

FY 2020 – FY 2022

**DISADVANTAGED BUSINESS ENTERPRISE PROGRAM METHODOLOGY
FOR**

City of Durham - Transit



FORMERLY DURHAM AREA TRANSIT AUTHORITY

DURHAM, NC

AUGUST 2019

METHODOLOGY for Establishing the FY 2020 – FY 2022 Overall Disadvantaged Business Enterprise (DBE) Goal for:

GoDurham Transit-City of Durham
Durham, NC

In fulfillment of the requirements of 49 CFR Part 26, GoDurham Transit (Formerly DATA) has developed a proposed Overall Goal for FY2020-2022 FTA projects. The methodology used in establishing this goal is described herein.

Grant Recipient: City of Durham

Transit Name: GoDurham Transit

DBELO: Pierre Osei-Owusu
Transit Administrator
City of Durham - GoDurham Transit
Phone: (919) 560-1535
Pierre.Osei-Owusu@durhamnc.gov

I. Detailed Methodology: Specific Steps

A. Amount of Goal

GoDurham’s FY 2020-2022 overall goals for the Federal financial assistance it will expend in USDOT-assisted contracts are shown below: *(PLEASE NOTE: GoDurham Transit does NOT have any subrecipient/sub-grantees. Therefore, the goal development is based ONLY on federal funds estimated to be expended by GoDurham Transit).*

GoDurham Transit	
Overall Goal:	1.4%
Race-Neutral:	0.0%
Race-Conscious:	1.4%
Total Dollars	\$2,934,312
DBE Goal in Dollars	\$41,080

B. Determination of the Market Area of the study

The normal market area was determined through consultation with transit staff and an assessment of the area from where the substantial majority of previous vendors came, and the area where the substantial majority of dollars were spent. The market area is shown below in Table 1.

Table 1: Go-Durham Market Area

County	Number of Bidders	Percentage of Bidders	Dollars Committed	Percentage of Dollars Committed
Alamance	3	0.8%	\$15,832	0.6%
Catawba	2	0.6%	\$24,615	1.0%
Durham	100	28.0%	\$485,260	19.3%
Granville	2	0.6%	\$17,467	0.7%
Guilford	11	3.1%	\$204,531	8.2%
Lee	2	0.6%	\$13,285	0.5%
Mecklenburg	11	3.1%	\$37,953	1.5%
Person	5	1.4%	\$41,370	1.6%
Pitt	4	1.1%	\$50,413	2.0%
Wake	105	29.4%	\$588,164	23.4%
York (SC)	3	0.8%	\$304,931	12.2%
Market Area	248	69.5%	\$1,783,821	71.1%
Other	109	30.5%	\$725,461	28.9%
Total	357	100.0%	\$2,509,282	100.0%

SOURCE: The DCHC MPO; and Ken Weeden & Assoc.

C. Determination of relevant NAICS codes

The regulations call for the analysis of projects by type and budgets in order to help determine the “relative” availability of DBE firms in the recipient market place. GoDurham Transit, rarely has distinguishable “projects” to analyze. The majority of funds and subsequent expenditures are for “Operations”. However even such expenditures (other than TVMs) may be broken down by NAICS codes for possible analysis of relative availability and purchasing/procurement opportunities. This assessment is shown by upcoming fiscal year in Table 2.

Below is a list of Activities and NAICS codes that correspond to GoDurham’s FY 2020 projects/expenditures. GoDurham has several small projects each fiscal year with the bulk of the dollars going to Operating Expenses. Only expenses that have opportunities were included in the dollar amounts.

Since the overall goal covers three fiscal years, for purposes of planning, the estimated total FY 2020 federal funds will be detailed, and then projected to be basically the same for the subsequent two fiscal years, i.e. FY 2021, and 2022. This will be the three-year DBE base. Notice Table 2, below:

Table 2: FY 2020-2022 Projects & Expenditures

ACTIVITY	NAICS	Dollars	
Motor Vehicle Electrical and Electronic	336320	\$237,750	
Commercial and Institutional	236220	\$176,000	
Institutional Furniture Making	337127	\$30,000	
Commercial Industrious &	335122	\$30,000	
Power and Communication Line and	237130	\$400,000	
Janitorial Services	561720	\$104,354	
Total		\$978,104	\$2,934,312

SOURCE: The DCHC MPO

The total amount of estimated DBE-eligible FTA grant funding for FY 2020 is: **\$978,104**. If this annual funding level holds for the next three (3) years, then the total funding would be **\$2,934,312**.

