

CITY OF SHREVEPORT - SporTran

DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL METHODOLOGY
FISCAL YEARS 2019-2021

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 2019 through Fiscal Year 2021. 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 2019-2021 is 3.05% 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 2019 - 2021 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 2019-2021 (excluding transit vehicle purchases)

Project Description	NAICS Code(s)	Amount	% of Total
Preventive Maintenance – Bus Parts and Service (FY19-21 Section 5307 Allocations)	441300 & 811100	\$3,000,000	85.81%
Preventive Maintenance – Industrial Supplies (FY19-21 Section 5307 Allocations)	423840	\$150,000	4.29%
Preventive Maintenance – Exterminating services for fleet and facilities (FY19-21 Section 5307 Allocations)	561710	\$21,000	0.60%
Preventive Maintenance – facilities plumbing (FY19-21 Section 5307 Allocations)	238220	\$15,000	0.43%
Preventive Maintenance – facilities electrical (FY19-21 Section 5307 Allocations)	238210	\$15,000	0.43%
Preventive Maintenance – facilities HVAC (FY19-21 Section 5307 Allocations)	238220	\$15,000	0.43%
Signage	339950	\$30,000	0.86%
Bus Stop Amenities and ADA Access	238910 & 238110	\$250,000	7.15%
Total		\$3,496,000	100%

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 2016 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	285	0.00%
Preventive Maintenance – Industrial Supplies (FY15-18 Section 5307 Allocations)	423840	2	22	9.09%
Preventive Maintenance – Exterminating services for fleet and facilities (FY15-18 Section 5307 Allocations)	561710	1	25	4.00%
Preventive Maintenance – facilities plumbing (FY15-18 Section 5307 Allocations)	238220	0	144	0.00%
Preventive Maintenance – facilities electrical (FY15-18 Section 5307 Allocations)	238210	2	86	2.33%
Preventive Maintenance – facilities HVAC	238220	0	144	0.00%

(FY15-18 Section 5307 Allocations)				
Bus Stop Signage	339950	1	9	11.11%
Bus Shelter Installation	238910 & 238110	17	48	35.42%
Total		23	763	3.01%

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:

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

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	85.81%	0.00%	0.00%
Preventive Maintenance – Industrial Supplies (FY15-18 Section 5307 Allocations)	423840	4.29%	9.09%	0.39%
Preventive Maintenance – Exterminating services for fleet and facilities (FY15-18 Section 5307 Allocations)	561710	0.60%	4.00%	0.02%
Preventive Maintenance – facilities plumbing (FY15-18 Section 5307 Allocations)	238220	0.43%	0.00%	0.00%
Preventive Maintenance – facilities electrical (FY15-18 Section 5307 Allocations)	238210	0.43%	2.33%	0.01%
Preventive Maintenance – facilities HVAC (FY15-18 Section 5307 Allocations)	238220	0.43%	0.00%	0.00%
Bus Stop Signage	339950	0.86%	11.11%	0.10%
Bus Shelter Installation	238910 & 238110	7.15%	35.42%	2.53%
Total Weighted Base Figure				3.05%

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 3.05%.

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'19-'21, the bulk of the contract work is preventive maintenance for the fleet. There are not any certified DBEs that supply bus parts or perform heavy-duty maintenance. Therefore, prior DBE participation is not a good indicator of participation for the current triennial period. Additionally, although the City of Shreveport is developing a scope of work to undertake a disparity study, this work has not yet been completed. Once that data is available, we will use that data to evaluate the need for adjustments in future period. As such, we have not made an adjustment to the base figure computed in Step 1 for the current triennial period.

Based on this analysis, the City of Shreveport proposes an overall DBE goal of 3.05% for FTA funds that will be expended in FTA-assisted contracts in Fiscal Years 2019-2021, 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.

Over the past three years, the City of Shreveport experienced slightly higher than usual DBE participation due to the number of capital projects that were undertaken. Between 2016 and 2018, the City of Shreveport constructed a new intermodal terminal and a transfer hub. The City of Shreveport does not anticipate any construction projects of this size and scope within the next decade as these projects met the major capital project needs of the transit system. Federal grant expenditures for 2019-2021 will be limited largely to preventive maintenance and vehicle procurement projects. Due to the lack of availability of Louisiana-certified DBEs for the supply of bus parts, we do not anticipate significant DBE participation in federal projects during this period. Given the small size and scope of the only anticipated construction projects (Bus stop amenities and ADA accessibility improvements) and the lack of clear subcontracting opportunities, we intend to meet our goal through race-neutral means only. However, if additional construction opportunities present themselves through discretionary grant awards or reprioritization of existing funds, we anticipate (based on prior experience) needing to use race-conscious means to achieve adequate DBE participation on large-scale construction projects. If project goals are used, the project goals will be determined using detailed construction estimates and work breakdown analysis after design development has been completed.

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