

The Delaware Transit Corporation  
 Disadvantaged Business Enterprise  
 REVISED Overall Goal for FY 2020-2022 and Goal Setting Methodology

The Delaware Transit Corporation (DTC) hereby submits its Disadvantaged Business Enterprise (DBE) overall goal and goal setting methodology for federal fiscal years 2020-2022 to the Federal Transit Administration (FTA) for review and approval pursuant to 49 CFR Part 26. The goal and methodology establish DTC’s overall DBE goal for FTA assisted contracts that DTC anticipates awarding in Federal Fiscal Years (FFY) 2020, 2021, and 2022. The overall DBE goal for DOT-assisted contracting for FY 2020 – 2022 is 10.2%. DTC is projecting that its DBE goal is 2.5% by race-neutral means and 7.7% by race-conscious means. To establish its overall goal, DTC followed federal regulations, including the two-step goal-setting methodology set forth in 49 CFR Part 26.45. DTC determined ‘a step one’ base figure for its overall DBE goal using information from the DelDOT DBE database as well as from the U.S. Census Bureau data.

**Step 1. Determining a Base Figure – 49 CFR 26.45(c)**

DTC estimates that it will receive approximately \$18.5 million in FTA financial assistance that can be awarded via contracts during FFYs 2020, 2021, and 2022. This does not include FTA financial assistance for the purchase of vehicles.

Per 49 CFR §26.45(b), the “triennial goal must be based on demonstrable evidence of the availability of ready, willing and able DBE’s relative to participate on your DOT-assisted contracts...” DTC began the DBE goal-setting process by determining a base figure for the relative availability of DBEs. DTC then looked at the individual projects that it anticipates in FFY 2020-2022 and assigned North American Industry Classification System (NAICS) codes, identifying all firms available through the U.S. Census Bureau database.

Projects were broken down into small segments to allow for as much DBE opportunities as possible. This breakdown is found in Figure 1.

**Figure 1**

Project Description	DOT Funds	NAICS Code	Number of DBEs available to perform this work (1)	Number of firms available (including DBEs) (2)
<b>Bus Facilities - Electric Bus Modifications Procurement - \$1,178,974</b>				
Site Preparation	\$ 100,000	238910	7	109
Electrical Contractors & Other Wiring Installation	\$ 553,974	238210	4	236
Other Foundation, Structural & Building Exterior	\$ 525,000	238190	2	11
<b>Beech Street Maintenance Building Construction - \$6,000,000</b>				
Site Preparation	\$ 1,000,000	238910	7	109
Electrical Contractors & Other Wiring Installation	\$ 750,000	238210	4	236
Other Foundation, Structural & Building Exterior	\$ 3,500,000	238190	2	11
Framing	\$ 100,000	238130	6	37
Plumbing, Heating and Air Conditioning	\$ 475,000	238220	2	309
Drywall and Insulation	\$ 100,000	238310	6	54
Painting and Wall Covering	\$ 75,000	238320	4	93

<b>Mid-County Maintenance Facility Expansion Construction - \$3,732,000</b>				
Site Preparation	\$ 475,000	238910	7	109
Electrical Contractors & Other Wiring Installation	\$ 750,000	238210	4	236
Other Foundation, Structural & Building Exterior	\$ 1,882,000	238190	2	11
Framing	\$ 100,000	238130	6	37
Plumbing, Heating and Air Conditioning	\$ 350,000	238220	2	309
Drywall and Insulation	\$ 100,000	238310	6	54
Painting and Wall Covering	\$ 75,000	238320	4	93
<b>Resorts Park &amp; Ride Improvements Construction - \$550,000</b>				
Parking Lots & Garages (Paving)	\$ 550,000	237310	7	29
<b>Middletown Park &amp; Ride Construction - \$3,050,000</b>				
Site Preparation	\$ 1,050,000	238910	7	109
Electrical Contractors & Other Wiring Installation	\$ 500,000	238210	4	236
Parking Lots & Garages (Paving)	\$ 1,500,000	237310	7	29
<b>NCC Transit Center - \$4,050,000</b>				
Site Preparation	\$ 1,500,000	238910	7	109
Landscaping Services	\$ 200,000	561730	6	384
Parking Lots & Garages (Paving)	\$ 1,600,000	237310	7	29
Electrical Contractors & Other Wiring Installation	\$ 250,000	238210	4	236
Other Foundation, Structural & Building Exterior	\$ 250,000	238190	2	11
Framing	\$ 50,000	238130	6	37
Plumbing, Heating and Air Conditioning	\$ 100,000	238220	2	309
Drywall and Insulation	\$ 50,000	238310	6	54
Painting and Wall Covering	\$ 50,000	238320	4	93

