

Introduction

Davidson County Transportation System's Annual DBE Goal for FFY 2023-2025

Pursuant to 49 CFR 26, DCTS has analyzed data and determined that for federal fiscal years, (FFY) 2023-2025 the overall annual Disadvantaged Business Enterprise (DBE) attainment on Federal Transit Administration (FTA) funded projects is **4.46%**.

DCTS's DBE Goal Setting Methodology for FFY 2023-2025 explains DCTS's goal-setting process and methods, the public outreach process, and the administration of the goal. DCTS's overall goal must be based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all businesses that are ready, willing and able to participate in DOT-assisted contracts. 49 CFR §26.45 dictates a two-step process. The first step is to determine a base figure for the relative availability of DBEs. Once the base figure is determined, it is necessary to examine all of the evidence available in DCTS's jurisdiction to determine what adjustment to the base figure, if any, is necessary. As an extension of this process, Section 26.45 requires that state DOT's meet the "maximum feasible portion" of its overall DBE utilization goal through race-neutral means of facilitating race-neutral DBE participation.

Federally-Assisted Contracting Opportunities for FFY 2023-2025

DCTS evaluated all available FTA contracting opportunities for FFY 2023-2025, which are provided in detail in Appendix 1. The total value of such projected opportunities is \$421,000.

Goal Methodology

Step 1 – Determination of a Base Figure

To establish DCTS's base figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) available to propose on federally assisted contracting opportunities projected to be solicited during the goal period, DCTS followed the two-step process federally prescribed for goal-setting in accordance with 49 CFR Part 26.45.

At the outset, DCTS must determine the geographic market area ("GMA") in which it will search for DBEs and non-DBEs. DCTS has defined its geographic market area as Davidson County, Forsyth County, Guilford County, and Rowan County. To determine the geographic market area, we analyzed the ratio of the combined federal program dollars awarded to prime contractors and subcontractors in the state to the total federal program dollars awarded during FFY 2020. We found that the most significant amount of prime contract dollars (95%) was awarded to contractors in our geographic market area and that when factoring in subcontracts, this geographic market area accounted for 95% of DCTS's contracting opportunities.

DCTS FY2023 FTA Contracting Opportunities			
Data Description	Total Program Awards	Amount Represented by GMA	GMA Market %
Geographic distribution of Prime Contract \$	\$401,000	\$381,950.12	95.25%
Geographic distribution of participating Subcontract \$	\$0	\$0	0.00%
Total GMA Market %	\$401,000	\$381,950.12	95.25%

Having determined its geographic market area, DCTS projected the contracting opportunities that it will have during this goal period and defined the corresponding NAICS codes. DCTS projects that the anticipated contracting opportunities for this goal period will fall within the NAICS code categories identified in Table 1.

DCTS then searched for DBE and Non-DBE firms that perform the work associated with the relevant NAICS codes. This was accomplished by accessing the NC Unified Certification Program (UCP) Directory of Certified DBE Firms and the 2019 U.S. Census Bureau County Business Patterns (CBP) Database. All efforts were made to use as close to identical NAICS codes as possible to ensure a “like-to-like” comparison. Although several DBEs have more than one NAICS code, we used only one such code per firm to avoid duplication.

Table 1: Projected Contracting Opportunities, NAICS Codes, and Relative Availability of Ready Willing and Able DBE Firms to All Firms

NAICS Code	Description	Number of Firms in GMA Per CBP Database	Number of DBE Firms in GMA
485991	Demand Response Transportation Provider	64	3
459410	Office Supplies/PPE	33	0
541380	Drug and Alcohol Testing	29	1
	Totals:	126	4

To determine the relative availability of DBEs, DCTS created a ratio wherein the numerator represents the number of ready, willing and able DBE firms and the denominator represents all firms, both DBEs and Non-DBEs, available in each work category.

