

Russell R. McMurry, P.E., Commissioner



GEORGIA DEPARTMENT OF TRANSPORTATION

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Atlanta, Georgia 30308
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September 30, 2015

Dr. Yvette Taylor, Region IV Administrator
Federal Transit Administration
230 Peachtree Street, Suite 800
Atlanta, GA 30303

**RE: FY2016-2018 Federal Transit Administration
Disadvantaged Business Enterprise Program Goals**

Dear Dr. Taylor:

Pursuant to 49 Code of Federal Regulations Part 26, the Georgia Department of Transportation (GDOT) is submitting the attached 2016-2018 Disadvantaged Business Enterprise (DBE) Goal methodology for the Federal Transit Administration (FTA). GDOT has conducted the requisite consultation sessions to include opportunity for public comment.

The FTA DBE goal has been recommended by Staff and will be presented for ratification by the State Transportation Board at its November meeting. The recommended goal is 9.3%. This goal will be race neutral.

Attached please find the explanation of the FTA DBE goal setting methodology. It contains an outline of the references utilized, the data collected, analysis of material and information used for the calculations and public comment notes.

Your approval of the FTA DBE goal is requested. Please feel free to contact myself or Nadara Wade, Public Transportation Coordinator (Intermodal Division) at 404-631-1231 if you have questions or require clarification of the materials included.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. A. King", is written over the typed name and title.

Kimberly A. King, Director
Equal Employment Opportunity Office
Georgia Department of Transportation

GEORGIA DEPARTMENT OF TRANSPORTATION
 DISADVANTAGED BUSINESS ENTERPRISE PROGRAM
 FY 2016-2018
 FEDERAL TRANSIT ADMINISTRATION
 OVERALL DBE GOAL

The Georgia Department of Transportation, hereinafter referred to as the Department or GDOT, has prepared this submission to the Federal Transit Administration (FTA) to describe the methodology used to establish the Transit Disadvantaged Business Enterprise (DBE) goal mandated by 49 CFR §26 for its federally assisted transit contracts. The Department has relied upon and is in compliance with the regulations and guidance provided regarding the required language and considerations for goal setting as provided for specifically in 49 CFR §26.45. The Department has utilized the two-step process for setting the transit DBE goal as outlined in the Code. The goal reflects the level of DBE participation that would be expected on transit contracts absent the effects of discrimination. The first step is the calculation of a base figure for the relative availability of DBE firms. The second step requires consideration of a possible adjustment of the base figure to reflect the effects of the DBE Program. As further required by §26.51 (c), the Department submits a projection of the portion of the transit goal that it expects to meet through race-neutral and race-conscious means and the basis for the projection.

The Department's goal is in fact an aggregate of the goals of FTA sub-recipients each narrowly tailored to local market conditions. The Department looked to the sub-recipients receiving federal funds administered by the Department. The Department passes through to sub recipients under the **Urbanized Area Formula Program Section 5307; Non-Urbanized Area Formula Program Section 5311, and Metropolitan & Statewide Planning (5303, 5304, 5305).**

GDOT used as a base the funding for FY15. As a component of the Department's shortfall analysis GDOT will evaluate its progress each year towards reaching its DBE goal. The information below came from GDOT's Office of Intermodal Programming.

Table AA: FTA Contract Funds 2015

FTA Programs	FY 2015
5311	\$19,856,563
5307	\$ 8,781,292
5303	\$ 2,969,189
Total	\$ 31,607,044

GDOT Market Area

- 93.4% of all GDOT Transit related prime contractors reside in the State,
- 91.4% of all GDOT Transit related subcontractors reside in the State,
- 89.0% of all GDOT Transit related professional services consultants reside within the State
- 95% of the total number of DBE subcontractors in the GUCP directory reside within the State.

METHODOLOGY AND EVIDENCE

STEP 1: ESTIMATE OF RELATIVE AVAILABILITY OF DBEs

Step One is to determine the base figure for the relative availability of DBEs. This document narrative sets forth the rationale, methodology, statistical analysis, and public participation considerations to recommend a triennial Disadvantaged Business Enterprise goal, as well as the portion of the goal to be attained by race conscious and race neutral means for FY 2016-2018.

