



TransIT Services of Frederick County Disadvantaged Business Enterprise Program Goals/Methodology Fiscal Year 2020

BACKGROUND

TransIT Services of Frederick County (TSFC) is committed to the participation of Disadvantaged Business Enterprises (DBEs) in contracting opportunities in accordance with Federal Regulation 49 C.F.R. Part 26, effective March 4, 1999, as may be amended (Regulations). It is the policy of TSFC to ensure nondiscrimination on the basis of race, color, sex or national origin in the award and administration of U.S. Department of Transportation assisted contracts. TSFC, as a sub-recipient of United States Department of Transportation (USDOT), Federal Transit Administration (FTA) funding, intends to comply with this requirement and would like to receive comments from the public with regard to its goals and goal-setting methodology. The purpose of TSFC's DBE Program is to create a level playing field on which DBEs can compete fairly for contracts and subcontracts relating to the TSFC's construction, procurement and professional services activities.

PROPOSED OVERALL GOALS FOR FY 2020

TSFC has requested Federal & State funding for the following capital projects for FY20. Contracting opportunities, excluding vehicle purchases, are:

- Automating Bus Wash \$ 216,000
- Bus Shelter Construction \$ 108,000
- Facility Expansion \$4,320,000

Other capital funding requested will be for vehicle replacements, which will be purchased on TSFC's behalf by the Maryland Transit Administration (MTA) under one of their existing contracts, and Preventive maintenance of TSFC vehicles which is not contracted out.

Questions or comments should be directed to:

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METHODOLOGY

Step One: Determining Market Area to find Base Figure

The market area is defined as the region which contains business firms that are ready, willing and able to compete for federally-assisted projects for TSFC. The base figure is the ratio of DBE firm types specific to projects which would be ready and willing to compete for a specific project by the total number of business firms throughout the market area which would be willing, and able to bid for the types of work contemplated to be funded this year.

Determining Normal Market Area

A market area is based on two factors: where the majority of all firms (DBE contractors and the non-DBE contractors) are located with whom TSFC does business, and where the majority of the contracting dollars are spent by TSFC on DOT-assisted projects. TSFC has included all Maryland Counties in its Normal Market Area for purposes of its DBE goal methodologies. For purposes of this methodology, this region contains the majority of firms with which Transit Services does business, and where the majority of contracting dollars are spent. In order to certify a firm's eligibility, firms found on the [MDOT Directory of Certified MBE and/or DBE firm's](#) website as of the beginning of each fiscal year will be utilized for the analysis for DBEs. Reference USA, available through the Frederick County library will be utilized to determine all firms in the same area for the same NAICS code(s).

TSFC Process

TSFC will identify all DBE's in the selected states in the region and extract and contact the DBE firms by email so only those DBE firms who are ready, willing, and able to participate in FTA and MTA assisted contracts for the Fiscal Year will be included. The funded projects and corresponding NAICS 2012 codes and type of contractor will be listed, FY20 projects shown below:

Table 1: Project Name & NAICS Code and Sector

NAICS Code	Project
236220	Non-residential building construction
811192	Truck and bus washes

NOTE: Once the detailed list of subcontracting opportunities has been drafted there will be numerous NAICS codes that more closely identify the tasks.

Identifying Firms and DBE Firms

Total Firms are found using various resources, including the business directory Reference USA, phone book and internet searches. All DBE firms are contacted by email to identify those that are ready, willing, and able to participate in FTA and MTA assisted contracts. The DBE contractors for each type of project are identified from the DBE and MBE state certified searches at MDOT Directory of Certified MBE and/or DBE firms @ <http://mbe.mdot.state.md.us/directory/>.





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TSFC will also utilize eMaryland Marketplace @ <http://eMarylandMarketplace.com> and Reference USA through the Frederick County Library.

Calculating DBE Participation and Funding Goals

In order to determine the annual DBE goals, the Task projected budget weight (Table 2, column D) will be determined by dividing the Task's contracting opportunity (column C) by the Total Budget (Table 2, item I) on DOT-assisted projects for the fiscal year.

