



**City of Montgomery – The M Transit System
DBE Program Goal Setting For Federal Transit Administration
(FTA) Assisted Contracts
Analysis and Methodology for Fiscal Year 2023 to Fiscal Year 2025**

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**Goal Setting Methodology
 OVERALL GOAL**

Base Line

In accordance with 49 Code of Federal Regulations (CFR) part 26.45 the following goal was established. The process used to determine this goal as stated in 49 CFR 26 is as follows:

Step One: Weight of Work

As a result of a review of the ALDOT Certified DBE Directory, we were able to establish which firms were ready, willing and able in order to calculate the baseline goal as per 49 CFR 26.45 (c) (2).

In accordance with regulations, the City of Montgomery-The M Transit System utilized Step 1 Methodology outlined by the Federal Transit Administration, Office of Civil Rights, in the PowerPoint presentation “Disadvantaged Business Enterprises Goal Setting Methodology (Version 4.0).” To determine the weight of funds used in the 3-year period each NAICS code and funds were calculated.

	NAICS Code	Project	Amount of DOT funds on project:	% of total DOT funds (weight)
1)	323111	Printing and related support activities	\$39,066.75	1.70%
2)	441310	Automotive parts, accessories, and tire stores	\$1,002,605.25	43.51%
3)	453210	Office supplies and stationary stores	\$32,321.00	1.40%
4)	454310	Direct Selling Establishment	\$0.00	0.00%
5)	488410	Support activities for road transportation	\$1,058,781.00	45.95%
6)	561730	Landscaping services	\$24,240.00	1.05%
7)	561740	Carpet and upholstery cleaning services	\$1,500.00	0.07%
8)	812320	Linen and Uniform Supply	\$145,908.00	6.33%
	Total FTA-Assisted Contract Funds		\$2,304,422.00	1.0000

Step Two: Relative Availability

In an effort to determine a picture of DBE representation in the area, the number of local DBEs and the number of local firms (DBE and Non-DBE) ready, willing and able to bid on upcoming projects were determined. The base figure is obtained by dividing the number of ready, willing and able DBEs by the total number of ready, willing and able firms (DBE and Non-DBE).

$$\text{DBE firms} / \text{All Firms (including DBEs)} = \text{Relative Availability}$$

The M Transit submitted a list of work categories that described work that could feasibly be part of FTA projects. These work categories were utilized in step one of the City of Montgomery-The M Transit System FY-2023 to 2025 DBE Goal determination. The work categories are as follows: Printing, Tires, Fluids, Office Supplies, Fuel, Wrecker Service, Lawn Service, Carpet/Floor Cleaning, and Uniforms. The Alabama Department of Transportation (ALDOT) Certified DBE list was analyzed for companies that could be described by two parameters. First, the company must be within the Montgomery Metropolitan Statistical Area meaning within the counties of Autauga, Elmore, Lowndes and Montgomery, and second, the company must be certified to complete work described by the work categories. **Six** companies from the list met both parameters.

The U.S. Census Bureau’s 2012 Economic Census – Summary Statistics by 2010 North America Industry Classification System (NAICS) for the Montgomery MSA. The work categories previously listed were analyzed to determine the NAICS code describing the category. Table 1 details the work categories and equivalent NAICS codes, the number of firms in the Montgomery MSA, and the number of firms in the Montgomery MSA on the Alabama Department of Transportation (ALDOT) Certified DBE list.

NAICS Code	NAICS Description	Project (Work Category)	DBEs available to perform this Work	Number of all firms available (including DBEs)	Relative Availability
323111	Printing and related support activities	Printing	0	30	0.00%
441310	Automotive parts, accessories, and tire stores	Tires & Fluids	1	92	1.09%
453210	Office supplies and stationary stores	Office Supplies	0	8	0.00%
454310	Direct Selling Establishment	Fuel	0	27	0.00%
488410	Support activities for road transportation	Wrecker Service	0	13	0.00%
561730	Landscaping services	Lawn Service	5	61	8.20%
561740	Carpet and upholstery cleaning services	Carpet/Floor Cleaning	0	9	0.00%
812320	Linen and Uniform Supply	Uniform	0	5	0.00%
		TOTAL	6	245	2.45%

$$\text{Relative Availability} = \frac{6 \text{ DBEs}}{245 \text{ DBEs and Non-DBEs}} = 2.5\%$$

Step Three: Weighted Base Figure

Once the weight of each type of work performed has been calculated in Step One, and the relative availability has been determined as shown in Step Two, it is then possible to determine the Weighted Base Figure. This is achieved by taking the weight calculated from Step one and multiplying it by the availability in Step two.

