

**DISADVANTAGED BUSINESS ENTERPRISE
PARTICIPATION PROGRAM**



Southeastern Regional Transit Authority

Goal Methodology

FFY 2019 - 2021

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Goal Submission for Fiscal Years 2019-2021

New Goals

The Southeastern Regional Transit Authority's (SRTA) overall goal for the time period FFY2019-FFY2021 (October 1, 2018 through September 30, 2021) is 1.37% of the Federal financial assistance. We will expend in DOT-assisted contracts, exclusive of FTA funds to be used for the purchase of transit vehicles. \$5,101,318 is the dollar amount of DOT-assisted contracts that SRTA expects to award between FFY2019 and FFY2021. \$1,591,166 is expected to be awarded in FFY2019, \$2,017,018 in FFY2020, and \$1,493,134 in FFY2021.

SRTA has set a goal of expending \$69,888 with DBEs over the next three federal fiscal years. SRTA estimates that, in meeting our overall goal of 1.37%, we will obtain 1.37% from race-neutral participation and 0% through race-conscious measures.

Proof of Publication

SRTA published a notice announcing the DBE goals that it has established as a part of the DBE program of each applicable federal fiscal year (FFY19-21) on the SRTA (website www.srtabus.com). The Goal will be actively shared with the local Chambers, Minority Activist groups and promoted on the Authority's Facebook page.

The notice informed the public that a DBE participation program – including DBE goals and a description of how these goals were developed – is available for inspection during normal business hours at the office of the Southeastern Regional Transit Authority through August 31, 2018. SRTA and the Department of Transportation will accept comments throughout this period.

Minority/Women Contracting Groups

SRTA utilizes the local South Coast Chamber of Commerce as well as the Bristol County Chamber of Commerce for assistance in identifying Chamber members and small business associations in the area. SRTA will continue to utilize both the South Coast Chamber of Commerce and the Bristol County Chamber of Commerce for outreach and to establish relationships with small and minority owned businesses.

In addition to the two local Chamber of Commerce organizations, SRTA participates in the Unified Certification Program (UCP) managed by MassDOT. The UCP provides DBE certification for eligible business and conducts outreach and training across the state. SRTA also uses the database maintained by the UCP to locate DBE-certified businesses.

SRTA, with other Regional Transit Authorities (RTA), also solicits input during the Women's Transportation Seminar Boston Chapter Diversity Expo. To improve the impact of outreach efforts, SRTA collaborates with peer Regional Transit Authorities to create greater interest in RTA projects from the DBE community. SRTA will continue this partnership in future years.

Goal Construction

Projects

The following projects will be completed during the period of Federal Fiscal Years 2019 through 2021 and will be accomplished with DOT financial assistance. A short description of each project follows:

Capital Projects and Purchases

- Preventative Maintenance
 - SRTA has programmed preventative maintenance into our FFY2019, FFY2020, and FFY2021 projects. Preventative Maintenance expenses typically include the following:
 - Motor Vehicle Supplies
 - Supplies for use on the vehicles, such as paper towels, bus wash soap, and windshield fluid
 - Motor Vehicle Parts
 - Replacement parts such as body work, brake pads, light bulbs, and other related items
 - Fuel, Fluid, and Lubes
 - Fuel (Gasoline / Diesel), oil, and other fluids
 - Tires
 - Support (Non-Revenue) vehicles only
- Support Vehicle
 - SRTA has programmed the purchase of a non-revenue support vehicle in FFY2019, FFY2020 & FFY2021
- Hybrid Bus Battery
 - SRTA has programmed the purchase of 1 hybrid bus battery in FFY2019
- Security Equipment
 - In an effort to keep all security measures current in all SRTA facilities, SRTA has programmed 5307 funds for security upgrades in FFY2019 & FFY2020
- Transit Enhancements
 - SRTA has programmed the purchase of transit enhancement items in FFY2019, FFY2020, and FFY2021

Facility Rehabilitation and Renovation Project

SRTA will use 5339 funds to accomplish a number of rehabilitation and renovation projects at multiple facilities – including the New Bedford Terminal, New Bedford Maintenance Garage, Fall River Terminal, and Fall River Maintenance Garage – during the Federal Fiscal Year 2020. This will consist of numerous smaller projects ranging from \$30,000 to \$175,000.