EXAMPLE ONLY – ACTUAL FY20 GOALS WILL BE DETERMINED BY MTA'S PROCUREMENT REVIEW GROUP

a Type	b Project	c Contracting Opportunity	d Task Weight c/i	e DBE Firms	f Total Firms including DBE's	g Ratio (Relative Availability)	h Weighted Figure * d = h	Project Total	NAICS code
Roofing			#####	0	0	#DIV/0!	#DIV/0!	\$0	
HVAC			#####	0	0	#DIV/0!	#DIV/0!	\$0	
Asphalt			#####	0	0	#DIV/0!	#DIV/0!	\$0	
Drywall			#####	0	0	#DIV/0!	#DIV/0!	\$0	
Electrical			#####	0	0	#DIV/0!	#DIV/0!	\$0	
i Total Project Budget		\$0	#####	0	0	#DIV/0!	#DIV/0!	\$0	

The RATIO of available DBE firms (Table 2, column G) is found by dividing the DBE firms for each project type (column E) by the Total Firms including DBE's (column F). This RATIO (column G) is multiplied by the weight of the TASK (column D) to solve for the weighted figure (column H) also known as the Project Goal. The sum of the Project Goals or Weighted Figure (column H) is the DBE participation goal (item J). The DBE participation goal is the percent of total contracting opportunities projected to be awarded to DBEs.

Step Two: Adjustments

TSFC is aware that DBE vendors and vendors that are potentially eligible for the DBE program are frequently unaware of the opportunities afforded to them through the DBE program. TSFC will perform the following tasks to solicit and identify potential DBE firms. These tasks could include but are not limited to the following:

- Utilize the State of Maryland's Minority Business Enterprise Directory that is prepared by the Office of Minority Business Enterprise and Equal Opportunity / Maryland Department of Transportation to identify potential contractors to mail direct-mail notices for contracting opportunities
- Utilize the database at <http://eMarylandMarketplace.com> to identify potential DBEs
- Advertise in local, regional, and minority publications to solicit DBE participation
- Utilize the Frederick County Government Purchasing website and database to make opportunities known





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Methodology for Determining Adjustments to the Goal:

TSFC will examine all of the evidence available to determine if an adjustment is needed to be made to the base figure calculation in order to arrive at an overall Goal. One possible consideration will be to account for the median percentage of work DBE certified firms have performed regarding FTA funded projects and/or purchases in recent years. This number is determined by taking the median of the federal fiscal year transit goals for the last three years.

FY 2015 (7/01/14-6/30/15) = DBE Goal	6.14%	Electric bus infrastructure
FY 2016 (7/01/15-6/30/16) = DBE Goal	0%	No eligible projects
FY 2017 (7/01/16-6/30/17) = DBE Goal	0%	Paratransit Scheduling System
FY 2018 (7/01/17-6/30/18) = DBE Goal	n/a	Facility D&E - contracted by MTA
FY 2019 (7/01/19-6/30/20) = DBE Goal	0%	No eligible projects

Median = 0%

The equation to determine the adjustment to determine the overall goal for the current fiscal year is as follows: (median of past participation + current year goal) / 2 = Adjusted Goal

FY20 Results

As previous eligible projects had a zero goal, there would be no adjustment to the FY20 goal based on the median and past goals.

Process

TSFC will submit its overall DBE goal to MTA on July 1 of each year, except in cases where a Federal Transit Administration or Federal Aviation Administration recipient submits a project goal.

TSFC will post a notice of the proposed overall DBE goal, informing the public that the proposed goal and its rationale are available for inspection during normal business hours at the TSFC Facility and on the TSFC website (<http://FrederickCountyMD.gov/transit>) for 30 days following the date of the notice. We will inform the public that TSFC and FTA will accept comments on the goals for 45 days from the date of the notice. TSFC will issue this notice in June for the upcoming fiscal year when there are capital projects. The notice will include addresses to which comments may be sent and addresses (including offices and websites) where the proposal may be reviewed. Our overall goal submission to MTA/FTA will include a summary of information and comments reviewed during this public participation process and our responses.

