

DRAFT

**City of Montgomery – The M Transit System
DBE Program Goal Setting For Federal Transit Administration (FTA) Assisted Contracts
Analysis and Methodology for Fiscal Year 2017 to Fiscal Year 2019**

**Goal Setting Methodology
OVERALL GOAL**

Base Line

In accordance with 49 Code of Federal Regulations (CFR) part 26.45 the following goal was established. The process used to determine this goal as stated in 49 CFR 26 is as follows:

Step One: Base Figure

As a result of a review of the ALDOT Certified DBE Directory, we were able to establish which firms were ready, willing and able in order to calculate the baseline goal as per 49 CFR 26.45 (c) (2).

In accordance with regulations, the City of Montgomery-The M Transit System utilized Step 1 Methodology outlined by the Federal Transit Administration, Office of Civil Rights, in the PowerPoint presentation “Disadvantaged Business Enterprises Goal Setting Methodology (Version 4.0).” The Part 1 section methodology, “Weighting Your Base Figure,” was not incorporated in the process to determine the base figure because of two unique factors. First, a majority of the contract opportunities are determined on an as needed basis. Second, because the two work categories with DBE certified firms are in categories of as needed services, the total budget cannot be determined to weigh each work category.

In an effort to determine a picture of DBE representation in the area, the number of local DBEs and the number of local firms (DBE and Non-DBE) ready, willing and able to bid on upcoming projects were determined. The base figure is obtained by dividing the number of ready, willing and able DBEs by the total number of ready, willing and able firms (DBE and Non-DBE).

$$\text{DBE firms} / \text{All Firms (including DBEs)} = \text{Relative Availability (Base Figure)}$$

The M Transit submitted a list of work categories that described work that could feasibly be part of FTA projects. These work categories were utilized in step one of the City of Montgomery-The M Transit System FY-2017 to 2019 DBE Goal determination. The work categories are as follows: Printing, Tires, Fluids, Office Supplies, Fuel, Wrecker Service, Lawn Service, Carpet/Floor Cleaning, and Uniforms. The Alabama Department of Transportation (ALDOT) Certified DBE list was analyzed for companies that could be described by two parameters. First, the company must be within the Montgomery MSA, and second, the company must be certified to complete work described by the work categories. **Six** companies from the list met both parameters.

The U.S. Census Bureau’s 2012 Economic Census – Summary Statistics by 2007 North America Industry Classification System (NAICS) for the Montgomery MSA. The work categories previously listed were analyzed to determine the NAICS code describing the category. Table 1 details the work categories and equivalent NAICS codes, the number of firms in the Montgomery MSA, and the number of firms in the Montgomery MSA on the Alabama Department of Transportation (ALDOT) Certified DBE list.

NAICS Code	NAICS Description	Project (Work Category)	DBEs available to perform this Work	Number of all firms available (including DBEs)	Relative Availability
323	Printing and related support activities	Printing	0	30	0.00%
4413	Automotive parts, accessories, and tire stores	Tires & Fluids	1	92	1.09%
45321	Office supplies and stationary stores	Office Supplies	0	8	0.00%
4543	Direct Selling Establishment	Fuel	0	27	0.00%
4884	Support activities for road transportation	Wrecker Service	0	13	0.00%
56173	Landscaping services	Lawn Service	5	61	8.20%
56174	Carpet and upholstery cleaning services	Carpet/Floor Cleaning	0	9	0.00%
81233	Linen and Uniform Supply	Uniform	0	5	0.00%
		TOTAL	6	245	2.45%

$$\text{Base Figure} = \frac{6 \text{ DBEs}}{245 \text{ DBEs and Non-DBEs}} = 2.5\%$$

Step Two: Adjust Base Figure

In accordance with regulations, the City of Montgomery-The M Transit System utilized the Step 2 Methodology outlined by the Federal Transit Administration, Office of Civil Rights, in the PowerPoint presentation “Disadvantaged Business Enterprises Goal Setting Methodology.” The methodology proposed four criteria to determine the adjusted base figure, the current capacity of existing DBEs to do the work, disparity studies, input from interested parties, and past participation. Of the criteria proposed, past participation, was determined to be applicable. The requirement that the upcoming contract opportunities are similar to past contract opportunities was met. Past DBE participation was determined for the preceding four years.

- FY-2012 = 0.01%
- FY-2013 = 0.00%
- FY-2014 = 0.00%
- FY-2015 = 0.00%

In FY F012, a Certified DBE firm was utilized to clean carpets. The firm was used on average twice a year with an annual expenditure of approximately \$1,000. The expenditure in relation to total expenditures results in a low DBE participation percent annually. The average DBE participation for the four year period was 0.0025%.

The FY-2017 – FY-2019 DBE Goal was determined by averaging the base figure (2.5%) and the average DBE participation (0.0025%). The proposed FY-2016 – FY-2018 DBE Goal is 1.2%, with 1.2% being race conscious and 0% being race neutral.

