

## **DBE GOAL METHODOLOGY FOR FISCAL YEARS 2022 THROUGH 2024**

The Interurban Transit Partnership (ITP) overall goal for FYs' 2022 through 2024 is represented as a percentage of the FTA funds (exclusive of FTA funds to be used for the purchase of transit vehicles) that ITP estimates it will be expending in new FTA assisted contracts. The overall rate of DBE participation is 2.27%. The overall goal (2.27% x \$29,199,539 = \$662,830) is based on the total ITP FYs' 2022 through 2024 capital budget in Federal dollars less vehicle purchase which have no subcontracting opportunities. Adjustments are then made for unbid carryover projects from FY'2019 that have DBE contracting opportunities.

The exact calculation is as follows:

$$\begin{array}{r} \$29,199,539 \\ \times \quad 2.27\% \\ \hline \$ \quad 662,830 \end{array}$$

The following is a summary of the method used to set this goal.

### **SUMMARY**

Pursuant to USDOT regulations adopted under 49 CFR PART 26 which went into effect in FY-2000, ITP has adopted percentage goals for DBE participation which are consistent with ITP's own spending patterns and with the amount of DBE participation that would be expected to be achievable in a RACE NEUTRAL marketplace. The ITP is seeking to obtain its fiscal years 2022 through 2024 goal by using 100% race/gender neutral means. The new regulations require that goals be based upon demonstrable evidence of relative availability of DBEs in the ITP geographical and product markets.

### **Availability Analysis:**

ITP determined the number of ready, willing, and able DBE's in its marketplace from examination of the following DBE directories: MDOT Unified Certification Process (MUCP) directory for DBE firms, local ITP directory, and the U.S. Census County Business Pattern of Kent, Ottawa, Barry, Ionia, Newaygo, Muskegon and Allegan Counties in Michigan to determine the total number of business establishments available in its marketplace identified by North American Industrial Classification Codes (NAIC). (ITP extended its statistical are by 6 counties from past years based on a larger radius of DBE firms willing to travel to Grand Rapids, MI.) The County Business Pattern data is available for FY 2019 in the specific counties which serve as ITP's primary marketplace.

### **Weighting To Reflect The Amount Of Money To Be Spent In Each NAIC Area:**

Each area of minority participation was weighted, based on the relative availability of Federal funds to be spent in each NAIC area: ITP utilized due diligence to sort out DBEs from directories by NAIC which were likely to be judged as willing and able in FTA assisted contracting. This narrowing aspect ensured that a more accurate availability figure would emerge from the Step One calculation. More emphasis was then placed on the ITP FYs 2022 through 2024 Goal.

### **NAIC's Which Made Up A Percentage Of The Total ITP Budget:**

ITP has identified the relevant NAIC code services and commodities approximated for acquisition FYs 2022 through 2024. DBEs were identified in certain NAIC's, and outreach efforts planned to target these commodities to ensure broader participation such as.

## METHODOLOGY FOR DETERMINING DBE GOAL FOR ITP

1. ITP obtained the latest available NAICS report for Kent, Ottawa, Barry, Ionia, Newaygo, Muskegon, and Allegan Counties in Michigan using the U.S. Census County Business Pattern for Kent County.
2. ITP determined the number of certified DBEs in each NAICS code within the area.
3. The number of DBE verses non-DBE firms was calculated in the applicable NAICS code, and the number of DBEs was expressed as a percentage of total businesses in that code.
4. "Weighting" of relative availability to reflect the amount of money to be spent in each NAIC area. The formula used for this calculation can be found on page 5110 Federal Register Vol.64. No. 21, February 2, 1999.
5. Total Federal funds for fiscal years 2022 through 2024 are projected to be \$29,199,539 excluding vehicle purchases.
6. Total DOT assisted funds for each NAICS code with DBE firms was identified for the upcoming fiscal year. A three-year average was determined to find the historical rate of DBE participation with ITP. The applicable percentage was applied to the budget line item. The resulting DBE projected expenditure amount of \$662,830 is the amount to be obtained 100% by race/gender neutral means or 2.271% of the Federal funds.