GDOT used the DBE directory referred to in Method (1); GDOT did not use the Census Data. GDOT included the Georgia Unified Certification Program (GUCP) DBE listing which has all DBE certified businesses in the State. In addition, any firm that is prequalified, registered, or has otherwise gone through a process to express a bona-fide interest in doing business with the Agency were included in the Master Vendor list.

The goal setting methodology was based upon the requirements set forth in 49 CFR §26.45, along with the Tips for Goal Setting in the Disadvantaged Business Enterprise (DBE) Program. 49 CFR 26.45 (b) requires GDOT to “set overall goals based on demonstrative evidence of availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate in DOT-assisted contracts.” It is important to note that the GDOT Equal Employment Opportunity Division is the lead agency for the Unified Certification Program (UCP) in the State and the only source for certified DBEs.

GDOT collected data required for the FTA goal that would assist in demonstrating evidence of the availability of ready, willing and able DBEs as compared to all ready, willing and able businesses as required by 49 CFR §26.45(b).

FTA General Grouping of Activity Categories for Overall Goal	
NAICS	Description of DBE Statewide
541611	Administrative Management Consulting
541810	Advertising Agencies
236220	Commercial and Institutional Building Construction (Bus Shelter Construction)

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423430	Computer/Computer Peripheral Equipment and Software Merchant Wholesaler
485113	Bus & Motor Vehicle Transit Systems
541850	Display Advertising
541330	Engineering Services
424720	Fuel Delivery
561720	Janitorial Services
561730	Landscaping
541320	Landscape Architectural Services which includes Urban Planning Services
541613	Marketing Consulting Services
485111	Mixed Mode Transit
423120	Motor Vehicle Supplies and New Parts Merchant Wholesalers
811118	Other Automotive Mechanical and Electrical Repair and Maintenance
43690	Other Electronic Parts and Equipment Merchant Wholesalers
237310	Paving, Including Parking lot striping
541613	Planning
541614	Process, Physical Distribution and Logistics Consulting Services
485991	Special Needs Transportation+
485310	Taxi Service (Purchased Services)
423130	Tires and Tubes
812320	Uniform Services

The data reviewed included all ready, willing and able DBE and non-DBE firms defined as those who are doing business with Georgia Transit recipients.

GDOT utilized data sources from which we were able to create our Master Vendor List which included the currently pre-qualified contractors; bidders and awardees; registered subcontractors, including DBE and non-DBE subcontractors, currently certified DBEs and currently pre-qualified consultants.

FTA Baseline Availability

<u>DBE/NON-DBEs</u>	<u>COUNT</u>	<u>PERCENTAGE%</u>
ALL DBEs	2708	10%
NON-DBEs	24239	89%
TOTAL	26947	100%

Therefore, the process for calculating the Baseline Availability for the FTA goal consisted of 1) Creating a Master Vendor List which includes the total number of relevant businesses ready, willing and able to do business with FTA; 2) Defining the DBEs within that group and 3) Determining the percentage of DBEs relative to the total number of available businesses. This is the proper calculation in accordance with 49 CFR 26.45(b). The resulting baseline for FTA 2015 is 9.3%.

STEP TWO: ADJUSTMENTS OF BASE FIGURE CONSIDERATIONS-49 CFR §26.45(o)

The next step was to determine whether any adjustments are needed for the Federal Transit Authority (FTA) current DBE goal in accordance with 49 CFR 26.45(d) based upon the way FTA and sub-recipients do business.

It is necessary to make sure that in considering the availability of DBEs that GDOT looks at the capacity of DBEs to perform the volume of work required by FTA projects. An analysis of actual past participation of DBEs, using awards over the past three years, is one measure of capacity. The DBE Median Participation for FY 2012-2015 was 9.34%. GDOT's 2012 Disparity Study concluded that GDOT should provide greater race neutral outreach methods than in previous years. Those efforts have included greater supportive service, technical assistance, training on "how to" with local governments and Statewide bidding opportunities through the Government website. It has also involved the direct training of local sub-recipients on how to use the bidders' lists and GUCP directory.

