



U.S. Virgin Islands Department of Public Works Disadvantaged Business Enterprise (DBE) Triennial Goal for FTA-assisted Contracts Federal Fiscal Years 2024-2026

INTRODUCTION

The Virgin Islands Department of Public Works (DPW) in accordance with United States Department of Transportation (USDOT) guidelines, determines DPW's Disadvantaged Business Enterprise (DBE) Goal for Federal Transit Administration (FTA) funded contracts on a staggered three-year schedule.

DPW calculates the Goal using the criteria set forth in 49 CFR Part 26.45. For Federal Fiscal Year 2024 – 2026, DPW has established an overall **DBE goal of 12.36% which it expects to meet 3.71% through race neutral means and 8.65% through race conscious means.**

OVERVIEW OF THE GOAL SETTING PROCESS

The regulations at 26.45 prescribe how DPW calculates the proposed goal. In addition, DPW adheres to USDOT guidance in its [*Tips for Goal Setting in the Disadvantaged Business Enterprise \(DBE\) Program*](#), as well as key US Supreme Court decisions that frame constitutional requirements for minority business contracting programs.

The triennial goal must reflect the level of DBE participation expected absent the effect of discrimination. In the first step of calculating the goal, DPW establishes a base figure for the relative availability of DBEs and non-DBEs in the relevant market area; describing the evidence with which the availability was calculated.

In the second step, DPW considers adjustments to the base figure, attempting to reach the most precise goal possible by using past achievements and any other evidence that may impact the market or business availability. Another aspect of step two is to identify what portion of the overall goal can be achieved through race and gender-neutral means (race neutral) and that which will require contract goals (race conscious).

The final step describes how DPW shared the proposed goal with all interested parties, and summarizes questions or comments received from the public, as well as DPW's response and any resulting changes to the proposed goal.

METHODOLOGY

DBE goals are based on demonstrable evidence of the availability of ready, willing and able

DBEs relative to all firms ready, willing and able to participate on USDOT-assisted contracts in the relevant market area. While DPW collects as a matter of responsiveness a bidders list from all firms submitting proposals for FTA-assisted projects, successful and unsuccessful, it does not currently have the means to use this list for goal setting. Therefore, after examining all available options, DPW determined that the following sources provided the most accurate and reliable information: The USVI DBE Directory; Internal discussions with the DPW Office of Public Transportation (OPT); the VI Department of Licensing & Consumer Affairs business database.

STEP ONE –Base Figure Calculations Relative Availability of DBE Firms (§ 26.45(c))

Determination of the Geographic Market Area

Consistent with USDOT regulations and guidance for setting a narrowly tailored goal, DPW must define its geographic market area. US Virgin Islands is situated in the eastern Caribbean and shares no borders with the mainland US. Contract awards suggest that the entirety of contract dollars go to firms domiciled or with presence in Virgin Islands. Therefore, DPW defines its relevant market area as collected islands of US Virgin Islands.

To perform the calculation, two figures need to be determined; the number of DBE firms and the number of total firms that are ready, willing, and able to compete for FTA- assisted contracts through DPW.

DBE Firms

To establish the DBE goal, DPW reviewed its DBE directory, identifying certified firms ready, willing and able to perform building construction/repairs, and transit related consulting work. It then filtered business information provided by the Department of Licensing & Consumer Affairs to identify all businesses licensed in USVI to perform work items on FTA-assisted contracts through DPW. The following table provides a breakdown of the number of DBE firms by NAICS code in the market area for the types of work DPW intends to award.

Table I – Number of DBE Firms by NAICS code for FTA-Assisted Contracts

# of DBE Firms	NAICS Code	Description
19	236210	Building Construction & Repairs
0	332311	Prefab Shelters
0	337214	Office Furniture
1	441320	Preventative Maintenance
02	447110	Fuel/Gas Stations
03	444100	Tools & Equipment
1	517810	IT Services and Software Subscriptions
7	541611	Administrative & General Mgmt. Consulting Services
2	561612	Security Services
35	Total DBE Firms for FTA-Assisted Contracts	

Total Firms

Using the same NAICS codes as identified in Table 1, DPW reviewed the number of businesses published in the government’s Department of Licensing Affairs (DLCA). Table 2 provides a breakdown of total firms from the government’s Department of Licensing Affairs (DLCA) by their NAICS code.

