

Exhibit 9-D DBE Contract Goal Methodology

Policy:

Local Agencies must submit DBE Contract Goals, including calculations for each contract funded with federal funds (as shown Contract Goal – Example”) along with the Exhibit 12-D, “PS&E Checklist”.

Procedure for Calculating DBE Contract Goal:

1. The cost estimate for the project must be finalized.
For a construction project: the approximate, lump sum, final pay quantities and associated costs for each item of work must be completed.
For a consultant project: the scope of work along with the cost estimate for the various professional disciplines necessary to complete the scope of work must be completed.
2. Determine from the final cost estimate what work items will be (typically) done by the prime contractor what work items can be subcontracted out. This does not mean that if the prime contractor is capable of performing all the work items, then no work can or will be subcontracted out. The Agency should make Good Faith Efforts to identify work items that can be subcontracted to DBEs. This can be done by reviewing past projects or from past experience to assess what work can be done by the prime and For example, in an AC overlay project, traffic control, striping, pavement marking, and storm water preparation are typically subcontracted out, and in a bridge sign project, geotechnical, computer aided drafting (CAD), and surveying can be subcontracted out. Since each project can be unique, care should be exercised in properly identifying work items that can be subcontracted out.
3. Determine the “DBE Work Factor” for each item of work to be subcontracted. The Work Factor is the percentage of work that can be performed by a DBE subcontractor for each item of work:

Work Factor %	Description
	DBE performs, manages and supervises the work item
	DBE provides the material or supplies for work item
	DBE provides the trucking operation for a work item

4. For the work items that can be subcontracted, identify the Work Category Codes from the California Unified Certification Program (CUCP) DBE database.
5. For each Work Category Code, determine the number of available (able and willing) DBE subcontractors or subconsultants by carrying out a search in the CUCP DBE database. If the number of available DBE subcontractors or subconsultants is 10 or higher, the Work Category (item of work) will then be considered for determining the DBE Contract Goal.
6. Calculate the “DBE Work Dollar Amount” by multiplying the estimated cost of the work item by the “DBE Work Factor” established in Step 3.
7. Sum up the “DBE Work Dollar Amount” for each work item to arrive at the “Total DBE Work Dollar Amount”.
8. Determine the “Percentage DBE Work” by dividing the “Total DBE Work Dollar Amount” by the estimated total cost of the project.
9. Calculate “DBE Contract Goal” by multiplying the “Percentage DBE Work” by “60%”. The “60%” reflects the realistic representation of the available DBE participation as established using the CUCP DBE database.

Common errors when evaluating Prime vs. Sub-Contractor work:

1. Small dollar contracts or projects with limited scope (contract comprising very few work items) in which it is impractical to subcontract out any portion of the work. For example, a bridge, minor deck repair project comprising of sealing a few cracks and pot holes. Such a project can have a small contract dollar amount and a limited scope of work with very few work items thus limiting, if not eliminating, the feasibility for subcontracting.
2. Assume there are no subcontracting opportunities, because the Prime did all the work on a similar previous job.
3. Assume all the work can be subcontracted out leaving no work for a prime to perform.