D. Determination of Relative Availability of DBEs in Market Area, Compared to all Firms: (See Table 1, above for Area Counties)

**Table 3: DBEs—GoDurham
by Relevant NAICS Codes—FY 2020 - FY 2022**

Activity	NAICS CODES	DBE Firms	All Firms	% of DBE Firms Available	Ratio of estimated total expended	Weighted Total Availability
Motor Vehicle Electrical and Electronic Equipment Manufacturing	336320	0	2	0.0%	24.3%	0.0%
Commercial and Institutional Construction	236220	9	496	1.8%	18.0%	0.3%
Institutional Furniture Making	337127	0	9	0.0%	3.1%	0.0%
Commercial Industrious & Institutional Electric Lighting Fixture Manufacturing	335122	1	4	25.0%	3.1%	0.8%
Power and Communication Line and Related Structures Construction	237130	0	103	0.0%	40.9%	0.0%
Janitorial Services	561720	17	952	1.8%	10.7%	0.2%
Weighted Step 1 DBE Goal =						1.3%

SOURCES:

1. 2016 County Business Patterns, U.S. Census Bureau.
2. North Carolina UCP DBE Directory, July 2019.
3. South Carolina UCP DBE Directory, July 2019

NOTE: The County Business Patterns data were used as the source to determine the denominator, or the number of all firms in the market area. The DBE directories listed above were used to determine the numerator, or the number of DBE firms in the market area.

E. Determination of the “Weighted” DBE Base Figure

The Step 1 DBE Base Figure was derived by using a weighting process by which the percentage of dollars spent on various activities (represented by NAICS codes) were multiplied by the percentage of relevant DBE firms to all relevant firms as indicated in Table 3 above.

The Step 1 DBE Base Figure for GoDurham for FY 2020 - FY 2022 is **1.3%**.

II. Adjustments to the DBE Base Figure

After the DBE Base Figure has been developed, the regulations (49 CFR Part 26) require that:

“...additional evidence in the sponsor’s jurisdiction be considered to determine what adjustment, if any, is needed to the base figure in order to arrive at your overall goal” (26:45(d)).

A. Adjustment Factors to Consider

The regulations further state that there are several types of evidence that must be considered when adjusting the base figure. These include:

“(i) The current capacity of DBEs to perform work in your USDOT-assisted contracting program, as measured by the volume of work DBEs have performed in recent years.

The historical overall DBE goals accomplished at GoDurham in recent years were examined relative to the above consideration. Notice the annual DBE percent accomplishment compared to the historic overall DBE Goal, shown in Table 4 below:

**Table 4: GoDurham
DBE Accomplishment**

Report Period	DBE Goal	DBE Percent Achieved	Over/Under
FY 2016 Period 1	8.0%	1.1%	-6.9%
FY 2016 Period 2	8.0%	1.6%	-6.4%
FY 2017 Period 1	8.0%	1.3%	-6.7%
FY 2017 Period 2	8.0%	5.2%	-2.8%
FY 2018 Period 1	8.0%	0.6%	-7.4%
FY 2018 Period 2	8.0%	6.2%	-1.8%
Median	8.0%	1.5%	-6.6%

The median DBE accomplishment for the period as shown above for GoDurham is 1.5% compared to the Step 1 Base Figure for GoDurham of **1.3%** derived using the methodology detailed above.

B. Adjustment to Step 1 DBE Base Figure

As shown in Table 4, above, GoDurham has, in recent history, consistently under-achieved its annual/triennial DBE goal. The Step 1 calculation indicates an availability of **1.3%**. The City chooses to adjust the Step 1 DBE base figure of 1.3% by averaging it with the annual historic median participation of DBE firms of 1.5%. This results in a final adjusted overall goal of **1.4%**.

C. Consultations

Before establishing the overall goal this year, GoDurham provided opportunity for consultation with minority, women's and general contractor groups, community organizations, and other officials or organizations. The purpose was to present the proposed DBE goal methodology to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and GoDurham's efforts to establish a level playing field for the participation of DBEs. As part of GoDurham's consultation, a Stakeholder Meeting was held on August 23, 2019 at the offices of GoDurham . *A summary of the meeting, as well as sign-in sheets, etc., is included in the attached Appendix 1.*

III. Process

GoDurham will normally submit its overall goal to the FTA on August 1 of each goal year.

