

City of Jacksonville, North Carolina
Jacksonville Transit Disadvantage Business Enterprise Program Goal and
Methodology - Federal Fiscal Year 2016 - 2018

Pursuant to §26.45 of 49 Code of Federal Regulations (CFR) Part 26, the City of Jacksonville submits the following Disadvantage Business Enterprise (DBE) program goal calculation methodology for consideration by the Federal Transit Administration (FTA) for federally-assisted contracts associated with the operation of Jacksonville Transit for Federal Fiscal Year 2016 - 2018. Based upon the methodology described below, Jacksonville Transit has established and publicly advertised for comment, a DBE program goal of **3.90%** for the period, exclusive of FTA funds used for the purchase of transit vehicles. Jacksonville Transit Response: In addition to the methodology described, Jacksonville Transit extended an invite to all minority, women's, and general contractor businesses in the area in order to consult with them on any concerns regarding the availability of disadvantaged and non-disadvantaged businesses, the effects of discrimination on opportunities for DBEs, and our efforts to establish a level playing field for the participation of DBEs. This consultation period was scheduled for July 27, 2015 from 3:00 pm to 5:00 pm. Jacksonville Transit was prepared to discuss the methodology listed below and to answer any questions regarding the availability of opportunities to contract with Jacksonville Transit in the future. Even with widespread advertisement, participation in the consultation was low and subsequently, there was no feedback received as a result of this consultation period. As a result, no changes were made to our methodology.

Methodology Used to Calculate Overall Goal

Step 1 – Contractor and Certified DBE Inventory

To establish a baseline for setting an overall DBE participation goal, staff first inventoried the number of contractors within the Jacksonville, North Carolina Metropolitan Statistical Area (MSA) available to perform the types of services that Jacksonville Transit would contract for during the 2016-2018 period. For the purpose of this inventory, the North American Industry Classification System (NAICS) was used to identify and classify the types of activities anticipated for contract during the performance period. This information was collected from the Jacksonville, NC Metropolitan Statistical Area (MSA) as provided by the United States Census Bureau. Staff then conducted an inventory of all certified DBE firms within the MSA available to complete the types of work. This information was collected from the North Carolina Department of Transportation list of Certified Disadvantaged Business Enterprises. Results of the inventory are illustrated in Table 1: Contractor Inventory by NAICS Code below.

Step 2: Base Figure Calculation

Step 2 establishes a base figure for DBE participation founded on the availability of local certified DBE contractors to provide needed federally-assisted contracted

services. The base figure (calculated below) quantifies the availability of DBE firms as a proportion of the total number of available qualified firms within the MSA. This calculation does not exclude firms based on past availability and/or performance.

Table 1 below illustrates that only one certified DBE contractor was identified, while a total of 159 firms exist within the Jacksonville MSA for federally-assisted contracting opportunities anticipated for Jacksonville Transit. The DBE participation baseline was calculated to at **0.62%**. See Figure 1: Base Figure Calculation below.

Table 1: Contractor Inventory by NAICS Code

NAICS Code	Description	All Firms in MSA	DBE Firms in MSA
236220	Commercial and Institutional Building Construction	13	1
237210	Land Subdivision	2	0
238140	Masonry Contractors	13	0
238110	Poured Concrete Foundation and Structure Contractors	4	0
238210	Electrical Contractors	25	0
238310	Drywall and Insulation Contractors	5	0
541690	Other Professional, Scientific, & Technical Consulting Services	3	0
561730	Landscaping	34	0
238220	Plumbing, Heating, and Air-Conditioning Contractors	48	0
811121	Automotive Paint and Body	15	0
Total		162	1

Source: US Census 2013 MSA Business Patterns (NAICS), North Carolina Department of Transportation Unified Certification Directory Database

Figure 1: Base Figure Calculation

$$\frac{\text{One ready, willing, and able DBE Contractors}}{162 \text{ Total Firms}} = \mathbf{0.62\% \text{ (base figure)}}$$