GDOT further reviewed and compared availability from the Disparity Study conducted in 2012. That Disparity Study found that the DBE goal attainment on federal projects was 10.1% (DBE only). All of the adjustment factors indicated above were taken into account by finding the median of those percentages, along with the baseline availability so that the Baseline Availability is 10%. The statewide Transit goal is 9.3 % (DBE/MBE/WBE); and the Median is 9.34%. Therefore, the FTA Final DBE Goal for 2016-2018 is 9.3% based upon analysis from GDOT's current 2015 disparity study and its experience in goal attainment for the previous three year period.

RACE AND GENDER NEUTRAL AND CONSCIOUS MEASURES

SECTION 26.51

The race neutral component of the goal for 2012-2015 was 10% without contract specific goals for generally grouped categories of activity.

GDOT will further augment its race neutral activities by providing technical assistance and other services, including but not limited to delivering information on contracting procedures and specific contract opportunities; 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 and provision of information in languages other than English, where appropriate.

GDOT's supportive services program will provide increased instances of training for DBEs and other small businesses to develop and improve immediate and long-term business management, record keeping, financial and accounting capability leading to the handling of increasingly significant projects, and eventual self-sufficiency;

GDOT will further encourage contractors to use DBEs on all contracts that do not have a DBE goal, at all pre-bid conferences, in bid solicitation documents applicable to said contracts and through the identification of DBE technical assistance organizations for the prime contractor's referral.

The FTA projection of the portion of the goal that is expected to be met through race neutral means is 9.3%. This projection is based upon review of the previous Study data and the actual DBE activity identified on FTA funded projects since last that Study was completed. On those projects where race neutral outreach activity was conducted, participation opportunity was provided to DBE firms based on the project's location and work type anticipated thereon.

PUBLIC PARTICIPATION SECTION 26.45(G)-CONSULTATIONS

To satisfy the strengthened, yet streamlined public consultation requirements of the regulations as amended, the Department provided outreach and informational meetings for stakeholders, minority and women's organizations, and community organizations (see attached lists). The consultations concerned the availability of DBEs and non-DBEs' efforts to establish a level playing field for DBE participation, and requested review, input, additional information and comments. The consultations included, but were not limited to Federal Transit recipients and sub-recipients. Additionally, there were telephone calls, faxes, and emails sent to the organizations. Face to face meetings were conducted with multiple organizations.

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GDOT presentations concerning the DBE program and goal development were provided at public comment meetings and the Annual DBE State Conference. All participants were encouraged to ask questions, submit written comments, opinions or submit any information deemed relevant to the DBE goal determination.

PUBLIC CONSULTATION AND COMMENTS

GDOT encouraged public comment and received feedback in person and electronically regarding the needs of DBE firms and the availability of relevant participation opportunities throughout the State. GDOT conducted presentations and provided various handouts to attendees. Comments were also submitted anonymously on the GDOT disparity study website and by comment card.

Serious review has been made of all information, opinions and comments provided by the public, the DBE community and the transit industry. The review did not reveal statistical or anecdotal information that would tend to alter the recommendation. The FTA goal will be set at 9.3% race neutral.

ADDITIONAL SUPPORTING DOCUMENTATION INCLUDED:

1. Advertisement
2. Community Contacts
3. Notice of Request for Public Comment
4. Sign-in attendance of Meetings

Purpose:

Consultation/Public Comment meetings are intended to gather information of the purpose of developing and/or assessing the GDOT's participation and outreach opportunities relative to FTA transit projects, the DBE communities' experience with the Agency and sub-recipients, and the transit industries' experience in identifying and working with DBE firms.

Consultation process:

GDOT has conducted consultations with targeted groups and organizations. The Consultation process has involved scheduled face to face meetings, small focus groups, large information meetings and specific sessions at the Annual DBE State Conference.

GDOT's consultation/public comment meetings were conducted with minority owned and women owned businesses; federal/prime contractors; subcontractors, pre-qualified/registered contractors; community groups/organizations, and other officials who could be expected to have information or advice relative to the consultation process.

