

NOTICE OF DISADVANTAGED BUSINESS ENTERPRISE GOALS AND METHODOLOGY

Federal Fiscal Year 2022 - 2024

City of Jacksonville, North Carolina

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 Years 2022 - 2024.

Based upon the methodology described below, Jacksonville Transit has established and publicly advertised for comment, a DBE program goal of **6.0 %** 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.

There is a **consultation period scheduled for August 18, 2021 from 4:00 pm to 6:00 pm** at **Jacksonville City Hall**, located at 815 New Bridge Street. Jacksonville Transit is 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.

FTA-Assisted Contracting Opportunities

During the next three year period, Jacksonville Transit has identified several contracting opportunities with a variety of NAICS codes

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	2362	Nonresidential Building Construction	\$50,000.00	0.839%
2)	2371	Utility System Construction	\$200,000.00	3.358%
3)	2373	Highway, Street, and Bridge Construction	\$1,505,000.00	25.266%
4)	2381	Foundation, Structure, and Building Exterior Contractors	\$455,000.00	7.639%
5)	2382	Building Equipment Contractors	\$100,000.00	1.679%
6)	2383	Building Finishing Contractors	\$20,000.00	0.336%
7)	2389	Other Specialty Contractors	\$220,000.00	3.693%
8)	334220	GPS equipment manufacturing	\$66,000.00	1.108%
9)	561790	Pressure washing building exteriors	\$63,120.00	1.060%
10)	811192	Automotive washing and polishing	\$180,000.00	3.022%
11)	485	Transit and Ground Passenger Transportation	\$2,757,477.00	46.293%
12)	5413	Architectural, Engineering, and Related Services	\$340,000.00	5.708%
Total FTA-Assisted Contract Funds			\$5,956,597.00	100.000%

Step 2 – Determine Geographic Market Area

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 2022-2024 period. Historically and at the recommendation of FTA, the MSA was expanded to include the following counties that are physically adjacent to Onslow County’s boundary to increase the likelihood of potential contractors:

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

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.

Methodology on NAICS codes as well as information used to identify available NAICS codes was collected from the following Census reports:

- 2017 CBP and NES Combined Report
<https://www.census.gov/data/tables/2017/econ/cbp/2017-combined-report.html>
- County Business Patterns (CBP) Technical Documentation
<https://www.census.gov/programs-surveys/cbp/technical-documentation/methodology.html>

Step 1: 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.

Table 1 illustrates the number of contractors and certified DBE contractors that were identified within the MSA 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.

Firms within the MSA Area

To determine the number of firms within the MSA area, census data from the 2017 County Business Patterns (CBP) and Nonemployer Statistics (NES) data was used. Specifically, data from the County Business Patterns as this data provides subnational economic data by industry and covers most NAICS industries. Filtering this data to include only firms within the MSA area populated Table 1. The database can be found online at <https://www.census.gov/data/tables/2017/econ/cbp/2017-combined-report.html>.

It is important to note that under NAICS code 2373, the census has no data for part of the MSA area to include Jones, Duplin and Pender Counties.

DBE Firms within the MSA Area

To determine the number of firms within the MSA area that are DBE firm, information was derived from the North Carolina Department of Transportation Directory of Firms. This list is a real time-time consolidated list of firms that have been certified through North Carolina's Unified Certification Program as Disadvantaged Business Enterprise (DBE), Airport Concession Disadvantaged Business Enterprises (ACDBE), Small Professional Services Firms (SPSF), Minority Business Enterprises (MBE), Woman Business Enterprises (WBE), and/or Small Business Enterprises (SBE). For the purpose of this methodology, only DBE firms were used. The database can be found online at <https://www.ebs.nc.gov/VendorDirectory/default.html>.

At the time of this methodology, there is a total of 2,199 DBE firms listed. The list was refined by NAICS code and the physical location of their business to identify if they are located within the MSA area.

Jacksonville Transit also reviewed North Carolina Department of Transportation’s Disparity Study from 2014. NCDOT is currently working on their 2019 Disparity Study. 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.

