

MIDDLETOWN TRANSIT DISTRICT

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

GOALS/METHODOLOGY FISCAL YEAR 2017, 2018 and 2019

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 2017 through 2019

The District has established an overall goal of DBE participation for FY 2013 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 account for approximately \$1,110,000 of which \$169,830 is projected for DBE participation, for an annual goal of 15.13%.

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 NORMAL MARKET AREA

A Normal 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, Middlesex County, and the City of Hartford are the locations of the majority of firms with which the District does business, and where the majority of contracting dollars are spent.

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, in addition to firms in Southern Massachusetts.

DISTRICT'S FISCAL YEAR 2017, 2018 and 2019 PROJECTS

The District identified the FTA assisted contracts for Fiscal Year 2017 - 2019. They are as follows:

- Purchase of bus equipment for garage; Purchase of radios for buses; terminal security equipment; bus security systems; IT equipment; GFI equipment; terminal announcement system; and renovation of terminal facility.

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.
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 2007 Economic Census (the most recent year available.)
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.
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.
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.
6. Multiply the relative weight by the relative availability for each project type, sum the results, to get the base figure. Attachments 1 presents the results of the above process. The resulting base figure is 2.75%.

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. Remove any project types from consideration, which do not have any DBE firms available. All the project types which are anticipated for the next three years, do have DBE firms available for the work, so no projects were eliminated.
2. Consider the District's historic utilization of DBEs. The median value for DBE participation for Fiscal Years 2014, 2015, 2016, is 27.5%. USDOT guidance suggests that the historic median be averaged with the base figure (2.75%) to adjust the goal. This results in an adjustment to 15.13%.
3. 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 15.13% or \$169,830 for fiscal years 2017 through 2019.

	DBE GOAL	DBE PERFORMANCE	DIFFERENCE
FY 2014	5.20%	14.80%	9.60%
FY2015	5.20%	46.60%	41.40%
FY2016	5.20%	27.50%	22.30%
MEDIAN	27.50%		
AVERAGE	29.63%		
BASE FIGURE	2.75%		
DBE GOAL	15.13%		

PROCESS

The DBE Goal will be met by Race Neutral means. Specifically The District will, Utilize DBE prime contractors; make RFPs/solicitations attractive to DBEs; unbundle contracts where appropriate; simplify or reduce bonding requirements; assertively outreach to DBEs; distribute DBE directories to prime contractors. Additionally The District will: · 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;

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)	48511	Bus Equipment	\$125,000.00	0.1126	Equipment Purchase
2)	48511	Bus GPS/Radios	\$80,000.00	0.0721	Announcement System
3)	48511	Terminal Security	\$48,000.00	0.0432	Terminal Security
4)	48511	Bus Video Surv.		0.0000	
5)	511210	IT Equipment	\$140,000.00	0.1261	IT Equipment
6)	48511	Building Equipment	\$26,000.00	0.0234	Equipment Purchase
7)	511210	Term Announcement Syst.		0.0000	
8)	23891	Site Work	\$40,000.00	0.0360	Terminal Renovation
9)	23899	Landscaping	\$20,000.00	0.0180	Terminal Renovation
10)	23811	Pavement/Bituminous	\$10,000.00	0.0090	Terminal Renovation
11)	23811	Concrete	\$15,000.00	0.0135	Terminal Renovation
12)	23814	Masonry	\$21,000.00	0.0189	Terminal Renovation
13)	23822	HVAC	\$70,000.00	0.0631	Terminal Renovation
14)	23821	Electrical	\$35,000.00	0.0315	Terminal Renovation
15)	23812	Structural Steel		0.0000	
17)	23829	Veh. Serv. Equip.		0.0000	
18)	23835	Doors/Frames	\$15,000.00	0.0135	Terminal Renovation
19)	23819	Joint/Sealants		0.0000	
20)	23835	Overhead Doors		0.0000	
21)	23839	Acoustical Ceiling	\$20,000.00	0.0180	Terminal Renovation

