of the number of contracts and spending across NAICS codes.

The analysis applied the standard of identifying the firm locations that account for at least 75% of contract and subcontract dollar payments in the contract data file to determine the geographic market area.⁴ Location was determined by ZIP code and aggregated into counties as the geographic unit.

Spending in the State of Illinois accounted for 91.6% of all contract dollars paid in IDOT's unconstrained product market for FHWA funded contracts. Therefore, the State of Illinois constituted the geographic market area from which the availability data were drawn for FHWA funded contracts.

Having determined IDOT's product and geographic market areas for federally funded and state funded contracts, the next step was to determine the dollar value of IDOT's utilization of DBEs⁵, as measured by payments to prime firms and subcontractors and disaggregated by race and gender.

The total contract dollars paid by IDOT for each of the 48 NAICS codes in the constrained product market was \$4,653,919,258. Using the NAICS code distribution of contract dollars, contract dollar shares were calculated for the 48 NAICS codes in the constrained product market. These contract dollar shares are equivalent to the weight of spending in each NAICS code as shown in Table B. These weights were used to transform data from unweighted availability to weighted availability⁶, discussed below.

Availability of DBEs in IDOT's FHWA Funded Markets

CHA next estimated the step 1 base figure of DBE availability in IDOT's market area. Availability estimates are also crucial for IDOT to set narrowly tailored contract goals on its federally funded contracts.

⁴ *Guidelines for Conducting a Disparity and Availability Study for the Federal DBE Program*, Transportation Research Board of the National Academy of Sciences, NCHRP Report, Issue No. 644, 2010.

⁵ For our analysis, the term "DBE" includes firms that are certified by government agencies and minority- and woman-owned firms that are not certified. The inclusion of all minority- and female-owned businesses in the pool casts the broad net approved by the courts and that supports the remedial nature of these programs. *See Northern Contracting, Inc. v. Illinois Department of Transportation*, 473 F.3d 715, 723 (7th Cir. 2007) (The "remedial nature of the federal scheme militates in favor of a method of DBE availability calculation that casts a broader net.")

⁶ *See* "Tips for Goal Setting in the Disadvantaged Business Enterprise Program" ("F. Wherever Possible, Use Weighting. Weighting can help ensure that your Step One Base Figure is as accurate as possible. While weighting is not required by the rule, it will make your goal calculation more accurate. For instance, if 90% of your contract dollars will be spent on heavy construction and 10% on trucking, you should weight your calculation of the relative availability of firms by the same percentages.") (emphasis in the original),

<https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>.

CHA applied the "custom census" approach with refinements to estimating availability and utilized three different databases:

1. The IDOT Final Contract Data File;
2. The Master DBE Directory compiled by CHA; and
3. Dun & Bradstreet/Hoovers Database downloaded from the companies' website.

To develop the Master Directory, CHA utilized the Illinois Unified Certification Program DBE Directory and IDOT Final Contract Data File. The analysis was limited to firms operating within IDOT's geographic and product market.

CHA next developed a custom database from Hoovers, a Dun & Bradstreet company, for minority- and woman-owned firms and non-DBEs. Hoovers maintains a comprehensive, extensive and regularly updated listing of all firms conducting business. The database includes a vast amount of information on each firm, including location and detailed industry codes, and is the broadest publicly available data source for firm information. The consultant purchased the information from Hoovers for the firms in the NAICS codes located in IDOT's market area to form our custom Dun & Bradstreet/Hoovers Database. In the initial download, the data from Hoovers simply identified a firm as being minority-owned.⁷ However, the company does keep detailed information on ethnicity (*i.e.*, is the minority firm owner Black, Hispanic, Asian, or Native American). CHA obtained this additional information from Hoovers by special request.

The Hoovers database is the most comprehensive list of minority- and woman-owned businesses available. It is developed from the efforts of a national firm whose business is collecting business information. Hoovers builds its database from over 250 sources, including information from government sources and various associations, and its own efforts. Hoovers conducts an audit of the preliminary database prior to the public release of the data. That audit must result in a minimum of 94% accuracy. Once published, Hoovers has an established protocol to regularly refresh its data. This protocol involves updating any third-party lists that were used and contacting a selection of firms via Hoover's own call centers.