Step 3 - (Weight) x (Availability) = Weighted Base Figure						
	NAICS Code	Project	Weight	x	Availability	Weighted Base Figure
1)	323111	Printing and related support activities	1.70000	x	0.00000	0.0000
2)	441310	Automotive parts, accessories, and tire stores	43.51000	x	0.01087	0.4729
3)	453210	Office supplies and stationary stores	1.40000	x	0.00000	0.0000
4)	454310	Direct Selling Establishment	0.00000	x	0.00000	0.0000
5)	488410	Support activities for road transportation	45.95000	x	0.00000	0.0000
6)	561730	Landscaping services	1.05000	x	0.08197	0.0861
7)	561740	Carpet and upholstery cleaning services	0.07000	x	0.00000	0.0000
8)	812320	Linen and Uniform Supply	6.33000	x	0.00000	0.0000
					Total	0.5590
					Expressed as a % (*100)	5.59%
					Rounded, Weighted Base Figure:	6%

Step Four: Adjusting Base Figure to set DBE Goal

In accordance with regulations, the City of Montgomery-The M Transit System utilized the Step 2 Methodology outlined by the Federal Transit Administration, Office of Civil Rights, in the PowerPoint presentation “Disadvantaged Business Enterprises Goal Setting Methodology.” The methodology proposed four criteria to determine the adjusted base figure, the current capacity of existing DBEs to do the work, disparity studies, input from interested parties, and past participation. Of the criteria proposed, past participation, was determined to be applicable. The requirement that the upcoming contract opportunities are similar to past contract opportunities was met. Past DBE participation was determined for the preceding four years.

- FY-2018 = 0.00%
- FY-2019 = 0.01%
- FY-2020 = 0.00%
- FY-2021 = 0.00%
- FY-2022 = 0.00%

In FY-2022, Certified DBE firms were utilized to do pressure washing at the downtown Montgomery transit station, and a DBE firm was used to prepare the FY 2023-2027 Transit Development Plan (TDP). Further, minority firms were used to perform routine landscaping and lawn services at the transit system headquarters and West Fairview Ave Transit Station on an as needed basis. The expenditures in relation to total expenditures results in a low DBE participation percent annually. The median DBE participation for the four-year period was 0.000% which is very low compared to what funds are being spent on with non-minority DBE firms.

The FY 2023 – FY-2025 DBE Goal was determined by averaging the weighted base figure (6%) and the median past DBE participation (0.000%) of the previous 4 years. The proposed FY-2023 – FY-2025 DBE Goal is 3%, with 1.5% being race conscious and 1.5% being race neutral.

Part of the reason why DBE participation is low and therefore the goal is low is that the City of Montgomery and the M Transit System utilizes race neutral contracting by awarding contracts to the lowest responsible bidder, but does require that all prime contractors include DBE or minority subcontractors involved in work. The M Transit also has not had any active construction contracts in the past several years. However, the goal will be attempted to be attained by using race conscious measures in all contracting opportunities. A good faith effort is being shown by Prime contractors to obtain the race conscious goal, but the race conscious goal is not being met. Race is not a consideration in receiving any contract, and contracts are awarded to the lowest responsible bidder, unless it is determined that the bidder is not responsible.

Measures Initiated to Increase DBE Participation:

Historically usage of certified DBEs has been very low. The City of Montgomery and the M Transit System are utilizing various ways to increase DBE participation, including encouraging minority businesses that might be able to fulfill the M Transit System and City of Montgomery needs to get certified through the ALDOT DBE process and program and encouraging them to get assistance from Alabama State University’s (ASU) DBE supportive services program or other programs around the area and State of Alabama. Info concerning contracting opportunities will be decimated through general circulation newspapers, e-mail lists, and internet websites for the City of Montgomery and the M Transit System.

The following means are utilized to increase opportunities for DBEs and small businesses:

- (1) Direct all inquiries regarding becoming a certified DBE to ASU DBE Supportive Services Program located at the Small Businesses Resource Center and ALDOT DBE Office
- (2) Direct all inquiries regarding training on federal bonding and loans to ASU and ALDOT
- (3) Continue to solicit in general circulation newspapers advertisements concerning contracting opportunities, and also solicit quotes that are issued to DBEs or small businesses and also send to businesses that are on bidders list.
- (4) Notify and disseminate information concerning contracting opportunities to ASU DBE Supportive Services Program office and the local chamber of commerce minority business enterprise director by e-mail.
- (5) Use any other reasonable means thought of during the coming year to energize the program by getting better DBE participation or at least making a good faith effort.
- (6) Attending and/or sponsoring conferences and workshops to increase interaction with potential DBEs, certified DBEs, and DBE program officials at ALDOT and the five satellite locations at Alabama State University, the University of Alabama-Birmingham, University of Alabama-Huntsville, Stillman College, and Tuskegee University.

