

TWIN CITIES AREA TRANSPORTATION AUTHORITY

Disadvantaged Business Enterprise (DBE) Participation Goals and Methodology

FOR FISCAL YEARS 2017-2019

In compliance with:

Title 49 Part 26 of the Code of Federal Regulations (49 CFR 26)

Date:

September 21, 2016

The TWIN CITIES AREA TRANSPORTATION AUTHORITY (TCATA's) overall goal for FY2017-2019 is represented as a percentage of FTA funds that TCATA projects it will expend in FTA-assisted contracts (exclusive of transit vehicles) that TCATA estimates that it will expend in DOT/FTA assisted funds. The overall rate of DBE participation is projected as %.

The overall goal = **5.86 %** X DOT/FTA budget (less vehicle purchases) = **\$1,507,119 x 5.86 % = \$ 88,276**.
The following is a summary of the method we used to establish FY 2017-2019 annual goals.

1. Summary

Pursuant to USDOT rules and regulations, 49 CFR PART 26, TCATA has adopted percentage goals for DBE participation which are consistent with TCATA's own spending patterns and with the amount of DBE participation that would be expected to be achievable in a RACE NEUTRAL marketplace. The rules and regulations require that goals be based upon demonstrable evidence of relative availability of DBE's in the TCATA geographical and product markets.

- A. Availability Analysis: TCATA determined the number of ready, willing, and able DBE's in its marketplace from examination of the Michigan Department of Transportation (MDOT) DBE Directory. TCATA next consulted the U.S. Census County Business Pattern for Berrien County statistics to determine the total number of business establishments available in its marketplace identified by North American Industrial Classification Codes (NAIC). TCATA utilized the most recent County Business Pattern data available in specific breakdown by NAIC's. The object is to determine how many businesses exist in the county which serves as TCATA's primary marketplaces in Berrien County and, of this amount, how many or what percentage of all available businesses are DBE's in each relevant NAIC.
- B. "Weighting" of relative availability to reflect the amount of money to be spent in each NAIC area: TCATA utilized due diligence to sort out DBE's from directories by NAIC which were likely to be interested in FTA-assisted contracting. This narrow-tailoring aspect ensured that a more accurate availability figure would emerge from the Step One calculation. More emphasis was then placed on the NAIC's which made up the majority percentage of the total TCATA budget. TCATA has identified the relevant NAIC code services and commodities approximated for acquisition this fiscal year. Any projects planned for the previous year (FY 2016) that was not completed are included in FY 2017-2019 DBE goal. DBE's were identified in certain NAIC's and outreach efforts are planned to target these commodities to ensure broader DBE participation.

TCATA utilized the formula in establishing this goal "% of Budget (A) x DBE Dir (B) divided by CBP (C)" in accordance with the Federal regulations

TCATA MAJOR CONTRACTS PROJECTED FOR FEDERAL FISCAL YEAR 2017-2019

Major Proj.	NAIC	Description	\$ Amount	% of Total \$ (weight)	DBE Dir	# CBP
23	Construction		\$ 18,651	1.2%	12	311
42	Wholesale Trade		437,370	29.0%	15	151
44	Retail Trade		35,670	2.4%	3	560
52	Insurance		742,026	49.2%	10	218
53	Rental		8,721	.6%	3	140
54	Professional Service		52,653	3.5%	6	272
56	Admin. Support		18,141	1.2%	16	185
81	Other Services		193,887	12.9%	18	393
Total			\$1,507,119	100.0%	83	2,230

Results from formula for Base Rate from County Business Pattern and DBE Directories:

<u>NAIC</u>	<u>COMPUTED RATE</u>
23	1.2% x 12 divided by 311 = .05
42	29.02% x 15 divided by 151 = 2.88
44	2.37% x 3 divided by 560 = .01
42	49.23% x 10 divided by 218 = 2.26
53	.58% x 3 divided by 140 = .01
54	3.49% x 6 divided by 272 = .08
56	1.20% x 16 divided by 185 = .10
81	12.86% x 18 divided by 393 = .59.

Base Rate 5.98%

This 5.98 % represents the **BASE RATE** for TCATA’s FY-2017-2019 DBE utilization. This concludes the **Step ONE** calculation for the FY-2017-2019 overall goal.