CHA merged these three databases to form an accurate estimate of firms available to work on IDOT's contracts.

Tables A through C present data on:

- The unweighted availability percentages by race and gender and by NAICS codes for IDOT's product market;
- The weights used to adjust the unweighted number:⁸ and
- The final estimates of the weighted averages of the individual six-digit level NAICS availability estimates in IDOT's market area.

The consultant "weighted" the availability data for two reasons. First, the weighted availability represents the share of total possible contractors for each demographic group, weighted by the

⁷ The variable is labeled: "Is Minority Owned" and values for the variable can be either "1" (for yes) or blank.

⁸ These weights are equivalent to the share of contract dollars presented in the previous section.

distribution of contract dollars across the NAICS codes in which IDOT spends its dollars. Second, weighting also reflects the importance of the availability of each demographic group in a particular NAICS code, that is, how important that NAICS code is to IDOT’s contracting patterns.⁹

To calculate the weighted availability for each NAICS code, CHA first determined the unweighted availability for each demographic group in each NAICS code, presented in Table A. We then multiplied the unweighted availability by the share of IDOT spending in that NAICS code, presented in Table B. This share is the *weight*. This process was repeated for each NAICS code and then the components were summed to generate an overall weighted availability estimate. The results of this calculation are presented in Table C.

Table A
Unweighted DBE Availability
FHWA Funded Contracts

NAICS	Black	Hispanic	Asian	Native American	White Woman	DBE	Non-DBE	Total
236210	2.73%	3.52%	1.95%	0.39%	7.42%	16.02%	83.98%	100.00%
236220	4.08%	2.80%	1.05%	0.18%	6.00%	14.12%	85.88%	100.00%
237110	1.39%	3.63%	2.23%	0.14%	9.62%	17.02%	82.98%	100.00%
237130	6.25%	11.25%	6.88%	0.00%	11.88%	36.25%	63.75%	100.00%
237310	5.27%	6.76%	1.54%	0.20%	9.27%	23.04%	76.96%	100.00%
237990	3.37%	4.04%	1.35%	0.00%	10.77%	19.53%	80.47%	100.00%
238110	1.94%	2.08%	0.28%	0.05%	3.93%	8.28%	91.72%	100.00%
238120	6.85%	8.22%	1.37%	0.00%	19.18%	35.62%	64.38%	100.00%
238130	1.37%	1.08%	0.11%	0.04%	1.98%	4.58%	95.42%	100.00%
238140	1.54%	1.81%	0.13%	0.00%	2.41%	5.90%	94.10%	100.00%
238150	2.25%	1.93%	0.00%	0.00%	3.54%	7.72%	92.28%	100.00%
238160	0.68%	0.43%	0.22%	0.00%	2.27%	3.60%	96.40%	100.00%
238190	6.90%	5.52%	2.07%	0.69%	8.28%	23.45%	76.55%	100.00%
238210	1.61%	1.23%	0.46%	0.04%	5.84%	9.18%	90.82%	100.00%
238220	0.78%	0.56%	0.16%	0.03%	3.07%	4.60%	95.40%	100.00%
238310	2.61%	2.30%	0.32%	0.00%	3.96%	9.18%	90.82%	100.00%
238320	1.37%	0.56%	0.10%	0.02%	2.89%	4.93%	95.07%	100.00%
238390	1.21%	2.16%	0.40%	0.00%	3.10%	6.88%	93.12%	100.00%
238910	1.97%	2.73%	0.61%	0.10%	7.63%	13.04%	86.96%	100.00%
238990	0.72%	0.87%	0.21%	0.03%	2.55%	4.38%	95.62%	100.00%

⁹ <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>.

