

Disadvantaged Business Enterprise Program

August 1, 2017 – July 31, 2020
Section 26.45: Overall Goal Calculation
May 26, 2017

Background

Amarillo City Transit (ACT) is the transit department within the City of Amarillo (COA). ACT currently receives 50% of operating funds and 80% of capital funds from the Federal Transit Administration (FTA) 5307 federal funding program. ACT is a small-urban public transportation system that operates within the city limits of Amarillo west of Lakeside Drive, which has a population of less than 200,000.

ACT operates 8 fixed-schedule routes with 12 buses and 9 Spec-Trans vehicles provide paratransit service. Spec-Trans is the paratransit public transportation service for people with disabilities who are unable to use the accessible fixed route system.

No part of public transportation service or administration is subcontracted out.

Disadvantaged Business Enterprise (DBE) Program Information Overview

Disadvantaged Business Enterprise (DBE) program is a federal program managed by the U. S. Department of Transportation (DOT) as set forth in 49 Code of Federal Regulation (CFR) Part 26 to encourage socially and/or economically disadvantaged firms to participate in DOT-funded projects. The goals of the program are to remedy past and current discrimination against DBEs, ensure a “level playing field” in which DBEs can compete fairly for DOT-assisted contracts, improve the flexibility and efficiency of the DBE program, and reduce undue burdens on small businesses.

Any transportation related project, including aviation, highway, or public transportation, which is supported in whole or in part by federal funding, must include an opportunity for DBE participation. Because ACT receives federal funding from DOT, it must in turn utilize as much as possible of that funding with small, minority-owned, and/or woman-owned companies.

Please note that DBE status is not required to do business with ACT; however, ACT must seek out and encourage eligible and interested firms in Amarillo and the surrounding areas to become certified DBE in the State of Texas. Each year, the ACT must report to DOT semi-annually how much of their funding went to certified DBEs.

Overall Goal

ACT has set an overall goal for October 1, 2017 — September 30, 2020 at 6.43%, which was determined by taking a percentage of the ready, willing and able DBEs versus the total ready, willing and able firms in the local market area. Each code is weighted to

the budget associated with each line item. ACT will strive to expend 6.43% of DOT-funded contracts to DBEs. This DBE Goal will not apply to transit vehicle procurements.

The contracting opportunities dollar amount that ACT has budgeted to award during the three year goal period is \$1,637,714.37 for a projected federal subsidy project for bus stops and shelter improvement. Since this is a capital project, ACT will only use federal funding for 80% of the projected total contract. The DOT dollar amount is \$1,310,172.00, which will be used in the weighted calculation. ACT has set a goal of expending 6.43% or \$84,244.06 to DBEs during the period of October 1, 2017 — September 30, 2020. With these projections, ACT has concluded that it will meet its goal through the completion of the original bus stop improvement plan and any other possible procurement opportunities. After the completion of the feasibility study, ACT will begin to restructure routes and several new bus stops will be constructed while others decommissioned.

Budget Item	Grant	Budget
Const Bus Shelters	FY-14 Operating	\$135,755.00
Purchase Bus Shelter	FY-13 Operating	-
Const Bus Shelters	FY-13 Operating	\$392,857.48
Acquire Furn/Graphics	FY-11 Operating	\$352,553.00
Construct Furn/Graphics	FY-11 Operating	\$702,451.07
Purchase Bus Shelters	FY-10 Operating	\$54,097.82
Construct Bus Shelters	FY-10 Operating	-
Total		\$1,637,714.37

Determining the Market Area

ACT has few contracting opportunities, as demonstrated in the Step 1 table. However, when contracts are procured, the most successful bidders are often businesses residing in the State of Texas. Some of these cities in Texas may include but are not limited to: Amarillo, Lubbock, Midland/Odessa, Louisville and the Dallas – Ft. Worth area. ACT used certified DBEs in the Amarillo TxDOT Work District from the Texas Unified Certification Program (TUCP). Since most of the certified DBEs do not reside in the Amarillo Work District, ACT used statewide county business patterns for the determined NAICS codes. ACT awards contracts to the lowest, most responsive bidder acquired through race-neutral measures.

Methodology Used

As describe in 49 CFR Section 26.45(c)(1), the base figure was determined using the TUCP directory, <https://txdot.txdotcms.com/FrontEnd/VendorSearchPublic.asp>, to establish the availability of ready, willing and able DBEs in each NAICS code categories used by ACT, which determined the numerator. ACT used the following websites to determine the number of all ready, willing and able firms in those same NAICS code categories, which determined the denominator.