Table 2 – Number of total firms from the government’s Department of Licensing Affairs (DLCA)

# of Total Firms	NAICS Code	Description
349	236210	Building Construction & Repairs
75	332311	Prefab Shelters
55	337214	Office Furniture
89	441320	Preventative Maintenance
55	447110	Fuel/Gas Stations
189	444100	Tools & Equipment
10	517810	IT Services and Software Subscriptions
72	541611	Administrative & General Mgmt. Consulting Services
20	561612	Security Services
914	Total Firms for FTA-Assisted Contracts	

The relative DBE availability is calculated as follows:

$$\frac{35 \text{ DBE Firms}}{914 \text{ Total Firms}} \times 100 \% = 3.83\% \text{ DBE Availability}$$

Step 1 Base Figure Weighting

The current USDOT tips and guidance for goal setting in the DBE program recommends that whenever possible a recipient should use weighting. Though not a requirement, USDOT recommends the use of weighting when possible as a means of improving the accuracy of the base figure.

VIDPW proceeded to identify the work categories that will be contracted out in the triennial period by examining three years of contract dollars spent on 9 work categories listed in Table 3. Because VIDPW is able to calculate FTA-funding on its projects by individual transit-related work items, it improved the accuracy of its availability through weighting, multiplying the relative availability by projected expenditures in each North American Industry Classification System (NAICS). This resulted in an adjusted base figure of 4.95%.

The weighted base figure is calculated by multiplying projected expenditures by the relative availability of DBEs.

Table 3 – Shows relative availability and weighting.

Project	NAICS Code(s)	NAICS Description(S)	Available DBEs	All Available Firms	Relative Availability of DBE Firms	Project Federal Funding	Weighted by Budget Expense	% of Project (Weight) X % Relative Availability of DBE Firms
La Reine Transfer Station/Bus Shelters	236210	Building Construction & Repairs	19	349	0.05444	\$6,728,701	0.7871	0.0429
New Bus Shelters	332311	Prefab Shelters	0	75	0.00000	\$345,640	0.0404	0.0000
Furniture for STX O&M	337214	Office Furniture	0	55	0.00000	\$449,934	0.0526	0.0000
Preventative Maintenance Supplies and Labor	441320	Preventative Maintenance	1	89	0.01124	\$322,896	0.0378	0.0004
Fuel	447110	Fuel & Gas Stations	2	55	0.03636	\$70,000	0.0082	0.0003
Construction Supplies/Bus Stop Signs/Poles	444100	Tools and Equip.	3	189	0.01587	\$140,000	0.0164	0.0003
STT Vehicle Crossing Systems	541618	IT Services & Software Subscriptions	1	10	0.10000	\$28,611	0.0033	0.0003
Transit Planning Study	541611	Administrative & General Mgmt. Consulting Services	7	72	0.09722	\$375,000	0.0439	0.0043
Security Monitors, Cameras STT STX STJ	561621	Safety Security Services	2	20	0.10000	\$87,555	0.0102	0.0010
TOTAL			35	914	0.0383	\$8,548,337	1,00000	0.0495
							Expressed as a % (*100)	4.95%

Step 2: Adjustment of the DBE Base Figure (§ 26.45(d))

After Step 1 DBE Base Goal has been developed, the regulations (49 CFR Part 26) requires that additional evidence in the sponsor’s jurisdiction be considered to determine what adjustments, if any, are needed to the base figure to arrive at the overall goal.

After establishing the base figure, VIDPW examined available evidence to determine what adjustment might be required to ensure a narrowly tailored goal. Since future contracting opportunities are projected to be similar as in past years, VIDPW analyzed participation from the past three (3) years to determine the feasibility of an adjustment to the base figure.

