

CITY OF SHREVEPORT - SporTran

DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL METHODOLOGY  
FISCAL YEARS 2016-2018

Summary

In keeping with the requirements of 49 C.F.R. Part 26 (Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation (DOT) Programs), an overall Disadvantaged Business Enterprise (DBE) goal has been developed for DBE participation in DOT-assisted contracting by the City of Shreveport's transit agency for Fiscal Year 2016 through Fiscal Year 2018. The City of Shreveport receives funding from the Federal Transit Administration (FTA) of U.S. Department of Transportation. **The City of Shreveport's overall DBE goal for 2016-2018 is 5.36% of the federal financial assistance we will expend in FTA-assisted contracts, exclusive of FTA funds to be used for the purchase of transit vehicles.**

This goal identifies the relative availability of DBEs based on evidence of ready, willing, and able DBEs in relationship to all comparable businesses which are known to be available to compete for FTA-assisted contracts. The overall DBE goal reflects staff's determination of the level of DBE participation which would be expected absent the effects of discrimination.

Overall DBE Goal Methodology

FTA-assisted contracting for Fiscal Years 2016 - 2018 is expected to consist of the projects indicated in Table 1 below, exclusive of contracts for purchase of transit vehicles, which are not subject to this goal-setting process [1].

Table 1: Anticipated FTA-assisted contracts for FY 2016-2018 (excluding transit vehicle purchases)

Project Description	NAICS Code(s)	Amount	% of Total
Preventive Maintenance – Bus Parts and Service (FY15-18 Section 5307 Allocations)	441300 & 811100	\$3,000,000	66.01%
Preventive Maintenance – Industrial Supplies (FY15-18 Section 5307 Allocations)	423840	\$150,000	3.30%
Preventive Maintenance – Exterminating services for fleet and facilities (FY15-18 Section 5307 Allocations)	561710	\$25,000	0.55%
Preventive Maintenance – facilities plumbing (FY15-18 Section 5307 Allocations)	238220	\$15,000	0.33%
Preventive Maintenance – facilities electrical (FY15-18 Section 5307 Allocations)	238210	\$15,000	0.33%
Preventive Maintenance – facilities HVAC (FY15-	238220	\$30,000	0.66%

18 Section 5307 Allocations)			
Preventive Maintenance – facilities roofing (FY15-18 Section 5307 Allocations)	238160	\$10,000	0.22%
Bus Stop Signage	339950	\$70,000	1.54%
Bus Shelter Installation	238910 & 238110	\$50,000	1.10%
Fare Collection system upgrade	334514	\$200,000	4.40%
Intermodal Terminal Furniture and Equipment	423210	\$330,000	7.26%
Southwest Shreveport Bus Transfer Center	<b>238910 &amp; 238110</b>	\$650,000	<b>14.30%</b>
Total		\$4,445,000	100.00%

A two-step process was used to establish the overall DBE goal, as described below.

Step 1: Compute Base Figure

Per 49 CFR 26.45(c), a base figure was developed to determine the relative availability of DBEs to perform work on the anticipated contracts as presented in Table 2. The steps for calculating the relative availability of DBEs is as follows:

- 1) Using the Louisiana Unified Certification Program Directory to identify the number of certified DBEs willing to perform work in the Shreveport-Bossier City, LA Metropolitan Area for each of the anticipated contracts, based on the NAICS (North American Industry Classification System) code(s) most relevant to each contract.
- 2) Using 2013 County Business Patterns (CBP) data from the U.S. Census Bureau to identify the total number of businesses available in the Shreveport-Bossier City, LA Metropolitan Statistical Area for work on each contract, based on the same NAICS codes.
- 3) Dividing the number of DBEs by the number of all businesses to determine the relative availability of DBEs in the market area.

Table 2: Relative Availability of DBEs for Anticipated Contracts

Project Description	NAICS Code(s)	# DBEs	# All Firms (including DBE)	Relative Availability of DBEs
Preventive Maintenance – Bus Parts and Service (FY15-18 Section 5307 Allocations)	441300 & 811100	0	139	0.00%
Preventive Maintenance – Industrial Supplies (FY15-18 Section 5307 Allocations)	423840	2	19	10.53%
Preventive Maintenance –	561710	1	29	3.45%

Exterminating services for fleet and facilities (FY15-18 Section 5307 Allocations)				
Preventive Maintenance – facilities plumbing (FY15-18 Section 5307 Allocations)	238220	0	141	0.00%
Preventive Maintenance – facilities electrical (FY15-18 Section 5307 Allocations)	238210	0	92	0.00%
Preventive Maintenance – facilities HVAC (FY15-18 Section 5307 Allocations)	238220	0	141	0.00%
Preventive Maintenance – facilities roofing (FY15-18 Section 5307 Allocations)	238160	1	19	5.26%
Bus Stop Signage	339950	1	9	11.11%
Bus Shelter Installation	238910 & 238110	15	48	31.25%
Fare Collection system upgrade	334514	0	0	0.00%
Intermodal Terminal Furniture and Equipment	423210	0	4	0.00%
Southwest Shreveport Bus Transfer Center	238910 & 238110	15	48	31.25%
Total		35	689	5.08%