NAICS	Black	Hispanic	Asian	Native American	White Woman	DBE	Non-DBE	Total
423320	0.64%	1.28%	0.85%	0.00%	5.32%	8.09%	91.91%	100.00%
423390	2.99%	1.49%	2.99%	0.00%	11.94%	19.40%	80.60%	100.00%
423510	0.98%	0.33%	0.44%	0.00%	4.59%	6.34%	93.66%	100.00%
423610	1.65%	0.88%	0.78%	0.10%	7.68%	11.09%	88.91%	100.00%
423810	0.27%	1.07%	0.27%	0.27%	6.17%	8.04%	91.96%	100.00%
424610	0.00%	0.00%	0.00%	0.00%	4.69%	4.69%	95.31%	100.00%
444190	0.32%	0.27%	0.32%	0.05%	3.99%	4.95%	95.05%	100.00%
484220	6.62%	33.71%	1.00%	0.00%	13.61%	54.93%	45.07%	100.00%
488490	3.13%	1.37%	0.00%	0.00%	5.48%	9.98%	90.02%	100.00%
519110	3.26%	0.00%	1.09%	0.00%	4.35%	8.70%	91.30%	100.00%
531210	0.48%	0.10%	0.04%	0.01%	3.37%	3.99%	96.01%	100.00%
541330	2.62%	1.90%	4.57%	0.18%	4.88%	14.14%	85.86%	100.00%
541370	3.17%	1.71%	4.63%	0.24%	10.73%	20.49%	79.51%	100.00%
541380	0.49%	0.31%	1.89%	0.12%	2.93%	5.74%	94.26%	100.00%
541420	3.16%	1.05%	1.05%	0.00%	16.84%	22.11%	77.89%	100.00%
541611	3.21%	0.66%	0.75%	0.02%	6.58%	11.23%	88.77%	100.00%
541618	0.96%	0.23%	0.24%	0.03%	2.48%	3.94%	96.06%	100.00%
541620	2.33%	1.99%	1.88%	0.33%	7.20%	13.73%	86.27%	100.00%
541690	3.01%	0.72%	1.11%	0.11%	7.24%	12.20%	87.80%	100.00%
541720	1.08%	0.00%	0.27%	0.00%	3.12%	4.47%	95.53%	100.00%
541820	2.99%	1.25%	0.62%	0.00%	13.33%	18.18%	81.82%	100.00%
541990	1.14%	0.54%	1.04%	0.03%	5.93%	8.68%	91.32%	100.00%
561320	2.45%	1.45%	1.00%	0.00%	10.16%	15.06%	84.94%	100.00%
561730	0.64%	0.84%	0.07%	0.00%	2.98%	4.53%	95.47%	100.00%
561790	0.96%	0.29%	0.04%	0.01%	4.67%	5.97%	94.03%	100.00%
561990	1.24%	0.23%	0.17%	0.02%	9.79%	11.45%	88.55%	100.00%
562910	8.38%	5.99%	2.40%	0.00%	8.98%	25.75%	74.25%	100.00%
562998	1.08%	1.08%	1.08%	0.00%	16.13%	19.35%	80.65%	100.00%
TOTAL	1.33%	0.87%	0.44%	0.04%	4.80%	7.47%	92.53%	100.00%

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

These unweighted estimates should be used by IDOT as the starting point for setting narrowly tailored DBE contract goals using the goal setting module in IDOT's Diversity Management System.

Table B
Distribution of Spending by NAICS Code (the Weights)
FHWA Funded Contracts

NAICS	NAICS Code Description	WEIGHT (Pct Share of Total Sector Dollars)
236210	Industrial Building Construction	0.06%
236220	Commercial and Institutional Building Construction	0.04%
237110	Water and Sewer Line and Related Structures Construction	3.38%
237130	Power and Communication Line and Related Structures Construction	0.57%
237310	Highway, Street, and Bridge Construction	64.87%
237990	Other Heavy and Civil Engineering Construction	0.26%
238110	Poured Concrete Foundation and Structure Contractors	13.33%
238120	Structural Steel and Precast Concrete Contractors	1.85%
238130	Framing Contractors	0.001%
238140	Masonry Contractors	0.02%
238150	Glass and Glazing Contractors	0.001%
238160	Roofing Contractors	0.01%
238190	Other Foundation, Structure, and Building Exterior Contractors	0.69%
238210	Electrical Contractors and Other Wiring Installation Contractors	2.89%
238220	Plumbing, Heating, and Air-Conditioning Contractors	0.09%
238310	Drywall and Insulation Contractors	0.10%
238320	Painting and Wall Covering Contractors	0.09%
238390	Other Building Finishing Contractors	0.30%
238910	Site Preparation Contractors	3.53%
238990	All Other Specialty Trade Contractors	0.89%
423320	Brick, Stone, and Related Construction Material Merchant Wholesalers	0.28%
423390	Other Construction Material Merchant Wholesalers	0.01%
423510	Metal Service Centers and Other Metal Merchant Wholesalers	0.01%
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	0.01%
423810	Construction and Mining (except Oil Well) Machinery and Equipment Merchant Wholesalers	0.0003%