22)	23814	Mill Work		0.0000	
23)	23833	Resilient Flooring	\$19,000.00	0.0171	Terminal Renovation
24)	23834	Ceramic Tiles	\$17,000.00	0.0153	Terminal Renovation
25)	23816	Roofing	\$30,000.00	0.0270	Terminal Renovation
26)	23832	Painting	\$17,000.00	0.0153	Terminal Renovation
27)	23831	Drywall	\$24,000.00	0.0216	Terminal Renovation
28)	23816	Roof Trusses		0.0000	
29)	54161 1	Consultant	\$60,000.00	0.0541	Terminal Renovation
30)	54131 0	Architect	\$130,000.00	0.1171	Terminal Renovation
31)	23622 0	General Contractor	\$120,000.00	0.1081	Terminal Renovation
32)	23822	Toilet Assessories	\$5,000.00	0.0045	Terminal Renovation
		Total FTA-Assisted Contract Funds	\$1,110,000.00	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)	48511	Bus Equipment	0	5	0.0000
2)	48511	Bus GPS/Radios			
3)	48511	Terminal Security			
4)	48511	Bus Video Surv.			
5)	511210	IT Equipment	1	15	0.0667
6)	48511	Building Equipment	4	90	0.0444
7)	511210	Term Announcement Syst.			
8)	23891	Site Work	9	236	0.0381
9)	23899	Landscaping	5	98	0.0510
10)	23811	Pavement/Bituminous	13	81	0.1605
11)	23811	Concrete	12	265	0.0453
12)	23814	Masonry	9	311	0.0289
13)	23822	HVAC	2	42	0.0476
14)	23821	Electrical	5	160	0.0313
15)	23812	Structural Steel			
16)	23822	Plumbing	4	199	0.0201
17)	23829	Veh. Serv. Equip.			

18)	23835	Doors/Frames	3	51	0.0588	
19)	23819	Joint/Sealants				
20)	23835	Overhead Doors				
21)	23839	Acoustical Ceiling	5	24	0.2083	
22)	23814	Mill Work				
23)	23833	Resilient Flooring	3	139	0.0216	
24)	23834	Ceramic Tiles	9	51	0.1765	
25)	23816	Roofing	3	125	0.0240	
26)	23832	Painting	6	197	0.0305	
27)	23831	Drywall	0	115	0.0000	
28)	23816	Roof Trusses				
29)	541611	Consultant	4	109		
30)	541310	Architect	3	66		
31)	236220	General Contractor	2	59		
32)	23822	Toilet Accessories	6	22		
Combined Totals			108	2460	0.0439	Overall availability of DBEs

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

	NAI CS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	4851 1	Bus Equipment	0.11261	x	0.00000	
2)	4851 1	Bus GPS/Radios	0.07207	x	0.00000	
3)	4851 1	Terminal Security	0.04324	x	0.00000	
4)	4851 1	Bus Video Surv.	0.00000	x	0.00000	
5)	5112 10	IT Equipment	0.12613	x	0.06667	0.0084
6)	4851 1	Building Equipment	0.02342	x	0.04444	0.0010
7)	5112 10	Term Announcement Syst.	0.00000	x	0.00000	
8)	2389 1	Site Work	0.03604	x	0.03814	0.0014
9)	2389 9	Landscapping	0.01802	x	0.05102	0.0009
10)	2381 1	Pavement/Bituminous	0.00901	x	0.16049	0.0014

11)	2381 1	Concrete	0.01351	x	0.04528	0.0006
12)	2381 4	Masonry	0.01892	x	0.02894	0.0005
13)	2382 2	HVAC	0.06306	x	0.04762	0.0030
14)	2382 1	Electrical	0.03153	x	0.03125	0.0010
15)	2381 2	Structural Steel	0.00000	x	0.00000	
16)	2382 2	Plumbing	0.02072	x	0.02010	0.0004
17)	2382 9	Veh. Serv. Equip.	0.00000	x	0.00000	
18)	2383 5	Doors/Frames	0.01351	x	0.05882	0.0008
19)	2381 9	Joint/Sealants	0.00000	x	0.00000	
20)	2383 5	Overhead Doors	0.00000	x	0.00000	
21)	2383 9	Acousitical Ceiling	0.01802	x	0.20833	0.0038
22)	2381 4	Mill Work	0.00000	x	0.00000	
23)	2383 3	Resilient Flooring	0.01712	x	0.02158	0.0004
24)	2383 4	Ceramic Tiles	0.01532	x	0.17647	0.0027
25)	2381 6	Roofing	0.02703	x	0.02400	0.0006
26)	2383 2	Painting	0.01532	x	0.03046	0.0005
27)	2383 1	Drywall	0.02162	x	0.00000	
28)	2381 6	Roof Trusses	0.00000	x	0.00000	
29)	5416 11	Consultant	0.05405	x	0.00000	
30)	5413 10	Architect	0.11712	x	0.00000	
31)	2362 20	General Contractor	0.10811	x	0.00000	
32)	2382 2	Toilet Assessories	0.00450	x	0.00000	
					Total	0.0275
					Expressed as a % (*100)	2.75%
					Rounded, Weighted Base Figure:	2.75%