

**MIDDLETOWN TRANSIT DISTRICT
DISADVANTAGED BUSINESS ENTERPRISE PROGRAM
GOALS/METHODOLOGY
FISCAL YEAR 2020, 2021 and 2022**

BACKGROUND

Pursuant to 49 Code of Federal Regulations Part 26 (49 CFR 26), the US Department of Transportation requires that recipients of federal funding assistance of at least \$250,000.00 establish a Disadvantaged Business Enterprise (DBE) Program. The Middletown Transit District, as a recipient of USDOT funding, intends to comply with this requirement.

PROPOSED GOAL FOR FY 2020 through 2022

The District has established an overall goal of DBE participation for FY 2020 through FY 2022 on U.S. Department of Transportation (USDOT) Federal Transit Administration assisted contracts. The projects that the District expects to receive USDOT funding and that have a DBE contracting opportunity during the next three fiscal years, excluding buses, account for approximately \$770,000 of which \$23,100 is projected for DBE participation, for an annual goal of 3%.

METHODOLOGY

STEP 1

BASE FIGURE DETERMINATION

The base figure is intended to be a measurement of the current percentage of businesses that are DBEs. In order to ensure that this figure is based on demonstrable evidence of the relevant market conditions, the number of DBEs that are ready, willing and able to compete for federally-assisted projects have been identified and divided by all firms that are also considered ready, willing, and able to bid for the types of work contemplated to be funded this year. This calculation is based upon the type of work that the District will undertake over the next three fiscal years.

THE LOCAL MARKET AREA

The Local Market Area is based on two factors: where the majority of all firms (DBE contractors/subcontractors and the non-DBE contractors/subcontractors) are located with whom the District does business, and where the majority of the contracting dollars are spent by the District on FTA assisted projects.

For purposes of this methodology, the State of Connecticut is the location of the majority of firms with which the District does business, and where the majority of contracting dollars are spent. The small geography of the state makes it possible for a business to serve any part of the state.

In terms of current certification in the State’s DBE directory, DBE firm certification is achieved under the State of Connecticut Department of Transportation (Conn DOT) Unified Certification Program. The firms certified in the CTDOT directory are a representation of actual availability of DBE and DBE-eligible firms in the normal market area.

DISTRICT’S FISCAL YEAR 2020, 2021 and 2022 PROJECTS

The District identified all FTA assisted contracts for Fiscal Year 2020 - 2022. They are as follows:

FY 20	Total Cost	Federal Share
Upgrade IT equipment	\$5000	\$4000
Bus Shelters	\$30000	\$24,000
Office Equipment	\$25000	\$20000
MDT’s Electronic Signage	\$100,000	\$80,000
Preventative Maintenance	\$50000	\$40000
Facility Improvements	\$25000	\$20000
FY 21		
Office Equipment	\$30000	\$24000
Support Vehicle	\$30000	\$24000
Preventative Maintenance	\$50000	\$40000
Bus Overhaul	\$160000	\$128000
FY 22		
IT Upgrades	\$5000	\$4000
Bus Shelters	\$30,000	\$24000

Office Equipment	\$30,000	\$24,000
MTD's Radios	\$5000	\$4000
Preventative Maintenance	\$50,000	\$40,000
Security Upgrades	\$25000	\$20000
Bus Overhaul	\$120000	\$96,000

STEP ONE: BASE FIGURE

The Base Figure is an estimation of the relative availability of DBE contractors for the type of work anticipated over the next three years. This is calculated through the following process:

1. Identify the North American Industry Classification System (NAICS) codes for each type of work the District anticipates it will undertake with FTA funds in the next three fiscal years. (Attachment 1)
2. Identify the total number of firms available in the base market area (the state of Connecticut) for each NAICS code. This information was obtained from the 2012 Economic Census (the most recent year available.) (Attachment 1)
3. Identify the number of DBE contractors and subcontractors ready, willing, and able to do business by each NAICS code number identified in task 1 above. This information is obtained from the state wide DBE directory published by the Connecticut Department of Transportation. (Attachment 1)
4. Estimate the relative availability of DBE contractors for each type of work by totaling the number of DBE firms available for each project type and dividing by the total number of firms available for each project type. (Attachment 1)
5. Determine the relative weight of each type of work, based upon expenditure per type of work divided by total FTA expenditures expected in the next three years. (Attachment 2)
6. Multiply the relative weight by the relative availability for each project type, sum the results, to get the base figure. (Attachment 2)

Attachments 1 and 2 present the results of the above process. The resulting base figure is 3%.