Table 1: Contractor Availability for MSA Area

Description	All Firms in MSA¹	NAICS Code	DBE Firms in MSA²	NCDOT NAICS Code
Nonresidential Building Construction	40	2362	1	236210
Utility System Construction	24	2371	1	237110
Highway, Street, and Bridge Construction	14	2373	7	237310
Foundation, Structure, and Building Exterior Contractors	82	2381	0	238120
Building Equipment Contractors	272	2382	0	238220
Building Finishing Contractors	113	2383	0	238320
Other Specialty Contractors	96	2389	0	238990
GPS equipment manufacturing	0	3342	0	334220
Pressure washing building exteriors	275	5617	0	561790
Automotive washing and polishing	186	8111	0	811192
Transit and Ground Passenger Transportation	10	485	0	485111
Architectural, Engineering, and Related Services	108	5413	0	541310
Total	1220		9	

1 - Source: 2017 Combined Established Data from the 2017 CBP and NES Combined Report <https://www.census.gov/data/tables/2017/econ/cbp/2017-combined-report.html>

2 – Source: NCDOT Unified Certification Directory Database for DBE: (<https://www.ebs.nc.gov/VendorDirectory/default.html>)

9 ready, willing, and able DBE Contractors

= **0.0074074 (base figure)**

1220 Total Firms

Weighted Goal

While weighting is not required, it is encouraged by FTA as it helps ensure that Step 1 Base Figure is accurate as possible. Jacksonville Transit evaluated the total amount of funding against the number of ready, willing and able DBEs and the total number of all available firms (DBE and non-DBEs) to determine the proportion of the funds or the “weight” each category carries and yielded the following results:

NAICS Code	Project	A	B	C	D	E	F
		# of DBE Firms certified in NAICS Code	# of overall Firms in MSA NAICS Code	DBE Firms/All Firms Ratio Based on NAICS Code (A/B)	Amount of DOT funds on project	Weighted % (D / Total Contract Value)	Weighted % Goal (C x E x 100)
2362	Nonresidential Building Construction	1	40	0.0250	\$50,000.00	0.839%	0.020%
2371	Utility System Construction	1	24	0.0417	\$200,000.00	3.358%	0.140%
2373	Highway, Street, and Bridge Construction	7	14	0.7778	\$1,505,000.00	25.266%	19.65%
2381	Foundation, Structure, and Building Exterior Contractors	0	82	0.0000	\$455,000.00	7.639%	0%
2382	Building Equipment Contractors	0	272	0.0000	\$100,000.00	1.679%	0%
2383	Building Finishing Contractors	0	113	0.0000	\$20,000.00	0.336%	0%
2389	Other Specialty Contractors	0	96	0.0000	\$220,000.00	3.693%	0%
334220	GPS equipment manufacturing	0	0	0.0000	\$66,000.00	1.108%	0%
561790	Pressure washing building exteriors	0	275	0.0000	\$63,120.00	1.060%	0%
811192	Automotive washing and polishing	0	186	0.0000	\$180,000.00	3.022%	0%
485	Transit and Ground Passenger Transportation	0	10	0.0000	\$2,757,477.00	46.293%	0%
5413	Architectural, Engineering, and Related Services	0	108	0.0000	\$340,000.00	5.708%	0%
Total FTA-Assisted Contract Funds					\$5,956,597.00	100.000%	12.79%

Median Past Participation

The total DBE attainment for the past five (5) years is as follows:

	Total DBE Achieved (RC + RN) \$	Total Contract Amt \$	Total DBE %
2016	\$64,787	\$709,630	9.13%
2017	\$0	\$876,224	0%
2018	\$0	\$3,432,916	0%
2019	\$0	\$1,309,496	0%
2020	\$0	\$39,162	0%

The median (middle) percentage is 0%. In 2016, Jacksonville Transit constructed the Commons Parks and Ride lot. As with construction, there were many opportunities for subcontracting opportunities that allowed Jacksonville Transit to reach a higher DBE percentage than in those years without construction activity.

The average Median Past Participation (MPP) % with Weighted Base figure (WBF) % is then calculated by:

$$\frac{\text{WBF (12.79\%)} + \text{MPP (0\%)}}{2} = \text{Adjusted BF 6.395 \%}$$

Step 2: Adjustment

When Jacksonville Transit undertakes construction activities, there are more subcontracting opportunities available for possible DBE participation. Over the next three years, we anticipate several construction projects that would allow for a higher DBE participation than in years past. During years with no construction, historically Jacksonville Transit is unable to meet the DBE goal as documented in the past participation due to limited ready, willing and able DBEs within our MSA area.

Therefore, staff is recommending the use of the adjusted base future, arriving at an overall DBE participation goal of **6.0 %**.

Jacksonville Transit’s overall DBE program goal for federally assisted contracts is 6.0% for FFY 2022-2024.

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.