NAICS	NAICS Code Description	WEIGHT (Pct Share of Total Sector Dollars)
424610	Plastics Materials and Basic Forms and Shapes Merchant Wholesalers	0.001%
444190	Other Building Material Dealers	0.0004%
484220	Specialized Freight (except Used Goods) Trucking, Local	0.27%
488490	Other Support Activities for Road Transportation	0.06%
519110	News Syndicates	0.0002%
531210	Offices of Real Estate Agents and Brokers	0.003%
541330	Engineering Services	2.36%
541370	Surveying and Mapping (except Geophysical) Services	0.13%
541380	Testing Laboratories	0.12%
541420	Industrial Design Services	0.07%
541611	Administrative Management and General Management Consulting Services	0.30%
541618	Other Management Consulting Services	0.02%
541620	Environmental Consulting Services	0.03%
541690	Other Scientific and Technical Consulting Services	0.003%
541720	Research and Development in the Social Sciences and Humanities	0.0003%
541820	Public Relations Agencies	0.03%
541990	All Other Professional, Scientific, and Technical Services	1.15%
561320	Temporary Help Services	0.004%
561730	Landscaping Services	0.83%
561790	Other Services to Buildings and Dwellings	0.001%
561990	All Other Support Services	1.18%
562910	Remediation Services	0.10%
562998	All Other Miscellaneous Waste Management Services	0.09%
TOTAL		100.00%

Source: CHA analysis of IDOT data

Table C presents the weighted availability results for each of the racial and gender categories. The aggregated availability of DBE, weighted by IDOT's spending in its geographic and industry markets, is 19.44%.

Table C
Aggregated Weighted DBE Availability
FHWA Funded Contracts

Black	Hispanic	Asian	Native American	White Women	DBE	Non-DBE	Total
4.22%	5.37%	1.37%	0.16%	8.31%	19.44%	80.56%	100.00%

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

As a result of the foregoing analysis, DBEs and businesses eligible for DBE certification might be expected to receive 19.44% of IDOT's FHWA funded prime contract and subcontract dollars based on their availability for that work, as noted in Table C. Thus, IDOT is using 19.44% as the base figure for its overall DBE goal because it anticipates that the types, sizes, and locations of FHWA funded contracts that the agency awards in the future will be similar to the FHWA funded contracts that it awarded during the report period of fiscal years 2017 through 2021.

Step Two: Adjustments to the Base Figure

Once the base figure has been calculated, IDOT must examine all evidence available in its jurisdiction to determine if an adjustment is necessary to reflect the level of DBE participation expected absent the effects of discrimination. Included among the types of evidence that must be considered are the current capacity of DBEs to perform work on IDOT's federally assisted contracts, as measured by the volume of work DBEs performed in recent years, and evidence from disparity studies conducted anywhere within IDOT's jurisdiction, to the extent not already accounted for in the base figure. If available, IDOT also must consider available evidence from related fields that affect the opportunities for DBEs to form, grow, and compete, including statistical disparities in the ability of DBEs to obtain the financing, bonding, and insurance required to participate in the Program, and data on employment, self-employment, education, training, and union apprenticeship programs, to the extent relevant to the opportunities for DBEs to perform in the Program. The regulations caution that any adjustment to the base figure to account for the continuing effects of past discrimination or the effects of an ongoing DBE program must be based on "demonstrable evidence that is logically and directly related to the effect for which the adjustment is sought." §26.45(d)(3).

Past DBE Utilization

IDOT considered the current capacity of DBEs to perform work on its FHWA assisted projects, as measured by the amount of work performed by certified DBEs on FHWA funded contracts over the past five years.

**Table D
Past DBE Participation
FHWA Funded Contracts**

DBE Participation FY 2019: 15.05%
DBE Participation FY 2020: 13.06%
DBE Participation FY 2021: 15.92%
DBE Participation FY 2022: 15.63%
DBE Participation FY 2023: 18.94%

The IDOT median past DBE participation for FY 2019 through 2023 is 15.63%.