### The Rapid's Planned DBE Outreach Program for FYs 2022 through 2024

- *The Rapid* is a participating member in the Michigan Unified Certified Program (MUCP). The MUCP exists to provide an effective means of communication, cooperation, and collaboration among the MUCP agencies, and to enhance our ability to encourage DBE firms to become certified and participate in transit projects. The focus of the MUCP is to provide quality service to our customers through the implementation and administration of this program. The Rapid will be publicizing a list of potential bid opportunities that will occur in the fiscal year so that firms will have the opportunity to get certified in a timely manner. (ITP notes that the willingness of prospective vendors to participate in the FTA certification process continues to be challenging as firms continue their reluctance to share personal net worth information as well as find the entire process very long and arduous; other certification programs through city and county entities are much simpler).
- *The Rapid* is a member in the West Michigan Public Purchasing Alliance – Advocating Diversity & Inclusion. The mission of the group is to ensure inclusiveness and equal opportunity for all increase businesses to sell their products and services. The group makes a special effort to reach out to r minorities, women, veterans, and ADA-disabled and small business owners to sell their products and services. A *Rapid* representative continues to attend the group meetings, which are held bi-monthly. A *Rapid* representative will continue to maintain a display booth and also represent as the vendor for explanation on the ITP DBE program at the Regional Alliance for Diversity in Public Purchasing "Meet the Buyers" conference event held annually. The regional Alliance will continue with stepping up efforts in FY'2022 through 2024 to increase membership and to make minority (and non-minority) and small business prime contract and subcontracting opportunities available and known throughout the area.
- *The Rapid* has completed a Purchasing Department web page that will publicize bid opportunities and is working on posting instructions for all firms including minority firms and small businesses (on how to do business with the ITP).

- A representative from *The Rapid* is active in the following local organizations for explanation of ITP DBE program; Minority Business Advocacy Coalition, West Michigan Minority Contractors Association, and Regional Small Business Development Center in Grand Rapids Michigan.
- *The Rapid* continually looks for opportunities of participation in Zoom meetings that have been giving DBE and SBE firms one on one access to our procurement staff.

**CALCULATION OF THE 2022 through 2024 DBE GOAL**

Step One: Calculation of Dollar Value

**DBE'S IN EACH NAICS CODE**

NAIC	DESCRIPTION	A % BUDGET	B DBE-DIR	C # COUNTY BP
236210	Facility Rehabilitation	0.941796%	1	23
263210	RCS Canopy Rehabilitation	3.664441%	1	23
236210	Network Data Center	0.856178%	1	23
236220	CMAR – New Campus	2.283141%	2	307
237130	Site Utilities – New Campus	0.684942%	0	19
238110	Passenger Shelters/Benches/Amenities	1.393919%	1	131
238110	Foundations – New Campus	1.141571%	1	131
238120	Concrete – RCS Platform Drive	3.020596%	1	11
238120	Superstructure – RCS Rehab	3.767183%	1	11
238120	Superstructure – New Campus	4.851675%	1	11
238130	Interior Construction – New Campus	6.849423%	1	54
238160	Roofing – Ellsworth Exterior	0.273977%	0	81
238160	Roofing – New Campus	0.342471%	0	81
238170	Exterior Enclosure – 300 Ellsworth	0.533399%	1	60
238170	Exterior Enclosure – New Campus	3.424712%	1	60
238210	Electrical – New Campus	1.712356%	1	388
238220	Mechanical/HVAC – Ellsworth Exterior	0.513707%	1	577
238220	Mechanical/Plumbing – New Campus	0.570785%	1	577
238220	Mechanical/HVAC – New Campus	2.853926%	1	577
238350	Interior Finishes – New Campus	2.454377%	0	138
238910	Sitework/Improvement – RCS Rehab	2.739769%	4	257
333922	Conveying – New Campus	0.136988%	0	20
333999	Shop Equipment	0.078768%	0	23
333999	Shop Equipment – New Campus	0.291100%	0	23
423110	Service Vehicles	1.490835%	0	44
423110	Replacement Vanpool Vans	1.541120%	0	44
336618	Bus Engine Refurbishment	9.856423%	0	3
337211	Office Furniture/Equipment	0.513707%	0	10
339950	Bus Stop Signs	0.034247%	0	36
423130	Bus Tire Lease	0.328772%	0	10
423430	Computer Hardware	2.198665%	0	48
423430	Computer Software	2.003456%	0	48
423430	Scheduling Software	1.712356%	0	48