- (1) Information obtained from United Census Bureau 2014 data (American FactFinder)
- (2) Information obtained from DeIDOT DBE Database

Figure 2 shown below depicts calculation of the goal.

### Figure 2

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

All reasonably anticipated FTA-assisted contracting opportunities are identified as:

Project Description	NAICS Code	Funds on Projects	% of total DOT funds (weight)	Number of DBEs available to perform this work (1)	Number of firms available (including DBEs) (2)
Paving	237310	\$ 3,650,000	20%	7	29
Framing	238130	\$ 250,000	1%	6	37
Other Foundation, Structural & Building Exterior	238190	\$ 6,157,000	33%	2	11
Electrical Contractors & Other Wiring Installation	238210	\$ 2,803,974	15%	4	236
Plumbing, Heating and Air Conditioning	238220	\$ 925,000	5%	2	309
Drywall and Insulation	238310	\$ 250,000	1%	6	54
Painting and Wall Covering	238320	\$ 200,000	1%	4	93
Site Preparation	238910	\$ 4,125,000	22%	7	109
Landscaping Services	561730	\$ 200,000	1%	6	384
<b>Total</b>		<b>\$ 18,560,974</b>	<b>100%</b>	<b>44</b>	<b>1262</b>

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

The numbers of DBEs and of all firms available to perform work on the identified contracting opportunities are:

NAICS Code	Description of Work	Number of DBEs available to perform this work	Number of all firms available (including DBEs)	Relative Availability
237310	Paving	7	29	0.2414
238130	Framing	6	37	0.1622
238190	Other Foundation, Structural & Building Exterior	2	11	0.1818
238210	Electrical Contractors & Other Wiring Installation	4	236	0.0169
238220	Plumbing, Heating and Air Conditioning	2	309	0.0065
238310	Drywall and Insulation	6	54	0.1111
238320	Painting and Wall Covering	4	93	0.0430
238910	Site Preparation	7	109	0.0642
561730	Landscaping Services	6	384	0.0156
<b>Combined Totals</b>		<b>44</b>	<b>1262</b>	<b>0.0349</b>

**Step 1 C - (Weight) x (Availability) = Weighted Base Figure**

NAICS Code	Description of Work	Weight	x	Availability of DBEs	Weighted Base Figure
237310	Paving	0.1966	x	0.2414	0.0475
238130	Framing	0.0135	x	0.1622	0.0022
238190	Other Foundation, Structural & Building Exterior	0.3317	x	0.1818	0.0603
238210	Electrical Contractors & Other Wiring Installation	0.1511	x	0.0169	0.0026
238220	Plumbing, Heating and Air Conditioning	0.0498	x	0.0065	0.0003
238310	Drywall and Insulation	0.0135	x	0.1111	0.0015
238320	Painting and Wall Covering	0.0108	x	0.0430	0.0005
238910	Site Preparation	0.2222	x	0.0642	0.0143
561730	Landscaping Services	0.0108	x	0.0156	0.0002
				<b>Total</b>	<b>0.1292</b>
				<b>Expressed as a % (*100)</b>	<b>12.92%</b>
				<b>Rounded, Weighted Base Figure:</b>	<b>12.9%</b>

**Step 2. Determining if an Adjustment is Needed – 49 CFR Part 26.45(d)**

After establishing the base figure at 12.9%, DTC considered past participation to determine whether any adjustment was needed to the base figure to determine its overall DBE goal and to make it as precise as possible.