Determining Race-Neutral vs Race-Conscious Goals

Per 49 CFR § 26.51(a) "You must meet the maximum feasible portion of your overall goal by using race-neutral means of facilitating DBE participation." The OSDBU Guidance provides that a projected split between race neutral and race conscious goals will be more accurate if past participation data from more than one year is used. OSDBU Guidance §IV(A). Also, one factor to consider in determining the race conscious/neutral split is "past history of inability to meet goals." OSDBU Guidance §IV(F).





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Means of Meeting Overall Goals

TSFC will meet our overall goal from both race-neutral and race-conscience measures. If available, historical information will be used to assess past participation. In calculating this division of the goal we will consider:

- The amount by which our goal was exceeded in the past and other past goal history
- Past participation by DBE Prime Contractors
- Past participation by DBE Subcontractors on contracts without Goals
- MBE/DBE Participation Pursuant to Race/Gender-Neutral State or Local Programs

For reporting purpose, race-neutral DBE participation includes, but is not necessarily limited to, the following:

- DBE participation through a prime contract
- DBE obtained through customary competitive procurement procedures
- DBE participation through a subcontract on a goal
- DBEs participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award

Race-Neutral Means

TSFC will strive to meet the maximum feasible portion of our overall goal by using race-neutral means of achieving DBE participation. Race-neutral DBE participation occurs when a DBE wins a contract or subcontract that did not have contract specific goals, or when the DBE status was not considered in making the award. Some methods utilized to reach goals may include:

- Advertise in local, regional, and minority publications to solicit DBE participation
- Include qualified DBEs and other small businesses on mail list for bidders.
- Arrange solicitations, give date and times for the presentation of bids, quantities, specification, and delivery schedules in ways that facilitate DBE, and other small businesses, participation (e.g., unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);
- Attend pre-bid and pre-construction meetings on specific contract opportunities (e.g., ensuring the inclusion of DBEs and other small businesses on TSFC's mailing lists for bidders); ensuring the dissemination of information, such as providing a list of subcontractors to bidders on prime contracts;
- Ensuring distribution of the State DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors
- Carrying out information and communications programs on contracting procedures and specific contract opportunities

TSFC would adjust the estimated breakout of race-neutral and race-conscience participation as needed to reflect actual DBE participation and we will track and report race-neutral and race-conscience participation separately.



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Methodology for determining Race-Neutral vs. Race-Conscious Goals:

Due to the nature of the work included under the current grant, there is no historical information to use as an aid in developing an accurate and realistic goal. The only recent contracts for capital projects occurred in FY15, for AVL software and FY17 for Paratransit Scheduling software. The established MTA-approved goal for both projects was zero.

However, future methodologies will be as follows when there are eligible projects: TSFC has examined contracts for the previous 3 years to determine the median percentage of work DBE certified firms have performed regarding FTA funded projects and/or purchases. This number is determined by taking the median of the participation level of DBEs on contracts without goals for the last three years.

FY 2015 (7/01/14-6/30/15) = DBE Goal	6.14%	Electric bus infrastructure
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FY 2019 (7/01/19-6/30/20) = DBE Goal	0%	No eligible projects

Median = unknown at this time. The FY20 DBE Goal for Facility Construction and Automated Bus Wash will be determined by the MTA Procurement Review Group for approval prior to issuing any IFB/RFP.

Therefore, in this example, the current capacity of DBE certified firms to perform work is To Be Determined (TBD). When the FY20 DBE goals are determined, calculation of participation from Race-Neutral means will be determined.

The Race-Conscious goal is determined by subtracting the Race-Neutral goal from the overall DBE goal. The formula is: $x\% \text{ Overall adjusted goal} - x\% = x\% \text{ Race-Conscious Goal}$

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