Based on guidance from FTA and the U.S. DOT Office of Small and Disadvantaged Business Utilization, a weighted base figure was computed that takes into account the relative size of the anticipated contracts. The formula used to compute values in Table 3 is as follows:

$$\text{Weighted Base Figure} = \frac{[(\text{Project's \% of total contract dollars}) * (\text{Relative availability of DBEs})]}{[(\text{Project's \% of total contract dollars}) * (\text{Relative availability of DBEs})] + \dots}$$

Table 3: Weighted Base Figure

Project Description	NAICS Code(s)	% of Contract Dollars	Relative Availability of DBEs	Weighted Base Figure by Contract
Preventive Maintenance – Bus Parts and Service (FY15-18 Section 5307 Allocations)	441300 & 811100	66.01%	0.00%	0.00%
Preventive Maintenance –	423840	3.30%	10.53%	0.35%

Industrial Supplies (FY15-18 Section 5307 Allocations)				
Preventive Maintenance – Exterminating services for fleet and facilities (FY15-18 Section 5307 Allocations)	561710	0.55%	3.45%	0.02%
Preventive Maintenance – facilities plumbing (FY15-18 Section 5307 Allocations)	238220	0.33%	0.00%	0.00%
Preventive Maintenance – facilities electrical (FY15-18 Section 5307 Allocations)	238210	0.33%	0.00%	0.00%
Preventive Maintenance – facilities HVAC (FY15-18 Section 5307 Allocations)	238220	0.66%	0.00%	0.00%
Preventive Maintenance – facilities roofing (FY15-18 Section 5307 Allocations)	238160	0.22%	5.26%	0.01%
Bus Stop Signage	339950	1.54%	11.11%	0.17%
Bus Shelter Installation	238910 & 238110	1.10%	31.25%	0.34%
Fare Collection system upgrade	334514	4.40%	0.00%	0.00%
Intermodal Terminal Furniture and Equipment	423210	7.26%	0.00%	0.00%
Southwest Shreveport Bus Transfer Center	238910 & 238110	14.30%	31.25%	4.47%
<b>Total Weighted Base Figure</b>				<b>5.36%</b>

The weighted base figure was developed by multiplying the percent of the total contract dollars for each anticipated contract from Table 1 by the relative availability of DBEs data for each contract from Table 2. The resulting weighted base figure by contract data was summed to reflect a total weighted base figure of 5.36%.

#### Step 2: Adjust Base Figure

Per 49 CFR 26.45(d), following calculation of a base figure, all available evidence must be examined to determine what adjustment, if any, is needed to the base figure in order to arrive at the overall DBE goal. For FY'16-'18, the nature of the contract work is sufficiently different from the previous goal period due to the scope of work for the southwest Shreveport transfer center which will primarily be paving and site work rather than building construction. Therefore, prior DBE participation is not a good indicator of participation for the current triennial period. As such, we have not made an adjustment to the base figure computed in Step 1.

Based on this analysis, the City of Shreveport proposes an overall DBE goal of 5.36% for FTA funds that will be expended in FTA-assisted contracts in Fiscal Years 2016-2018, exclusive of funds to be used for the purchase of transit vehicles.

#### Use of Race-Neutral Methods and DBE Contract Goals

The U.S. DOT regulations require that race-neutral methods be used to the maximum extent feasible to achieve the DBE overall goal. Race-neutral methods include making efforts to assure that bidding and contract requirements facilitate participation by DBEs and other small businesses; unbundling large contracts to make them more accessible to small businesses; encouraging prime contractors to subcontract portions of the work that they might otherwise perform themselves; and providing technical assistance, communications programs, and other support services to facilitate consideration of DBEs and other small businesses.

In the past, the City of Shreveport has experienced low DBE participation, in large part because of the types of projects implemented and the lack of availability of Louisiana-certified DBEs for specialized work. For 2016-2018, the proposed construction-related projects offer an opportunity for DBE participation. Based on the lack of DBE participation for the intermodal terminal contract in the previous goal period, despite the use of race-conscious methods, it is not clear that the DBE goal can be met through race-neutral means. To position the City of Shreveport to meet the DBE goal of 5.36%, we propose to achieve 4.81% of our goal through race-conscious means and 0.55% through race-neutral means. This breakdown reflects using a project goal for the transfer center and shelter installation projects. The project goals for these projects will be determined using detailed construction estimates and work breakdown analysis after design development has been completed.

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[1] DBE goals for Transit Vehicle Manufacturers (TVMs) are established through a separate FTA process.