Before establishing the overall goal this year, the GoDurham consulted with minority, women's and general contractor groups, community organizations, and other officials or organizations to obtain information concerning the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and GoDurham's efforts to establish a level playing field for the participation of DBEs.

Following this consultation, GoDurham published a notice of the proposed overall goal, informing the public that the proposed goal and its rationale were available for review and comment during normal business hours at GoDurham administrative office for 30 days following the date of the notice. The notice was published on the GoDurham's website. The notice included addresses (including offices) to which comments could be sent and addresses where the proposal could be reviewed. This process was used to establish the goals for FY 2020 to FY 2022.

The GoDurham's overall goal submission to the FTA will include a summary of information and comments received during this public participation process and our responses.

GoDurham will begin using the overall goal on October 1 of each goal year, unless other instructions are received from DOT/FTA (or, if the goal is established on a project basis) by the time of the first solicitation for a DOT/FTA-assisted contract for the projects.

IV. Breakout of Estimated Race-Conscious/Race-Neutral Participation

GoDurham will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. GoDurham will use a combination of the following race-neutral means to increase DBE participation:

1. *Arranging solicitations, times for the presentation of bids, quantities, specifications, 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, encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own forces);*
2. *Disseminating information communications on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBEs, and other small businesses, on recipient mailing lists for bidders, ensuring the dissemination to bidders on prime contracts of lists of potential subcontractors).*

GoDurham proposes a race-conscious goal of **1.4%** and a race-neutral goal of **0.0%**, for a total of **1.4%**. The reason for this breakout is that the historic goals from previous years show that the median amount by which the past DBE goal was *under-achieved* is **6.6%** (see **Table 4**). Consistent under-attainment is an indication of the need for race-conscious goals.

If it becomes necessary, however, GoDurham will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation (26.51(f)) and it will track and report race-neutral and race-conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following: DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures; DBE participation through a subcontract on a prime contract that does not carry a DBE goal; DBE participation on a prime contract exceeding a contract goal; and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.

VI. Contract Goals

As stated above, GoDurham will use contract goals to meet any portion of the overall goal that GoDurham does not project being able to meet using race-neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of the overall goal that is not projected to be met through the use of race-neutral means.

GoDurham will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. GoDurham need not establish a contract goal on every such contract, and the size of contract goals will be adapted to the circumstances of each such contract (e.g., type and location of work, availability of DBEs to perform the particular type of work).

GoDurham will express its contract goals as a percentage of the Federal share of a DOT-assisted contract.

Appendix A: Resource Listing

A. Resource Documents:

1. 2016 County Business Patterns, U.S. Census Bureau.
2. South Carolina UCP DBE Directory, July 2019
3. North Carolina UCP DBE Directory, July 2019.
4. Uniform Report of DBE Commitments/Awards and Payments

Attachments

**GODURHAM DBE PROGRAM
FY 2020-2022 –Overall DBE Goal
Stakeholder Activities**

Please Join us...

Disadvantaged Business Enterprise Stakeholder Input Meeting



GoDurham Transit

In compliance with the Federal Regulations, 49 CFR Part 26, GoDurham Transit is in the process of developing its FY 2020 – FY 2022 3-year Disadvantaged Business Enterprise (DBE) program goal updates.

When: Friday, August 23, 2019

Time: 1:00 p.m.

**Location: GoDurham Transit
Administration Building, Room 206
1907 Fay Street
Durham, NC 27704**

The purpose of the meeting is to receive input regarding GoDurham's three-year DBE Goal. We invite you to participate in a meeting to discuss the proposed goal, as well as the availability of potential DBEs for GoDurham's projects, and the City of Durham's effort to increase DBE participation.

We sincerely hope that you or your representative will attend this meeting to assist GoDurham in its ongoing efforts to implement an effective DBE program.

**For questions or additional information, please contact:
Pierre Osei-Owusu at (919)-560-1535 or
Pierre.Osei-Owusu@durhamnc.gov**

DBE Program Consultation Meeting Minutes

Meeting: GoDurham Transit
Date: Friday, August 23, 2019
Time: 1:00 p.m. – 2:00 p.m. (EST)
Facilitator: Ken Weeden and Associates, Inc.