For the numerator: NC UCP DBE Database of Certified Firms in the geographic market area

For the denominator: 2020 U.S. Census Bureau’s County Business Pattern Database (CBP)

As noted in Table 1, DCTS identified 126 ready, willing and able firms in the NAICS codes for the projected federally-assisted contracting opportunities. In the federally prescribed formula below, this number is used as the denominator. The numerator was found by determining the number of ready, willing and able DBE certified firms within the same NAICS sub-sectors. For the purposes of this goal setting methodology, 48 firms currently DBE certified in [State] are considered ready, willing and able to perform work in the areas identified. The 3 ready, willing, and able DBE certified firms, divided by the 126 total number of all ready, willing, and able firms (DBEs and non-DBEs), yields a base figure of 2.38%. (See Table 2)

Table 2

	NAICS Code	Project	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
1)	485991	Demand Response Transportation Provider	3	64	0.0469
2)	459410	Office Supplies/PPE	0	33	0.0000
3)	541380	Drug and Alcohol Testing	1	29	0.0345
4)					
	Combined Totals		3	126	0.0317

$$\text{Formula} \quad \frac{\text{DBE (4)}}{\text{CBP (126)}} = 0.0317 \times 100 = 3.17\%$$

Step 2- Weighted Base Figure

DCTS also conducted a Weighted Base analysis to insure our Step 1 Base Figure is as accurate as possible. Only one of the contracting opportunities had prospective DBE firms, so the weighted base figure was performed using the Demand Response Transportation Provider. (See Table 3)

$$\text{Formula} \quad \text{Weighted \% of Funds} \times \text{Availability} = \text{Weighted Base Figure}$$

$$0.95012 \times 0.04688 = 0.0445 \times 100 = 4.45\%$$

Table 3

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	485991	Demand Response Transportation Provider	0.95012	x	0.04688	0.0445
2)	459410	Office Supplies/PPE	0.04751	x		
3)	541380	Drug and Alcohol Testing	0.00238	x	0.03448	0.0001
					Total	0.046
					Expressed as a % (*100)	4.46%

Step 3 – Adjustment to Base Figure

1. Other Factors

Once the base figure is determined, DCTS is required to examine all of the evidence available to determine what adjustment, if any, is necessary. Step 2 requires DCTS to incorporate any available evidence that will improve the accuracy of the Step 1 base line goal calculations in order to determine the level of DBE participation that would occur absent the effects of discrimination. DCTS assessed the impact of specific factors requiring narrow tailoring of the DBE Program.

No other factors were considered since this is the first DBE Goal we have established. In the past, DCTS was considered part of NCDOT’s DBE Goal.

Therefore, no adjustments have been made to our DBE Goal.

2. Disparity Studies

DCTS has not conducted any disparity studies in the past three federal fiscal years. We contacted the area’s Metropolitan Planning Organizations (Winston-Salem and High Point) and neither of them conducted disparity studies or comparable studies that may have provided information relative to the geographic market area. Therefore, no disparity studies were considered.

3. Other Related Evidence

No other evidence of the kind described in the regulations at 49 CFR 26.45(d)(2) was available to consider in determining whether an adjustment to the base figure is warranted.

Use of Race Conscious and Race Neutral Measures

DCTS anticipates that the current goal will be achieved entirely through race and gender-neutral means. Contract goals will not be necessary for additional attainment. If we determine that we will not achieve the stated goal, we will take measures to do so, which may include targeted project goals.

Public Participation

In establishing DCTS's overall DBE goal, DCTS must provide for consultation and publication.

Consultation:

DCTS is required to consult with minority, women's and general contractor groups, community organizations, and any other officials or organizations which may have information concerning the availability of the relative availability of DBEs, the effects of discrimination on DBE opportunities, or ways in which DCTS can establish a level playing field for the participation of DBEs.

Accordingly, DCTS took affirmative steps to both obtain general public feedback and to engage in scheduled, direct, interactive exchanges with interested stakeholders. As a starting point, DCTS provided its proposed DBE Goal Setting Methodology for FFY 2023-2025 to the following agencies for their review.

- Winston-Salem MPO
- PART
- High Point MPO

DCTS is planning to hold a public meeting session in an effort to give the community stakeholders an opportunity to provide feedback on the new DBE Goal Setting Methodology for FFY 2023-2025. DCTS will seek questions, comments, and feedback about the DBE Program, and the new Goal Setting Methodology.

Finally, an email invitation was sent to the following large stakeholders to provide them with the opportunity to review and provide input on the goal:

- Chambers of Commerce
- MPOs
- Add additional stakeholders

Publication:

Post submission to FTA, the proposed DBE goal and methodology will be posted on DCTS's website <https://nc-davidsoncounty.civicplus.com/258/Transportation> and was shared on DCTS's social media account. It was also posted and made available for public inspection during normal business hours at DCTS's main office located at 945 N. Main Street, Suite B, Lexington, NC 27292. In order to obtain as much public feedback as possible, DCTS included a 30-day public comment period as part of its published notice.

Copy of Public Notice:

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