Equipment and Operating Purchases

- Fuel and Petroleum Products

Information Sources

SRTA used two sources to determine the availability of total firms and the number of DBE's certified in our region.

1. SRTA is part of a UCP with the Commonwealth of Massachusetts and the Massachusetts Department of Transportation. The Commonwealth's Supplier Diversity Office (SDO) works to certify Disadvantage Business Enterprises and, in doing so, keeps a directory of these businesses on their website. This is a searchable and downloadable directory, which allows for DBE certified businesses to be sorted by NAICS code.

SRTA downloaded the SDO directory, then categorized, sorted, and checked for duplicate listings in similar categories. SRTA identified 76 DBE certified firms within the applicable NAICS code.

2. To determine the overall number of firms – per applicable NAICS code – within the same geographic region, SRTA used the Census Bureau's County Business Pattern (CBP) database that is made available by the U.S. Census. The Census Bureau's County Business Pattern (CBP) database is searchable by state, county, as well as NAICS code.

SRTA identified 3,292 firms – via the Census Bureau's County Business Pattern (CBP) database – that are associated with the applicable NAICS code(s) as well as located within the same geographic area.

Goal Setting Process

Step One: Base Figure

In order to determine a base figure for the DBE goal the following methodology was used:

SRTA began by first determining a base figure for the relative availability of DBEs.

Using the Massachusetts Supplier Diversity Office (SDO) DBE Directory, SRTA determined the number of ready, willing, and able DBE's located within SRTA's market area for each of the projects / contracts that SRTA expects to award during each of the three years within the period (FFY2019-21).

For reference, SRTA has determined the State of Massachusetts as the applicable market area based on the fact that prior contracts have predominantly originated from firms across the State.

Next, SRTA utilized the Census Bureau's County Business Pattern (CBP) database to determine the total number of ready, willing, and able firms available within the SRTA market area (previously identified as the State of Massachusetts) that perform work in the same applicable NAICS codes.

After determining the number of DBE firms and the number of all firms in each applicable NAICS, SRTA divided the number of DBE firms by the total number of (ready, willing, and able) firms in each applicable NAICS. In doing so, this provided a baseline figure for the relative availability of DBE firms per NAICS code.

Fiscal Year 2019

For **Fiscal Year 2019** the Authority anticipates awarding the following contracts:

Project	Type of Firm/NAICS Code	# of DBE Firms	# of All Firms	Relative Availability	Weighted by Budget Expense
				(DBE's/ by DBEs + All firms)	
Preventative Maintenance	454310 Fuel	2	451	0.44%	58.68%
	424720 Fluids/Lubes	5	41	12.20%	2.51%
	441310 Auto Part & Acc.	1	577	0.17%	26.62%
	423120 MV Supplies	2	251	0.80%	3.24%
	441320 Tire Retail	0	312	0.00%	0.09%
Hybrid Battery	423610	0	289	0.00%	2.89%
Security Equipment	561621	3	138	6.95%	2.51%
	236220	59	754		
Transit Enhancements	423860	2	19	10.53%	0.63%
Support Vehicle (Non-Revenue)	441110	2	460	0.43%	2.83%
Totals		76	3292	2.31%	100.00%

The Base Figure is the number of DBE's = 76
 Divided by All Available Firms (Including DBE's) = 3,292
 FY2019 BASE FIGURE (76/3292) = 2.31%

The Base Figure of 2.31% is then weighted by applying the Percent of Budget (Weight) applicable to each contract that is anticipated for award as shown in the table below:

Project	Dollar Value of Contract	Percent (Weight)
Fuel (Preventative Maintenance)	\$933,666	58.68%
Fluids / Lubes (Preventative Maintenance)	\$40,000	2.51%
Auto Parts & Accessories (Preventative Maintenance)	\$423,500	26.62%
Motor Vehicle Supplies (Preventative Maintenance)	\$51,500	3.24%
Tire Retail (Preventative Maintenance)	\$1,500	0.09%
Hybrid Battery	\$46,000	2.89%
Security Equipment	\$40,000	2.51%
Transit Enhancements	\$10,000	0.63%
Support Vehicle (Non-Revenue)	\$45,000	2.83%
Totals	\$1,591,166	100.00%

Base Figure Weighted

Percent of Project
(Weight)

X

Relative Availability
of DBE Firms

Project	Weight		Relative Availability		Weighted Percent
	Percent	Decimal	Percent	Decimal	
Fuel (Preventative Maintenance)	58.68%	0.5868	0.44%	0.0044	0.0026
Fluids / Lubes (Preventative Maintenance)	2.51%	0.0251	12.20%	0.1220	0.0031
Auto Parts & Accessories (Preventative Maintenance)	26.62%	0.2662	0.17%	0.0017	0.0005
Motor Vehicle Supplies (Preventative Maintenance)	3.24%	0.0324	0.80%	0.0080	0.0003
Tire Retail (Preventative Maintenance)	0.09%	0.0009	0.00%	0.0000	0.0000
Hybrid Battery	2.89%	0.0289	0.00%	0.0000	0.0000
Security Equipment	2.51%	0.0251	6.95%	0.0695	0.0017
Transit Enhancements	0.63%	0.0063	10.53%	0.1053	0.0007
Support Vehicle (Non-Revenue)	2.83%	0.0283	0.43%	0.0043	0.0001
Aggregate Weight					0.0089

FY2019 Base Figure Weighted = .89%

Fiscal Year 2020

For **Fiscal Year 2020** the Authority anticipates awarding the following contracts:

Project	Type of Firm/NAICS Code	# of DBE Firms	# of All Firms	Relative Availability	Weighted by Budget Expense
				(DBE's/ by DBEs + All firms)	
Maintenance Facility Upgrades	236220	59	754	7.82%	24.79%
Preventative Maintenance	454310 Fuel	2	451	0.44%	46.98%
	424720 Fluids/Lubes	5	41	12.20%	2.01%
	441310 Auto Part & Acc.	1	577	0.17%	21.31%
	423120 MV Supplies	2	251	0.80%	2.59%
	441320 Tire Retail	0	312	0.00%	0.08%
Security Equipment	561621	3	138	6.95%	0.00%
	236220	59	754		
Transit Enhancements	423860	2	19	10.53%	0.50%
Support Vehicle (Non-Revenue)	441110	2	460	0.43%	1.74%
Total		135	3757	3.59%	100.00%

The Base Figure is the number of DBE's =	135
Divided by All Available Firms (Including DBE's) =	3,757
FY2020 BASE FIGURE (135/3757) =	3.59%

The Base Figure of 3.59% is then weighted by applying the Percent of Budget (Weight) applicable to each contract anticipated for award as shown in the table below:

Project	Dollar Value of Contract	Percent (Weight)
Maintenance Facility Upgrades	\$500,000	24.79%
Fuel (Preventative Maintenance)	\$947,671	46.98%
Fluids / Lubes (Preventative Maintenance)	\$40,600	2.01%
Auto Parts & Accessories (Preventative Maintenance)	\$429,853	21.31%
Motor Vehicle Supplies (Preventative Maintenance)	\$52,273	2.59%
Tire Retail (Preventative Maintenance)	\$1,523	0.08%
Security Equipment	\$100	0.00%
Transit Enhancements	\$10,000	0.50%
Support Vehicle (Non-Revenue)	\$35,000	1.74%
Total	\$2,017,018	100.00%