In Attendance

Announcements concerning the meeting was emailed to various community stakeholder organizations as well as, certified DBE firms in North Carolina.

Approximately **10** persons attended the DBE Stakeholder meeting. A list of meeting attendees is attached.

Summary of Meeting

The meeting was called to order by GoDurham’s Transit Administrator, Mr. Pierre Osei-Owusu. Mr. Osei-Owusu provided a brief explanation of the purpose of the meeting and invited each attendee to introduce themselves. He then introduced Mr. Ken Weeden, President of Weeden and Associates, Inc., an independent consultant leading the development of GoDurham’s overall DBE Goal for Federal Fiscal Year 2020-2022.

Mr. Weeden introduced himself, his company and extensive background working within the transit industry. He then introduced Nikki Jefferies, Compliance Specialist with Ken Weeden & Associates, Inc., who presented the methodology and approach, explaining the two-step process, used to establish the goal.

Questions & Answers (Q&A)

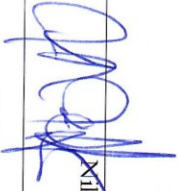
Mr. Weeden led the group’s discussions, questions and comments regarding the proposed DBE goal methodology. There were several questions concerning the DBE methodology and the information presented.

One attendee question the proposed projects and expenditures for FY2020. The attendee sought clarification on the dollars projected to be spent. Mr. Weeden explained that goals are only set on federal dollars.

Nikki Jefferies reminded the attendees that GoDurham issued a public notice of the DBE goal. The thirty-day timeframe for the public to review the goals and methodology and submit comments ends Wednesday, September 4, 2019 at 4:30 p.m.

GoDurham Transit

FY 2020-FY2022 DBE Program Consultation Meeting
August 16, 2019

Name	Company	Phone	Email
 Nikki Jefferies	Ken Weeden & Associates, Inc.	919-871-5815	nikki-jefferies@kwaplanning.com
Eric Miller	City of Durham	919-560-4180 Ext. 17241	Eric.Miller@Durhamnc.gov
Dale M: Gowan	CH Engineering, PLLC	919 601 9620	dmgowan@ch-engr.com
Tonya Dypree	DCTC	919-560-1545	tonya.dypree@dctc-dm.org
Neeton Nichols	City of Durham	919-560-4936	neeton.nichols@durhamnc.gov
Ken Weeden	Ken Weeden & Assoc. Inc.	919.871.5815	kenweeden@kwaplanning.com
Pierre Duvvuri	City of Durham	(919) 560-1535	
Brandi Claybrooks	City of Durham	(919) 560-1535	Brandi.Claybrooks@durhamnc.gov
Brian Fahney	GoTriangle	(919) 485-7501	bahney@go-triangle.com
Bill Judge	City of Durham	919-560-4366 x36420	bill.judge@durhamnc.gov

Public Notice of DBE Goal Availability

The screenshot shows a web browser window with the address bar displaying <https://godurhamtransit.org/dbe>. The page content includes the following text:

Comment on GoDurham's Proposed FY 2020-2022 Goal Disadvantaged Business Enterprise (DBE)

GoDurham Transit hereby publishes proposed overall goals for its federal Disadvantaged Business Enterprise (DBE) Program for FY 2020-2022 for the City of Durham. The proposed goal is for USDOT/FTA funded projects in FY 2020-2022. The proposed goal is **1.4%**.

The methodology used in developing this goal is available for inspection during normal business hours, until **September 4, 2019** at the following location:

City of Durham:
Administrative offices of **GoDurham Transit, 1907 Fay Street, Durham, NC 27704**. The City of Durham will receive and consider public comments on the proposed goal until September 4, 2019. Comments may be **delivered** to GoDurham Transit at the above address. For additional information and questions, please contact Pierre Osei-Owusu at (919) 560-1535.

Comments for GoDurham Transit DBE goal may be mailed to the following address:

GoDurham Transit
Attention: Pierre Osei-Owusu
1907 Fay Street, Durham, NC 27704

All comments must be received by 4:30 p.m. on September 4, 2019.

The browser's taskbar at the bottom shows the Windows logo, a search bar, and several application icons including Excel, File Explorer, Firefox, Outlook, PowerPoint, and Word. The system tray on the right indicates the time is 1:09 PM on 8/5/2019.