The M Transit System continues to utilize the services offered by a DBE financial institution (First Tuskegee Bank). Part of the reason DBE participation is low is the City of Montgomery and the M Transit System utilizes race neutral contracting by awarding contracts to the lowest responsible bidder. However, the goal will be attempted to be attained by using race conscious measures in all contracting opportunities. A good faith effort is being shown by Prime contractors to obtain the race conscious goal, but the race conscious goal is not being met. Race is not a consideration in receiving any contract, and contracts are awarded to the lowest responsible bidder, unless it is determined that the bidder is not responsible.

Measures Initiated to Increase DBE Participation:

Historically usage of certified DBEs has been very low. The City of Montgomery and the M Transit System are utilizing various ways to increase DBE participation, including encouraging minority businesses that might be able to fulfill the M Transit System and City of Montgomery needs to get certified through the ALDOT DBE process and program and encouraging them to get assistance from Alabama State University's (ASU) DBE supportive services program or other programs around the area and State of Alabama. Info concerning contracting opportunities will be decimated through general circulation newspapers, e-mail lists, and internet websites for the City of Montgomery and the M Transit System.

The following means are utilized to increase opportunities for DBEs and small businesses:

- (1) Direct all inquiries regarding becoming a certified DBE to ASU DBE Supportive Services Program located at the Small Businesses Resource Center and ALDOT DBE Office
- (2) Direct all inquiries regarding training on federal bonding and loans to ASU and ALDOT
- (3) Continue to solicit in general circulation newspapers advertisements concerning contracting opportunities, and also solicit quotes that are issued to DBEs or small businesses and also send to businesses that are on bidders list.
- (4) Notify and disseminate information concerning contracting opportunities to ASU DBE Supportive Services Program office and the local chamber of commerce minority business enterprise director by e-mail.
- (5) Use any other reasonable means thought of during the coming year to energize the program by getting better DBE participation or at least making a good faith effort.
- (6) Attending and/or sponsoring conferences and workshops to increase interaction with potential DBEs, certified DBEs, and DBE program officials at ALDOT and the five satellite locations at Alabama State University, the University of Alabama-Birmingham, University of Alabama-Huntsville, Stillman College, and Tuskegee University.

Outreach and Consultation Done During FY-2012, FY-2013, FY-2014, FY-2015

Under the requirements for consultation with minority, women and general contractor groups, community organizations, and other officials or organizations, the City of Montgomery and the M Transit System participated in the USDOT Bonding/DBE Support event, engaged in discussion with the ALDOT DBE Office, and engaged in discussion with Bell Transmission to (a) facilitate our understanding of the DBE certification process (b) obtain guidance from the various stakeholders

in evaluating the M Transit System’s current DBE process (c) examine ways to build our DBE participation goals into our normal business procurement process, and (d) network with various DBE/WBE certified business owners directly. The following is a list of all the DBE outreach efforts from October 1, 2012 to July 1, 2016.

TABLE 2:

Date	Event Type & Site	Participants	City of Montgomery and MATS’ Subsequent DBE Outreach Efforts
May 9, 2013	Discussion on ways to include DBE in City purchasing	City of Montgomery-The M Transit and ALDOT DBE Office	City of Montgomery/The M will send all procurements to ALDOT DBE, ASU DBE Office, Tuskegee DBE.
May 20, 2013	DBE Opportunities for The M and how Bell Transmission can assist.	City of Montgomery-The M Transit and Bell Transmission (DBE Firm)	We will reach out to Bell to let them know when we may have opportunities which fits within their scope and to let other business know of Bell service.
April 17, 2014	DBE Opportunities for The M and how 24 Communications can assist.	City of Montgomery-The M Transit and 24 Communications	We will reach out to 24 Communications to let them know when we may have opportunities which fits within their scope and to let other business know of Bell service.
May 14, 2015	Discuss DBE Opportunities and BBE Certification	City of Montgomery-The M Transit, ALDOT, and Local Contractors	City of Montgomery/The M will continue to seek qualified DBEs for available

Public Participation/Public Involvement Comment Period

As required by 49 CFR 26.45(g), the City of Montgomery/ The M Transit System DBE goal will be advertised in the local newspaper of general circulation to notify the public and solicit comments into the development of the goal. The goal will be advertised for 30 days with the comment period lasting for 45 days. Further public participation will be solicited from the Alabama Road Builders Association and the Alabama DBE Association. Once the comment period has ended, a public involvement summary will be completed to document the DBE goal preparation and comment process.

Conclusion

Based on the narrative above, the City of Montgomery - Montgomery Area Transit System has established its DBE Goal for FY-2017 to FY-2019 as 1.2% with 0% being race neutral and 1.2% being race conscious. The 1.2% race conscious goal is reflective of the DBE Goal attainment for the previous four years. The race conscious portion of the goal will remain for FY-2017 to FY-2019 as it did from FY-2014 to FY-2016, meaning that all contractors must either attain the goal or show good faith effort to attain the goal.