

City of Jacksonville, North Carolina
Jacksonville Transit Disadvantage Business Enterprise Program Goal and
Methodology - Federal Fiscal Year 2019 - 2021

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 2019 - 2021. Based upon the methodology described below, Jacksonville Transit has established and publicly advertised for comment, a DBE program goal of **1.0%** for the period, exclusive of FTA funds used for the purchase of transit vehicles. 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 18, 2018 from 4:00 pm to 6:00 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 2019-2021 period. The Jacksonville Metropolitan Statistical Area consists of all of Onslow County. 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. Staff then conducted an inventory of all certified DBE firms within the MSA available to complete the types of work expected. 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.

At FTA's recommendation, and in an effort to ensure we account for the likelihood of participation from surrounding counties, we extended the search to encompass the entirety of NC DOT Division 3 and portions of Division 2 which includes the following counties:

- | | | |
|-------------|-----------|-----------|
| 1. Carteret | 2. Craven | 3. Duplin |
| 4. Jones | 5. Onslow | 6. Pender |

These counties are those whose boundaries physically touch Onslow County's boundary. As a result of extending the market area, our number of firms changed and is reflected in Table 2.

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.

Staff extended the target market area to encompass a total of six counties. Table 1 illustrates the number of contractors and certified DBE contractors that were identified within the larger market area. Staff also expanded the categories to include a broader spectrum of NAICS Codes by utilizing the primary category, (ie. 23 – Construction). This may present an opportunity to a certified contractor in a particular sub-category that may want to develop business in another sub-category.

Table 1: Contractor Availability for Larger Target Market Area

NAICS Code	Description	All Firms in MSA	DBE Firms in MSA
2362	Nonresidential Building Construction	40	1
2371	Utility System Construction	24	0
2373	Highway, Street, and Bridge Construction	9	8
2379	Other Heavy and Civil Engineering Construction	22	0
2381	Foundation, Structure, and Building Exterior Contractors	82	0
2382	Building Equipment Contractors	272	0
2383	Building Finishing Contractors	113	0
2389	Other Specialty Contractors	96	0
485	Transit and Ground Passenger Transportation	10	0
5413	Architectural, Engineering, and Related Services	108	0
Total		776	9

SOURCE: 2017 County Business Patterns and 2017 Nonemployer Statistics. For information, see <https://www.census.gov/programs-surveys/cbp/technical-documentation/methodology.html> and <https://www.census.gov/programs-surveys/nonemployer-statistics/technical-documentation/methodology.html>.

North Carolina Department of Transportation Unified Certification Directory Database

Nine ready, willing, and able DBE Contractors

= **0.0116 (base figure)**

776 Total Firms

Extending the target market area to include the five additional counties adjoining Onslow County resulted in an increase in both available firms and DBE firms. This results in a base figure of 0.0116% DBE firm availability.

Step 3: Adjustment

After calculating a baseline DBE availability figure of **0.0116**, 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 over the last three years, the City awarded contracts totaling \$4,043,948. During those three years, we were only able to achieve a 3.8% level of DBE participation during one of the three years. Jacksonville Transit also reviewed North Carolina Department of Transportation's Disparity Study from 2014. As stated therein, it is necessary to establish a goal based upon the number of DBEs **ready, willing and able** to participate in Jacksonville Transit federally assisted contracts. Unfortunately, as noted in the above charts, there are very few ready, willing and able DBEs within our area. In an effort to encourage further participation; staff adjusted the base figure, arriving at an overall DBE participation goal of **1.0 %**.

Jacksonville Transit's overall DBE program goal for federally-assisted contracts is 1.0 % for FFY 2019-2021.

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 firms 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.