Outreach and Consultation Done During FY-2022

Under the requirements for consultation with minority, women and general contractor groups, community organizations, and other officials or organizations, the City of Montgomery and the M Transit System advertised the public notice for the FY 2023-2025 DBE Goal in the local general circulation newspaper and posted Draft DBE Goal on the Transit Systems Website and the City of Montgomery Website on the Planning Department webpage only this fiscal year.

TABLE 2:

Date	Event Type & Site	Participants	City of Montgomery and The M Public Transit Subsequent DBE Outreach Efforts
NA	NA	NA	NA
NA	NA	NA	NA

NA	NA	NA	NA
NA	NA	NA	NA

Public Participation/Public Involvement Comment Period

As required by 49 CFR 26.45(g), the City of Montgomery/ The M Transit System DBE goal was advertised in the local newspaper of general circulation and internet websites of The M Public Transit System and The City of Montgomery Public Transit System to notify the public and solicit comments into the development of the goal. The goal was advertised for 30 days with the comment period lasting for 45 days. The comment period started on Saturday, July 16, 2022 and ended on Monday, August 29, 2022. Once the comment period ended, a public involvement summary was completed to document the DBE goal preparation and comment process. The copy of the display advertisement is included as Attachment A.

Conclusion

Based on the narrative above, the City of Montgomery – The M Public Transit System has established its DBE Goal for FY-2023 to FY-2025 as 3% with 1.5% being race neutral and 1.5% being race conscious. The 1.5% race conscious goal based upon the weighted base as well as prior years participation. This has been the practice of the City of Montgomery/The M transit system. The race conscious portion of the goal will remain for FY-2023 to FY-2025 as it did from FY-2020 to FY-2022, meaning that all contractors must either attain the goal or show good faith effort to attain the goal.

Attachments A:

PUBLIC NOTICE

Fiscal Year FY-2023 to FY-2025 Proposed Disadvantaged Business Enterprise (DBE) Goal

Notice is hereby given that the City of Montgomery and The M Transit System have established their proposed (FY) 2023 (2022/2023 calendar year) to (FY) 2025 (2024/2025 calendar year) Disadvantaged Business Enterprise (DBE) program goal for the Federal Transit Administration (FTA) assisted contracting opportunities of 3%. In conformance with implementing regulation 49 CFR Parts 23 and 26, as amended, the City of Montgomery and The M Transit System developed the goal based on federal regulations of the United States Department of Transportation (USDOT) for DBE participation in The M Transit System and City of Montgomery FTA contract activities for goods and services that The M Transit System or the City needs for the years mentioned.

The purpose of this notice is to afford certified DBEs, general contractor groups, minorities, and woman's organizations an opportunity to participate and comment on the draft FY-2023 to FY-2025 DBE Goal. The City of Montgomery/The M Transit System DBE program proposed goal and methodology may be reviewed for 45 days starting with the first day of publication of this notice during normal business hours from 8:00 a.m.-5:00 p.m., Monday-Friday at the City of Montgomery's, Department of Planning, Transportation Planning Division, located at the Intermodal Transportation Facility, 495 Moulton Street, Montgomery, AL 36104. The comment period ends on Monday, August 29th 2022. Questions and comments regarding the goal setting process, the draft DBE goal and the final FY-2023 to FY-2025 DBE goal can be mailed to the address below, faxed to (334) 241-2326 or emailed to the email address below by Monday, August 29th, 2022. The DBE Goal and methodology can also be reviewed on the M Transit System website located at <http://www.montgomerytransit.com>.

For more information about the proposed FY-2023 to FY-2025 DBE goal setting process and the proposed FY-2023 to FY-2025 DBE Goal, or to comment, contact Mr. Casey Lewis, Transportation Planner in the City of Montgomery, Planning Department at (334) 625-2734 or email him at ctlewis@montgomeryal.gov; or contact Mrs. Doretha Foster, Regional Civil Rights Officer, Federal Transit Administration (FTA), Office of Civil Rights, Region IV at (404) 865-5633, by e-mail at Doretha.Foster@dot.gov, or by mail at 230 Peachtree Street, NW Suite 800, Atlanta, GA 30303, or by fax at (404) 865-5605.