Evidence from Local Disparity Studies

The only relevant disparity study performed since IDOT’s last triennial goal submission is the 2023 Illinois State Toll Highway Authority conducted by CHA.¹⁰ The Study determined the availability of DBEs to be 29.8% for Tollway contracts. The Study also presented quantitative and qualitative data concerning the experiences of DBEs in obtaining Tollway construction and construction-related services contracts and associated subcontracts, as well as evidence of disparities in opportunities throughout the wider Chicago metropolitan area economy. While relevant and probative to whether IDOT needs to continue to employ race-conscious measures to meet its DBE goal, as well as the types of supportive services and other approaches to level the playing field IDOT might consider, the results are too geographically narrow to provide sufficient basis to adjust IDOT’s step 1 base figure.

Disparities Affecting DBE Opportunities

IDOT’s 2024 Disparity Study, prepared by CHA with a release scheduled for August 2024, explored the Census Bureau data and literature relevant to how discrimination in the Illinois highway industry market and throughout the wider economy affects the ability of minorities and women to fairly and fully engage in IDOT’s prime contract and subcontract opportunities. Data from the Census Bureau’s Survey of Business Owners indicate very large disparities between Minority and Woman Business Enterprise (“M/WBE”) firms and non-M/WBE firms when examining the sales of all firms, the sales of employer firms (firms that employ at least one worker), or the payroll of employer firms. Data from the Census Bureau’s American Community Survey (“ACS”) indicate that Blacks, Hispanics, Native Americans, Asian/Pacific Islanders, Others, and White women were underutilized relative to White men. Controlling for other factors relevant to business outcomes, wages, and business earnings were lower for these groups compared to White men. Data from the ACS further indicate that non-Whites and White women are less likely to form businesses compared to similarly

¹⁰ <https://www.illinoistollway.com/search?q=disparity+study/>

situated White men. The literature on barriers to access to commercial credit and the development of human capital further reports that minorities continue to face constraints on their entrepreneurial success based on race. These constraints negatively impact the ability of firms to form, grow, and succeed.

While relevant and probative to whether IDOT needs to continue to employ race-conscious measures to meet its DBE goal, as well as the types of supportive services and other approaches to level the playing field IDOT should consider, the Study recognized that these results are difficult to quantify within the rigors of the strict scrutiny standards. Further, the law in the Seventh Circuit Court of Appeals is to use the “plausible lower bound estimate” of availability.¹¹

Current DBE Capacity

IDOT next considered the current capacity of DBE firms to perform work in its market area, as measured by the amount of work performed by DBEs on FHWA assisted projects over the past five years.

Race-Neutral and Race-Conscious Participation

The DBE regulations¹² require that IDOT meet the maximum feasible portion of its overall goal by using race-neutral measures to facilitate DBE participation.

The race-neutral and race-conscious attainment for the past five fiscal years is presented in Table E to determine the maximum race-neutral participation. IDOT's median percentage on FHWA funded contracts through race-neutral means for FY 2019-2023 was 3.44%.

Table E
Race-Neutral and Race-Conscious Achievement

Year	Race-Neutral Achievement	Race-Conscious Achievement	Total DBE Achievement	DBE goal
2019	2.87%	12.18%	15.05%	18.70%
2020	2.54%	10.52%	13.06%	18.70%
2021	3.44%	12.48%	15.92%	18.70%
2022	3.91%	11.72%	15.63%	20.27%
2023	5.66%	13.28%	18.94%	20.27%

¹¹ *Northern Contracting, Inc. v. Illinois Department of Transportation*, 2005 U.S. Dist. LEXIS 19868 at *82 (Sept. 8, 2005).

¹² §26.51(a); see also §26.45(f)(3) and §26.51(c).

Race-Neutral Measures Implemented by IDOT

IDOT encourages race-neutral DBE participation through several avenues. DBE program operations and race-neutral initiatives are administered by IDOT's Small Business Enterprises Bureau with intradepartmental support, as well as with support from external stakeholders.

IDOT has taken steps to ensure DBE awareness of subcontracting opportunities through IDOT's Industry Marketplace¹³. The Industry Marketplace provides our business partners with up-to-date information on approved firms and products, information exchanges and IDOT programs. Interested subcontractors can connect with prime contractors bidding on IDOT contracts by work categories and region.