Step 3: Adjustment

After calculating a baseline DBE participation figure of 0.62%, staff then examined contracting opportunities available during the DBE goal period and determined that it is very likely that certified firms outside the Jacksonville MSA would be attracted to these opportunities. In reviewing historical data regarding DBE participation, the City awarded contracts totaling \$1,817,293 with \$71,327 worth of contracting going to DBEs. To accurately reflect these opportunities of outside DBE participation; staff adjusted the base figure, arriving at an overall DBE participation goal of **1%**. As an organization, the City of Jacksonville has a DBE participation goal of 6%. Since Jacksonville Transit is interested in encouraging a higher level of DBE participation, we have set our overall goal at **3.9%**, which is higher than the 1% that calculations have determined our adjusted goal should be. This puts Jacksonville Transit in roughly in the middle of the City's organizational requirement and the calculated requirement.

Jacksonville Transit's overall DBE program goal for federally-assisted contracts is 3.90% for FFY 2016-2018.

Race Neutral Measures (\$26.51)

Jacksonville Transit will meet the maximum feasible portion of its overall goal by using race neutral means of facilitating DBE participation. Jacksonville Transit uses the following race neutral means to increase DBE participation.

Jacksonville Transit will adjust the estimated breakout of 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.

Jacksonville Transit will meet the maximum feasible portion of its overall goal by using race neutral means of facilitating DBE participation. The following means will be used to increase DBE participation:

- Arranging solicitations, times for presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBE and other small business participation.
- Providing assistance in overcoming limitations such as inability to obtain bonding or financing (i.e. simplifying the bonding process, reducing bonding requirements, eliminating the impact of surety costs from bids and providing services to help DBE's and other small business obtain bonding and financing).
- Providing technical assistance and other services.
- Carrying out information and communications programs on contracting procedures and specific contract opportunities (e.g., ensuring the inclusion of DBE's and other small business on mailing lists for bidders, ensuring the dissemination to bidders on prime contractors of lists of potential sub-contractors, and provision of information in languages other than English, where appropriate).
- Implementing a supportive services program to develop and improve immediate and long-term business management, record keeping, and financial and accounting capability for DBE's and other small businesses.
- Providing services to help DBE's and other small businesses improve long-term development, increase opportunities to participate in a variety of kinds of work, handle increasingly significant projects, and achieve self-sufficiency.
- Establishing a program to assist new, start-up firms, particularly in fields in which DBE participation has historically been low.
- Ensuring distribution of the DBE directory to the widest group of potential prime contractors.
- Assisting DBE's and other small businesses to develop their capability to utilize emerging technology and conduct business through electronic media.

Contract Goals (\$26.51)

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

Jacksonville Transit will establish contract goals only on those DOT-assisted contracts that have subcontracting possibilities. We 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, and availability of DBE contractors to perform the particular type of work). We will express our contract goals as a percentage of the Federal share of DOT- assisted contracts.

NOTICE OF DISADVANTAGED BUSINESS ENTERPRISE GOALS

Pursuant to 49 CFR Part 26, the City of Jacksonville, North Carolina Public Transit program (Federal Transit Administration Region IV) has established the goal of 3.90 percent for Disadvantaged Business Enterprises for FY 2016-2018 in FTA Section 5307 program assisted contracts.

A description of the goals and the methodology used in determining this goal are available for public review for thirty (30) days following the publication of this notice at the City of Jacksonville City Hall at the address below, Monday through Friday, 8:00 AM through 5:00 PM by contacting Jacksonville Transit staff at (910) 938-5200. Public comments regarding this goal and the DBE Program will be received for 45 days following the publication of this notice at the address below:

DBE Liaison Officer
City of Jacksonville, NC
815 New Bridge Street
Post Office Box 128
Jacksonville, North Carolina, 28541

Activity # 5 - Goal Setting, NTI DBE Workbook (pgs. 107-108)

1A Determine the weight of each type of work by NAICS Code:

* Enter all the FTA-assisted projects below. Project amounts should be assigned relevant NAICS Code(s).