Base Figure Weighted

Percent of Project (Weight) X Relative Availability of DBE Firms

Project	Project Weight		Relative Availability		Weighted Percent
	Percent	Decimal	Percent	Decimal	
Maintenance Facility Upgrades	24.79%	0.2479	7.82%	0.0782	0.0194
Fuel (Preventative Maintenance)	46.98%	0.4698	0.44%	0.0044	0.0021
Fluids / Lubes (Preventative Maintenance)	2.01%	0.0201	12.20%	0.1220	0.0025
Auto Parts & Accessories (Preventative Maintenance)	21.31%	0.2131	0.17%	0.0017	0.0004
Motor Vehicle Supplies (Preventative Maintenance)	2.59%	0.0259	0.80%	0.0080	0.0002
Tire Retail (Preventative Maintenance)	0.08%	0.0008	0.00%	0.0000	0.0000
Security Equipment	0.00%	0.0000	0.00%	0.0789	0.0000
Transit Enhancements	0.50%	0.0050	0.43%	0.0043	0.0000
Support Vehicle (Non-Revenue)	1.74%	0.0174	3.59%	0.0359	0.0006
			Aggregate Weight		0.0252

FY2020 Base Figure Weighted = 2.52%

Fiscal Year 2021

For **Fiscal Year 2021** the Authority anticipates awarding the following contracts:

Project	Type of Firm/NAICS Code	# of DBE Firms	# of All Firms	Relative Availability	Weighted by Budget Expense
				(DBE's/ by DBEs + All firms)	
Preventative Maintenance	454310 Fuel	2	451	0.44%	63.94%
	424720 Fluids/Lubes	5	41	12.20%	2.74%
	441310 Auto Part & Acc.	1	577	0.17%	29.00%
	423120 MV Supplies	2	251	0.80%	3.53%
	441320 Tire Retail	0	312	0.00%	0.10%
Transit Enhancements	423860	2	19	10.53%	0.01%
Support Vehicle (Non-Revenue)	441110	2	460	0.43%	0.67%
Total		14	2111	0.66%	100.00%

The Base Figure is the number of DBE's = 14
 Divided by All Available Firms (Including DBE's) = 2,111
 FY2021 BASE FIGURE (14/2111) = .66%

The Base Figure of .66% is then weighted by applying the Percent of Budget (Weight) applicable to each contract anticipated for award as shown in the table below:

Project	Dollar Value of Contract	Percent (Weight)
Fuel (Preventative Maintenance)	\$954,779	63.94%
Fluids / Lubes (Preventative Maintenance)	\$40,905	2.74%
Auto Parts & Accessories (Preventative Maintenance)	\$433,076	29.00%
Motor Vehicle Supplies (Preventative Maintenance)	\$52,665	3.53%
Tire Retail (Preventative Maintenance)	\$1,534	0.10%
Transit Enhancements	\$101	0.01%
Support Vehicle (Non-Revenue)	\$10,075	0.67%
Total	\$1,493,134	100.00%

Base Figure Weighted

Percent of Project
(Weight)

x

Relative Availability
of DBE Firms

Project	Project Weight		Relative Availability		Weighted Percent
	Percent	Decimal	Percent	Decimal	
Fuel (Preventative Maintenance)	63.94%	0.6394	0.44%	0.0044	0.0028
Fluids / Lubes (Preventative Maintenance)	2.74%	0.0274	12.20%	0.1220	0.0033
Auto Parts & Accessories (Preventative Maintenance)	29.00%	0.2900	0.17%	0.0017	0.0005
Motor Vehicle Supplies (Preventative Maintenance)	3.53%	0.0353	0.80%	0.0080	0.0003
Tire Retail (Preventative Maintenance)	0.10%	0.0010	0.00%	0.0000	0.0000
Transit Enhancements	0.01%	0.0001	0.43%	0.0043	0.0000
Support Vehicle (Non-Revenue)	0.67%	0.0067	0.66%	0.0066	0.0000
Aggregate Weight					0.0070

