

GOAL SETTING METHODOLOGY

ROCK REGIONAL METROPOLITAN TRANSIT AUTHORITY

Disadvantaged Business Enterprise (DBE) Contracting Goals
For Federally Assisted Transit Projects

FY 2021 – 2023

In compliance with:
Title 49, Part 26 of the Code of Federal Regulations (49 CFR 26)

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Introduction

This report complies with the Disadvantaged Business Enterprise (DBE) rule in Title 49 of the Code of Federal Regulations (49 CFR 26) and details Rock Region METRO's process for setting the FY 2021 – 2023 overall goal for DBE participation in federally assisted transit projects.

49 CFR 26 requires that this goal be submitted for review by the Federal Transit Administration. This submission must include 1) a description of the methodology used to establish the goal, including the base figure and evidence with which it was calculated, and the evidence relied on for any adjustments; 2) a projection of the portions of overall goal expected to be met through race/gender-conscious measures, respectively; and should include 3) a summary listing of relevant available evidence of disparity and, where applicable, an explanation of why that evidence was not used to adjust the base figure.

For any questions or comments, contact:

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Summary

Proposed DBE Goal for FY 2021 – 2023

Rock Region METRO proposes the following goal for participation by DBEs on federally assisted transit contracts for FY 2021 – 2023:

Total DBE Goal: 2.6%

Description of Methodology

The methodology used to calculate Rock Region METRO's FY 2021 – 2023 DBE Goal is based on the Department of Transportation's "Tips for Goal Setting in the DBE Program" utilizing the latest available Economic Census and AHTD's Certified Disadvantaged Business Enterprise Directory. METRO has no subrecipients of FTA funding. METRO receives funding from FTA Section 5307, 5337 and 5339. Only FTA section 5307 and 5337 funds were used in the calculation of this goal. Funds that were excluded from this calculation include funds that are allocated to bus purchases, approximately \$6.9 million.

There was no adjustment made to step 2. There is a 1.6% increase over the previous period's goal. Due to the type of work being performed, the amount of available DBES performing this type of work and the increased outreach/consultation with available DBEs, METRO believes that 2.6% is an attainable goal.

METRO has determined that its market area is the entire state of Arkansas. Little Rock's central location makes firms in every part of the state competitive for projects.

Step 1 – Determine the weight of each type of work by NAICS code:

In Step One of the goal setting process, contractible items for FY 2021 - 2023 were identified and assigned an NAICS code. METRO has no subrecipients of FTA funding. The projects below represent Section 5307 and Section 5337 funds and do not include funds allocated for bus purchases in the amount of approximately \$6.9 Million. METRO considers the Local Market Area to be the entire state of Arkansas.

The calculation for % of total DOT funds is: (Amount of DOT funds/Total funds)=% of Total DOT funds.

Naics Code	Project	Amount of DOT funds for project	% of total DOT funds (weighted)
441310	Bus Parts	\$ 2,100,000	0.21661
336510	Rail parts	540,000	0.05570
423120	Shop Equipment	200,000	0.02063
423850	Fareboxes	1,520,000	0.15678
423130	Tires	450,000	0.04642
541611	Planning	400,000	0.04126
423430	Comp Hardware/Software	975,000	0.10057
236220	Bus Shelters & Bike Racks	70,000	0.00722
441110	Support Vehicles	180,000	0.01857
561730	Landscaping	45,000	0.00464
423210	Office Equipment	250,000	0.02579
811213	Radio Equipment	100,000	0.01031
561621	Security Equipment	165,000	0.01702
236220	Building Rehabilitation	2,500,000	0.25786
238990	Yard Rehabilitation	200,000	0.02063
Totals		\$ 9,695,000	1

Step 2 – Determine the relative availability of DBEs by NAICS code:

NAICS codes for each project were compared with the 2015 U.S. Census County Business Patterns (April 2017 release) for the state of Arkansas to determine the number of *all firms* and the most recent version of the Arkansas Unified DBE Directory to determine the number of *DBE firms*.

Data used to derive the base figure is illustrated in the table below. The Formula for Relative Availability is: (Number of certified DBEs available/Total Number of firms)=Relative availability.