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)	
1)	541690	Other Professional, Scientific & Technical Consulting Services	\$1,817,293.00	100.0000	\$1,817,293.00= total of City awarded contracts.
2)	236220	Commercial and Institutional Building Construction	\$0.00	0.0000	
3)	237210	Land Subdivision	\$0.00	0.0000	
4)	238140	Masonry Contractors	\$0.00	0.0000	
5)	238110	Poured Concrete Foundation and Structure Contractors	\$0.00	0.0000	
6)	238210	Electrical Contractors	\$0.00	0.0000	
7)	238310	Drywall and Insulation Contractors	\$0.00		
8)	561730	Landscaping	\$0.00		
9)	238220	Plumbing, Heating, and Air Conditioning Contractors	\$0.00	0.0000	
10)	811121	Automotive Paint and Body	\$0.00	0.0000	
	Total FTA-Assisted Contract Funds		\$1,817,293.00	100	

1B Determine the relative availability of DBE's by NAICS Code:

* Use DBE Directory, census data and/or a bidders list to enter the number of available DBE firms & available firms.

	NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability	
1)	541690	Other Professional, Scientific & Technical Consulting Services	0	3	0.0000	Overall Availability of DBEs
2)	236220	Commercial and Institutional Building Construction	1	13	0.0769	
3)	237210	Land Subdivision	0	2	0.0000	
4)	238140	Masonry Contractors	0	13	0.0000	
5)	238110	Poured Concrete Foundation and Structure Contractors	0	4	0.0000	
6)	238210	Electrical Contractors	0	25	0.0000	
7)	238310	Drywal and Insulation Contractors	0	5	0.0000	
8)	561730	Landscaping	0	34	0.0000	
9)	238220	Plumbing, Heating, and Air Conditioning Contractors	0	48	0.0000	
10)	811121	Automotive Paint and Body	0	15	0.0000	
	Combined Totals		1	162	0.62%	

1C (Weight) x (Availability) = Weighted Base Figure

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	541690	Other Professional, Scientific & Technical	100.00000	x	0.00000	0.0000
2)	236220	Commercial and Institutional Building	0.00000	x	0.07692	0.0000
3)	237210	Land Subdivision	0.00000	x	0.00000	0.0000
4)	238140	Masonry Contractors	0.00000	x	0.00000	0.0000
5)	238110	Poured Concrete Foundation and Structure Contractors	0.00000	x	0.00000	0.0000
6)	238210	Electrical Contractors	0.00000	x	0.00000	0.0000
7)	238310	Drywall and Insulation Contractors	0.00000	x	0.00000	0.0000
8)	561730	Landscaping	0.00000	x	0.00000	0.0000
9)	238220	Plumbing, Heating, and Air Conditioning Contractors	0.00000	x	0.00000	0.0000
10)	811121	Automotive Paint and Body	0.00000	x	0.00000	0.0000
Total						0.0000
Expressed as a % (*100)						0.00%
Rounded, Weighted Base Figure:						0%

2. Adjustments Necessary?

During the previous three years this agency has increased DBE participation in FTA assisted contract through outreach and business development efforts. There are several active minority contracting associations and other business organizations in the area. In the past three years, the agency has achieved the following DBE participation for similar type projects: 2015 - 0%; 2014 - 0%; 2013 - 3.9%.

3.9% equals the amount paid to DBE participants (\$71,327) divided by total amount of prime contracts (\$1,817,293).

The historical median for this type of work is 1.95%.

The average of #1 (3.9%) and #2 (1.95%) is the adjusted DBE Goal

Rounded Weighted Base Figure:	0%
Historical Median:	<u>2%</u>
Sum	2%
Divided by Two	1% DBE Goal