IDOT offers annual training classes and technical education through various platforms. The annual "Building Blocks for Success" series offers a combination of in-house and external subject matter presentations that include, but are not limited to, subcontract awareness, bidding/estimating, understanding insurance and bonding, certification and other relevant topics. Classes are available to newly certified DBEs, as well as seasoned DBE firms.

IDOT offers the DBE Reimbursement Program that assists DBEs in building their business so that they may better compete in the marketplace. DBEs may receive assistance to cover the costs of training, consultation and/or association fees that enhance their management skills or expertise. Under this program qualifying firms may be reimbursed for 50% of membership/association fees, technical/certification training, website development, audited financial statements, estimating software, and financial software. The program builds DBE capacity to perform work on FHWA funded contracts and offers an additional incentive to become certified.

IDOT provides supportive services to its DBEs at the various Resource Centers located in each IDOT district. DBE firms and individuals interested in doing business with the Department can obtain internet access, utilize printing, copying, scanning equipment, or meet with IDOT consultants. IDOT partners with external IDOT consultants who provide certification, management and technical supportive services assistance, and corresponding supportive services programs. This support is provided at no charge to firms seeking IDOT DBE certification, IL UCP DBE certified firms who have an IDOT contract, and to prime contractors doing business with IDOT.

IDOT's Business Development Program offers one-on-one consultation with IDOT staff and advisors who conduct in-depth analyses of a firm's business operations. The consultations identify areas for improvement and provide firms with a business profile that includes recommendations for strengthening their business infrastructure. The program provides business owners with the tools necessary to bring their businesses to a performance level that would result in an increased percentage of work on FHWA-assisted contracts.

IDOT performs outreach to non-certified and/or prospective DBE firms to build the availability of DBEs to work on FHWA-funded contracts. IDOT also partners with Certification Supportive Services vendors on a statewide basis to assist prospective DBE firms with navigating the certification

¹³ <https://idot.illinois.gov/doing-business/procurements/industry-marketplace.html>

process. This is one way to increase reported DBE participation through race-neutral means, as some of these companies are doing business with IDOT. Certification will allow this participation to count toward IDOT's overall DBE goal.

IDOT fosters networking opportunities through construction conferences and events for DBEs. These events allow DBEs and prime contractors to meet face-to-face to build their networks of professional relationships. Events include the annual Today's Challenge, Tomorrow's Reward (TCTR) Conference and Meet-and-Greets with DBE and Prime contractors held in various IDOT districts.

IDOT leverages external resources to encourage DBE utilization on FHWA-funded contracts. IDOT coordinates with industry groups such as the Association of General Contractors of Illinois, American Council of Engineering Companies of Illinois, Illinois Road Builders Association and the Federation of Women Contractors to provide resources to support small business initiatives.

Increased State and Federal Appropriations

While it is not appropriate to adjust the measurements of relative DBE availability solely due to the size of IDOT's expanding contracting program, if the type of work IDOT expects to contract changes dramatically, this does impact the goal regardless of the level of funding IDOT expects to receive.¹⁴

In 2019, the Governor signed "Rebuild Illinois" into law. This act will enable the investment of \$33.2 billion over six years into the state's aging transportation system, creating jobs and promoting economic growth throughout the state. As of June 2024, \$573.7 million was distributed to the Transportation Renewal Fund for state road and bridge projects.¹⁵

In 2021, the President signed the Bipartisan Infrastructure Law (BIL, which was formerly called the IJJA – Infrastructure Investment and Jobs Act) into law. Illinois will receive nearly \$16 billion more in transportation funding, including \$9.8 billion in road and bridge formula funding. This funding has been made available through federal fiscal year 2026.¹⁶

In 2024, IDOT released its largest multi-year program (MYP) to fix and repair infrastructure. The MYP commits \$41.4 billion in funding over state fiscal years 2025-2030, with \$29.65 billion slated for roads and bridges alone.¹⁷

Finally, while the median past DBE participation for the last five federal fiscal years was established at 15.63%, the most recent participation figures show that the increased appropriations and the increased opportunities presented to DBEs as a result have yielded positive results. As noted earlier in the methodology, DBE participation increased from 15.63%