Naics Code	Project	Number of DBEs available (from the ARDOT DBE directory)	Total number of firms (US Census data)	Relative Availability
441310	Bus Parts	0	498	0.0000
336510	Rail parts	0	4	0.0000
423120	Shop Equipment	0	81	0.0000
423850	Fareboxes	0	34	0.0000
423130	Tires	0	32	0.0000
541611	Planning	31	447	0.0694
423430	Comp Hardware/Software	0	36	0.0000
236220	Bus Shelters & Bike Racks	20	355	0.0563
441110	Support Vehicles	0	260	0.0000
561730	Landscaping	43	653	0.0658
423210	Office Equipment	2	32	0.0625
811213	Radio Equipment	2	21	0.0952
561621	Security Equipment	1	72	0.0139
236220	Building Rehabilitation	20	355	0.0563
238990	Yard Rehabilitation	49	201	0.2438
		168	3081	0.0545

Step 3 – (Weight) x (Availability) = Weighted Base Figure

This step takes the weighted amount of DOT funds and multiplies it by the relative availability of DBE firms in Arkansas. The sum of weighted base figures for each NAICS code gives you the total percentage of expected DBE participation.

Naics Code	Project	Weight	Availability	Weighted Base Figure
441310	Bus Parts	0.2166	0.0000	0.0000
336510	Rail parts	0.0557	0.0000	0.0000
423120	Shop Equipment	0.0206	0.0000	0.0000
423850	Fareboxes	0.1568	0.0000	0.0000
423130	Tires	0.0464	0.0000	0.0000
541611	Planning	0.0413	0.0694	0.0029
423430	Comp Hardware/Software	0.1006	0.0000	0.0000
236220	Bus Shelters & Bike Racks	0.0072	0.0563	0.0004
441110	Support Vehicles	0.0186	0.0000	0.0000
561730	Landscaping	0.0046	0.0658	0.0003
423210	Office Equipment	0.0258	0.0625	0.0016
811213	Radio Equipment	0.0103	0.0952	0.0010
561621	Security Equipment	0.0170	0.0139	0.0002
236220	Building Rehabilitation	0.2579	0.0563	0.0145
238990	Yard Rehabilitation	0.0206	0.2438	0.0050
Total				0.0260

Expressed as a %

2.60%

Breakout of Estimated Race-Neutral and Race-Conscious Participation

Rock Region METRO uses the following race-neutral means to increase DBE participation:

- When feasible, contracting opportunities will be kept separate (not bundled) to encourage smaller businesses to submit bids/proposals;
- Encouraging prime contractors to subcontract portions of the work that they might otherwise perform with their own forces;
- Providing information to DBEs on contracting procedures and specific opportunities;
- Ensuring the dissemination of lists of potential subcontractors to bidders on prime contracts; and
- Ensuring the distribution of the Arkansas Unified Disadvantaged Business Enterprise Directory.

Rock Region METRO intends to meet its entire DBE goal through race-neutral means.

Race-Neutral Goal: 2.6%

Race-Conscious Goal: 0%

During FY 2018-2020, METRO achieved race-neutral DBE participation of 0.78%. Over this period, the goal was 1%. METRO has decided that race-neutral is appropriate for the FY2021-2023 goal due to several factors. The type of upcoming projects has a larger number of certified DBEs available. In 2020, METRO increased outreach to DBE firms to alert them of upcoming projects. METRO is also reaching out to firms and current vendors that could possibly be DBE certified to inform them of the DBE certification process. Both of these actions have increased bidding by DBEs.

Publication/Consultation

Rock Region METRO posted its Goal Setting Methodology document to the agency website at www.rrmetro.org. Rock Region METRO notified *all* DBEs registered in state of Arkansas that the document is available for review/comment. Rock Region METRO has consulted with local stakeholders of the DBE program: Arkansas Economic Development Commission – Minority and Women Owned Businesses and the Arkansas DBE Contractors Association. METRO has increased outreach to individual registered DBEs concerning the ability to bid on upcoming projects. METRO has also increased outreach to potential DBEs informing them of the DBE certification program. Any issues dealing specifically with the DBE goal methodology that require any changes will be used to modify the document.