Consultation Period

On July 18, 2018, Jacksonville Transit held a consultation period where those interested in reviewing our methodology and providing feedback would be welcome. This consultation period was held at City Hall and was accessible by public transportation. Advertisements for this consultation period were circulated through local newspapers, minority newspapers located in Wilmington, the Chamber of Commerce’s Minority Business Services Committee, social media, and on board all buses in service. Below is a copy of the sign in sheet for the consultation period:



**Sign-In Sheet for DBE Goal Methodology
Consultation Period
July 18, 2018**

Name	Phone Number	Email Address
Alan Hight	938-5220	ahight@jacksonville.gov
Anthony Ruiz	938-5992	aruiz@jacksonville.gov
Abbie Jefferson	938-1732	ajefferson@jacksonville.gov
Dawn Trebil	938-5073	dtrebil@jacksonville.gov
Stephanie Kutz	771-475-5662	skutz@jacksonville.gov
Paul Schnorenberg	252-497-6000	pschnorenberg@jacksonville.gov
Moses Eshiet	919-457-3138	meshiet@jacksonville.gov
Tilay Marchman	938-5211	tmarchman@jacksonville.gov
Tracy Jackson	(910)938-5269	tjackson@jacksonville.gov

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 1.0 percent for

Disadvantaged Business Enterprises for FY 2019-2021 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)	2362	Nonresidential Building Construction	\$3,608,120.00	38.006%
2)	2371	Utility System Construction	\$1,745,022.00	18.381%
3)	2373	Highway, Street & Bridge Construction	\$165,580.00	1.744%
4)	2379	Other Heavy & Civil Engineering Construction	\$949,931.00	10.006%
5)	2381	Poured Concrete Foundation and Structure Contractors	\$509,080.00	5.362%
6)	2382	Building Equipment Contractors	\$663,478.00	6.989%
7)	2383	Building Finishing Contractors	\$274,935.00	2.896%
8)	2389	Other Specialty Contractors	\$580,751.00	6.117%
9)	485	Transit and Ground Passenger Transportation	\$831,643.00	8.760%
10)	5413	Architectural, Engineering and Related Services	\$165,000.00	1.738%
Total FTA-Assisted Contract Funds			\$9,493,540.00	100.000%

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)	2362	Nonresidential Building Construction	1	40	0.0250
2)	2371	Utility System Construction	0	24	0.0000
3)	2373	Highway, Street & Bridge Construction	8	9	0.8889
4)	2379	Other Heavy & Civil Engineering Construction	0	22	0.0000
5)	2381	Poured Concrete Foundation and Structure Contractors	0	82	0.0000
6)	2382	Building Equipment Contractors	0	272	0.0000
7)	2383	Building Finishing Contractors	0	113	0.0000
8)	2389	Other Specialty Contractors	0	96	0.0000
9)	485113	Bus & Other Motor Vehicle Contractors	0	10	0.0000
10)	5413	Architectural, Engineering and Related Services	0	108	0.0000
Combined Totals			9	776	1.16%

Overall Availability of DBEs

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

	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	2362	Nonresidential Building Construction	0.38006	x	0.02500	0.0095
2)	2371	Utility System Construction	0.18381	x	0.00000	
3)	2373	Highway, Street & Bridge Construction	0.01744	x	0.88889	0.0155
4)	2379	Other Heavy & Civil Engineering Construction	0.10006	x	0.00000	
5)	2381	Poured Concrete Foundation and Structure Contractors	0.05362	x	0.00000	
6)	2382	Building Equipment Contractors	0.06989	x	0.00000	
7)	2383	Building Finishing Contractors	0.02896	x	0.00000	
8)	2389	Other Specialty Contractors	0.02896	x	0.00000	
9)	485113	Bus & Other Motor Vehicle Contractors	0.06117	x	0.00000	
10)	5413	Architectural, Engineering and Related Services	0.08760	x	0.00000	
					Total	0.0250
					Expressed as a % (*100)	2.50%
					Rounded, Weighted Base Figure:	3%

2. Adjustments Necessary?

During the previous three years this agency has encouraged DBE participation in FTA assisted contract through outreach and business development efforts. There are few 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: 2016 - 3.8%; 2017 - 0%; 2018 - 0%.

Rounded Weighted Base Figure:	3%
Historical Median:	<u>0%</u>
Sum	3%
Divided by Two	1% DBE Goal