GDOT has identified groups and organizations within the contracting market to gather information during this consultation process which were likely to have information relevant to the DBE participation considerations

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relative to the process. Subsequently, consultation/public comment meeting notifications were sent out via email (with read receipt delivery) to minority and women owned businesses; general/prime contractors; subcontractors; pre-qualified/registered contractors; community groups/organizations, and other officials; and posted on-line/Internet to provide additional consultation and gather detailed information.

GDOT records identified the below listing of groups within the contracting market which received a public notice or electronic communication:

GDOT sent two widely broadcast electronic media notices from GDOT's Communication office which has a network of 326 news and media outlet sources throughout the State.

GDOT maintained public comment reply information for return on line acceptance on a 24 hour basis. This gave any interested citizen an opportunity to provide comments at any time during the comment and consultation periods. A list of contact and outreach activities is attached.

(Information disseminated via Internet and posted on Webpage)

Table A

The Department's goal is in fact an aggregate of the goals of FTA sub-recipients each narrowly tailored to local market conditions. The Department looked to the sub-recipients receiving federal funds administered by the Department. The Department passes through to sub recipients under the **URBANIZED AREA FORMULA GRANTS SECTION 5307; Non-Urbanized Area Formula** Program section 5311, and Metropolitan & Statewide Planning (5303, 5304, 5305).

The attached table, Table A, was developed by computing the sum total of anticipated contracting or bid opportunities through these sub recipients. Then to focus more precisely on the types of firms with which the Transit programs would actually be doing business, the corresponding NAICS codes were then isolated to effectively filter out those businesses not relevant to our calculations.

TABLE A

Estimate	\$ 31,607,044.00
Project	Transit
County	StateWide

SUBCONTRACT MARKET	12517795.93
DBE AVAILABILITY	0.34
DBE GOAL AMOUNT	2941044.21

PROPOSED BASELINE DBE GOAL	9.3%
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NAICS/	NIGP	Work Class Desc	Certified	Not Certified	All	WORK CODE ESTIMATE	WEIGHTED FACTOR	DBE MARKET BASELINE
			Certified	Not Certified	All	WORK CODE ESTIMATE	WORK CODE ESTIMATE / DBE SUB MARKET	WIGHTD FACTOR * (CERTIFIED/ ALL)
541611	91875	Administrative Management consulting	264	1234	1498	\$ 45,000.00	0.003594882	0.001
811110	92838	capital maintenance items	0	183	183	\$ 336,558.00	0.026886363	0.000
336322	96784	maintenance tools & equipment	1	30	31	\$ 149,172.00	0.011916794	0.000
423210	41000	bus stop amenities	0	7	7	\$ 34,888.00	0.002787072	0.000
423610	28500	security equipment	26	9	35	\$ 41,582.00	0.003321831	0.002
561720	91039	Facility maint/ modifications	91	1561	1652	\$ 10,000.00	0.000798863	0.000
541613	91876	Short range planning	100	828	928	\$ 135,000.00	0.010784646	0.001
424720	40500	Fuel	8	3	11	\$ 507,000.00	0.040502338	0.029
812320	95405	Uniform Services	1	60	61	\$ 17,185.00	0.001372846	0.000
541613	91876	Marketing	100	828	928	\$ 71,000.00	0.005671925	0.001
236220	90924	Bus Shelter construction	145	1002	1147	\$ 45,500.00	0.003634825	0.000
811110	92838	capital maintenance items (bus support equip)	0	183	183	\$ 240,000.00	0.019172704	0.000
336322	96784	maintenance tools & equipment	1	30	31	\$ 40,000.00	0.003195451	0.000
424720	40500	Fuel (unleaded and Diesel)	8	3	11	\$ 840,000.00	0.067104465	0.049
812320	95405	Uniform Services	1	60	61	\$ 37,930.00	0.003030086	0.000
541611	91875	Administrative Management consulting	264	1234	1498	\$ 32,500.00	0.002596304	0.000
561720	91039	Janitorial Services	91	1561	1652	\$ 15,000.00	0.001198294	0.000

423130	86300	Tires and Tubes	3	0	3	\$	12,000.00	0.000958635	0.000
811110	92838	capital maintenance items (bus support equip)	0	183	183	\$	240,000.00	0.019172704	0.000
336322	96784	maintenance tools & equipment	1	30	31	\$	40,000.00	0.003195451	0.000