423430	Fuel Management Software	0.513707%	0	48
423430	Incident Reporting Software	0.291100%	0	48
423430	Bus Technology Upgrade	3.013746%	0	48
423430	Intelligent Transportation System	1.618176%	0	48
423830	Facility Equipment	0.479460%	0	301
441310	Assoc. Capital Maintenance	7.876837%	0	303
441310	Assoc. Capital Maintenance – New Campus	0.228314%	0	303
485991	Capital Cost of Contracting	7.191894%	0	10
541611	Planning Funds – New Campus	4.201950%	1	281
561621	Bus Security Cameras	7.617610%	1	14
561621	Surveillance/Security Equipment/Security	0.445213%	1	14
561621	Cameras – Silverline Platforms	1.318514%	1	14
561621	Fire & Security – New Campus	0.142696%	1	14

Using information from the Table above, the formula is - Column A – (% of budget) times Column B – (Ready, willing & able DBEs) divided by Column C: (Results from formula for Base Rate from County Business Pattern and DBE Directory)

THE RESULTS

236210	0.914796 x 1 divided by 23 =	0.040948%
263210	3.664441 x 1 divided by 23 =	0.159324%
236210	0.856178 x 1 divided by 23 =	0.037225%
236220	2.283141 x 2 divided by 307 =	0.014874%
237130	0.684942 x 0 divided by 19 =	0.000000%
238110	1.393919 x 1 divided by 131 =	0.010641%
238110	1.141571 x 1 divided by 131 =	0.008714%
238120	3.020596 x 1 divided by 11 =	0.274600%
238120	3.767183 x 1 divided by 11 =	0.342471%
238120	4.851675 x 1 divided by 11 =	0.441061%
238130	6.849423 x 1 divided by 54 =	0.126841%
238160	0.273977 x 0 divided by 81 =	0.000000%
238160	0.342471 x 0 divided by 81 =	0.000000%
238170	0.533399 x 1 divided by 60 =	0.008890%
238170	3.424712 x 1 divided by 60 =	0.057079%
238210	1.712356 x 1 divided by 388 =	0.004413%
238220	0.513707 x 1 divided by 577 =	0.000890%
238220	0.570785 x 1 divided by 577 =	0.000989%
238220	2.853926 x 1 divided by 577 =	0.004946%
238350	2.454377 x 0 divided by 138 =	0.000000%
238910	2.739769 x 4 divided by 257 =	0.042642%
333922	0.136988 x 0 divided by 20 =	0.000000%
333999	0.078768 x 0 divided by 23 =	0.000000%
333999	0.291100 x 0 divided by 23 =	0.000000%
423110	1.490835 x 0 divided by 44 =	0.000000%
423110	1.541120 x 0 divided by 44 =	0.000000%
336618	9.856423 x 0 divided by 3 =	0.000000%
337211	0.513707 x 0 divided by 10 =	0.000000%

339950	0.034247 x 0 divided by 36=	0.000000%
423130	0.328772 x 0 divided by 10=	0.000000%
423430	2.198665 x 0 divided by 48=	0.000000%
423430	2.003456 x 0 divided by 48=	0.000000%
423430	1.712356 x 0 divided by 48=	0.000000%
423430	0.513707 x 0 divided by 48=	0.000000%
423430	0.291100 x 0 divided by 48=	0.000000%
423430	3.013746 x 0 divided by 48=	0.000000%
423430	1.618176 x 0 divided by 48=	0.000000%
423830	0.479460 x 0 divided by 301=	0.000000%
441310	7.876837 x 0 divided by 303=	0.000000%
441310	0.228314 x 0 divided by 303=	0.000000%
485991	7.191894 x 0 divided by 10=	0.000000%
541611	4.201950 x 1 divided by 281=	0.014954%
561621	7.617610 x 1 divided by 14=	0.544115%
561621	0.445213 x 1 divided by 14=	0.031801%
561621	1.318514 x 1 divided by 14=	0.094180%
561621	0.142696 x 1 divided by 14=	0.010193%

Total 2.271790%  
Base Rate 2.271% (Rounded)

This 2.271% represents the Base Rate for ITP's FYs 2022 through 2024 DBE utilization.

Step Two: Historical Adjustment

The Laker Line BRT construction project was delayed due to funding and approval delays and consequently some portions of the project overlap the previous 3-year DBE goal. Consequently, it seemed unnecessary to conduct a historical adjustment which would only reduce the projected DBE rate. Therefore, the ITP has elected to skip Step Two.