¹⁴ <https://www.transportation.gov/osdbu/disadvantaged-business-enterprise/tips-goal-setting-disadvantaged-business-enterprise>

¹⁵ <https://illinoisepi.org/rebuild-illinois/transportation-funding/>

¹⁶ <https://illinoisepi.files.wordpress.com/2022/03/ijja-transpo-funding-for-illinois.pdf>

¹⁷ <https://idot.illinois.gov/transportation-system/transportation-management/transportation-improvement-programs/myp/publication.html> (SUMMARY SECTION)

in FFY 2022 to 18.94% in FFY 2023. While still short of the current goal, IDOT's DBE participation for the first half of FFY 2024 shows an achievement of 21.01%, which is an **average** of the current goal. Such an average has not been realized over a six-month period in over ten years.

Final Adjusted Goal

Considering the increased opportunities available to DBEs and non-DBEs as a result of increased state and federal appropriations, past achievement is not indicative of what DBE participation may be achieved in FFY 2023-2025. To merely look at the past achievement rate is not dispositive that further efforts to increase DBE attainment cannot be made. Therefore, IDOT proposes an adjusted base figure of **20.27 percent**. As mentioned earlier, IDOT plans to satisfy this overall goal by combining a **16.83% race-conscious** component with a **3.44% race-neutral** component.

It should be noted that IDOT's overall DBE goal provides for the participation of all certified DBEs. The overall goal is not subdivided into group-specific goals (see §26.45(h)).

Furthermore, IDOT is not required to have the FHWA's concurrence to implement the DBE goal; however, if FHWA's review suggests there are concerns regarding the methods, it may, after consulting with IDOT, adjust the overall goal, methodology, or require IDOT to do so (§26.45(f)(4)).

IDOT understands the overall DBE goal to be an aspirational one, which would reflect the level of DBE participation in the absence of discrimination in the marketplace.

Public Participation: Review and Comment

In accordance with §26.45(f), IDOT published a notice dated June 24, 2024, announcing the proposed overall goal triennial goal for FFYs 2025 through 2027 on its official Internet Webpage web site (see Table F). The proposed overall goal and methodology was available for inspection for over 30 days following the date of IDOT's notice. Public comments were accepted by IDOT until July 30, 2024, at DOT.DBEPublicComment@illinois.gov.

Table F Goal / Public Meeting Notice Posted on IDOT Website



In accordance with 49 Code of Federal Regulations 26.45, the Illinois Department of Transportation will submit its triennial Overall DBE Goal-Setting Methodology to the Federal Highway Administration (FHWA). The methodology calls for an overall DBE goal of 20.27 percent for federal fiscal years 2025-2027. IDOT expects to meet 16.83% of this goal through race-conscious means and 3.44% of this goal through race-neutral means.

The Overall DBE Goal-Setting Methodology Report is included for public inspection below and public comments are welcome. The availability analysis ("Exhibit A") referenced in the report is also available for review.

[FHWA GOAL-SETTING METHODOLOGY](#)

[EXHIBIT A](#)

Public comments pertaining to this goal recommendation can be emailed to DOT.DBEPublicComment@illinois.gov no later than close of business on Tuesday, July 30, 2024. IDOT will also host two Public Information Hearings via Webex to discuss the goal setting methodology and allow attendees to comment on it.

The first public meeting will be held via Webex on Wednesday, July 17, 2024, from 1:00pm-3:00pm. To join this meeting, the link is:

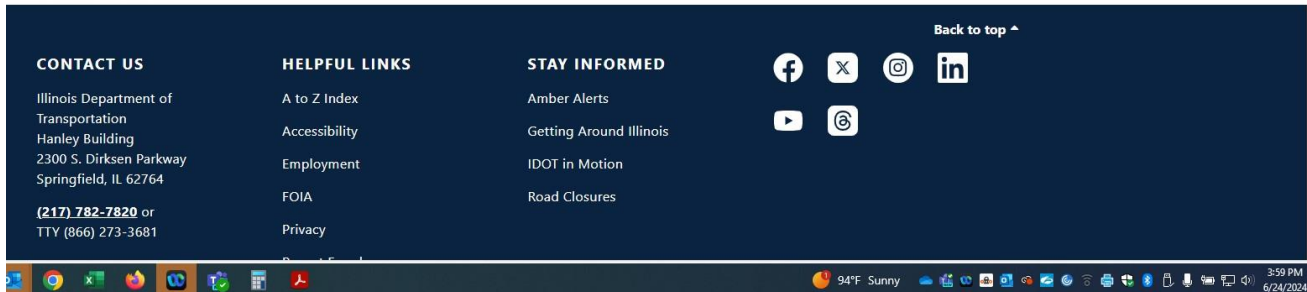
<https://illinois.webex.com/illinois/j.php?MTID=ma46b4c28bec55a62113fd54390b88571>