FTA FUNDS RECEIVED (MILLIONS)

Federal FY	DBE Goal	Total FTA Assistance	Total To DBEs	DBE %
2021	15.11%	\$1,826,190	\$40,667	2.23%
2022	15.11%	\$1,953,829	\$386,413	19.77%
2023	15.11%	\$613,445	\$201,053	32.78%

VIDPW examined its historical overall DBE achievement of FTA-assisted projects for Fiscal Years 2021, 2022 and 2023. In calculating the adjusted goal, VIDPW identified the median of past participation and averaged it by the base figure identified in Step 1.

$$4.95 \text{ Base} + 19.77 \text{ Past Participation} = 24.72 \div 2 = 12.36\% \text{ Adjusted Goal}$$

VIDPW met with partners from the Economic Development Authority, the USVI Department of Labor, UVI Small Business Development Center and Puerto Rico Highway & Transportation Authority (PRHTA) to identify any existing disparity students or business growth/sustainability programs that might be used to further adjust the goal. VIDPW found no additional evidence within its or nearby markets that might have an impact on goal setting.

Race Conscious versus Race Neutral Projection (§ 26.45(f))

To ensure narrow tailoring, 26.51(c) requires that USDOT recipients achieve the maximum portion of the overall DBE goal through race neutral methods. DPW makes every effort to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation.

Based on the availability of DBEs in Table 3, it is anticipated that the availability of DBEs will perform as subcontractors on future work. The anticipation is that 4.95% will be achieved through race-conscious measures, while 7.41% will be based on race-neutral measures where DBEs will pursue small sized contracts as prime contractors.

The race-neutral measures include the following:

- Arranging scopes of work to contract sizes that encourage DBEs to bid as prime contractors.
- Work with procurement Officer to reduce bonding levels that enables DBEs to bid as a prime contractor.
- Provide access to bid packages without a fee, host pre-bid conferences, and train on how to do business with the Government Virgin Islands procurement.
- Refer firms to the Small Business Development Center (SBDC) to assist them to develop and improve immediate and long-term business management, record-keeping, and financial and accounting capability for DBEs and other small businesses.
- Ensuring that Prime contractors are aware of and know how to obtain the approved DBE listing from the Virgin Islands Department of Public Works.

As part of the goal methodology, the regulations direct DPW to project how much of its goal can likely be achieved through race neutral measures, ordinary procurement methods without DBE goals on individual contracts. The regulations further state that, where DPW exceeds its overall goals for two consecutive years, it must proportionately reduce the use of contract goals.

DPW examined its goal achievement for the past three consecutive years, finding that it underachieved its overall goal of 15.11% **-12.88%** in FY 2021, and overachieved by 4.66% in FY 2022 and 17.67% in 2023. Therefore, VIDPW projects that for FFY 2024 – 2026, it will meet its overall goal of 12.36% with the following split:

7.41% - Race Neutral / 4.95% Race Conscious

VIDPW will establish contract goals to meet any portion of the overall goal that it does not anticipate meeting by using race-neutral means. Contract goals are established on individual projects so that over the period to which the goal applies, it will cumulatively result in meeting any portion of the overall goal that is not projected to be met using race-neutral means. However, DPW will establish contract goals only on the FTA-assisted contracts that have subcontracting opportunities.

DPW will also monitor the performance of its DBE program and will adjust its race neutral/race conscious measures if needed to ensure regulatory compliance. DPW will also separately track race neutral and race conscious measures to reflect actual DBE participation, demonstrate a running tally (26.37(c)) and reporting commitments/payments biannually (Appendix B to Part 26). Finally, if during any fiscal year VIDPW finds that its achievements fail to meet the established goal of 12.36%, it will determine the reason(s) and develop a specific action plan for achieving the goal in the following fiscal year. VIDPW will submit this plan to FTA for its review and acceptance (26.47(c)).

Public Consultation

Public consultation and the published goal announcement began on April 25, 2024.

The final proposed overall DBE goal for FFY 2024-2026 for the Virgin Islands Department of Public Works FTA assisted contract is **12.36% with a split of 7.41% Race-neutral and 4.95% race-conscious.**