STEP 2: ADJUSTMENTS

In this step, a review of various types of available information about contracting activity was undertaken to determine whether an up or down adjustment from the Base Figure was needed.

1. Consider the District's historic utilization of DBEs. The median value for DBE participation for Fiscal Years 2017, 2018, 2019, is 44.8%. USDOT guidance suggests that the historic median be averaged with the base figure (3%) to adjust the goal. This would result in an adjustment to 23.9%. The District is not going to make this adjustment due to the factor that there was a change in management in late 2017 and in the next two years the capital projects were put on hold until the District could get reorganized and fiscally sound which has now happened. Those projects will still be done for FY20 and the same DBE goal for then of 5.2% will be utilized. The 0% DBE report for FY18 reflects this. The only project that was utilized in the past two years was the AVL capital project that was already started prior to the current management company and that project was with a DBE which accounts for the very high goal reporting for FY17 and FY19 due to this AVL project. Due to these figures not being accurate the District will not use them to adjust the figure.
2. Consider evidence of past discrimination. There are no disparity studies available for the state of Connecticut documenting past discrimination which could be used for this adjustment.

This results in an adjusted DBE Goal of 3% or \$23,100 for fiscal years 2020 through 2022.

	DBE GOAL	DBE PERFORMANCE	DIFFERENCE
FY 2017	5.2%	61.5%	56.3%
FY2018	5.2%	0%	-5.2%

FY2019	5.2%	50%	44.8%
MEDIAN	44.8%		
AVERAGE	31.97%		
BASE FIGURE	3%		
DBE GOAL	3%		

PROCESS CALCULATING RACE NEUTRAL/RACE CONSCIOUS SPLIT

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

- 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;
- Provide technical assistance and other services upon request;
- Conduct informational and communication workshops on contracting procedures, attend pre-bid and pre-construction meetings on specific contract opportunities (e.g., ensuring the inclusion of DBEs and other small businesses on mailing lists for bidders); ensuring the dissemination of information, such as providing a list of subcontractors to bidders on prime contracts;
- Distribute the CTDOT DBE directory information, to the widest feasible potential prime contractors.

The District will adjust the estimated breakout of race-neutral and race-conscious participation as needed to reflect actual DBE participation. The District 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;

CONSULTATION

The District attends the Minority Construction Council for Connecticut events as well as subscribes to their email distribution list. The district attends the DBE Matchmaker Events hosted by this Council the last being on November 2, 2018. At this meeting the District met with many DBE firms in all aspects of trades, including plumbing, construction, paving, cleaning, and environmental services among others. At this event the DBE firms were added to the Districts DBE vendor list which is used in distribution of materials and invitations to meetings for upcoming federally funded projects.

The District also is involved with the Women's Business Development Council of Ct. We are subscribed to their mailing list and they are included in our solicitations of federally funded work.

The District has requested to be included in DBE task force meetings hosted by the Connecticut Department of Transportation. The DOT sends a notice of these meetings to all certified DBE contractors in the state. The DOT will include the District on the Agenda, enabling the District to present its upcoming project work and to discuss District procurement practices.

We hosted a small business/minority business outreach goal setting event at our Maintenance Facility at 91 North Main St. Middletown on August 29, 2020. At this meeting, we will be prepared to discuss our procurement practices and

encouraged firms to register with the CTDOT as DBEs. We will add any firms that we meet at these outreach efforts to our “potential contractor” listing and notify them of any procurement for services that they could fill as we did with the Matchmaker Event in November.

ADVERTISING AND COMMENT PERIOD

The District’s proposed DBE goal and methodology was posted on the District website (<https://www.middletownareatransit.org/DBE-Goal-Methodology.pdf>) beginning on August 15, 2019. At the conclusion of the public comment period, any comments received by the District will be added to this document.

The District is required to submit its overall DBE goal to FTA on August 1 of each year, except in cases where a Federal Transit Administration recipient submits a specific project goal. An extension until September 12, 2019 was requested and this report is being submitted in compliance with this requirement.

CONTRACT GOALS

The District will use contract goals to meet any portion of the overall goal that cannot be met 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.

The District will establish contract goals on those FTA assisted contracts that have subcontracting possibilities. The District is not required to 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., scope of work, location of work, and availability of DBEs to perform the particular type of work).

The District will express its contract goal as a percentage of the total amount of FTA assisted contracts.