FY2021 Base Figure Weighted = .70%

Three Year (FY2019-21) Average:

Fiscal Year	Percent
2019	0.89%
2020	2.52%
2021	0.70%
Net	4.11%
FY Periods (#)	3
3-Year Average	1.37%

Step Two: Adjustment

SRTA has not adjusted its overall DBE goal of 1.37%. SRTA determined this by examining the following evidentiary information:

1. Past Participation

SRTA did not meet the DBE goal attainment during the previous 3-year (FFY16-18) goal-setting period.

This shortfall can be attributed to the Authority's previous 3-year (FFY16-19) Capital Plan being focused on the proposed 5-year Intelligent Transportation Systems (ITS) project. Due to the size and time commitment of this project, fewer alternative projects – that may or may not have attracted additional DBE's – were not planned or executed during this 3-year period. The primary focus for the Authority during the previous 3-year period has been on progressing this (ITS) project in addition to replacing rolling stock.

To facilitate increased outreach and participation amongst DBE's, Preventative Maintenance (MV Supplies, MV Parts, Fuel, Fluids, and Lubes, and Tires) has been added to our FFY19-21 goal-setting period.

2. Disparity Studies

SRTA researched disparity studies done for the Commonwealth of Massachusetts and could only find one for our state. This study was done by NERA Economic Consulting for a joint effort by the Commonwealth's Division of Capital Asset Management and the Massachusetts Housing Finance Agency in September 2010. *Race, Sex, and Business Enterprise: Evidence from the Commonwealth of Massachusetts: Volume II* shows evidence of racial disparity in the market area (State of Massachusetts).

The Massachusetts Department of Transportation has undertaken a diversity study that would be more applicable to an agency such as SRTA; but that study has not been completed at this time. Although not everything in the DCAM study is relevant to SRTA, the data on construction and design can be used, as well as the statistical disparities in the ability of DBE has to get financing, bonding, and insurance to participate. The study encourages an upward adjustment to baseline estimates of DBE availability to account for the continuing effects of discrimination on minority and women-owned businesses. The disparity ratio cited in the study for Construction related businesses was 0.636¹(NERA Economic Consulting, 2010).

SRTA has only one project line expressly programmed for construction-related projects within the applicable 3-year period of this methodology. This project line will consist of numerous smaller projects, which, in turn, will attract smaller and disadvantaged firms. Overall, this particular construction project line accounts for less than 25% of the total projects of the applicable fiscal period.

Based on this assessment, SRTA will not be adjusting its goal for this period.

¹ (NERA Economic Consulting, 2010) Table 5.21, page 118

Race-Neutral & Race Conscious Participation

Past Goal Attainment

It is anticipated that SRTA will not meet goal of 4.5% for the past three fiscal periods (FFY2016-18) once the final report of FFY2018 is submitted.

1. In 2016 there was 4.55% DBE participation
2. In 2017 there was 0.82% DBE participation
3. Through the first half of 2018, there was .46% DBE participation

SRTA's past attainments were all made by Race-Neutral measures (no contract goals were set). SRTA will strive to continue to meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. SRTA will attain this through the following methods:

1. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate participation by DBEs and other small businesses and by making contracts more accessible to small businesses, by means such as those provided under §26.39 of this part. SRTA will allow
2. Providing technical assistance and other services to potential bidders. SRTA has worked with and will continue to work with potential bidders in order to warrant completing understanding of the applicable project, including compliance with federal regulations.
3. SRTA will provide instruction to current contractors, including the current operating company, on the utilization of DBE certified companies and proper reporting of such.

SRTA has worked closely with the current operating company to identify and utilize DBE certified companies for both small and large purchases.

4. Carrying out information and communications programs 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; provision of information in languages other than English, where appropriate);