- <http://www.txdot.gov/inside-txdot/district/amarillo.html>
- <https://www.census.gov/eos/www/naics/>
- <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

The weighted base figure for the relative availability of DBE's was calculated as follows:

Step 1 - Determine the weight of each type of work by NAICS Code:

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	238220	Bus stop improvements	\$720,594.60	0.5500
2)	237310	Bus stop improvements	\$327,543.00	0.2500
3)	238910	Bus stop improvements	\$131,017.20	0.1000
4)	238990	Bus stop improvements	\$131,017.20	0.1000
	Total FTA-Assisted Contract Funds		\$1,310,172.00	1.0000

Step 2 - Determine the relative availability of DBE's by NAICS Code:

	NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
1)	238220	Bus stop improvements	205	3,186	0.0643
2)	237310	Bus stop improvements	224	699	0.3205
3)	238910	Bus stop improvements	120	2,088	0.0575
4)	238990	Bus stop improvements	159	2,151	0.0739
	Combined Totals		708	8,124	0.0871

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

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	238220	Bus stop improvements	0.55000	x	0.06434	0.0354
2)	237310	Bus stop improvements	0.25000	x	0.32046	0.0801
3)	238910	Bus stop improvements	0.10000	x	0.05747	0.0057
4)	238990	Bus stop improvements	0.10000	x	0.07392	0.0074
	Total					0.1286
	Expressed as a % (*100)					12.86%

ACT took the number of ready, willing and able DBEs available to perform this type of work for the bus stop improvement project, which was 708-DBE firms and divided by the total number of all firms available (including DBEs) 8,124-all firms. This provided us with a relative availability percentage base figure of 8.71%. The base figure was then weighted according to the dollar amounts representing contracting opportunities in each relevant NAICS code category. After weighting, the result was a weighted base figure of 12.86%.

Step 4 - Adjustments 49 CFR 26.45 (d)

After calculating the weighted base figure to represent the relative availability of DBEs, then ACT explored adjusting the DBE Goal based on past participation. Past goals were 0% accomplishment rate due to the lack of availability of DBEs. ACT had determined that it is not appropriate to make adjustments for past participation.

Fiscal Year	Overall DBE Goal	% Total DBE Utilization	% of Race Neutral DBE Participation	Type of Work
2015	9.27%	0%	0%	Construction
2016	9.27%	0%	0%	Construction
2017	9.27%	0%	0%	Construction
Average	9.27%	0%	0%	Construction

The weighted base figure of 12.86% was added with the average 0% from the past performance and then divided by two, which gave an overall goal of 6.43%.

The next option to consider adjustment was to adjust for disparity. Given that, ACT will meet the stated goal and has no need for race-conscious measures; ACT deems that a disparity study should not be taken in consideration. The only adjustment that was relevant to ACT was the weighting process and is addressed in this section.

Step 5 - Break Out of Estimated Race Neutral (RN) and Race Conscious (RC) Participation 49 CFR 26.51 (b) (1-9)

As required by the FTA, ACT must meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. Due to the lack of accomplishing our DBE goal over the three year period, ACT looked into unbundling the project. This would allow ACT the opportunity to look at including Race Conscious measures into our goal, which historically has never been done. However, it was determined that unbundling items in this contract was not feasible. Since ACT is only planning to procure only this contract in the next three years, ACT will attempt to meet the DBE Goal through race-neutral means. If ACT adds another contract in the next three years, then ACT will consider using race-conscious means if deemed necessary. If ACT were to use a contract goal on the bus stop improvements, then the DBE Program would be 100% race-conscious. Therefore, ACT does not plan to use contract specific goals when awarding contracts at this time.

In summary, ACT will meet the entire 6.43% goal from race-neutral participation and 0% will be obtained from race-conscious participation for this three year goal period.

Public Participation

Members of Amarillo's Purchasing Department along with Texas cities, counties and school districts throughout Texas attend the Texas Public Purchasing Association and the Make the Connection meetings. Both events are a cooperative effort between the Historically Underutilized Businesses in Texas and DBE's to educate small businesses and interested persons about contracting opportunities throughout Texas. In addition to the Make the Connection event, West Texas A&M University and Amarillo College also sponsor a mentor - protégé program where small businesses can obtain valuable guidance to grow their businesses.

Rick Palmer, with West Texas A&M University Procurement Center, hosts monthly meetings to help businesses register as a DBE vendor. Amarillo City Transit and COA Purchasing Department attend these meetings to present future bid opportunities and to encourage businesses to apply to be DBE vendors.

ACT staff attended the Business Connection 2017 expo this to increase our DBE outreach. Staff attempted to hand out DBE material (Attachment 1) to educate business on the opportunities of becoming a certified DBE and potential to build a business relationship with ACT.

It is ACT's endeavor to continue to strengthen out outreach efforts over this next three years. Each opportunity given provides COA and ACT the opportunity to educated potential business about our DBE program, share information related to contracting opportunities and how to do business with COA along with other Texas cities, counties and school districts.

Each participant may sign up for Amarillo's bidders list to learn what is required in a bid document and an opportunity to establish personal contacts in each entities Purchasing Department Contracting opportunities are advertised in the Amarillo Globe News newspaper and on COA's website if the value of the procurement exceeds \$25,000. If the value of the procurement is under \$25,000, it is advertised on COA's webpage.

ACT's DBE goal will be placed on the Amarillo City Council Agenda for a public hearing, each meeting is open to the public.

Public Notice:

The Amarillo City Transit (ACT) hereby announces its goal for October 1, 2017 to September 31, 2020 of 6.43% for Disadvantaged Business Enterprise (DBE) participation on its third party procurements. The proposed DBE goal will be placed on the COA website for up to 30 days as well as the rationalization used to attain the goal. The public will also be provided additional information regarding potential bid opportunities. During this time comments pertaining to the DBE goal will be accepted in the following ways:

- By mail:
City of Amarillo
Attn: Transit Director
P.O. Box 1971
Amarillo, TX 79105
- By phone: (806) 371-6842
- By email: Transit.manager@amarillo.gov