The United States Department of Transportation’s (USDOT’s) “Tips for Goal- Setting” suggests that agencies should examine data on past DBE participation in their USDOT-funded contracts in recent years. USDOT further suggests that agencies should choose the median level of annual DBE participation for those years as the measure of past participation. DTC’s past DBE participation is reflected in Figure 3.

**Figure 3**

Federal Fiscal Year	Total Federal Participation	Awards to DBE Firms in dollars (RC)	Awards to DBE Firms in dollars (RN)	Total DBE Awards	DBE Participation
2019	\$ 39,336,105.00	\$ 2,954,279.00	\$ 8,320.00	\$ 2,962,599.00	7.5%
2018	\$ 18,810,913.00	\$ 2,099,972.00	\$ 53,711.00	\$ 2,153,683.00	11.4%
2017	\$ 10,996,251.00	\$ 614,770.00	\$ 156,530.60	\$ 771,300.60	7.0%
<b>Total</b>	<b>\$ 69,143,269.00</b>	<b>\$ 5,669,021.00</b>	<b>\$ 218,561.60</b>	<b>\$ 5,887,582.60</b>	<b>8.5%</b>
				<b>3 Year median</b>	7.53%

If DTC were to average the Step One weighted goal of 12.9% with the historical median of 7.5% the result would be  $(12.9 + 7.5)/2 = 10.2\%$ . DTC does not believe that the unadjusted goal of 12.9% is achievable given the history of our DBE participation rate; therefore, DTC has decided to use the adjusted rate of 10.2% as our goal.

**Race-Neutral Program Measures – 49 CFR Part 26.51(c)**

Based on the percentages of past race neutral participation and given that the contracting opportunities for FFY2020 – 2022 as similar, DTC expects to have the same rate of race neutral participation. Using the median of past race neutral participation, the expected race neutral participation rate is 2.49%.

Federal Fiscal Year	Total Federal Participation	Awards to DBE Firms in dollars (RC)	Awards to DBE Firms in dollars (RN)	Total DBE Awards	DBE Participation	RC%	RN %
2019	\$ 39,336,105.00	\$ 2,954,279.00	\$ 8,320.00	\$ 2,962,599.00	7.5%	99.7%	0.28%
2018	\$ 18,810,913.00	\$ 2,099,972.00	\$ 53,711.00	\$ 2,153,683.00	11.4%	97.5%	2.49%
2017	\$ 10,996,251.00	\$ 614,770.00	\$ 156,530.60	\$ 771,300.60	7.0%	79.7%	20.29%
<b>Total</b>	<b>\$ 69,143,269.00</b>	<b>\$ 5,669,021.00</b>	<b>\$ 218,561.60</b>	<b>\$ 5,887,582.60</b>	<b>8.5%</b>	<b>96.3%</b>	<b>3.7%</b>

DTC is anticipating that by taking the following steps that we will see an increase in the race neutral DBE participation:

- The DBE Analyst will identify advertising opportunities for future RFPs that would assist in making bidding opportunities readily available to a diverse audience. Since the DBE section is now part of the DTC Contracting department the DBE Analyst receives notification of all upcoming DTC procurements.
- DTC will encourage prime contractors to subcontract out portions of the work.
- DTC will be utilizing mailing lists to assist DBEs/small businesses about DTC contract opportunities. This will assist those who do not monitor the typical websites/publications for bidding opportunities.
- Development of a more prominent space on DTC’s website for DTC procurements and DBE information.

- DTC will ensure that the prime contractors are aware of the DBE listing found on the DeIDOT website.

In the past year DTC has attended the following events to increase awareness in DTC opportunities:

- DeIDOT DBE & Small Business Development Summit
- Government Contracting – DeIDOT
- NCC Chamber of Commerce - Make Me A Match
- 2nd Annual Entrepreneurial Summit
- PTAC's Government Contracting
- DE State Chamber of Commerce Networking Station
- Women's Leadership Conference

### **Published Notices**

- The notice of the proposed goal and the availability of the methodology for review will be posted on DTC's website at [www.dartfirststate.com](http://www.dartfirststate.com).