From a mobile device, the number and access code to the July 17 meeting are:
(312) 535-8110, code # 2632 577 0859

The second public meeting will be held via Webex on Tuesday, July 23, 2024, from 4:00pm-6:00pm. To join this meeting, the link is:

<https://illinois.webex.com/illinois/j.php?MTID=mbe621d4aea5fe104b4bfbcf2cb110579>

From a mobile device, the number and access code to the July 23 meeting are:
(312) 535-8110, code # 2630 844 7702



In its notice, IDOT announced two virtual public consultation meetings for its Triennial Goal Submission of its DBE program goal. IDOT staff conducted these virtual face-to-face consultations and outreach efforts with impacted stakeholders at prescribed time intervals on July 17, 2024 (1:00-3:00pm) and July 23, 2024 (4:00-6:00pm). Information concerning these two meetings was also e-blasted to stakeholders and the more than 3000 DBEs listed in the Unified Certification Program database. A "Newsflash" was e-blasted to the contractors' database on June 25, 2024, and a separate notice was included in the "Letting You Know" newsletter and published on the IDOT website on June 28, 2024 (see Table G). Staff members from the Office of Business and Workforce Diversity were present to answer questions at each meeting.

Table G
Notice Posted on IDOT “Letting You Know” Newsletter

LETTING YOU KNOW

The Illinois Department of Transportation (IDOT) is interested in maintaining close communications with industry. This newsletter highlights subjects that we believe will be of interest to you.

No. 182	August 2 2024 Letting
<p>Overall DBE Goal-Setting Methodology Report and Public Meeting for Comment</p>	<p>In accordance with 49 Code of Federal Regulations 26.45, the Illinois Department of Transportation will submit its triennial Overall DBE Goal-Setting Methodology to the Federal Highway Administration (FHWA). The methodology calls for an overall DBE goal of 20.27 percent for federal fiscal years 2025-2027. IDOT expects to meet 16.83% of this goal through race-conscious means and 3.44% of this goal through race-neutral means. The availability analysis (“Exhibit A”) referenced in the report is also available for review.</p> <p>Public comments pertaining to this goal recommendation can be emailed to DOT.DBEPublicComment@illinois.gov no later than close of business on Tuesday, July 30, 2024. IDOT will also host two Public Information Hearings via Webex to discuss the goal setting methodology and allow attendees to comment on it.</p> <p>The first public meeting will be held via Webex on Wednesday, July 17, 2024, from 1:00pm-3:00pm. To join this meeting, the link is:</p>

The meetings provided the opportunity for public consultation with minority, women, and general contractor advocacy groups, community organizations, public officials, and all other interested parties. Participants were able to contribute meaningful information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and IDOT’s efforts to establish a level playing field for the participation of DBEs.

The first public meeting (July 17) had 24 in attendance representing contractors, consultants, community leaders, and representatives from IDOT. Questions and discussions centered on comparing the overall goal to individual / district project goals, the disparity between available DBEs in rural districts compared to urban districts, and how workforce fits into these considerations since the goal methodology is geared more toward suppliers.

The second public meeting (July 23) had 9 in attendance representing IDOT staff, stakeholder groups, and subcontractors not in the DBE program. Comments and questions were addressed in this meeting that included Illinois’ race-conscious goal compared to other states and dissatisfaction with IDOT’s DBE goals in general, but nothing about the specific proposal of 20.27%.

While the dedicated e-mail address was advertised and made available since June 24, there were no public comments e-mailed to that address.¹⁸

¹⁸ The only e-mails received at this dedicated e-mail address between June 23, 2024 – July 30, 2024 were spam.