C. The only **Step Two** calculation taken pursuant to Section 26.45 (d) is to determine the historical rate of DBE participation averaged over a three (3) year period as documented by the FTA quarterly reports submitted for compliance. TCATA has taken three (3) years history of the percentage of the total FTA budget (less transit vehicle purchases) which was expended with DBE’s. We divided the total of the three years figures filed with FTA to arrive at an average rate of DBE participation for the last three years. This is the only step two adjustment for this agency. The following represent participation achievements:

- FY-14: 2.05%
- FY-15: 8.20%
- FY-16: 6.95% Total = 17.20% divided by 3 = 5.73% 3 year historical average DBE participation.

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This is the only **Step two** adjustment:

Formula for final overall rate = Using the 5.98 % from the CBP and directories compared to the 5.73 % three year actual average (from bi-annual reports) we adjust the base rate down by finding the Mean which is 5.98 % plus 5.73 % = 11.71 % / 2 = 5.86%

Computation of overall rate and overall goal:

Base Rate = 5.98 % (County Business Pattern and directories)

Average 3 year DBE utilization = 5.73 % (TCATA Bi-annual Reports)

Total 5.98 % plus 5.73 % = 11.71% divided by 2 gives you the Mean of 5.86 %

ANNUAL OVERALL GOAL = 5.86 % OF TOTAL BUDGET

5.86 % or \$88,276 (TCATA OVERALL GOAL)

COMPUTATION OF TCATA PERCENTAGE OF GOAL MET BY RACE NEUTRAL AND RACE CONSCIOUS METHODOLOGIES FOR FY2017-2019

- Part #1: determine the FY 2017-2019 amount of DBE procurements achieved without contract goals. Historical DBE utilization by race neutral means is established.
- Part #2 : determine the amount of historical DBE utilization previous thirty six months period which was made utilizing contract goals. This will give us the prior FY percentage race conscious.
- Part #3: The amount achieved by RN means in FY 2017-19 = 5.86%
The amount achieved by RC means in FY 2019-19 = 0%
- Part #4: TCATA sought to achieve its DBE goal in 2014-16 through race neutral means. Therefore, at this time we will seek to meet total through RN means since we met our goal.
- Part #5: Of the overall rate of DBE participation for FY2014-16 of computed from Steps #1 and #2 (see above):

In order to ensure diligent outreach to achieve the FY2017-19 overall DBE goals we will advertise through various media resources. The most recent year census revealed the following statistics:

OUTREACH TO MINORITY AND WOMENS GROUPS

TCATA will consult with minority, women's, and general contractor support groups to achieve its DBE goal:

Cornerstone Chamber of Commerce
38 West Wall Street
Benton Harbor, MI 49022

Michigan Department of Transportation website
At <http://mdotjboss.state.mich.us/UCP/> which has
DBE list of vendors and we can post our projects
giving DBE's the opportunity to view available
projects.

Michigan Minority Business Development
Council
3011 W. Grand Blvd., Suite. 230
Detroit, MI 48202

NAACP, South Bend, Indiana Branch
914 Lincoln Way West
South Bend, IN 45516

NAACP Kalamazoo, Michigan Branche
P.O. Box 51473
Kalamazoo, MI 49007

All Request for Proposals will be mailed to theses organizations.

Data for Berrien County revealed the following statistics using 2010 census:

- African American population in Berrien County 14.73%
 - Hispanic population in Berrien County 4.26%
 - Asian population in Berrien County 1.62%
 - American Indian and Alaska Native persons 0.37%
 - Native Hawaiian and other Pacific Islanders 0.04%
 - White persons not Hispanic 74.76%
 - Other Races 4.22%
- 100.00%**

TCATA will continue to exert extra effort to provide marketing outreach to prime contractors in the targeted NAIC's to ensure the mentor/protégé and subcontracting opportunities are fully promoted prior to resorting to race conscious contract goals to achieve the projected 2017-2019 DBE goal.

Public Notice
Twin Cities Area Transportation Authority
Fiscal Year 2017-2019
Federal Transit Administration (FTA)
Disadvantaged Business Enterprise (DBE)

Pursuant to U.S. Department of Transportation regulations at 49 CFR 26.45 titled "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs," TCATA announces its goal for the FTA funded programs for fiscal years (FY) 2017-16.

TCATA proposed the adoption of an FTA DBE goal of 5.86 percent for Fiscal Years (FY) 2017-19. A description of this goal is available for review for 30 days after the publication of this notice. DBE and Small Business are encouraged to inform TCATA of products and services which they have available.

Public comments regarding the goal will be accepted for 45 days from the date of this publication to:

Bill Purvis, Executive Director
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Benton Harbor, Michigan
1-269-927-2268